

HOUSING AUTHORITY OF THE CITY OF ALAMEDA

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

JUNE 30, 2021

**WITH
REPORT OF INDEPENDENT AUDITORS**

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
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JUNE 30, 2021

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REPORT OF INDEPENDENT AUDITORS

To the Board of Commissioners of the
Housing Authority of the City of Alameda:

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities (primary government) and the discretely presented component unit of the Housing Authority of the City of Alameda (the "Authority") as of and for the year ended June 30, 2021, and the related notes to the financial statements, which 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We did not audit the financial statements of the discretely presented component unit. Those statements, which were prepared in accordance with the accounting standards issued by the Financial Accounting Standards Board, were audited by other auditors whose reports have been furnished to us. Our opinion, insofar as it relates to the amounts included for the aforementioned entity, is based solely on the report of the other auditors. 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. The financial statements of the Discretely Presented Component Unit were not audited in accordance with *Government Auditing Standards*. 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 auditors' 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 auditors consider 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 opinion.

Opinion

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the net position of the primary government and the aggregate discretely presented component unit of the Authority, as of June 30, 2021, and the changes in their net position and, where applicable, their cash flows, 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, required pension information and other postemployment benefit information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of expenditures of federal awards is presented for purpose 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* and is not a required part of the basic financial statements. The accompanying financial data schedule is also not a required part of the financial statements and is presented for the purposes of additional analysis as required by the U.S. Department of Housing and Urban Development.

The schedule of expenditures of federal awards and the 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 financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards 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 28, 2022 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Novogradac & Company LLP

March 28, 2022
Toms River, New Jersey

MANAGEMENT'S DISCUSSION AND ANALYSIS

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR
THE YEAR ENDED JUNE 30, 2021**

This section of the Housing Authority of the City of Alameda's (the "Authority") annual financial report presents a discussion and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we furnished in our presentation to the Board of Commissioners.

The following management's discussion and analysis will discuss the results of the Authority's operations. Key financial information for the current fiscal year will be compared with those of the prior year.

Financial Highlights

- The assets and deferred outflows of the Authority exceeded its liabilities and deferred inflows at the close of fiscal year 2021 resulting in a net position of \$117,076,375 at June 30, 2021, as opposed to \$107,445,875 at June 30, 2020.
- Total assets and deferred outflows of resources at June 30, 2021, were \$163,335,052. Of this, \$33,506,313 represents current assets, \$128,214,504 represents noncurrent assets, and \$1,614,235 represents deferred outflows of resources. Total assets and deferred outflows of resources at June 30, 2020, were \$142,914,855.
- Capital assets, net of accumulated depreciation at June 30, 2021, decreased by \$1,592,275 from \$76,882,077 at June 30, 2020, to \$75,289,802 at June 30, 2021. Capital assets are reflected at cost, less accumulated depreciation for all purchased capital assets.
- Total liabilities and deferred inflows of resources at June 30, 2021, were \$46,258,677. Of this, \$8,783,953 represents current liabilities, \$35,685,147 represents noncurrent liabilities, and \$1,789,577 represents deferred inflows of resources. Net position increased from \$107,445,875 at June 30, 2020, to \$117,076,375 at June 30, 2021, an increase of \$9,630,500.
- Total operating and non-operating revenues for the Authority for fiscal year 2021 were \$48,082,776 versus \$42,846,677 for fiscal year 2020; an increase of \$5,236,009. The primary sources of revenue for 2021 were governmental grants including Section 8 Housing Choice Vouchers Program (Section 8) Housing Assistance Payment ("HAP"), Coronavirus Aid, Relief and Economic Security Act ("CARES Act") Grants, City of Alameda grants, Alameda Unified School District grants, and tenant rents collected from the Authority's owned units. For fiscal year 2021 and 2020, please note that \$8,197,594 and \$7,580,220, respectively, of HAP received from HUD to Authority-owned properties are eliminated from financial statement presentation, as these payments are paid to the Authority as landlord for Authority-owned properties.
- Total operating and non-operating expenses for the Authority for fiscal year 2021 were \$41,821,758 versus \$40,246,670 for fiscal year 2020; an increase of \$1,575,088. The major program expenditure, as reflected on the statement of revenues, expenses, and changes in net position, was for HAP. There were \$25,944,368 of HAP expenses for fiscal year 2021 versus \$24,298,568 in fiscal year 2020. For fiscal year 2021 and 2020, please note that \$8,197,594 and \$7,580,220, respectively of HAP received from HUD and disbursed to landlords are eliminated from financial statement presentation, as these payments are paid to the Authority as landlord for Authority-owned properties.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR
THE YEAR ENDED JUNE 30, 2021**

Financial Highlights (continued)

- Operating revenues for the Authority for fiscal year 2021 were \$47,845,491 and operating expenses were \$40,829,873, respectively. Operating revenues and expenses for fiscal year 2020 were \$42,272,232 and \$39,140,756, respectively.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements, which are comprised of a statement of net position, statement of revenues, expenses, and changes in net position, statement of cash flows and notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements report information of the Authority as a whole, net of inter-program activity.

The *statement of net position* presents information on the Authority's assets and deferred outflows, and liabilities and deferred inflows, with the difference between the two reported as net position. 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* presents information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The *statement of cash flows* presents the change in the Authority's cash and cash equivalents during the most recent fiscal year.

Fund Financial Statements

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. Some programs are required to be established by U.S. Department of Housing and Urban Development ("HUD"). However, the Authority also administers other programs to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other moneys. All of the funds of the Authority are classified on the face of the financial statements as one enterprise housing fund as a result of Governmental Accounting Standards Board ("GASB") Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*.

Enterprise funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the statement of net position. The focus of enterprise funds is on income measurement, which together with the maintenance of equity, is an important financial indication.

Notes to the Basic Financial Statements

The *notes to the financial statements* provide additional information that is essential to a full understanding of the data provided in the fund financial statements.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR
THE YEAR ENDED JUNE 30, 2021**

Component Unit

As is more fully described in Note 1, the government-wide financial statements include the financial information of Island City Development (a California Nonprofit Corporation), a discrete component unit of the Authority. A complete audited financial statement is separately issued for Island City Development and its subsidiary limited partnerships and limited liability companies. As a non-profit corporation, Island City Development is required to file an informational tax return.

In fiscal year ended June 30, 2018, the Authority created a new blended component unit, Alameda Affordable Housing Corporation ("AAHC"). The financial statements for AAHC are not presented separately. As a non-profit corporation, AAHC is required to file informational tax returns.

These aforementioned reports may be obtained at the Authority's administrative offices located at 701 Atlantic Avenue, Alameda, California or on our website at www.alamedahsg.org.

Supplementary Information

The schedule of expenditures of federal awards, the pension and OPEB schedules, and the financial data schedule are presented for purposes of additional analysis as required by the GASB Statements, the Uniform Guidance at 2 CFR 200 Subpart F, and the requirements of HUD. These schedules can be found in the supplementary information sections of this report.

Financial Analysis

The Authority uses funds to help it control and manage money for particular purposes. A portion of the Authority's net position reflects the investment in capital assets (e.g., land, buildings and improvements, furniture, equipment and machinery), net of any debt incurred to finance the acquisition of those assets. The Authority uses these capital assets to provide services to clients; consequently, these assets are not available for future spending.

Budgetary Highlights

An agency-wide budget was prepared for the fiscal year ended June 30, 2021. The budget was primarily used as a management tool. Budgets are prepared in accordance with the accounting procedures prescribed by the applicable funding agency and revised during the year as appropriate.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR
THE YEAR ENDED JUNE 30, 2021**

Comparative Statements of Net Position

The following table reflects the statement of net position at June 30, 2021, compared to the prior fiscal year. The Authority is engaged only in business-type activities.

Comparative Statements of Net Position

Primary Government Only

June 30, 2021 and 2020

	June 30, 2021	June 30, 2020	\$ Variance	% Variance
Current Assets	33,506,313	32,249,801	1,256,512	4%
Other noncurrent assets	52,924,702	31,401,911	21,522,791	69%
Capital assets, net of accumulated depreciation	75,289,802	76,882,077	(1,592,275)	-2%
Total Assets	161,720,817	140,533,789	21,187,028	15%
Deferred outflow of resources	<u>1,614,235</u>	<u>2,381,066</u>	(766,831)	-32%
Total Assets and Deferred Outflows of Resources	<u>163,335,052</u>	<u>142,914,855</u>	20,420,197	14%
Current liabilities	8,783,953	4,254,488	4,529,465	106%
Noncurrent liabilities	35,685,147	29,612,920	6,072,227	21%
Total liabilities	44,469,100	33,867,408	10,601,692	31%
Deferred inflow of resources	1,789,577	1,601,572	188,005	12%
Net investment in capital assets	52,296,105	52,213,847	82,258	0%
Restricted	1,597,212	1,232,330	364,882	30%
Unrestricted	<u>63,183,058</u>	<u>53,999,698</u>	9,183,360	17%
Total Net Position	117,076,375	107,445,875	9,630,500	9%

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR
THE YEAR ENDED JUNE 30, 2021**

Comparative Statements of Revenues, Expenses, and Changes in Net Position

The following table presents the statement of revenues, expenses, and changes in net position for the fiscal year ended June 30, 2021, compared to the prior fiscal year.

**Comparative Statements of Revenues, Expenses, and Changes in Net Position
Primary Government Only
Years Ended June 30, 2021 and 2020**

	June 30, 2021	June 30, 2020	\$ Variance	% Variance
Operating Revenues				
Grants	42,925,875	38,028,840	4,897,035	13%
Rents	3,989,823	3,784,594	205,229	5%
Other revenues	929,793	458,798	470,995	103%
Non-Operating Revenues				
Interest Income	163,535	433,945	(270,410)	-62%
Gain on insurance proceeds	73,750	140,500	(66,750)	-48%
Total Revenues	<u>48,082,776</u>	<u>42,846,677</u>	5,236,099	12%
Operating Expenses				
Administrative	8,685,681	7,921,167	764,514	10%
Utilities	838,948	1,195,788	(356,840)	-30%
Maintenance	2,094,670	2,386,291	(291,621)	-12%
Protective Services	325,311	291,941	33,370	11%
General	643,825	619,812	24,013	4%
Tenant Services	616,228	641,831	(25,603)	-4%
Housing Assistance Payments	25,944,368	24,298,568	1,645,800	7%
Depreciation	1,680,842	1,785,358	(104,516)	-6%
Non-operating expenses:				
Interest Expense	991,885	1,105,914	(114,029)	-10%
Total Expenses	<u>41,821,758</u>	<u>40,246,670</u>	1,575,088	4%
Change in net position	<u>6,261,018</u>	<u>2,600,007</u>	3,661,011	141%
Special Item and Transfers in				
Operating transfers to (from) discretely presented component unit	3,860,098	-	3,860,098	N/A
Loss on sale of fixed assets	(490,616)	-	(490,616)	N/A
Net position, beginning	<u>107,445,875</u>	<u>104,845,868</u>	2,600,007	2%
Net position, ending	117,076,375	107,445,875	9,630,500	9%

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR
THE YEAR ENDED JUNE 30, 2021**

Comparative Statements of Revenues, Expenses, and Changes in Net Position (continued)

As noted previously HAP received from HUD as income by the Authority and paid to Authority-owned properties are eliminated from financial statement presentation, with a net zero effect on Net Position.

Please note the operating transfer to discretely presented component unit and the loss on sale is related to the transfer of Rosefield Village from the Authority to an affiliate of Island City Development, Constitution & Eagle, Limited Partnership.

Sewer pass-through charges have been reclassified from Utilities Expense to Administrative Expenses.

Analysis of the Authority's Overall Financial Position and Results of Operations

As indicated in the above comparative statements, the Authority's net position at June 30, 2021, increased by \$9,630,500 from June 30, 2020.

Changes in Capital Assets

The following presents the changes in fixed assets (net of accumulated depreciation) at June 30, 2021, versus the prior fiscal year ended June 30, 2020.

	June 30, 2021	June 30, 2020	\$ Variance	% Variance
Land	58,219,779	58,219,779	-	0%
Construction in progress	524,761	103,890	420,871	405%
Buildings and improvements	47,127,590	48,248,833	(1,121,243)	-2%
Equipment	425,015	477,444	(52,429)	-11%
Total capital assets	<u>106,297,145</u>	<u>107,049,946</u>	(752,801)	-1%
less: Accumulated Depreciation	<u>(31,007,343)</u>	<u>(30,167,86)</u>	(839,474)	3%
Capital Assets, net of Accumulated Depreciation	75,289,802	76,882,077	(1,592,275)	-2%

Additional information pertaining to capital assets is found in Note 4 to the financial statements. Please note the reduction in buildings and improvements is related to the transfer of Rosefield Village from the Housing Authority of the City of Alameda to an affiliate of Island City Development, Constitution & Eagle, Limited Partnership.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR
THE YEAR ENDED JUNE 30, 2021**

Changes in Long-Term Debt

The following presents the changes in long-term debt at June 30, 2021, versus the prior fiscal year.

Changes in Long-Term Debt Primary Government Only June 30, 2021 and 2020				
	June 30, 2021	June 30, 2020	\$ Variance	% Variance
Notes and bonds payable	22,993,697	24,668,230	(1,674,533)	-7%

Additional information pertaining to long-term debt is found in Note 8 to the financial statements.

Unfunded Pension Liability and Other Postemployment Benefits Liability Stabilization

In 2016, \$1,000,000 was made to CalPERS for retirement costs associated with the Authority's pension liability. In May 2020, the Board of Commissioners approved an additional discretionary payment of \$1,000,000 to prefund pension liabilities by June 30, 2020 and directed the Authority's staff to fund the balance of the unfunded pension liability through the soft-fresh start payment mechanism. This mechanism will allow the Authority to pace the contribution based on its ability. If the unfunded pension liability is within 90%-110% of funding level, no action will be taken. If the unfunded pension liability is below 90% or above the 110% of funding level, the Authority will escalate to the Board of Commissioners on whether there is any necessary course of action. Furthermore, during the fiscal year ended June 30, 2018, the Authority entered into an agreement and funded a CalPERS sponsored California Employers' Retiree Benefit Trust ("CERBT") Fund to pre-fund the Authority's Other Post Employment Benefit ("OPEB") liabilities. As of June 30, 2021, the investment fund's balance is \$1,576,348. Both the CalPERS and OPEB trust fund audited financial statements may be obtained from the CalPERS administrative offices located at 400 Q Street, Sacramento, California or at <http://www.calpers.ca.gov>.

Economic Factors

The Authority is primarily dependent upon HUD for the funding of operations. Therefore, the Authority is affected more by the federal budget than by state or local economic conditions. Changes in HUD grants affect the number of households that can be assisted under these federally funded programs on an ongoing basis.

The Authority's annual revenues for the Section 8 Housing Choice Vouchers Program is based primarily upon the amounts received each year from HUD, which does not correlate directly to the amounts expended each year for administrative costs and housing assistance payments expenses associated with the Section 8 Housing Choice Vouchers Program. Therefore, for any given fiscal year the Authority's revenues for the Section 8 Housing Choice Vouchers Program may be more or less than the expenses for the program. For the fiscal year ended June 30, 2021, the Authority's expenses associated with the Section 8 Housing Choice Vouchers Program exceeded its revenues by \$610,774. For the 2020 fiscal year, the Authority's expenses for the Section 8 Housing Choice Vouchers Program exceeded its revenues by \$893,997. These excesses of expenses over revenues were funded by a reduction in the Authority's net position for the Section 8 Housing Choice Vouchers Program.

