

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2013
(Including Auditors' Report Thereon)**

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
FINANCIAL STATEMENTS
JUNE 30, 2013

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INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners
Housing Authority of the City of Alameda
Alameda, California

Report on the financial Statements

We have audited the accompanying financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Housing Authority of the City of Alameda, California, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the Standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, each major fund, and the aggregate remaining fund information of the Housing Authority of the City of Alameda, California, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8 and the supplementary schedules on pages 31 and 32 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board (GASB), 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 be required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the City of Alameda, California's basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The accompanying Schedule of Funding Progress for OPEB on page 31 and the Financial Data Schedule on pages 44 through 50 are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedule of Expenditures of Federal Awards, the Schedule of Funding Progress for OPEB, and the Financial Data Schedule are the responsibility of management and were derived and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the Schedule of Expenditures of Federal Awards, the Schedule of Funding Progress for OPEB, and the Financial Data Schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required By Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 7, 2014 on our consideration of the Housing Authority of the City of Alameda, California'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 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 Housing Authority of the City of Alameda, California's internal control over financial reporting and compliance.

Wallace Rowe + Associates

Pleasant Hill, California
January 7, 2014

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Housing Authority of the City of Alameda's annual financial report presents a discussion and analysis of the financial activities of the Authority for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we furnished in our letter to the Board of Commissioners.

The following management discussion and analysis (MD&A) 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 of the Authority exceeded its liabilities at the close of fiscal year 2013 by \$31,641,142 as opposed to \$29,695,360 for fiscal year 2012.
- Total assets at June 30, 2013 were \$68,244,078. Of this, \$21,966,006 represents current assets, and \$46,278,072 was non-current assets. Total assets at June 30, 2012 were \$67,933,916.
- Cash, cash equivalent and investment balances at June 30, 2013 were \$21,435,856, representing an increase of \$6,085,748 from the 2012 ending fiscal year balance of \$15,350,108.
- Net capital assets for the fiscal year 2013 decreased by \$226,844 from \$32,232,258 at June 30, 2012 to \$32,005,414 at June 30, 2013. Capital assets are reflected at cost, less accumulated depreciation for all purchased capital assets.
- Non-current liabilities decreased from \$16,031,195 at June 30, 2012 to \$15,612,033 at June 30, 2013, a decrease of \$419,162.
- As of June 30, 2013, the Authority's Total Net Position was \$31,641,142 and increase of \$1,945,782 over the Total Net Position of \$29,695,360 at June 30, 2012.
- The major program expenditure, as reflected on the Combined Statement of Revenues, Expenses, and Changes in Net Position, was for housing assistance payments. There was \$23,301,203 of housing assistance payment expenses for fiscal year 2013. This represents a decrease of \$64,627 of the amount for fiscal year 2012 of \$23,365,830.
- The primary sources of revenue are governmental grants and rents collected from the Authority's owned units. These combined amounts totaled \$33,263,040 for fiscal year 2013, as compared to \$33,742,095 for fiscal year 2012; a decrease of \$479,055.
- Operating revenues for the Authority for the 2013 fiscal year were \$4,061,801 and operating expenses were \$31,574,830. Operating revenues and expenses for the fiscal year 2012 were \$3,531,145 and \$31,316,711 respectively.
- Expenditures of Federal Awards amounted to \$24,316,348 for 2013 a decrease of \$774,062 from the prior fiscal year's expenditures of \$25,090,410.

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.

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 the United States 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 as an enterprise housing fund as a result of GASB 34.

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.

The *Statement of Net Position* presents information on the Authority's assets and liabilities, 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 Housing Authority's cash and cash equivalents during the most recent fiscal year.

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.

Supplemental Information

The schedule of expenditures of federal awards and schedule of funding progress for OPEB are presented for purposes of additional analysis as required by the and the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations, and Governmental Accounting Standards Board Statements. These schedules can be found in the Supplemental Information section 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). The Authority uses these capital assets to provide services to clients; consequently, these assets are not available for future spending.

Debt

The long-term debt includes mortgage loans and notes payable. A detailed presentation of the long-term debt can be found in the Note 5 to the financial statements.

Economic Factors

The Housing Authority is primarily dependent upon HUD for the funding of operations. Therefore, the Housing 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.

Budgetary Highlights

An agency-wide budget was prepared for the fiscal year ended June 30, 2013. 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. There are some slight variances and the budget comparison to actual can be found just after the statement of comparative activities.

Analysis of the Changes in Government-wide Net Position

The Authority's government-wide net position increased by \$1,945,782 during the fiscal year 2012-2013. The changes in the Authority's specific revenue and expense accounts are reflected in the following "Comparative Statement of Revenues, Expenses, and Changes in Net Position". Other than the decrease in grant revenues there were no significant increases or decreases in any of the Authority's other revenues or expenses for the Authority for the fiscal year 2012-2013.