On March 11, 2020, the World Health Organization declared the outbreak of a strain of novel coronavirus a pandemic. As a result, economic uncertainties have arisen which may negatively impact operations. Since that time, HUD provided additional funding pursuant to the Coronavirus Aid, Relief and Economic Security Act.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED) FOR
THE YEAR ENDED JUNE 30, 2021**

Requests for Information

This financial report is designed to provide citizens, taxpayers, and creditors with a general overview of the Authority's finances and to show the Authority's accountability for the money it receives. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Director of Finance at the Housing Authority of the City of Alameda, 701 Atlantic Avenue, Alameda, California 94501.

FINANCIAL STATEMENTS

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
STATEMENT OF NET POSITION
AS OF JUNE 30, 2021**

ASSETS			
	Primary Government	Discretely Presented Component Unit	Total Reporting Entity (Memorandum Only)
Current assets:			
Cash and cash equivalents	\$ 30,680,818	\$ 2,980,664	\$ 33,661,482
Tenant security deposits	470,764	45,774	516,538
Accounts receivable, net	2,021,251	70,367	2,091,618
Prepaid expenses	<u>333,480</u>	<u>32,102</u>	<u>365,582</u>
Total current assets	<u>33,506,313</u>	<u>3,128,907</u>	<u>36,635,220</u>
Non-current assets:			
Restricted cash	1,833,657	352,730	2,186,387
Notes receivable	50,750,678	-	50,750,678
Accrued interest on notes receivable	9,507	-	9,507
Capital assets, net	75,289,802	33,725,947	109,015,749
Other assets	<u>330,860</u>	<u>19,185,657</u>	<u>19,516,517</u>
Total non-current assets	<u>128,214,504</u>	<u>53,264,334</u>	<u>181,478,838</u>
Total assets	<u>161,720,817</u>	<u>56,393,241</u>	<u>218,114,058</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension plan	1,524,124	-	1,524,124
OPEB Plan	<u>90,111</u>	<u>-</u>	<u>90,111</u>
Total deferred outflows of resources	<u>1,614,235</u>	<u>-</u>	<u>1,614,235</u>
Total assets and deferred outflows of resources	<u>\$ 163,335,052</u>	<u>\$ 56,393,241</u>	<u>\$ 219,728,293</u>

See accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
STATEMENT OF NET POSITION (continued)
AS OF JUNE 30, 2021

LIABILITIES

	Primary Government	Discretely Presented Component Unit	Total Reporting Entity (Memorandum Only)
Current liabilities:			
Accounts payable	\$ 595,946	\$ 56,611	\$ 652,557
Accounts payable - other government	33,697	-	33,697
Accrued expenses	175,754	-	175,754
Accrued compensated absences, current	179,870	-	179,870
Tenant security deposits	439,323	44,734	484,057
Accrued interest payable	1,133,222	1,278,154	2,411,376
Current portion of bonds and notes payable	5,505,109	-	5,505,109
Unearned revenue	329,393	15,627	345,020
Other current liabilities	<u>391,639</u>	<u>306,900</u>	<u>698,539</u>
Total current liabilities	<u>8,783,953</u>	<u>1,702,026</u>	<u>10,485,979</u>
Non-current liabilities:			
Accrued compensated absences, net of current portion	101,603	-	101,603
Long-term portion of bonds and notes payable	17,488,588	42,170,253	59,658,841
Accrued pension	1,884,641	-	1,884,641
Prepaid ground lease	16,210,315	-	16,210,315
Other non-current liabilities	<u>-</u>	<u>1,618,236</u>	<u>1,618,236</u>
Total non-current liabilities	<u>35,685,147</u>	<u>43,788,489</u>	<u>79,473,636</u>
Total liabilities	<u>44,469,100</u>	<u>45,490,515</u>	<u>89,959,615</u>

DEFERRED INFLOWS OF RESOURCES

Pension plan	619,054	-	619,054
OPEB plan	<u>1,170,523</u>	<u>-</u>	<u>1,170,523</u>
Total deferred inflows of resources	<u>1,789,577</u>	<u>-</u>	<u>1,789,577</u>

NET POSITION

Net position:			
Net investment in capital assets	52,296,105	(8,444,306)	43,851,799
Restricted	1,597,212	352,730	1,949,942
Unrestricted	<u>63,183,058</u>	<u>18,994,302</u>	<u>82,177,360</u>
Total net position	<u>117,076,375</u>	<u>10,902,726</u>	<u>127,979,101</u>
Total liabilities, deferred inflows, and net position	<u>\$ 163,335,052</u>	<u>\$ 56,393,241</u>	<u>\$ 219,728,293</u>

See accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2021

	Primary Government	Discretely Presented Component Unit	Total Reporting Entity (Memorandum Only)
Operating revenues:			
Tenant revenue	\$ 3,989,823	\$ 1,170,690	\$ 5,160,513
HUD operating grants	35,790,302	-	35,790,302
Other government grants	7,135,573	-	7,135,573
Other revenues	<u>929,793</u>	<u>17,650</u>	<u>947,443</u>
Total operating revenues	<u>47,845,491</u>	<u>1,188,340</u>	<u>49,033,831</u>
Operating expenses:			
Administrative	8,685,681	365,447	9,051,128
Asset management fee	-	10,610	10,610
Tenant services	616,228	-	616,228
Utilities	838,948	43,227	882,175
Ordinary repairs and maintenance	2,094,670	120,216	2,214,886
Protective services	325,311	-	325,311
Insurance	319,507	40,494	360,001
General	324,318	151,781	476,099
Housing assistance payments	25,944,368	-	25,944,368
Depreciation	<u>1,680,842</u>	<u>854,662</u>	<u>2,535,504</u>
Total operating expenses	<u>40,829,873</u>	<u>1,586,437</u>	<u>42,416,310</u>
Operating income (loss)	<u>7,015,618</u>	<u>(398,097)</u>	<u>6,617,521</u>
Non-operating revenues (expenses):			
Investment income	163,535	-	163,535
Interest expense	(991,885)	(654,507)	(1,646,392)
Loss on sale of fixed assets	<u>(490,616)</u>	<u>-</u>	<u>(490,616)</u>
Net non-operating revenues (expenses)	<u>(1,318,966)</u>	<u>(654,507)</u>	<u>(1,973,473)</u>
Income (loss) before special items and transfers	5,696,652	(1,052,604)	4,644,048
Special items and transfers in	73,750	1,945,532	2,019,282
Operating transfers (to) from discretely presented component unit	<u>3,860,098</u>	<u>(3,860,098)</u>	<u>-</u>
Change in net position	9,630,500	(2,967,170)	6,663,330
Net position, beginning of year	<u>107,445,875</u>	<u>13,869,896</u>	<u>121,315,771</u>
Net position, end of year	<u>\$ 117,076,375</u>	<u>\$ 10,902,726</u>	<u>\$ 127,979,101</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Primary Government</u>
Cash Flows from Operating Activities:	
Cash received from tenants and other	\$ 6,994,344
Cash received from grantors	44,865,125
Cash paid to suppliers and vendors	(37,027,388)
Cash paid to employees	<u>(5,716,083)</u>
Net cash provided by operating activities	<u>9,115,998</u>
Cash Flows from Capital and Related Financing Activities:	
Purchase of capital assets	(915,976)
Principal payments on long term debt	(1,674,533)
Interest paid on long term debt	(933,868)
Proceeds on sale of assets held for sale	<u>336,793</u>
Net cash used in capital and related financing activities	<u>(3,187,584)</u>
Cash Flows from Investing Activities:	
Issuance of notes receivable	(4,874,542)
Proceeds from repayment of notes receivable	2,318,363
Repayments from affiliate	73,750
Interest received on investments	<u>201,710</u>
Net cash used in investing activities	<u>(2,280,719)</u>
Net increase in cash, cash equivalents, and restricted cash	3,647,695
Cash, cash equivalents and restricted cash, beginning of year	<u>29,337,544</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 32,985,239</u>
Reconciliation of cash, cash equivalents and restricted cash to the Statement of Net Position is as follows:	
Cash and cash equivalents	\$ 30,680,818
Tenant security deposits	470,764
Restricted cash	<u>1,833,657</u>
Cash, cash equivalents and restricted cash, end of year	<u>\$ 32,985,239</u>

See accompanying notes to financial statements.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
STATEMENT OF CASH FLOWS (continued)
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Primary Government</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 7,015,618
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	1,680,842
Bad debts	45,983
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources	
Accounts receivable, net	567,904
Prepaid expenses	(104,043)
Other assets	(153,350)
Deferred outflows of resources	766,831
Accounts payable	(222,239)
Accrued compensated absences	(46,906)
Accrued expenses	175,754
Tenant security deposits	(142,176)
Unearned revenue	3,371,875
Other current liabilities	(66,895)
Accrued pension liability	(570,084)
Deferred inflows of resources	188,005
Other non-current liabilities	<u>(3,391,121)</u>
Net cash provided by operating activities	\$ <u>9,115,998</u>
Schedule of Non-cash Investing and Capital and Related Financing Activities:	
Financed prepaid ground lease	\$ <u>13,110,000</u>
Assumption of debt	\$ <u>633,912</u>
Take back of sellers notes receivable	\$ <u>3,466,088</u>

See accompanying notes to financial statements.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Housing Authority of the City of Alameda (the "Authority") is a governmental, public corporation created on August 8, 1940, by a resolution of the City of Alameda City Council. The Authority is governed by a seven-member Board of Commissioners which is appointed by the mayor of the City of Alameda, California (the "City"). However, the Authority is not considered to be a component unit of the City or any other primary government. Two members of the Board of Commissioners are participants in programs administered by the Authority. The Board of Commissioners are selected to serve for either two-year or four-year terms. The Authority is responsible for operating certain safe, decent, sanitary, and affordable low-rent housing programs in the City under programs administered by the U.S. Department of Housing and Urban Development ("HUD"). These programs provide housing for eligible families under the United States Housing Act of 1937, as amended.

B. Basis of Accounting / Financial Statements Presentation

The Authority's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The programs of the Authority are organized as separate accounting entities. Each program is accounted for by a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position (program equity), revenues, and expenses. The individual programs account for the governmental resources allocated to them for the purpose of carrying on specific programs in accordance with laws, regulations, or other restrictions, including those imposed by HUD. The programs of the Authority are combined and considered an enterprise fund. An enterprise fund is used to account for activities that are operated in a manner similar to those found in the private sector.

The Authority's enterprise fund is accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, and losses from assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The Authority's financial statements are prepared in accordance with GASB 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as amended ("GASB 34"). GASB 34 requires the basic financial statements to be prepared using the economic resources measurement focus and the accrual basis of accounting and requires the presentation of a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows. GASB 34 also requires the Authority to include Management's Discussion and Analysis as part of the Required Supplementary Information.

The Authority's primary source of non-exchange revenue relates to grants and subsidies. In accordance with GASB 33, *Accounting and Financial Reporting for Non-exchange Transactions* ("GASB 33"), grant and subsidy revenue are recognized at the time eligible program expenditures occur and/or the Authority has complied with the grant and subsidy requirements.

On January 30, 2008, HUD issued PIH Notice 2008-9 which requires that unused housing assistance payments ("HAP") under proprietary fund reporting should be reported as restricted net position, with the associated cash and investments also being reported as restricted. Any unused administrative fees should be reported as unrestricted net position, with the associated assets being reported on the financial data schedule as unrestricted.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Accounting / Financial Statements Presentation (continued)

Both administrative fee and HAP revenue continue to be recognized under the guidelines set forth in GASB 33. Accordingly, both the time and purpose restrictions as defined by GASB 33 are met when these funds are available and measurable, not when these funds are expended. The Section 8 Housing Choice Vouchers program is no longer a cost reimbursement grant; therefore, the Authority recognizes unspent administrative fee and HAP revenue in the reporting period as revenue for financial statement reporting.

In accordance with 2 CFR 200.305(b)(9), any investment income earned up to \$500 on these funds may be retained by the Authority. Amounts in excess of \$500 must be remitted annually to the Department of Health and Human Services, Payment Management System.

Measurement Focus and Basis of Accounting

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary funds' principal ongoing operations. The principal operating revenues of the Authority's funds are rent and maintenance charges to residents, operating grants and subsidies from HUD, and administration fees earned.

Operating expenses for proprietary funds include the administrative costs of providing services to residents and the housing assistance payments to residents. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

C. Reporting Entity

In accordance with GASB 61, *The Financial Reporting Entity Omnibus - An Amendment of GASB Statements No. 14 and No. 34*, the Authority's financial statements include those of the Authority and any component units. Component units are legally separate organizations whose majority of officials are appointed by the primary government or the organization is fiscally dependent on the primary government and there is a potential for those organizations either to provide specific financial benefits to, or impose specific financial burdens on, the primary government. An organization has a financial benefit or burden relationship with the primary government if any one of the following conditions exist:

1. The primary government (Authority) is legally entitled to or can otherwise access the organization's resources.
2. The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization.
3. The primary government is obligated in some manner for the debt of the organization.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Reporting Entity (continued)

Based upon the application of these criteria, this report includes the following discretely presented component unit:

Discretely Presented Component Unit

Island City Development

Island City Development (a California nonprofit corporation) was established in 2014 primarily to engage in acquiring, developing, rehabilitating, owning, and managing affordable housing for low-income and moderate-income individuals and families in the City. The executive director of the Authority appoints the members of the nonprofit corporation's board of directors. The nonprofit corporation has a year end of December 31, 2020, and the financial activity is reported in a separate column to emphasize that they are legally separate from the primary government and are included under the "Discretely Presented Component Unit" column on the Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position.

Island City Development is the sole member of Del Monte Senior LLC, the 0.01% managing general partner of Sherman and Buena Vista LP, created June 23, 2016, for the purposes of developing and owning a 31-unit Low-Income Housing Tax Credit property at 1031 Buena Vista Avenue in Alameda. This property was completed in August 2018.

Additionally, Island City Development is the sole member of 2437 Eagle Avenue LLC, the 0.01% managing general partner of Everett and Eagle LP, created November 22, 2016, for the purposes of developing and owning a 20-unit Low-Income Housing Tax Credit property at 2437 Eagle Avenue in Alameda. This property was completed in December 2018. Island City Development is the 0.1% special limited partner for Stargell Commons LP, created February 20, 2015, to own and operate a 32-unit Low-Income Housing Tax Credit property at 2700 Bette Street in Alameda.

Finally, Island City Development is the sole member of Rosefield, LLC, the 0.01% managing general partner of Constitution and Eagle, LP, created December 18, 2018, for the purpose of building 78 units and renovation of 14 units (total 92 units) on the 700 block of Buena Vista Avenue. The property started the construction and rehabilitation process in the summer of 2020.

Audited financial statements are issued separately for the discretely presented component unit noted above, and may be obtained from the Authority, 701 Atlantic Avenue, Alameda, CA 94501.

Blended Component Units

Alameda Affordable Housing Corporation ("AAHC")

Alameda Affordable Housing Corporation ("AAHC") was established November 1, 2017, as a supporting organization of the Authority. Its primary role is to be a title holding entity for Authority-owned properties. AAHC received federal tax exempt status under Section 501(c)3 in 2017. The board of directors is comprised of all of the current Authority's Board of Commissioners and the directors' terms run concurrent with the commissioners'.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Description of Programs

The Authority maintains its accounting records by program. A summary of the significant programs operated by the Authority is as follows:

Section 8 Housing Choice Vouchers Program

The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income families under Section 8 of the Housing and Urban Development Act of 1974. The program provides payments covering the difference between the maximum rent on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating household.

State and Local Programs

Periodically, the Authority administers various grants from the State of California and/or the County and City of Alameda. These activities as well as the Authority's internal service funds are reported in this fund.

PIH Family Self Sufficiency Program

The purpose of the Family Self-Sufficiency Program is to promote the development of local strategies to coordinate the use of assistance under the Housing Choice Voucher and Public Housing programs with public and private resources to enable participating families to increase earned income and financial literacy, reduce or eliminate the need for welfare assistance, and make progress toward economic independence and self-sufficiency.

Emergency Housing Vouchers

The purpose of Emergency Housing Vouchers is to assist individuals and families who are experiencing homelessness; at risk of experiencing homelessness; fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking; or were recently homeless and for whom providing rental assistance will prevent the family's homelessness or having high risk of housing instability.

Section 8 Moderate Rehabilitation Single Room Occupancy

The Section 8 Moderate Rehabilitation Single Room Occupancy Program provides rental assistance to homeless individuals. Under the program, HUD enters into Annual Contributions Contracts with public housing agencies (PHAs) in connection with the moderate rehabilitation of residential properties that, when rehabilitation is completed, will contain multiple single room dwelling units.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Description of Programs (continued)

Shelter Plus Care

The Shelter Plus Care Program provides rental assistance, in connection with supportive services funded from sources other than this program, to homeless persons with disabilities (primarily persons who are seriously mentally ill; have chronic problems with alcohol, drugs, or both; or have acquired immunodeficiency syndrome and related diseases) and their families. The program provides assistance through four components: (1) Tenant-based Rental Assistance; (2) Sponsor-based Rental Assistance; (3) Project-based Rental Assistance; (4) and Single Room Occupancy for Homeless Individuals.

CARES Act Funding Programs

During the year ended June 30, 2021, the Authority was awarded CARES Act funding as part of the Section 8 Housing Choice Vouchers Program. These funds are to be used to prevent, prepare for, and respond to the Coronavirus ("COVID-19"), as well as help the Authority maintain normal operations during the period impacted by COVID-19.

E. Use of Management Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the allowance for doubtful accounts, accrued expenses and other liabilities, depreciable lives of properties and equipment, amortization of leasehold improvements and contingencies. Actual results could differ significantly from these estimates.

F. Cash and Cash Equivalents

HUD requires housing authorities to invest excess funds in obligations of the United States, Certificates of Deposit or any other federally insured investment.

HUD also requires that deposits be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

For the statement of cash flows, cash and cash equivalents include all cash balances and highly liquid investments with a maturity of three months or less at time of purchase. It is the Authority's policy to maintain collateralization in accordance with HUD requirements.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Accounts Receivable, Net

Rents are due from tenants on the first day of each month. As a result, tenants receivable balances primarily consist of rents past due and vacated units. An allowance for doubtful accounts is established to provide for accounts, which may not be collected in the future for any reason. Collection losses on accounts receivable are charged against the allowance for doubtful accounts. Also included in accounts receivable are those amounts that tenants owe the Authority as payment for committing fraud or misrepresentation. These charges usually consist of retroactive rent and other amounts that may be determined by a formal written agreement or by a court order.

The Authority recognizes a receivable from HUD and other governmental agencies for amounts billed but not received and for amounts unbilled, but earned as of year-end.

H. Allowance for Doubtful Accounts

The Authority periodically reviews all accounts receivable to determine the amount, if any, that may be uncollectable. If it is determined that an account or accounts may be uncollectable, the Authority prepares an analysis of such accounts and records an appropriate allowance against such amounts.

I. Prepaid Expenses

Prepaid expenses represent amounts paid as of year-end that will benefit future operations.

J. Notes Receivable

The Authority has utilized development funds in accordance with HUD guidelines to assist in the construction and redevelopment of numerous public housing developments through the issuance of mortgage notes. When preparing financial statements in accordance with GAAP, management is required to make estimates as to the collectability of such mortgage notes. When estimating collectability, management analyzes the value of the underlying mortgaged property, the property's ability to generate positive cash flow, and current economic trends and conditions. Management utilizes these estimates and judgments in connection with establishing an allowance for uncollectable amounts during an accounting period.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Capital Assets, Net

Capital assets are stated at cost. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Expenditures determined to represent additions or betterments are capitalized. Upon the sale or retirement of capital assets, the cost and related accumulated depreciation are eliminated from the accounts and any related gain or loss is reflected in the Statement of Revenues, Expenses and Changes in Net Position. Depreciation is calculated using the straight-line method based on the estimated useful lives of the following asset groups:

- | | |
|---------------------------|--------------|
| • Buildings | 40 Years |
| • Site improvements | 15 Years |
| • Furniture and equipment | 5 - 10 Years |

The Authority has established a capitalization threshold of \$5,000.

L. Impairment of Long Lived Assets

The Authority evaluates events or changes in circumstances affecting long-lived assets to determine whether an impairment of its assets has occurred. If the Authority determines that a capital asset is impaired, and that the impairment is significant and other-than-temporary, then an impairment loss will be recorded in the Authority's financial statements. During the year ended June 30, 2021, there were no impairment losses incurred.

M. Inter-Program Receivables and Payables

Inter-program receivables and payables are all classified as either current assets or current liabilities, and are the result of the use of a concentrated account depository as the common paymaster for most of the programs of the Authority. Cash settlements are made monthly. All inter-program balances are reconciled, and inter-program receivables and payables balances net to zero. In accordance with GASB 34, inter-program receivables and payables are eliminated for financial statement purposes. Detail balances by program are found in the Financial Data Schedule of this report.

N. Deferred Outflows / Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until that time.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Accounts Payable and Accrued Liabilities

The Authority recognizes a liability for goods and services received but not paid for as of year-end. It also recognizes a liability for wages and fringe benefits related to services performed at year-end but not yet paid to employees or taxing authorities.

P. Unearned Revenue

The Authority's unearned revenue primarily consists of the prepayment of rent by residents, the current portion of prepaid ground leases and the receipt of HUD and other grant funding applicable to future periods prior to incurring the corresponding expense.

Q. Accrued Compensated Absences

Compensated absences are those absences for which employees will be paid in accordance with the Authority's Personnel Policy. A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the Authority and its employees are accounted for in the period in which such services are rendered or in which such event takes place.

R. Equity Classifications

Equity is classified as net position and displayed in three components:

Net investment in capital assets - Consists of resources including restricted capital assets, net of accumulated depreciation and reduced by the 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 - Consists of resources with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

S. Operating Revenues and Expenses

The Authority defines its operating revenues as income derived from charges to residents and others for services provided as well as government subsidies and grants used for operating purposes. The Authority receives annual operating subsidies from HUD, subject to limitations prescribed by HUD. Operating subsidies from HUD are recorded in accordance with GASB 33 and are accounted for as revenue. Other contributions from HUD that are for development and modernization of capital assets are reflected separately in the accompanying financial statements as capital grants. Operating expenses are costs incurred in the operation of its program activities to provide services to residents and others. The Authority classifies all other revenues and expenses as non-operating.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2021

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

T. Taxes

The Authority is exempt from Federal Income and California Franchise Taxes.

U. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the California Public Employees' Retirement System ("CalPERS") and additions to/deductions from CalPERS's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

V. Budgets and Budgetary Accounting

The Authority adopts annual, appropriated operating budgets for all its programs receiving federal expenditure awards and are used as a management tool throughout the accounting cycle. All budgets are prepared on a HUD basis, which differs with accounting principles generally accepted in the United States of America. All appropriations lapse at HUD's program year end or at the end of grant periods.

W. Economic Dependency

The Section 8 Housing Choice Vouchers program of the Authority is economically dependent on subsidies from HUD. The program operates at a loss prior to receiving the grants.

X. Risk Management

The Authority is exposed to various risks related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs and there have been no significant reductions in insurance coverage. Claims expenditures and liabilities are reported when it is probable that a loss has occurred, the amount of the loss can be reasonably estimated, and said amount exceeds insurance coverage. Settlement amounts have not exceeded insurance coverage for the last three years.

NOTE 2. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

As of June 30, 2021, the Authority had funds on deposit in checking, savings and money market accounts. The carrying amount of the primary government's cash and cash equivalents (including restricted cash) was \$32,985,239, and the bank balances were \$33,265,833.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2021

NOTE 2. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH (continued)

<u>Cash Category</u>	<u>Primary Government</u>	<u>Discretely Presented Component Units</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Unrestricted	\$ 30,680,818	\$ 2,980,664	\$ 33,661,482
Tenant security deposits	470,764	45,774	516,538
Restricted	<u>1,833,657</u>	<u>352,730</u>	<u>2,186,387</u>
Total cash, cash equivalents, and restricted cash	<u>\$ 32,985,239</u>	<u>\$ 3,379,168</u>	<u>\$ 36,364,407</u>

Of the primary government's bank balances, \$1,429,597 was covered by federal depository insurance and the remaining \$31,836,236 was collateralized with the pledging financial institution as of June 30, 2021. Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. As of June 30, 2021, the Authority's bank balances were not exposed to custodial credit risk.

NOTE 3. ACCOUNTS RECEIVABLE, NET

Accounts receivable, net consists of the following as of June 30, 2021:

<u>Description</u>	<u>Primary Government</u>	<u>Discretely Presented Component Unit</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Accounts receivable - HUD	\$ 18,951	\$ -	\$ 18,951
Accounts receivable - PHA Projects	159,630	-	159,630
Accounts receivable - other government	1,482,269	-	1,482,269
Accounts receivable - tenants, net	230,017	-	230,017
Accounts receivable - miscellaneous	<u>130,384</u>	<u>70,367</u>	<u>200,751</u>
Total accounts receivable, net	<u>\$ 2,021,251</u>	<u>\$ 70,367</u>	<u>\$ 2,091,618</u>

Accounts Receivable - HUD

As of June 30, 2021, Accounts receivable - HUD consisted of amounts due to the Authority for amounts expended under grant agreements that have not yet been reimbursed. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

Accounts Receivable - PHA Projects

Accounts receivable - PHA Projects represents amounts owed to the Authority by other Public Housing Authorities for administrative fees and Port-in HAP expense under the portability provisions of the Section 8 Housing Choice Vouchers program. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

Accounts Receivable - Other Government

Accounts receivable - other government represents amounts owed to the Authority by other federal agencies and state and local governments. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2021

NOTE 3. ACCOUNTS RECEIVABLE, NET (continued)

Accounts Receivable - Tenants, Net

Tenant accounts receivable represents amounts owed to the Authority by tenants for outstanding rent. The balance is shown net of an allowance for doubtful accounts of \$151,255.

Accounts Receivable - Miscellaneous

Accounts receivable - miscellaneous consists of amounts owed from managed properties and other miscellaneous sources from normal ongoing operations. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

NOTE 4. CAPITAL ASSETS, NET

The following is a summary of the primary government's changes in capital assets for the year ended June 30, 2021:

Description	June 30, 2020	Additions	Dispositions	Transfers	June 30, 2021
<u>Non-depreciable capital assets:</u>					
Land	\$ 58,219,779	\$ -	\$ -	\$ -	\$ 58,219,779
Construction in progress	<u>103,890</u>	<u>431,676</u>	<u>(10,805)</u>	<u>-</u>	<u>524,761</u>
Total	<u>58,323,669</u>	<u>431,676</u>	<u>(10,805)</u>	<u>-</u>	<u>58,744,540</u>
<u>Depreciable capital assets:</u>					
Buildings	48,248,833	447,149	(1,568,392)	-	47,127,590
Furniture and equipment	<u>477,444</u>	<u>37,151</u>	<u>(89,580)</u>	<u>-</u>	<u>425,015</u>
Total	<u>48,726,277</u>	<u>484,300</u>	<u>(1,657,972)</u>	<u>-</u>	<u>47,552,605</u>
Less: accumulated depreciation	<u>30,167,869</u>	<u>1,680,842</u>	<u>(841,368)</u>	<u>-</u>	<u>31,007,343</u>
Net capital assets	<u>\$ 76,882,077</u>	<u>\$ (764,866)</u>	<u>\$ (827,409)</u>	<u>\$ -</u>	<u>\$ 75,289,802</u>

The following is a summary of the discretely presented component unit's capital assets activity for the year ended June 30, 2021:

Description	June 30, 2020	Additions	Dispositions	Adjustments	June 30, 2021
<u>Non-depreciable capital assets:</u>					
Land	\$ 2,170,596	\$ 171,470	\$ -	\$ -	\$ 2,342,066
Construction in progress	<u>-</u>	<u>6,517,307</u>	<u>-</u>	<u>-</u>	<u>6,517,307</u>
Total	<u>2,170,596</u>	<u>6,688,777</u>	<u>-</u>	<u>-</u>	<u>8,859,373</u>
<u>Depreciable capital assets:</u>					
Buildings	26,161,709	237,240	-	-	26,398,949
Furniture and equipment	<u>512,067</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>512,067</u>
Total	<u>26,673,776</u>	<u>237,240</u>	<u>-</u>	<u>-</u>	<u>26,911,016</u>
Less: accumulated depreciation	<u>1,020,974</u>	<u>854,662</u>	<u>-</u>	<u>168,806</u>	<u>2,044,442</u>
Net capital assets	<u>\$ 27,823,398</u>	<u>\$ 6,071,355</u>	<u>\$ -</u>	<u>\$ (168,806)</u>	<u>\$ 33,725,947</u>

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2021**

NOTE 5. RESTRICTED DEPOSITS

Restricted deposits consist of the following as of June 30, 2021:

<u>Cash Category</u>	<u>Primary Government</u>	<u>Discretely Presented Component Unit</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Emergency housing voucher reserves	\$ 99,750	\$ -	\$ 99,750
Replacement reserves	1,141,740	-	1,141,740
Escrow reserves	455,472	-	455,472
Project reserves	-	352,730	352,730
Family self-sufficiency escrows	136,695	-	136,695
Tenant security deposits	<u>470,764</u>	<u>45,774</u>	<u>516,538</u>
Total restricted deposits	<u>\$ 2,304,421</u>	<u>\$ 398,504</u>	<u>\$ 2,702,925</u>

Emergency housing voucher reserves are restricted to be used on expenditures directly related to the program.

Replacement reserves are required to be set aside for future project expenditures in accordance with regulatory agreements.

Escrow reserves are required to be set aside for future project expenditures in accordance with various regulatory agreements.

Project reserves are reserves in the discretely presented component unit that are required to be set aside for future project expenditures according to the respective regulatory agreement.

Family Self Sufficiency ("FSS") program escrows represent amounts held by the Authority on behalf of FSS program participants. Upon graduation from the program, the participant is due amounts deposited plus interest earned.

Tenant security deposits represent amounts held by the Authority on behalf of tenants. Upon termination, the tenant is due amounts deposited plus interest earned less any amounts charged for damage to the unit.