Housing Authority of the City of Alameda
Comparative Statement of Net Position
June 30, 2013

	<u>2013</u>	<u>2012</u>	<u>Increase/ Decrease</u>	<u>Percentage Change</u>
Assets				
Current Assets	\$ 21,966,006	\$ 21,981,372	\$ (15,366)	(0.1)%
Notes receivable	14,272,658	13,720,286	552,372	4.0
Capital Assets (net of accumulated depreciation)	<u>32,005,414</u>	<u>32,232,258</u>	<u>(226,844)</u>	<u>(0.7)</u>
Total Assets	<u>\$ 68,244,078</u>	<u>\$ 67,933,916</u>	<u>\$ 310,162</u>	<u>0.5%</u>
Liabilities				
Current Liabilities	\$ 20,990,903	\$ 22,207,361	\$(1,216,458)	(5.5)%
Non-current Liabilities	<u>15,612,033</u>	<u>16,031,195</u>	<u>(419,162)</u>	<u>(2.6)</u>
Total Liabilities	<u>36,602,936</u>	<u>38,238,556</u>	<u>(1,635,620)</u>	<u>(4.3)</u>
Net Position				
Net investment in Capital Assets	16,055,162	15,885,439	169,723	1.1
Restricted	2,124,142	2,563,377	(439,235)	(17.1)
Unrestricted	<u>13,461,838</u>	<u>11,246,544</u>	<u>2,215,294</u>	<u>19.7</u>
Total Net Position	<u>\$ 31,641,142</u>	<u>\$ 29,695,360</u>	<u>\$ 1,945,782</u>	<u>6.6%</u>

Housing Authority of the City of Alameda
Comparative Statement of Revenues, Expenses, and Changes in Net Position
Year Ended June 30, 2013

	<u>2013</u>	<u>2012</u>	<u>Increase/ Decrease</u>	<u>Percentage Change</u>
<u>Operating Revenues</u>				
Rents	3,282,063	3,094,951	187,112	6.0
Other	<u>779,738</u>	<u>436,194</u>	<u>343,544</u>	<u>78.8</u>
Total operating revenues	<u>4,061,801</u>	<u>3,531,145</u>	<u>530,656</u>	<u>15.0</u>
<u>Operating Expenses</u>				
Administration	3,351,826	3,268,169	83,657	2.6
Utilities	599,201	556,437	42,764	7.7
Maintenance	2,574,225	2,425,928	148,297	6.1
Tenant services	146,468	122,593	23,875	19.5
Protective services	210,000	210,000	-	-
General	227,989	214,047	13,942	6.5
Housing Assistance Payments	23,301,203	23,365,830	(64,627)	(0.3)
Depreciation	<u>1,163,918</u>	<u>1,153,707</u>	<u>10,211</u>	<u>0.9</u>
Total operating expenses	<u>31,574,830</u>	<u>31,316,711</u>	<u>258,119</u>	<u>0.8</u>
Operating Income (Loss)	<u>(27,513,029)</u>	<u>(27,785,566)</u>	<u>272,537</u>	<u>(1.0)</u>
<u>Non-Operating Revenue (Expenses)</u>				
Grants	29,980,977	30,647,144	(666,167)	(2.2)
Interest Income	53,737	60,350	(6,613)	(11.0)
Interest Expense	<u>(575,903)</u>	<u>(616,372)</u>	<u>40,469</u>	<u>6.6</u>
Net Non-Operating Revenue (Loss)	<u>29,458,811</u>	<u>30,091,122</u>	<u>(632,311)</u>	<u>(2.1)</u>
Change in Net Position	1,945,782	2,305,556	(359,774)	(15.6)
Net Position, Beginning of Year	<u>29,695,360</u>	<u>27,389,804</u>	<u>2,305,556</u>	<u>8.4</u>
Net Position, End of Year	<u>\$ 31,641,142</u>	<u>\$ 29,695,360</u>	<u>\$ 1,945,782</u>	<u>6.6%</u>

The following presents the changes in fixed assets (net of accumulated depreciation) versus the prior fiscal year.