NOTE 6. NOTES RECEIVABLE

Outstanding notes receivable for the primary government as of June 30, 2021 consisted of the following:

<u>Description</u>	<u>Amount</u>
Effective January 5, 2004, Resources for Community Development ("RCD") entered into a promissory note with the Authority for an amount not to exceed \$2,015,000 for the Breakers at Bayport property located at 459 Neptune Gardens Avenue. This loan was assigned to the Breakers at Bayport LP on October 14, 2004. This loan accrues no interest and is secured by the underlying property. Payments shall be deferred until maturity, January 5, 2059.	\$ 1,408,790

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2021**

NOTE 6. NOTES RECEIVABLE (continued)

<u>Description</u>	<u>Amount</u>
Effective March 9, 2007, Tamiko L. Taplin and Anthony Taplin entered into a promissory note with the Authority (and therefore the Successor Agency per the Recognized Obligation Payment Schedule ("ROPS") for \$23,600 for the property at 338 Ansel Avenue. On April 30, 2019, Tamiko L. Taplin and Anthony Taplin entered into the First Amendment to Promissory Note, which removed the balloon payment set for March 9, 2021. The amendment also contained a provision to change the potential amount of interest owed to be the lesser of 5% simple interest or shared appreciation. If the principal amount is paid after March 9, 2011, the borrower must also pay a share of the appreciation of the property, as calculated in the note.	23,600
Effective December 18, 2007, Bud D. and Jennifer S. Nebeker entered into a promissory note with the Authority (and therefore the Successor Agency per ROPS) for \$31,800 for the property at 2 Bertero Court. On March 13, 2019, Bud D. and Jennifer S. Nebeker entered into the First Amendment to Promissory Note, which removed the balloon payment set for December 18, 2022. The amendment also contained a provision to change the potential amount of interest owed to be the lesser of 5% simple interest or shared appreciation. If the principal amount is paid after December 19, 2012, the borrower must also pay a share of the appreciation of the property, as calculated in the note.	31,800
Effective January 23, 2008, Annalisa Moore entered into a promissory note with the Authority (and therefore the Successor Agency per ROPS) for \$31,800 for the property at 101 Kingfisher Avenue. A balloon payment is due on January 23, 2023. If the principal amount is paid after January 23, 2013, the borrower must also pay a share of the appreciation of the property, as calculated in the note.	31,800
Effective March 24, 2008, RCD entered into a promissory note with the Authority (and therefore the Successor Agency per ROPS) for an amount not to exceed \$4,000,000 for the Shinsei Gardens property, located at 401 Willie Stargell Avenue. The loan was assigned to Shinsei Gardens Apartments LP on March 24, 2008, and was modified on March 24, 2008, and modified again on May 14, 2010. This loan accrues no interest and is secured by the underlying property. Payments shall be deferred until March 23, 2063.	1,304,390
Effective September 27, 2011, Alameda Islander LP entered into a promissory note with the Authority (and therefore the Successor Agency per ROPS) for \$8,600,000 for the Park Alameda property located at 2428 Central Avenue. This loan accrues no interest and is secured by the underlying property. Payments shall be deferred until September 27, 2068.	8,600,000

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2021

NOTE 6. NOTES RECEIVABLE (continued)

<u>Description</u>	<u>Amount</u>
Effective January 11, 2013, Jack Capon Villa LP entered into a promissory note with the Authority for the amount of \$225,000 for the Jack Capon Villa property located at 2216 Lincoln Avenue. Interest accrues at 5% per annum. Monthly installments of \$2,386 (principal and interest) are due based on a 10-year amortization schedule. The entire unpaid principal and interest shall be due and payable on April 1, 2024.	89,598
Effective January 11, 2013, Jack Capon Villa LP entered into an amended and restated promissory note with the Authority for an amount not to exceed \$1,400,000 for the Jack Capon Villa property located at 2216 Lincoln Avenue. Simple interest accrues at 3% per annum. Payments shall be deferred until January 17, 2068.	1,400,000
Effective January 11, 2013, Jack Capon Villa LP entered into a promissory note with the Authority for the amount of \$200,000 for the Jack Capon Villa property located at 2216 Lincoln Avenue. Simple interest accrues at 3% per annum. Principal and interest shall be due and payable on January 13, 2070.	201,067
Effective April 16, 2013, Ana M. Rojas entered into a promissory note with the Authority for the amount of \$4,148 for the Regent Street property located at 1129-1131 Regent Street. The loan accrues no interest. The principal is due and payable on demand, on sale of the property, or when the property is no longer the primary residence of the borrower.	2,248
Effective August 1, 2013, Nicola Petoichis entered into a promissory note with the Authority for the amount of \$7,676, for the Regent Street property located at 1129-1131 Regent Street. The loan accrues no interest. The principal is due and payable on demand, on sale of the property, or when the property is no longer the primary residence of the borrower.	7,676
Effective November 24, 2015, Stargell Commons LP entered into a loan agreement with the Authority for the amount of \$2,000,000 for the Stargell Commons property, located at 2700 Bette Street. The loan bears simple interest at 3% per annum and is secured by underlying property. Annual payments shall be made equal to the lender's share of residual receipts. The principal and interest are due and payable on December 2, 2072.	2,000,000
Effective December 1, 2016, Sherman and Buena Vista LP entered into a loan agreement with the Authority for the amount of \$3,600,000 for the Del Monte Senior property at 1301 Buena Vista Avenue. The loan bears interest at 2.26% compounded annually and is secured by the underlying property. Annual payments shall be made equal to the lender's share of residual receipts. The principal and interest are due and payable on December 31, 2073.	3,600,000

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2021**

NOTE 6. NOTES RECEIVABLE (continued)

<u>Description</u>	<u>Amount</u>
Effective November 1, 2019, MidPen Housing Corporation entered into a promissory note with the Authority for the amount of \$92,569. The note accrued simple interest at 3% annually beginning on November 1, 2021. The entire amount of outstanding principal and accrued interest is due and payable on November 1, 2024.	92,569
Effective December 1, 2016, Sherman and Buena Vista LP entered into a loan agreement with the Authority for the amount of \$3,410,000 for the Del Monte Senior property at 1301 Buena Vista Avenue. The loan bears interest at 2.26% compounded annually and is secured by the underlying property. Annual payments shall be made equal to the lender's share of residual receipts. The principal and interest are due and payable on December 31, 2073.	3,410,000
Effective June 21, 2017, Everett and Eagle LP entered into a promissory note with the Authority for the amount of \$4,250,000 for the 2437 Eagle Avenue property. The note accrues interest at 2.68% compounded annually and is secured by the underlying property. Annual payments shall be made equal to the lender's share of residual receipts. The principal and interest are due and payable on December 31, 2074.	4,250,000
Effective October 23, 2017, Island City Development entered into a promissory note with the Authority for the amount of \$3,700,000 for the North Housing Project. The note accrues simple interest at 3% annually beginning on January 1, 2022 and is secured by the underlying property. The entire amount of outstanding principal and accrued interest is due and payable on December 31, 2074. During 2020, Island City Development entered into an amended note, increasing the note to \$3,830,000.	3,830,000
Effective August 1, 2020, Constitution and Eagle LP entered into a loan agreement with the Authority for the amount of \$16,576,088 for the Rosefield Village Apartments. The loan bears interest at 1.12% compounded annually. Annual payments shall be made equal to the lender's share of residual receipts. The principal and interest are due and payable on December 31, 2077. The loan is secured by real property.	16,576,088
Effective August 1, 2020, Constitution and Eagle LP entered into a loan agreement with the Authority for an amount not to exceed \$8,143,052, for the acquisition, construction, and rehabilitation of the Rosefield Village Apartments. The loan bears no interest. The principal and interest shall be due and payable on the earliest of (a) the expiration of the term, (b) the date the development is sold, or (c) an event of default. Beginning May 1, 2023, payments shall be made equal to the Authority's share of residual receipts. The loan matures on December 31, 2077 and is secured by the deed of trust.	1,483,052

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2021

NOTE 6. NOTES RECEIVABLE (continued)

<u>Description</u>	<u>Amount</u>
Effective January 15, 2021, Island City Development entered into a loan agreement with the Authority in the amount of \$2,408,000. The note shall bear interest at the rate of 3% per annum, beginning on January 1, 2024. The loan matures on December 31, 2074 and is unsecured.	<u>2,408,000</u>
Total notes receivable	<u>\$ 50,750,678</u>

Notes receivable amounts due within the next five fiscal years are as follows:

June 30, 2022	\$	0
2023		0
2024		89,598
2025		0
2026		0
Thereafter		<u>50,661,080</u>
		<u>\$ 50,750,678</u>

There is no interest accrued on any of the notes receivable due to uncertainty of collection based on the varying terms of the individual notes, which includes no provision for interest, deferral of payments, and future valuation determinations of the properties. Interest income will be recorded by the Authority as received.

NOTE 7. COMPENSATED ABSENCES

It is the Authority's policy to permit employees to accumulate earned but unused vacation leave up to a maximum of their annual accrual rate plus 10 days, up to a maximum of 250 hours at any time. In 2020, the annual vacation maximum was increased to 350 hours due to COVID-19, with an eventual reinstatement of 250 maximum hours by the end of 2022. This leave will be used in future periods or paid to employees upon separation from the Authority.

It is the Authority's policy to permit employees to accumulate earned but unused sick leave; however, the value of unused sick leave is not payable upon separation from the Authority.

As of June 30, 2021, accrued compensated absences of the Primary Government amounted to \$281,473, and consisted of the following activity for the year then ended:

<u>Description</u>	<u>Primary Government</u>	<u>Discretely Presented Component Unit</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Beginning compensated absences	\$ 328,379	\$ -	\$ 328,379
Compensated absences redeemed	<u>(46,906)</u>	<u>-</u>	<u>(46,906)</u>
Ending compensated absences	281,473	-	281,473
Less: current portion	<u>179,870</u>	<u>-</u>	<u>179,870</u>
Compensated absences, net of current portion	<u>\$ 101,603</u>	<u>\$ -</u>	<u>\$ 101,603</u>

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2021

NOTE 8. BONDS AND NOTES PAYABLE

Bonds and notes payable for the primary government consisted of the following as of June 30, 2021:

<u>Description</u>	<u>Amount</u>
A deed of trust bond payable was issued on May 1, 2005, totaling \$6,800,000 for the Parrot Village and Eagle Village Apartments. The bonds payable are administered by PNC Bank. The bonds accrue interest at a variable rate based upon the weekly short-term bond interest rate. The bonds require annual payments in the amounts necessary to pay all principal of premium, if any, and interest on the bonds as they become due. The bonds are secured by real property and mature on May 15, 2035. Concurrent with the transfer of Parrot Village and Eagle Village from the Authority to the Alameda Affordable Housing Corporation, these bonds were refinanced on July 15, 2021 and will be further discussed in the subsequent events section.	\$ 4,572,786
A promissory note agreement for \$235,900 was entered into with the City on July 15, 1996, for three condominiums at the following addresses: 2137 Otis Drive, 2209 Otis Drive, 1825 Shoreline Drive. This note bears no interest. Payment on this note was deferred until December 31, 2006, at which time semi-annual payments of principal are due based on an amortization schedule. The principal payment for 2021 totaled \$1,563. The note is secured by real property and matures on December 31, 2055.	217,912
A promissory note agreement for \$282,700 was entered into with the City on July 26, 1996, for four condominiums at the following addresses: 955 Shorepoint Court and 965 Shorepoint Court. This note bears no interest. Payment on this note is deferred until December 31, 2026, at which time semi-annual payments of principal are due based on an amortization schedule. The note is secured by real property and matures on on December 31, 2055.	282,700
A promissory note agreement for \$570,000 was entered into with the City on June 18, 1998, for the China Clipper property at 460 Buena Vista Avenue. This note bears interest at 3% per annum. Both interest and principal payments on this loan are deferred until the note's due date of June 30, 2057. The loan is secured by real property.	570,000
A promissory note agreement for \$380,000 was entered into with the County of Alameda on September 1, 2009, for the Lincoln House property at 745 Lincoln Avenue. The note bears simple interest at 3% per annum. The principal and accrued interest are due and payable on July 30, 2067. Principal and interest are payable annually throughout the term of the loan through Residual Receipts as defined in the note. The note is secured by real property.	380,000
A promissory note agreement for \$536,400 was entered into with the County of Alameda on September 1, 2009, for the 1917 Sherman Street property. The note bears simple interest at 3% per annum. The principal and accrued interest are due and payable on July 30, 2067. Principal and interest are payable annually throughout the term of the loan through Residual Receipts as defined in the note. The loan is secured by real property.	536,400

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2021

NOTE 8. BONDS AND NOTES PAYABLE (continued)

<u>Description</u>	<u>Amount</u>
A promissory note agreement for \$96,000 was entered into with the City on November 21, 2013, for the Anne B. Diament property at 920 Park Street. The note bears no interest. The principal is deferred and forgivable until November 22, 2028. The loan is secured by real property.	96,000
On June 30, 2014, the Authority entered into a mortgage note totaling \$14,291,000 with Amerisphere Multifamily Finance, LLC. The mortgage is serviced by NorthMarq Capital. The note is secured by the property referred to as the Esperanza Apartments at 1903 Third Street. The note bears interest at 5.63% per annum and requires combined monthly principal and interest payments totaling \$82,312. The note matures and is payable in full on July 1, 2044. This loan was transferred from the Authority to Alameda Affordable Housing Corporation with no change in terms on July 1, 2021 and will be further discussed in the subsequent events section.	12,746,433
On June 30, 2014, the Authority entered into a mortgage note totaling \$7,500,000 with Amerisphere Multifamily Finance, LLC. The mortgage is serviced by NorthMarq Capital. The note is secured by the property referred to as the Independence Plaza at 703 Atlantic Avenue. The note bears interest at 3.75% per annum and requires combined monthly principal and interest payments totaling \$64,758. The note matures and is payable in full on July 1, 2026.	<u>3,591,466</u>
Total bonds and notes payable	22,993,697
Less: current portion	<u>5,505,109</u>
Bonds and notes payable, excluding current portion	<u>\$ 17,488,588</u>

Annual debt service for principal and interest over the next five years and in five-year increments thereafter is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 5,505,109	\$ 934,996	\$ 6,440,105
2023	1,180,665	1,030,372	2,211,037
2024	1,228,410	982,627	2,211,037
2025	1,279,523	931,514	2,211,037
2026	1,332,228	878,809	2,211,037
2027-2031	10,481,150	36,796	10,517,946
2032-2036	-	-	-
2037-2041	-	-	-
2042-2046	-	-	-
2047-2051	-	-	-
2052-2056	500,612	-	500,612
2057-2061	570,000	-	570,000
2062-2066	-	-	-
2067	916,000	-	916,000
	<u>\$ 22,993,697</u>	<u>\$ 4,795,114</u>	<u>\$ 27,788,811</u>

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2021**

NOTE 8. BONDS AND NOTES PAYABLE (continued)

Debt activity for the primary government for the year ended June 30, 2021 consisted of the following:

Description	June 30, 2020 2020	Advances	Principal Reductions	June 30, 2021
Bonds and notes payable	\$ <u>24,668,230</u>	\$ <u>-</u>	\$ <u>(1,674,533)</u>	\$ <u>22,993,697</u>

Accrued interest payable as of June 30, 2021 and interest expense for the year then ended for the primary government totaled \$1,133,222 and \$991,885, respectively.

A summary of the Authority's discretely presented component unit bonds and notes payable are as follows:

<u>Notes payable to the Authority as evidenced by a Note Receivable (see Note 6):</u>	<u>Amount</u>
AHA North Housing loan	\$ 3,700,000
AHA North Housing - additional loan	130,000
AHA	3,600,000
AHA	3,410,000
AHA	4,250,000
AHA Rosefield Village Apartments	<u>16,576,088</u>
Total primary government loans to discretely presented component unit	<u>\$ 31,666,088</u>

<u>Description</u>	<u>Amount</u>
Note payable to Compass Bank, an Alabama banking corporation, provides construction financing in the maximum amount of \$10,322,328. The note is secured by a construction and permanent leasehold deed of trust with absolute assignment of leases and rents, security agreement and fixture filing. The note provides for interest only payments based on one-month LIBOR plus 1.80% per annum through the conversion date. The interest rate was 4.15% at December 31, 2018. In February 2019, the construction loan was partially paid off with the Limited Partner's capital contributions, with the remaining balance converted into a permanent loan of \$2,429,400 with California Community Reinvestment Corporation ("CCRC"). The Partnership entered into a promissory note agreement with CCRC for the permanent loan, with an interest rate of 5.39%, which requires monthly payments of principal and interest, and matures on March 1, 2034.	\$ 2,236,132
Note payable to the City of Alameda, secured by a subordinate deed of trust, borrowings up to \$195,740, simple interest at 3.00% per annum, payable from Residual Receipts and unpaid principal and interest are due on April 1, 2073.	195,740

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2021**

NOTE 8. BONDS AND NOTES PAYABLE (continued)

<u>Description</u>	<u>Amount</u>
Note payable to JPMorgan Chase Bank, N.A., a national banking association, provides construction financing in the maximum amount of \$9,858,528. The note is secured by a construction and deed of trust, assignment of rents, security agreement and fixture filing. The note provides for interest-only payments based on adjusted one-month LIBOR plus 1.85% per annum through the conversion date (4.35% as if December 31, 2018). In July 2019, the construction loan was partially repaid and concurrently converted to a \$3,330,168 permanent loan that bears interest of 5.55% that requires monthly payments of principal and interest of \$17,993. The note matures on September 21, 2039.	3,291,482
Note payable to the City of Alameda, secured by a subordinated leasehold deed of trust, assignment of rents, security agreement and fixture filing, borrowings up to \$153,282, simple interest at 3.00%, payable from residual receipts; unpaid principal and interest are due on December 31, 2074.	153,282
Note payable to County of Alameda (County Loan), in the maximum amount of \$1,000,000, secured by a subordinated leasehold deed of trust, assignment of rents, security agreement and fixture filing, simple interest at 3.00%, payable from residual receipts and unpaid principal and interest are due on December 31, 2074.	1,000,000
Note payable in the amount of \$40,322,758 (the Construction Loan) and payable to California Municipal Finance Authority, secured by a leasehold construction deed of trust. Interest accrues at the LIBOR rate plus 2.20% and is payable on a monthly basis. The loan is anticipated to convert April 10, 2023, and will mature September 1, 2040.	1,306,748
Note payable in the amount of \$8,093,414 dated August 1, 2020 and payable to the County of Alameda (County A1 Loan) and secured by a deed of trust. The loan bears simple interest at a rate of 3.00%. Principal and interest payments are made on May 1 of each calendar as residual receipts permits. Maturity date is August 1, 2075.	1,153,535
Note payable in the amount of \$8,143,052 dated August 1, 2020 and payable to the County of Alameda (AHA Funds Loan, AKA AHA Cash Funds), and secured by a deed of trust. The loan does not bear interest. Payments are made on May 1 of each calendar as residual receipts permits. Maturity date is December 31, 2077.	1,483,052
Note payable in the amount of \$8,093,414 dated August 1, 2020 and payable to the County of Alameda (County A1 Loan) and secured by a deed of trust. The loan bears simple interest at a rate of 3.00%. Principal and interest payments are made on May 1 of each calendar as residual receipts permit. Maturity date is August 1, 2075.	<hr style="width: 100%; border: 0.5px solid black;"/> 633,912

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2021**

NOTE 8. BONDS AND NOTES PAYABLE (continued)

<u>Description</u>	<u>Amount</u>
Total bonds and notes payable to other lenders	11,453,883
Less: unamortized debt issuance costs	<u>(949,718)</u>
Total bonds and notes payable	<u>\$ 42,170,253</u>

Bonds and notes payable for the discretely present component unit is shown net of debt issuance costs totaling \$949,718. Future maturities of bonds and notes payable for the discretely presented component unit are as follows:

December 31, 2021	\$ 150,396
2022	158,784
2023	1,474,388
2024	176,478
2025	186,833
Thereafter	<u>40,973,092</u>
Total bonds and notes payable	<u>\$ 43,119,971</u>

Accrued interest payable as of June 30, 2021 and interest expense as of and for the year then ended for the discretely presented component unit totaled \$1,278,154 and \$654,507, respectively.

For the year ended June 30, 2021, the effective interest rates approximated the stated interest rates.

NOTE 9. RESTRICTED NET POSITION

Restricted net position consists of the following as of June 30, 2021:

<u>Description</u>	<u>Primary Government</u>	<u>Discretely Presented Component Unit</u>	<u>Total Reporting Entity (Memorandum Only)</u>
Replacement reserves	\$ 1,141,740	\$ -	\$ 1,141,740
Project reserves	-	352,730	352,730
Escrow reserves	<u>455,472</u>	<u>-</u>	<u>455,472</u>
Total restricted net position	<u>\$ 1,597,212</u>	<u>\$ 352,730</u>	<u>\$ 1,949,942</u>

Replacement reserves represent funds held in reserve for future project expenditures in accordance with various regulatory agreements.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2021

NOTE 9. RESTRICTED NET POSITION (continued)

Project reserves represent funds that are restricted for repairs and replacement of buildings and equipment, operating deficits, insurance and tax escrows, and mortgage escrows.

Escrow reserves represent funds held in reserve for future project expenditures in accordance with various regulatory agreements.

NOTE 10. COMMITMENTS AND CONTINGENCIES

The Authority receives financial assistance from HUD in the form of grants and subsidies. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by HUD. As a result of these audits, costs previously reimbursed could be disallowed and require payments to HUD.

As of June 30, 2021, the Authority estimates that no material liabilities will result from such audits.

Vulnerability – Impact of COVID-19

The severity of the impact of COVID-19 on the Authority's operations will depend on a number of factors, including, but not limited to, the duration and severity of the pandemic and the extent and severity of the impact on the Authority's tenants, all of which are uncertain and cannot be predicted. The Authority's future results could be adversely impacted by delays in rent collections, portability payments from certain PHA's as well as grant reimbursements. Furthermore, staff absences due to the effects of COVID-19 could adversely impact the Authority's operations. Management is unable to predict with absolute certainty the impact of COVID-19 on its financial condition, results of operations or cash flows.

NOTE 11. PENSION PLAN

A. Plan Description

The plan is a cost-sharing multiple-employer defined benefit pension plan administered by CalPERS. A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes and membership information, is listed in the June 30, 2020 Annual Actuarial Valuation Report. This report is a publicly available valuation report that can be obtained at CalPERS' website under "Forms and Publications". All qualified permanent and probationary employees are eligible to participate in the Authority's cost-sharing multiple-employer defined benefit pension plans administered by CalPERS. Benefit provisions under the plans are established by State statute and the Authority's resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2021**

NOTE 11. PENSION PLAN (continued)

B. Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The plan's provisions and benefits in effect at June 30, 2021, are summarized as follows:

	<u>Miscellaneous Plan</u>	
Hire date	Prior to January 1, 2013	On or After January 1, 2013
Benefit formula	2% @ 55	2% @ 62
Benefit vesting formula	5 years of service	5 years of service
Benefit payments	Monthly or life	Monthly or life
Retirement age	50-63	52-67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	6.902%	6.500%
Required employer contribution rates	10.152%	7.266%

C. Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. The plan's actuarially determined rate is based on the estimated amount necessary to pay the costs of benefits earned by employees during the year, with an additional amount to pay any unfunded accrued liability. The Authority's contribution rates may change if plan contracts are amended. Payments made by the Authority to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. The Authority's contributions to the plan for the year ended June 30, 2021, were \$549,515.

D. Pension Liabilities, Pension Expense, Deferred Outflows of Resources, Deferred Inflows of Resources Related to Pensions

The Authority's net pension liability of \$1,884,641 is measured as the proportionate share of the net pension liability of \$4,218,076,343 (or 0.017321%). The net pension liability is measured as of June 30, 2021, and the total pension liability for each plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020, using standard update procedures. 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 plans relative to the projected contributions of all participating employers, actuarially determined.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2021**

NOTE 11. PENSION PLAN (continued)

D. Pension Liabilities, Pension Expense, Deferred Outflows of Resources, Deferred Inflows of Resources Related to Pensions (continued)

For the measurement period ended June 30, 2020, the Authority recognized pension expense of \$1,048,071 for the plan. At June 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 97,121	\$ -
Adjustments due to differences in proportions	229,871	455,211
Differences between expected and actual experience	-	13,442
Net differences between actual and projected earnings on pension plan investments	55,986	-
Net differences between proportionate share of required contribution and actual contribution	549,442	150,401
Contribution subsequent to the measurement date	<u>591,704</u>	<u>-</u>
Total	<u>\$ 1,524,124</u>	<u>\$ 619,054</u>

The \$591,704 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022 (measurement period ended June 30, 2020). These amounts are reflected in the financial statements as part of the deferred outflows of resources and deferred inflows of resources. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Years ending June 30:	<u>Amount</u>
2022	\$ 131,272
2023	87,865
2024	67,375
2025	<u>26,854</u>
	<u>\$ 313,366</u>

E. Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The total pension liabilities were determined using the following assumptions:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Actuarial cost method	Entry age normal
Discount rate	7.15%
Inflation	2.50
Salary increase	Varies by entry age and service
Investment rate of return	7.15%, net of pension plan investment and administrative expenses; includes inflation
Mortality rate	Derived using CalPERS' Membership Data for all funds
Post retirement benefit increase	Contract COLA up to 2.5% until Purchasing Power Protection Allowance Floor on Purchasing Power Applies, 2.5% thereafter

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2021**

NOTE 11. PENSION PLAN (continued)

**E. Actuarial Methods and Assumptions Used to Determine Total Pension Liability
(continued)**

1. The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP2016. For more details on this table, please refer to the 2017 Experience Study Report (based on CalPERS' demographic data from 1997 to 2015) that can be found on the CalPERS' website.

F. Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

G. Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The expected real rates of return by asset class are as followed:

Asset Class	New Strategic Allocation	Real Return Year 1 - 10 (a)	Real Return Years 11+ (b)
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	(0.92)%
	<u>100.00%</u>		

- a. An expected inflation of 2.0% is used for this period.
- b. An expected inflation of 2.92% is used for this period.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2021

NOTE 11. PENSION PLAN (continued)

H. Sensitivity of the Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net pension liability, calculated using the discount rate of 7.15%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.15%) or one percentage point higher (8.15%) than the current rate:

	1% Decrease <u>(6.15%)</u>	Current Discount Rate <u>(7.15%)</u>	1% Increase <u>(8.15%)</u>
Net pension liability	\$ <u>4,529,641</u>	\$ <u>1,884,641</u>	\$ <u>(300,840)</u>

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS' financial reports.

NOTE 12. OTHER POST EMPLOYMENT BENEFITS

A. Plan description

The Authority participates in the CalPERS 2% at 55 Public Agency Miscellaneous Employees' pension plan for all regular employees hired before January 1, 2013, and 2% at 62 for those hired on or after January 1, 2013.

Employees who retire with a CalPERS pension (at least age 50, or age 52 for employees hired on or after January 1, 2013, with five years of services) are eligible for post-employment medical benefits.

The Authority contributes the minimum amount provided under Government Code Section 22825 of the Public Employees Medical and Hospital Care Act (\$139 per month in 2020, increasing to \$143 in 2021). Retirees must contribute any premium amounts in excess of the Authority's contributions described above. Amounts paid by the Authority continue for the lifetime of the retiree and any surviving spouse, subject to CalPERS' eligibility requirements.

During the July 1, 2017 to June 30, 2018 measurement period, the Authority entered into an agreement with CalPERS whereby the Authority participates in the California Employers' Retiree Benefit Trust Fund Program ("CERBT"), an agent-multiple employer post-employment health plan, to prefund other post-employment benefits through CalPERS. The financial statements for CERBT may be obtained by writing the California Public Employees' Retirement System, Constituent Relations Office, CERBT (OPEB), P.O. Box 242709, Sacramento, California 94229-2709, or by calling 888-225-7377.

B. Plan Membership Information

Active plan members	52
Inactive plan members or beneficiaries currently receiving benefits	<u>9</u>
Total	<u><u>61</u></u>

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2021**

NOTE 12. OTHER POST EMPLOYMENT BENEFITS (continued)

C. Funding Policy

The Authority intends to contribute the full actuarially determined contribution to the plan each year. Contributions would be made up of cash contributions made to the trust as well as any benefit payments (implicit and explicit) unreimbursed by the trust.

Actuarial Methods and Assumptions

Valuation date	June 30, 2020
Measurement date	June 30, 2020
Actuarial cost method	Entry age normal
Amortization method	Straight-line amortization
Asset valuation method	Market value
Net investment return	7.28%, based on the CERBT Strategy 1 investment policy
Inflation rate	2.26% annual inflation
Payroll increases	3.25% annual increases
Mortality	Pre-retirement: CalPERS 2017 Mortality for pre-retirement Post-retirement: CalPERS 2017 Mortality for post-retirement
Healthcare cost trend rates	6.80% pre-65 and 5.00% post-65 initial trend rates for 2022. Decreasing 0.25% per year until ultimate rate of 5.00% is reached in 2030

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past experiences and new estimates are made about the future. Actuarial calculations were performed based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing cost between the Authority and plan members through June 30, 2021. Additionally, actuarial calculations reflect a long-term perspective and include methods and assumptions that were designed to reduce short-term volatility of actuarial accrued liabilities and actuarial value of assets. The Authority has relied on the work of the Authority's actuary to determine the Authority's net OPEB liability, and considers the underlying assumptions used by the actuary to be reasonable.

D. Long-Term Expected Rate of Return

The valuation uses a discount rate of 7.28% per year, net of investment expenses and including inflation. This is a long-term rate of return assumption on plan assets. This rate is based on the general inflation rate and expected real rate of return required for CalPERS reporting for use by employers who elect certain investment strategies as participants in CERBT. The target allocation and best estimates for long-term expected real rates of return for each major asset class, as of June 30, 2020, the measurement date, are summarized in the following table:

Investment Class	Target Allocation	Long-term Expected Real Rate of Return
Equity	62.00%	5.39%
Fixed Income	30.00%	1.13%
REIT's	8.00%	5.08%
	<u>100.00%</u>	

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2021

NOTE 12. OTHER POST EMPLOYMENT BENEFITS (continued)

E. Changes in the Net OPEB Liability (Asset)

The total OPEB liability (asset) shown below is based on an actuarial valuation performed as of June 30, 2019, and a measurement date of June 30, 2020:

	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability (Asset)</u>
Balance at June 30, 2019	\$ <u>1,017,490</u>	\$ <u>1,195,000</u>	\$ <u>(177,510)</u>
Changes for the year:			
Service cost	59,460	-	59,460
Interest	76,779	-	76,779
Differences between expected and actual experience	(161,314)	-	(161,314)
Changes of assumptions	(41,226)	-	(41,226)
Net investment income	-	42,246	(42,246)
Contributions - employer	-	45,387	45,387
Benefit payments	(45,387)	(45,387)	(90,774)
Administrative expense	<u>-</u>	<u>(584)</u>	<u>584</u>
Net changes	<u>(111,688)</u>	<u>41,662</u>	<u>(153,350)</u>
Balance at June 30, 2020	\$ <u><u>905,802</u></u>	\$ <u><u>1,236,662</u></u>	\$ <u><u>(330,860)</u></u>

The required schedule of changes in the net OPEB liability (asset) and related ratios immediately following the notes to the financial statements presents the beginning and ending balances of the total OPEB liability (asset), the plan fiduciary net position available for OPEB benefits, and the net OPEB liability (asset), as well as the itemized changes in those amounts during the fiscal year. The schedule also reports a ratio of plan fiduciary net position as a percentage of the total OPEB liability (asset), the payroll amount for current employees in the plan (covered employee payroll), and a ratio of the net OPEB liability (asset) as a percentage of the covered employee payroll. Three years of information are presented and will build to 10 years of information on a prospective basis.

The required schedule of employer contributions immediately following the notes to the financial statements presents the actuarially determined contribution to the OPEB plan, the actual contribution, the difference between the actual and actuarially determined contributions, and a ratio of actual contributions as a percentage of covered employee payroll.