Housing Authority of the City of Alameda
Changes in Capital Assets
(Net of Accumulated Depreciation)
June 30, 2013

	<u>2013</u>	<u>2012</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
Land	\$ 13,412,054	\$ 13,412,054	\$ -	0.0%
Buildings and Improvements	18,503,828	18,771,539	(267,711)	(1.4)
Equipment	<u>89,532</u>	<u>48,665</u>	<u>40,867</u>	<u>84.0</u>
Total	<u>\$ 32,005,414</u>	<u>\$ 32,232,258</u>	<u>\$ (226,844)</u>	<u>(0.7)%</u>

Requests for information

This financial report is designed to provide citizens, taxpayers, and creditors with a general overview of the Housing Authority's finances and to show the Housing 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 Finance Director at the Housing Authority of the City of Alameda, 701 Atlantic Avenue, Alameda, California 94501.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

	<u>Enterprise Fund</u> <u>Housing</u>
<u>ASSETS</u>	
Current Assets:	
Cash and investments (Note 3)	\$ 21,435,856
Due from other agencies	27,576
Tenant accounts receivable	98,899
Accounts receivable - other	284,267
Interest receivable	11,759
Prepaid expenses	98,208
Inventory	9,441
Total current assets	<u>21,966,006</u>
Noncurrent assets:	
Notes receivable	14,272,658
Capital assets, net of accumulated depreciation of \$19,853,020 (Note 4)	<u>32,005,414</u>
Total non-current assets	<u>46,278,072</u>
Total assets	<u>68,244,078</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Total assets and deferred outflows of resources	<u>\$ 68,244,078</u>
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts payable	\$ 590,111
Accounts payable – other agencies	11,273
Tenant security deposits	479,766
Unearned grants	38,720
Prepaid rents	30,939
Unearned revenue (Note 6)	18,569,544
Interest payable	745,117
Compensated absences (Note 7)	105,932
Notes payable (Note 5)	419,501
Total current liabilities	<u>20,990,903</u>
Noncurrent liabilities:	
Compensated absences (Note 7)	79,914
OPEB payable (Note 10)	1,368
Notes payable (Note 5)	15,530,751
Total noncurrent liabilities	<u>15,612,033</u>
Total liabilities	<u>36,602,936</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Total liabilities and deferred inflows of resources	<u>36,602,936</u>
<u>NET POSITION</u>	
Net Investment in capital assets	16,055,162
Restricted	2,124,142
Unrestricted	13,461,838
Total Net Position	<u>\$ 31,641,142</u>

The accompanying notes are an integral part of this statement.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION -
PROPRIETARY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Enterprise Fund</u> <u>Housing</u>
<u>Operating Revenues</u>	
Rents	\$ 3,282,063
Other	<u>779,738</u>
Total operating revenues	<u>4,061,801</u>
 <u>Operating Expenses</u>	
Administrative	3,351,826
Utilities	599,201
Maintenance	2,574,225
Tenant services	146,468
Protective services	210,000
General	227,989
Housing assistance payments	23,301,203
Depreciation	<u>1,163,918</u>
Total operating expenditures	<u>31,574,830</u>
 Operating income (loss)	 <u>(27,513,029)</u>
 <u>Non-Operating Revenues (Expenses)</u>	
Grants	29,980,977
Interest income	53,737
Interest expense	<u>(575,903)</u>
Net non-operating revenue	<u>29,458,811</u>
 Change in net position	 1,945,782
Total net position, beginning	<u>29,695,360</u>
Total net position, ending	<u>\$ 31,641,142</u>

The accompanying notes are an integral part of this statement.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Enterprise Fund</u> <u>Housing</u>
<u>Cash flows from operating activities:</u>	
Cash received from rents	\$ 3,262,801
Other miscellaneous cash receipts	543,998
Cash payments to suppliers and landlords	(22,806,540)
Cash payments to employees	(3,085,599)
Net cash provided (used) in operating activities	<u>(22,085,340)</u>
<u>Cash flows from noncapital financing activities:</u>	
Cash received from grants	<u>29,980,977</u>
Net cash provided (used) in noncapital financing activities	<u>29,980,977</u>
<u>Cash flows from capital and related financing activities:</u>	
Interest paid on long-term debt	(549,530)
Purchase of fixed assets	(937,074)
Principal payments of long-term debt	(396,567)
Net cash (used) by capital and related financing activities	<u>(1,883,171)</u>
<u>Cash flows from investing activities:</u>	
Interest received	<u>73,282</u>
Net cash provided by investing activities	<u>73,282</u>
Net increase (decrease) in cash	6,085,748
Cash at beginning of year	15,350,108
Cash at end of year	<u>\$ 21,435,856</u>
<u>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</u>	
Operating income (loss)	\$ (27,513,029)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation	1,163,918
Changes in assets and liabilities:	
Increase in accounts receivable	(235,740)
Decrease in due from other governments	6,350,650
Increase in tenants' accounts receivable	(19,262)
Increase in prepaid expenses	(13,473)
Increase in inventory	(606)
Increase in notes receivable	(552,372)
Decrease in accounts payable	(42,553)
Increase in amounts due other governments	11,273
Increase in OPEB	1,368
Decrease in deferred revenues	<u>(1,235,514)</u>
Net cash provided by operating activities	<u>\$ (22,085,340)</u>

The accompanying notes are an integral part of this statement.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Note 1 - DEFINITION OF REPORTING ENTITY

The Housing Authority of the City of