F. Sensitivity of the Net OPEB Liability (Asset) Due to Changes in the Discount Rate

The following table represents the net OPEB liability (asset), calculated using the current discount rate of 7.28%, as well as what it would be if it were calculated using a discount rate that is one percentage point lower (6.28%) or one percentage point higher (8.28%) than the current rate:

	1% Decrease <u>(6.28%)</u>	Current Discount Rate <u>(7.28%)</u>	1% Increase <u>(8.28%)</u>
Net OPEB liability (asset)	\$ <u>(209,241)</u>	\$ <u>(330,860)</u>	\$ <u>(431,201)</u>

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2021**

NOTE 12. OTHER POST EMPLOYMENT BENEFITS (continued)

G. Sensitivity of the Net OPEB Liability (asset) Due to Changes in the Health Care Cost Trend Rate

The following table represents the net OPEB liability (asset) of the Authority, calculated using the current health care cost trend rate as well as what it would be if it were calculated using a trend rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Net OPEB liability	\$ <u>(444,664)</u>	\$ <u>(330,860)</u>	\$ <u>(190,294)</u>

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

For the year ended June 30, 2021, the Authority recognized an OPEB benefit of \$179,036. At June 30, 2021, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ -	\$ 771,119
Differences between expected and actual experience	44,182	399,404
Contribution subsequent to the measurement date	<u>45,929</u>	<u>-</u>
Total	<u>\$ 90,111</u>	<u>\$ 1,170,523</u>

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

Years ending June 30:	<u>Recognized Deferred Outflows/Inflows of Resources</u>
2022	\$ (182,953)
2023	(232,906)
2024	(231,825)
2025	(193,354)
2026	(52,109)
Thereafter	<u>(187,265)</u>
	<u>\$ (1,080,412)</u>

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2021

NOTE 13. GUARANTEES

Littlejohn Commons

Related to the Littlejohn Commons Senior property located at 1301 Buena Vista Avenue, the Authority entered into a guaranty agreement dated December 1, 2016, and attached as Exhibit E to the amended and restated limited partnership agreement of Sherman and Buena Vista LP for all of its obligations under that agreement, including partnership management duties, development completion, operating deficits, tax credit delivery, and repurchase obligations. The Authority is released from this operating deficit obligation after two consecutive years of 1.15 debt service coverage ratio after stabilized occupancy and no sooner than 2020. As of June 30, 2021, the outstanding operating deficit guarantee was \$917,283.

Everett Commons

Related to the Everett Commons property located at 2437 Eagle Avenue, the Authority entered into a guaranty agreement dated June 27, 2017, and attached as Exhibit D to the first amended and restated limited partnership agreement of Everett and Eagle LP for performance of all its obligations under that agreement, including construction completion, operating deficits, liquidity, and tax credit delivery. The operating deficit loan guarantee obligation is up to \$314,000. The Authority is released from this operating deficit obligation after two consecutive years of 1.15 debt service coverage ratio after stabilized occupancy and no sooner than 2024. As guarantor, the Authority must also maintain liquid assets of at least \$850,000 in bank deposits in aggregate with Island City Development until all obligations are met.

Rosefield Village

Related to the Rosefield Village property located at the cross street of Constitution and Eagle Avenue, the Authority entered into a guaranty agreement dated August 2020, and attached as Exhibit D to the first amended and restated limited partnership agreement of Constitution & Eagle LP for performance of all its obligations under that agreement, including construction completion, operating deficits, liquidity and tax credit delivery. The operating deficit loan guarantee is up to \$792,000. The Authority is released from this operating deficit obligation after two consecutive years of 1.15 debt service coverage ratio after stabilized occupancy and no sooner than 2024.

Related to the Rosefield Village property located at the cross street of Constitution and Eagle Avenue, the Authority entered into a payment and performance guaranty dated August 2020, with Bank of America, N.A. related to a construction loan of \$40,322,758.

Independence Plaza

Related to the Independence Plaza property located at 703 Atlantic Avenue, the Authority entered into a Multifamily Loan and Security Agreement dated June 30, 2014. Furthermore, the Alameda Affordable Housing Corporation entered in the First Amendment to Multifamily Loan and Security Agreement in March 2020. The Authority continues to act as the guarantor for this non-recourse permanent loan.

Esperanza

Related to the Esperanza property located at 1903 3rd Street, the Authority entered into a Multifamily Loan and Security Agreement dated June 30, 2014. The Authority continues to act as the guarantor for this non-recourse permanent loan.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2021

NOTE 14. GROUND LEASES

On December 1, 1998, the Authority entered into a ground lease agreement with Regent St. CLT Condominiums located at 1129-1131 Regent Street. The lease term is 99 years, ending in 2097. Pursuant to the ground lease agreement, the base annual rent is adjusted by the consumer price index. As of the fiscal year ending June 30, 2021, that amount is \$2,748.

On May 7, 2001, the Authority entered into a ground lease agreement with Santa Clara Ave CLT Condominiums located at 2201-2203 Santa Clara Avenue and 1502 Walnut Street. The lease term is 99 years, ending in 2100. Pursuant to the ground lease agreement, the base annual rent is adjusted by the consumer price index. As of the fiscal year ending June 30, 2021, that amount is \$2,616.

On March 14, 2003, the Authority entered into a ground lease agreement with RCD, as amended by the First Amendment to Ground Lease dated October 14, 2004, for the Breakers at Bayport development located at 459 Neptune Gardens Avenue. The lease term is 75 years, ending March 31, 2081. On October 14, 2004, the lease was assigned to Breakers at Bayport, LP. The rent will be amortized over the term of the lease in the amount of \$1, annually.

On October 4, 2006, the Authority entered into a ground lease agreement with RCD for the Shinsei Gardens Apartments, located at 401 Willie Stargell Avenue. The lease term is 75 years, ending March 31, 2081. On March 24, 2008, the lease was assigned to Shinsei Gardens Apartments, LP. The rent will be amortized over the term of the lease in the amount of \$1, annually.

On May 25, 2012, the Authority entered into a ground lease agreement with Housing Consortium of the East Bay ("HCEB") and Satellite Housing, Inc. for the Jack Capon Villas, located at 2216 Lincoln Avenue. The rent for the entire lease term, \$100, was prepaid at lease signing. The lease term is 75 years, ending May 25, 2087. In November 2012, the lease was assigned to Jack Capon Villas, LP. The rent will be amortized over the term of the lease in the amount of \$1, annually.

On November 14, 2015, the Authority entered into a ground lease agreement with Stargell Commons, LP for the property located at 2700 Bette Street. The lease term is 99 years, ending December 31, 2114. Initial rent of \$400,000 plus \$1 per year for the entire term. Prepaid rent for the entire lease term of \$99 was paid on December 2, 2015. The rent will be amortized over the term of the lease in the amount of \$4,041, annually.

On December 1, 2016, the Authority entered into a ground lease agreement with Sherman and Buena Vista LP, a subsidiary of Island City Development, for the property located at 1301 Buena Vista Avenue. The lease term is 99 years, ending December 31, 2115. Unearned rent for the entire lease term of \$3,410,000 was received on December 15, 2016. Unearned revenue will be amortized over the term of the life. See related note receivable in Note 6. At June 30, 2021, the unamortized balance was \$3,317,290, which is reflected in the accompanying statement of net position as prepaid ground lease.

On June 1, 2017, the Authority entered into a ground lease agreement with Everett and Eagle LP, a subsidiary of Island City Development, for the property located at 2437 Eagle Street. The lease term is 99 years, ending June 1, 2116. Prepaid rent for the entire lease term of \$9,900 was paid on June 29, 2017. The rent will be amortized over the term of the lease in the amount of \$100, annually.

On May 1, 2018, the Authority entered into a ground lease agreement with AAHC, for the property known as Anne B. Diament located at 920 Park Street. The lease term is 75 years, ending May 1, 2093. Prepaid rent for the entire lease term of \$75 was paid on May 1, 2018. The rent will be amortized over the term of the lease in the amount of \$1, annually.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2021**

NOTE 14. GROUND LEASES (continued)

On May 1, 2018, the Authority entered into a ground lease agreement with AAHC for the property known as China Clipper Plaza located at 460 Buena Vista Avenue. The lease term is 75 years, ending May 1, 2093. Prepaid rent for the entire lease term of \$75 was paid on May 1, 2018. The rent will be amortized over the term of the lease in the amount of \$1, annually.

On May 1, 2018, the Authority entered into a ground lease agreement with AAHC, for the property known as Lincoln Willow Apartments located at 2101-2103 Lincoln Avenue. The lease term is 75 years, ending May 1, 2093. Prepaid rent for the entire lease term of \$75 was paid on May 1, 2018. The rent will be amortized over the term of the lease in the amount of \$1, annually.

On May 1, 2018, the Authority entered into a ground lease agreement with AAHC, for the property known as Stanford House and located at 1917 Stanford Avenue. The lease term is 75 years, ending May 1, 2093. Prepaid rent for the entire lease term of \$75 was paid on May 1, 2018. The rent will be amortized over the term of the lease in the amount of \$1, annually.

On August 1, 2020, the Authority entered into a ground lease agreement with Constitution and Eagle, LP for the property known as Rosefield Village and located at 717, 727 Buena Vista Avenue and 738, 740, 742, 746 Eagle Avenue. The lease term is 75 years, ending December 31, 2095. Prepaid rent for the entire lease term of \$13,110,000 was paid via the execution of a seller note on August 1, 2020.

As of June 30, 2021, the future rental income required under the lease agreements entered into by the Authority is as follows:

Years ending June 30:	<u>Amount</u>
2022	\$ 220,124
2023	220,124
2024	220,124
2025	220,124
2026	220,123
Thereafter	<u>15,119,596</u>
	<u>\$ 16,220,215</u>

NOTE 15. LOSS ON SALE OF ASSETS

In August of 2020, the Authority sold Rosefield Village Apartments located in Alameda, CA and conveyed the property into Constitution and Eagle, Limited Partnership, an entity controlled by the Island City Development (Discrete Component Unit). The conveyance is for the purpose of renovating and building a total of 92 low-income housing units. The sale resulted in a loss of \$490,616.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2021

NOTE 16. CONDENSED FINANCIAL INFORMATION FOR THE BLENDED COMPONENT UNIT

	<u>Alameda Affordable Housing Corporation</u>
Assets:	
Current assets	\$ 3,370,971
Capital assets, net	10,506,966
Other non-current assets	479,021
Deferred outflows of resources	<u>177,566</u>
Total assets and deferred outflows of resources	<u>14,534,524</u>
Liabilities:	
Current	1,116,548
Non-current	51,160,471
Deferred inflows of resources	<u>196,854</u>
Total liabilities	<u>52,473,873</u>
Net Position:	
Net investment in capital assets	6,249,499
Restricted	442,627
Unrestricted	<u>(44,631,475)</u>
Net position	<u>\$ (37,939,349)</u>
Operating revenues:	
Tenant revenue	\$ 2,066,142
Government grants	3,763,718
Other revenues	<u>24,746</u>
Total operating revenues	<u>5,854,606</u>
Operating expenses:	
Administrative	1,263,519
Tenant services	256,679
Maintenance and utilities	1,462,940
Protective services	91,342
Insurance	89,979
General expenses	105,427
Depreciation	<u>792,780</u>
Total operating expenses	<u>4,062,666</u>
Other income (expense)	
Interest income	156
Interest expense	<u>(178,316)</u>
Net other expense	<u>(178,160)</u>
Net income	<u>\$ 1,613,780</u>

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2021

NOTE 17. SUBSEQUENT EVENTS

Events that occur after the financial statement date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the financial statement date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the financial statement date require disclosure in the accompanying notes to the financial statements. Management evaluated the activity of the Authority through March 28, 2022 (the date the financial statements were available to be issued) and determined that the following subsequent events require disclosure:

In July 2021, Eagle Village, Parrot Village and Esperanza Apartments were transferred from the Authority to the Alameda Affordable Housing Corporation. The existing loan between the Authority and NorthMarq for Esperanza Apartments was transferred concurrently with the legal transfer (principal balance \$12,746,434.17).

Furthermore, 2 properties (Eagle Village and Parrot Village) refinanced their loan with PNC Bank concurrent with this legal transfer. The new loan has a principal balance of \$9,300,000, a fixed interest rate of 2.59%, and a loan term of 60 months (maturity date July 2026). As part of this refinance, \$1,990,384 and \$2,748,625 were components of the cash out refinance. As part of the legal transfer from the Authority to the Alameda Affordable Housing Corporation, 3 separate promissory notes were executed in 2021 between Alameda Affordable Housing Corporation and the Authority for \$12,650,000 (Eagle Village), \$6,500,000 (Parrot Village) and \$19,100,000 (Esperanza). Repayment terms as defined by the promissory notes are through operating cash flow.

In July 2021, a Local Housing Trust Fund was created by the Alameda Affordable Housing Corporation. A services agreement for the years 2021 through 2025 was executed between the Alameda Affordable Housing Corporation and the Authority with an effective date of July 21, 2021. In January 2022, the California Department of Housing and Community Development awarded \$2,500,000 to the Local Housing Trust Fund. The Local Housing Trust Fund has committed the source of these funds for the first two phases of the long-planned affordable housing rental homes at the North Housing site on Mosely Avenue, including affordable rental homes for formerly homeless households.

In December 2021, Alameda Affordable Housing Corporation acquired below market homes developed by Pulte Homes in Alameda, California. The Authority entered into a promissory note with the Alameda Affordable Housing Corporation, with the amended maximum loan amount for acquisition of these properties to be \$3,650,000. It is expected that the Authority will complete the acquisition of these below market homes in 2022.

In January 2022, HUD selected the Authority for admission to the Landlord Incentives Cohort of the Moving to Work (MTW) National Demonstration Program. A fully executed annual contributions contract between the Authority and HUD was entered into on March 23, 2022.

In Fiscal Year 2022, the Authority was released from loan guarantees with Littlejohn Commons and Everett Commons as the debt service coverage ratio requirements were met for two consecutive years.

**INDEPENDENT AUDITORS' 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 of the
Housing Authority of the City of Alameda:

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 (primary government) and the discretely presented component unit of the Housing Authority of the City of Alameda (the "Authority") as of , and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Authority's financial statements, and have issued our report thereon dated March 28, 2022. Our report includes a reference to other auditors who audited the financial statements of Island City Development and Subsidiaries as described in our report on the financial statements of the Authority. Those financial statements were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with those entities.

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) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed 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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Novogradac & Company LLP

March 28, 2022
Toms River, New Jersey

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Commissioners of the
Housing Authority of the City of Alameda:

Report on Compliance for Each Major Federal Program

We have audited Housing Authority of the City 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, 2021. The Authority's major federal programs are identified in the summary of auditors' 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.

Auditors' 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 Programs

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, 2021.

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 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.

Purpose of this Report

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.

Novogradac & Company LLP

March 28, 2022
Toms River, New Jersey

SUPPLEMENTARY INFORMATION

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Grant Expenditures</u>
U.S. Department of Housing and Urban Development:		
Housing Voucher Cluster		
Section 8 Housing Choice Vouchers	14.871	\$ 34,725,820
Section 8 Housing Choice Vouchers - CARES Act Funding	14.HCC	<u>1,783,923</u>
Total Housing Voucher Cluster		36,509,743
Section 8 Project-Based Cluster		
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	<u>247,225</u>
Total Section 8 Project-Based Cluster		247,225
Emergency Housing Vouchers	14.EHV	22,800
Family Self Sufficiency Program	14.896	<u>79,730</u>
Subtotal United States Department of Housing and Urban Development - Direct Programs		36,859,498
U.S. Department of Housing and Urban Development - Pass Through Programs:		
County of Alameda:		
Shelter Plus Care	14.238	<u>452,275</u>
Subtotal Pass Through Programs - County of Alameda		452,275
Subtotal U.S. Department of Housing and Urban Development - Pass Through Programs:		<u>452,275</u>
Total Expenditures of Federal Awards		\$ <u><u>37,311,773</u></u>

See Notes to Schedule of Expenditures of Federal Awards.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the Authority under programs of the federal government for the year ended June 30, 2021. The information in the 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 operations of the Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of the Authority. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of the financial statements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3. INDIRECT COST RATE

The Authority has elected not to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021**

I. Summary of Auditors' Results

Financial Statement Section

- | | | |
|----|---|---------------|
| 1. | Type of auditors' report issued: | Unmodified |
| 2. | Internal control over financial reporting | |
| | a. Material weakness(es) identified? | No |
| | b. Significant deficiency(ies) identified? | None Reported |
| 3. | Noncompliance material to the financial statements? | No |

Federal Awards Section

- | | | |
|----|--|---|
| 1. | Internal control over compliance: | |
| | a. Material weakness(es) identified? | No |
| | b. Significant deficiency(ies) identified? | None reported |
| 2. | Type of auditors' report on compliance for major programs: | Unmodified |
| 3. | Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No |
| 4. | Identification of major programs: | |
| | <u>CFDA Number</u> | <u>Name of Federal Program</u> |
| | 14.871 | Housing Voucher Cluster:
Section 8 Housing Choice Vouchers |
| | 14.HCC | Section 8 Housing Choice Vouchers - CARES Act Funding |
| 5. | Dollar threshold used to distinguish between Type A and Type B Programs: | \$1,119,353 |
| 6. | Auditee qualified as low-risk Auditee? | No |

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED JUNE 30, 2021**

II. Financial Statement Findings

There were no findings relating to the financial statements which are required to be reported in accordance with *Government Auditing Standards*.

III. Federal Award Findings and Questioned Costs

There were no findings or questioned costs relating to federal awards.

IV. Schedule of Prior Year Audit Findings

Observation: Significant adjustments were required to be made to the year-end general ledger in order to conform the financial statements to accounting principles generally accepted in the United States of America ("U.S. GAAP"). Several adjustments were required to accounts receivable, accrued liabilities, revenue, and expenses to conform the financial statements to U.S. GAAP.

Status: The finding has been cleared.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
REQUIRED PENSION INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021**

SCHEDULE OF THE AUTHORITY'S PENSION PLAN CONTRIBUTIONS***

	June 30, <u>2015</u>	June 30, <u>2016</u>	June 30, <u>2017</u>	June 30, <u>2018</u>	June 30, <u>2019</u>	June 30, <u>2020</u>	June 30, <u>2021</u>
Actuarially determined contribution	\$ 300,316	\$ 1,393,004	\$ 1,322,171	\$ 336,127	\$ 381,431	\$ 436,954	\$ 549,515
Contributions in relation to the contractually required contribution	<u>1,393,004</u>	<u>1,393,004</u>	<u>1,322,171</u>	<u>336,127</u>	<u>381,431</u>	<u>436,954</u>	<u>1,549,515</u>
(Over) / under funded	<u>\$ (1,092,688)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,000,000)</u>
Authority's covered-employee payroll	<u>\$ 2,717,587</u>	<u>\$ 2,717,587</u>	<u>\$ 2,752,784</u>	<u>\$ 3,906,839</u>	<u>\$ 4,030,351</u>	<u>\$ 3,464,574</u>	<u>\$ 5,232,709</u>
Contributions as a percentage of covered employee payroll	<u>51.26 %</u>	<u>51.26 %</u>	<u>48.03 %</u>	<u>8.60 %</u>	<u>9.46 %</u>	<u>12.61 %</u>	<u>29.61 %</u>

SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF NET PENSION LIABILITY FOR THE LAST TEN FISCAL YEARS***

Measurement Date	June 30, <u>2015</u>	June 30, <u>2016</u>	June 30, <u>2017</u>	June 30, <u>2018</u>	June 30, <u>2019</u>	June 30, <u>2020</u>	June 30, <u>2021</u>
Authority's proportion of the net pension liability	<u>0.0301 %</u>	<u>0.0270 %</u>	<u>0.0195 %</u>	<u>0.0214 %</u>	<u>0.0211 %</u>	<u>0.0240 %</u>	<u>0.0173 %</u>
Authority's proportionate share of the net pension liability	<u>\$ 1,871,494</u>	<u>\$ 1,854,640</u>	<u>\$ 1,684,952</u>	<u>\$ 2,127,040</u>	<u>\$ 2,032,192</u>	<u>\$ 2,454,725</u>	<u>\$ 1,884,641</u>
Authority's covered-employee payroll	<u>\$ 2,717,587</u>	<u>\$ 3,634,051</u>	<u>\$ 2,752,784</u>	<u>\$ 3,906,839</u>	<u>\$ 4,030,351</u>	<u>\$ 3,464,574</u>	<u>\$ 5,232,709</u>
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>68.87 %</u>	<u>51.04 %</u>	<u>61.21 %</u>	<u>54.44 %</u>	<u>50.42 %</u>	<u>70.85 %</u>	<u>36.02 %</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>83.00 %</u>	<u>107.30 %</u>	<u>88.01 %</u>	<u>75.39 %</u>	<u>88.05 %</u>	<u>75.30 %</u>	<u>90.52 %</u>

*** = These amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for those years for which information is available.

Changes in Actuarial Assumptions:

No changes noted.

Changes in Benefit Terms:

No changes noted.

See report of independent auditors.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
REQUIRED OTHER POST EMPLOYMENT BENEFIT INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021**

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY (ASSET) AND RELATED RATIOS***

	June 30, <u>2018</u>	June 30, <u>2019</u>	June 30, <u>2020</u>	June 30, <u>2021</u>
Total OPEB Liability:				
Service cost	\$ 162,835	\$ 56,590	\$ 56,628	\$ 59,460
Interest	74,812	89,980	70,891	76,779
Differences between expected and actual experience	(3,275)	(348,070)	(2,338)	(161,314)
Changes of assumptions	(1,482,802)	(17,137)	-	(41,226)
Benefit payments, including refunds of employee contributions	<u>(30,448)</u>	<u>(38,634)</u>	<u>(48,803)</u>	<u>(45,387)</u>
Net change in total OPEB liability	<u>(1,278,878)</u>	<u>(257,271)</u>	<u>76,378</u>	<u>(111,688)</u>
Plan fiduciary net position - beginning	<u>2,477,261</u>	<u>1,198,383</u>	<u>941,112</u>	<u>1,017,490</u>
Plan fiduciary net position - ending	<u>\$ 1,198,383</u>	<u>\$ 941,112</u>	<u>\$ 1,017,490</u>	<u>\$ 905,802</u>
Plan Fiduciary Net Position:				
Contributions - employer	\$ 1,012,388	\$ 38,634	\$ 124,079	\$ 45,387
Net investment income (loss)	(6,213)	76,420	68,342	42,246
Benefit payments, including refunds of employee contributions	(30,448)	(38,634)	(48,803)	(45,387)
Administrative expense	<u>(5)</u>	<u>(520)</u>	<u>(240)</u>	<u>(584)</u>
Net change in plan fiduciary net position	975,722	75,900	143,378	41,662
Plan fiduciary net position - beginning	<u>-</u>	<u>975,722</u>	<u>1,051,622</u>	<u>1,195,000</u>
Plan fiduciary net position - ending	<u>\$ 975,722</u>	<u>\$ 1,051,622</u>	<u>\$ 1,195,000</u>	<u>\$ 1,236,662</u>
Authority's net OPEB liability (asset)	<u>\$ 222,661</u>	<u>\$ (110,510)</u>	<u>\$ (177,510)</u>	<u>\$ (330,860)</u>
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	81.42 %	111.74 %	117.45 %	137.00 %
Covered payroll	<u>\$ 3,906,839</u>	<u>\$ 4,030,351</u>	<u>\$ 3,464,574</u>	<u>\$ 5,232,709</u>
Authority's net OPEB liability (asset) as a percentage of its covered-employee payroll	5.70 %	(2.74)%	(5.12)%	(6.32)%

*** = These amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for those years for which information is available.

Changes in Actuarial Assumptions:

No changes noted.

Changes in Benefit Terms:

No changes noted.

See report of independent auditors.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
REQUIRED OTHER POST EMPLOYMENT BENEFIT INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021**

SCHEDULE OF THE AUTHORITY'S OPEB PLAN CONTRIBUTIONS***

	June 30, <u>2018</u>	June 30, <u>2019</u>	June 30, <u>2020</u>	June 30, <u>2021</u>
Actuarially determined contribution	\$ 128,377	\$ 78,605	\$ 60,751	\$ 63,789
Contributions in relation to the contractually required contribution	<u>(1,012,388)</u>	<u>(38,634)</u>	<u>(124,079)</u>	<u>(45,387)</u>
(Over) / under funded	<u>\$ (884,011)</u>	<u>\$ 39,971</u>	<u>\$ (63,328)</u>	<u>\$ 109,176</u>
Authority's covered-employee payroll	<u>\$ 3,906,839</u>	<u>\$ 4,030,351</u>	<u>\$ 3,464,574</u>	<u>\$ 5,232,709</u>
Contributions as a percentage of covered employee payroll	<u>(25.91)%</u>	<u>(0.96)%</u>	<u>(3.58)%</u>	<u>(0.87)%</u>

*** = These amounts presented were determined as of June 30. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Authority will present information for those years for which information is available.

See report of independent auditors.

Alameda Housing Authority												
Financial Data Schedule (FDS)												
June 30, 2021												
Line Item #	Account Description	14.871 HOUSING CHOICE VOUCHERS	2 STATE LOCAL	14.249 SECTION 8 MODERATE REHABILITATION SINGLE ROOM OCCUPANCY	14.896 PIH FAMILY SELF-SUFFICIENCY PROGRAM	14.238 SHELTER PLUS CARE	14. HCC HCV CARES ACT FUNDING	14. EHV EMERGENCY HOUSING VOUCHER	6.2 COMPONENT UNIT BLENDED	DISCRETELY PRESENTED COMPONENT UNIT	ELIM	TOTAL
ASSETS:												
CURRENT ASSETS:												
Cash:												
111	Cash - unrestricted	\$ 930,615	\$ 26,614,088	\$ 73,126	\$ 17,525	\$ -	\$ -	\$ 22,701	\$ 3,022,763	\$ 2,980,664	\$ -	\$ 33,661,482
112	Cash - restricted - modernization and development	-	-	-	-	-	-	99,750	-	-	-	99,750
113	Cash - other restricted	136,695	1,154,585	-	-	-	-	-	442,627	352,730	-	2,086,637
114	Cash - tenant security deposits	-	245,943	-	-	-	-	-	224,821	45,774	-	516,538
115	Cash - restricted for payment of current liabilities	-	-	-	-	-	-	-	-	-	-	-
100	Total cash	1,067,310	28,014,616	73,126	17,525	-	-	122,451	3,690,211	3,379,168	-	36,364,407
Accounts and notes receivables:												
121	Accounts receivable - PHA projects	159,630	-	-	-	-	-	-	-	-	-	159,630
122	Accounts receivable - HUD other projects	13,191	-	-	5,760	-	-	-	-	-	-	18,951
124	Accounts receivable - other government	-	1,336,819	-	-	122,007	-	-	23,443	-	-	1,482,269
125	Accounts receivable - miscellaneous	130,384	-	-	-	-	-	-	-	70,367	-	200,751
126	Accounts receivable- tenants	-	305,227	-	-	-	-	-	46,483	-	-	351,710
126.1	Allowance for doubtful accounts - tenants	-	(91,303)	-	-	-	-	-	(31,115)	-	-	(122,418)
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-	-	-	-	-
127	Notes, loans, & mortgages receivable- current	-	50,480,919	-	-	-	-	-	-	-	(50,480,919)	-
128	Fraud recovery	7,728	21,834	-	-	-	-	-	-	-	-	29,562
128.1	Allowance for doubtful accounts - fraud	(7,728)	(21,109)	-	-	-	-	-	-	-	-	(28,837)
129	Accrued interest receivable	1	9,506	-	-	-	-	-	-	-	-	9,507
120	Total receivables, net of allowances for doubtful accounts	303,206	52,041,893	-	5,760	122,007	-	-	38,811	70,367	(50,480,919)	2,101,125
Current investments												
131	Investments - unrestricted	-	-	-	-	-	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-	-	-	-	-	-
135	Investments - restricted for payment of current liability	-	-	-	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	1,855	247,049	-	-	-	-	-	84,576	32,102	-	365,582
143	Inventories	-	-	-	-	-	-	-	-	-	-	-
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-	-	-	-	-
144	Interprogram - due from	-	763,612	-	-	-	-	-	-	-	(763,612)	-
145	Assets held for sale	-	-	-	-	-	-	-	-	-	-	-
150	TOTAL CURRENT ASSETS	1,372,371	81,067,170	73,126	23,285	122,007	-	122,451	3,813,598	3,481,637	(51,244,531)	38,831,114
NONCURRENT ASSETS:												
Fixed assets:												
161	Land	-	56,059,854	-	-	-	-	-	2,159,925	2,342,066	-	60,561,845
162	Buildings	-	17,386,802	-	-	-	-	-	14,974,323	26,398,949	-	58,760,074
163	Furniture, equipment & machinery - dwellings	-	250,282	-	-	-	-	-	65,563	512,067	-	827,912
164	Furniture, equipment & machinery - administration	41,744	67,426	-	-	-	-	-	-	-	-	109,170
165	Leasehold improvements	5,684	8,162,472	-	-	-	-	-	6,598,309	-	-	14,766,465
166	Accumulated depreciation	(37,835)	(17,650,212)	-	-	-	-	-	(13,319,296)	(2,044,442)	-	(33,051,785)
167	Construction in Progress	-	496,619	-	-	-	-	-	28,142	6,517,307	-	7,042,068
168	Infrastructure	-	-	-	-	-	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	9,593	64,773,243	-	-	-	-	-	10,506,966	33,725,947	-	109,015,749
Other non-current assets:												
171	Notes, loans and mortgages receivable - non-current	-	50,750,678	-	-	-	-	-	-	-	-	50,750,678
172	Notes, loans and mortgages receivable-non-current - past due	-	-	-	-	-	-	-	-	-	-	-
173	Grants receivable - non-current	-	-	-	-	-	-	-	-	-	-	-
174	Other assets	86,027	205,131	-	3,308	-	-	-	36,394	19,185,657	-	19,516,517
176	Investment in joint ventures	-	-	-	-	-	-	-	-	-	-	-
180	TOTAL NONCURRENT ASSETS	95,620	115,729,052	-	3,308	-	-	-	10,543,360	52,911,604	-	179,282,944
200	Deferred Outflow of Resources	419,700	1,000,826	-	16,143	-	-	-	177,566	-	-	1,614,235
290	TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	\$ 1,887,691	\$ 197,797,048	\$ 73,126	\$ 42,736	\$ 122,007	\$ -	\$ 122,451	\$ 14,534,524	\$ 56,393,241	\$ (51,244,531)	\$ 219,728,293

Alameda Housing Authority												
Financial Data Schedule (FDS)												
June 30, 2021												
Line Item #	Account Description	14.871 HOUSING CHOICE VOUCHERS	2 STATE LOCAL	14.249 SECTION 8 MODERATE REHABILITATION SINGLE ROOM OCCUPANCY	14.896 PIH FAMILY SELF-SUFFICIENCY PROGRAM	14.238 SHELTER PLUS CARE	14. HCC HCV CARES ACT FUNDING	14. EHV EMERGENCY HOUSING VOUCHER	6.2 COMPONENT UNIT BLENDED	DISCRETELY PRESENTED COMPONENT UNIT	ELIM	TOTAL
LIABILITIES AND EQUITY:												
Liabilities:												
Current Liabilities:												
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable ≤ 90 days	31,848	488,255	1,842	14	4,438	-	-	69,549	56,611	-	652,557
313	Accounts payable > 90 days past due	-	-	-	-	-	-	-	-	-	-	-
321	Accrued wage/payroll taxes payable	57,966	82,776	-	-	-	-	-	35,012	-	-	175,754
322	Accrued compensated absences - current portion	50,488	76,451	-	-	-	-	-	52,931	-	-	179,870
324	Accrued contingency liability	-	-	-	-	-	-	-	-	-	-	-
325	Accrued interest payable	-	669,109	-	-	-	-	-	464,113	1,278,154	-	2,411,376
331	Accounts payable - HUD PHA programs	-	-	-	-	-	-	-	-	-	-	-
332	Accounts payable - PHA projects	-	-	-	-	-	-	-	-	-	-	-
333	Accounts payable - other government	-	-	-	-	-	-	-	-	-	-	-
341	Tenant security deposits	-	245,943	-	-	-	-	-	193,380	44,734	-	484,057
342	Unearned revenue	39,352	16,372,962	-	-	-	-	99,750	27,644	15,627	-	16,555,335
343	Current portion of L-T debt - capital projects	-	4,851,535	-	-	-	-	-	653,574	-	-	5,505,109
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-	-	-	-	-	-
345	Other current liabilities	3,746,553	-	-	-	1	-	-	46,871,061	-	(50,480,919)	136,696
346	Accrued liabilities - other	65,306	189,637	-	-	-	-	-	-	306,900	-	561,843
347	Interprogram - due to	537,301	141,853	-	-	-	-	-	84,458	-	(763,612)	-
310	TOTAL CURRENT LIABILITIES	4,528,814	23,118,521	1,842	14	38,136	-	99,750	48,451,722	1,702,026	(51,244,531)	26,696,294
NONCURRENT LIABILITIES:												
351	Long-term debt, net of current - capital projects/mortgage	-	13,884,695	-	-	-	-	-	3,603,893	42,170,253	-	59,658,841
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-	-	-	-	-
353	Non-current liabilities - other	-	-	-	-	-	-	-	-	1,618,236	-	1,618,236
354	Accrued compensated absences - noncurrent	43,801	57,802	-	-	-	-	-	-	-	-	101,603
355	Loan Liability - Non Current	-	-	-	-	-	-	-	-	-	-	-
356	FASB 5 Liabilities	-	-	-	-	-	-	-	-	-	-	-
357	Accrued pension and OPEB liabilities	523,319	1,119,791	-	20,127	-	-	-	221,404	-	-	1,884,641
350	TOTAL NONCURRENT LIABILITIES	567,120	15,062,288	-	20,127	-	-	-	3,825,297	43,788,489	-	63,263,321
300	TOTAL LIABILITIES	5,095,934	38,180,809	1,842	20,141	38,136	-	99,750	52,277,019	45,490,515	(51,244,531)	89,959,615
400	Deferred Inflow of Resources	465,290	1,109,537	-	17,896	-	-	-	196,854	-	-	1,789,577
EQUITY:												
508.4	Net Investment in Capital Assets	9,593	46,037,013	-	-	-	-	-	6,249,499	(8,444,306)	-	43,851,799
511.4	Restricted Net Position	-	1,154,585	-	-	-	-	-	442,627	352,730	-	1,949,942
512.4	Unrestricted Net Position	(3,683,126)	111,315,104	71,284	4,699	83,871	-	22,701	(44,631,475)	18,994,302	-	82,177,360
513	TOTAL EQUITY	(3,673,533)	158,506,702	71,284	4,699	83,871	-	22,701	(37,939,349)	10,902,726	-	127,979,101
600	TOTAL LIABILITIES, DEFERRED INFLOWS AND EQUITY	\$ 1,887,691	\$ 197,797,048	\$ 73,126	\$ 42,736	\$ 122,007	\$ -	\$ 122,451	\$ 14,534,524	\$ 56,393,241	\$ (51,244,531)	\$ 219,728,293
Proof of concept												

Alameda Housing Authority												
Financial Data Schedule (FDS)												
June 30, 2021												
Line Item #	Account Description	14.871 HOUSING CHOICE VOUCHERS	2 STATE LOCAL	14.249 SECTION 8 MODERATE REHABILITATION SINGLE ROOM OCCUPANCY	14.896 PIH FAMILY SELF-SUFFICIENCY PROGRAM	14.238 SHELTER PLUS CARE	14. HCC HCV CARES ACT FUNDING	14. EHV EMERGENCY HOUSING VOUCHER	6.2 COMPONENT UNIT BLENDED	DISCRETELY PRESENTED COMPONENT UNIT	ELIM	TOTAL
REVENUE:												
70300	Net tenant rental revenue	\$ -	\$ 1,750,912	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,042,605	\$ -	\$ -	\$ 3,793,517
70400	Tenant revenue - other	-	172,769	-	-	-	-	-	23,537	1,170,690	-	1,366,996
70500	Total tenant revenue	-	1,923,681	-	-	-	-	-	2,066,142	1,170,690	-	5,160,513
70600	HUD PHA grants	33,656,624	-	247,225	79,730	-	1,783,923	22,800	-	-	-	35,790,302
70610	Capital grants	-	-	-	-	-	-	-	-	-	-	-
70710	Management fee	-	-	-	-	-	-	-	-	-	-	-
70720	Asset management fee	-	-	-	-	-	-	-	-	-	-	-
70730	Book keeping fee	-	-	-	-	-	-	-	-	-	-	-
70750	Other fees	-	-	-	-	-	-	-	-	-	-	-
70800	Other government grants	-	11,117,174	-	-	452,275	-	-	3,763,718	-	(8,197,594)	7,135,573
71100	Investment income - unrestricted	8	163,371	-	-	-	-	-	156	-	-	163,535
71200	Mortgage interest income	-	-	-	-	-	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-	-
71301	Cost of sale of assets	-	-	-	-	-	-	-	-	-	-	-
71400	Fraud recovery	3,088	29	-	-	-	-	-	-	-	-	3,117
71500	Other revenue	455,326	444,259	-	2,345	-	-	-	24,746	17,650	-	944,326
71600	Gain or loss on sale of fixed assets	-	(490,616)	-	-	-	-	-	-	-	-	(490,616)
72000	Investment income - restricted	-	-	-	-	-	-	-	-	-	-	-
70000	TOTAL REVENUE	34,115,046	13,157,898	247,225	82,075	452,275	1,783,923	22,800	5,854,762	1,188,340	(8,197,594)	48,706,750
EXPENSES:												
Administrative												
91100	Administrative salaries	1,213,951	2,318,651	46,895	57,953	34,255	401,633	-	644,052	94,131	-	4,811,521
91200	Auditing fees	16,013	36,362	300	-	-	-	-	13,775	-	-	66,450
91300	Outside management fees	-	202,276	-	-	-	-	-	32,218	38,090	-	272,584
91310	Book-keeping fee	-	-	-	-	-	-	-	-	-	-	-
91400	Advertising and marketing	-	-	-	-	-	-	-	-	-	-	-
91500	Employee benefit contributions- administrative	631,695	995,343	-	25,847	-	-	-	232,560	24,870	-	1,910,315
91600	Office expenses	329,931	719,028	-	-	-	18,862	-	258,320	113,516	-	1,439,657
91700	Legal expenses	108,412	212,833	-	-	-	-	-	71,625	94,840	-	487,710
91800	Travel	3,770	11,662	-	-	-	-	-	6,844	-	-	22,276
91810	Allocated overhead	-	-	-	-	-	-	-	-	-	-	-
91900	Other	35,549	671	270	-	-	-	-	4,125	-	-	40,615
	Total administrative	2,339,321	4,496,826	47,465	83,800	34,255	420,495	-	1,263,519	365,447	-	9,051,128
92000	Asset Management Fee	-	-	-	-	-	-	-	-	10,610	-	10,610
Tenant services												
92100	Tenant services - salaries	-	194,085	-	-	-	-	-	121,164	-	-	315,249
92200	Relocation costs	-	-	-	-	-	-	-	6,902	-	-	6,902
92300	Employee benefit contributions- tenant services	2,026	24,683	-	-	-	-	-	42,030	-	-	68,739
92400	Tenant services - other	-	137,327	-	1,428	-	-	-	86,583	-	-	225,338
	Total tenant services	2,026	356,095	-	1,428	-	-	-	256,679	-	-	616,228

Alameda Housing Authority												
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June 30, 2021												
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	Utilities											
93100	Water	2,172	166,495	-	-	-	-	-	111,017	19,669	-	299,353
93200	Electricity	3,884	26,855	-	-	-	-	-	85,127	23,129	-	138,995
93300	Gas	458	(9,730)	-	-	-	-	-	26,406	429	-	17,563
93400	Fuel	357	-	-	-	-	-	-	-	-	-	357
93500	Labor	-	-	-	-	-	-	-	-	-	-	-
93600	Sewer	-	69,731	-	-	-	-	-	42,390	-	-	112,121
93700	Employee benefit contributions- utilities	-	-	-	-	-	-	-	-	-	-	-
290	Other utilities expense	1,462	312,249	-	-	-	-	-	75	-	-	313,786
	Total utilities	8,333	565,600	-	-	-	-	-	265,015	43,227	-	882,175
	Ordinary maintenance & operation											
94100	Ordinary maintenance and operations - labor	4,852	291,493	-	-	-	591	-	386,508	39,735	-	723,179
94200	Ordinary maintenance and operations - materials & other	4,065	115,057	-	-	-	-	-	69,969	-	-	189,091
94300	Ordinary maintenance and operations - contract costs	14,165	338,988	-	-	-	-	-	575,899	80,481	-	1,009,533
94500	Employee benefit contributions- ordinary maintenance	1,608	125,926	-	-	-	-	-	165,549	-	-	293,083
	Total ordinary maintenance	24,690	871,464	-	-	-	591	-	1,197,925	120,216	-	2,214,886
	Protective services											
95100	Protective services - labor	-	-	-	-	-	-	-	-	-	-	-
95200	Protective services- other contract costs	70,539	163,430	-	-	-	-	-	91,342	-	-	325,311
95300	Protective services - other	-	-	-	-	-	-	-	-	-	-	-
95500	Employee benefit contributions- protective services	-	-	-	-	-	-	-	-	-	-	-
	Total protective services	70,539	163,430	-	-	-	-	-	91,342	-	-	325,311
	General expenses											
96100	Insurance premiums	53,258	175,924	-	346	-	-	-	89,979	40,494	-	360,001
96200	Other general expenses	66,070	128,222	-	-	-	-	99	83,944	151,781	-	430,116
96210	Compensated absences	-	-	-	-	-	-	-	-	-	-	-
96300	Payments in lieu of taxes	-	-	-	-	-	-	-	-	-	-	-
96400	Bad debt - tenant rents	-	24,500	-	-	-	-	-	21,483	-	-	45,983
96500	Bad debt- mortgages	-	-	-	-	-	-	-	-	-	-	-
96600	Bad debt - other	-	-	-	-	-	-	-	-	-	-	-
96700	Interest expense	-	-	-	-	-	-	-	-	-	-	-
96710	Interest of Mortgage (or Bonds) Payable	-	813,569	-	-	-	-	-	178,316	-	-	991,885
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-	-	654,507	-	654,507
96800	Severance expense	-	-	-	-	-	-	-	-	-	-	-
	Total general expenses	119,328	1,142,215	-	346	-	-	99	373,722	846,782	-	2,482,492
96900	TOTAL OPERATING EXPENSES	2,564,237	7,595,630	47,465	85,574	34,255	421,086	99	3,448,202	1,386,282	-	15,582,830
97000	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	31,550,809	5,562,268	199,760	(3,499)	418,020	1,362,837	22,701	2,406,560	(197,942)	(8,197,594)	33,123,920
97100	Extraordinary maintenance	-	-	-	-	-	-	-	-	-	-	-
97200	Casualty losses - non capitalized	-	-	-	-	-	-	-	-	-	-	-
97300	Housing assistance payments	31,779,552	-	200,030	-	418,155	1,362,837	-	-	-	(8,197,594)	25,562,980
97350	HAP Portability - in	381,388	-	-	-	-	-	-	-	-	-	381,388
97400	Depreciation expense	643	887,419	-	-	-	-	-	792,780	854,662	-	2,535,504
97500	Fraud losses	-	-	-	-	-	-	-	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-	-	-	-	-	-	-	-
90000	TOTAL EXPENSES	34,725,820	8,483,049	247,495	85,574	452,410	1,783,923	99	4,240,982	2,240,944	(8,197,594)	44,062,702

Alameda Housing Authority												
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OTHER FINANCING SOURCES (USES)												
10010	Operating transfers in	-	-	-	-	-	-	-	-	-	-	-
10020	Operating transfers out	-	-	-	-	-	-	-	-	-	-	-
10030	Operating transfers from/to primary government	-	-	-	-	-	-	-	-	-	-	-
10040	Operating transfers from/to component unit	-	3,860,098	-	-	-	-	-	-	(3,860,098)	-	-
10070	Extraordinary items, net gain/loss	-	73,750	-	-	-	-	-	-	-	-	73,750
10080	Special items (net gain/loss)	-	-	-	-	-	-	-	-	1,945,532	-	1,945,532
10091	Inter Project excess cash transfer in	-	-	-	-	-	-	-	-	-	-	-
10092	Inter Project excess cash transfer out	-	-	-	-	-	-	-	-	-	-	-
10093	Transfers between program and project in	-	-	-	-	-	-	-	-	-	-	-
10094	Transfers between program and project out	-	-	-	-	-	-	-	-	-	-	-
10100	TOTAL OTHER FINANCING SOURCES (USES)	-	3,933,848	-	-	-	-	-	-	(1,914,566)	-	2,019,282
10000	EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	(610,774)	8,608,697	(270)	(3,499)	(135)	-	22,701	1,613,780	(2,967,170)	-	6,663,330
MEMO ACCOUNT INFORMATION:												
11020	Required annual debt principal payments	-	-	-	-	-	-	-	-	-	-	-
11030	Beginning equity	(3,062,759)	149,898,005	71,554	8,198	84,006	-	-	(39,553,129)	13,869,896	-	121,315,771
11040	Prior period adjustments and equity transfers	-	-	-	-	-	-	-	-	-	-	-
11170	Administrative fee equity	-	-	-	-	-	-	-	-	-	-	-
11180	Housing assistance payments equity	-	-	-	-	-	-	-	-	-	-	-
11190	Unit months available	22,140	3,336	-	-	-	-	-	3,432	-	-	28,908
11210	Number of unit months leased	18,094	3,107	-	-	-	-	-	3,297	-	-	24,498
11620	Building Purchases - CFP	-	-	-	-	-	-	-	-	-	-	-
Equity Roll Forward Test:												
	Calculation from R/E Statement	\$ (3,673,533)	\$ 158,506,702	\$ 71,284	\$ 4,699	\$ 83,871	\$ -	\$ 22,701	\$ (37,939,349)	\$ 10,902,726	\$ -	\$ 127,979,101
	B/S Line 513	\$ (3,673,533)	\$ 158,506,702	\$ 71,284	\$ 4,699	\$ 83,871	\$ -	\$ 22,701	\$ (37,939,349)	\$ 10,902,726	\$ -	\$ 127,979,101
		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -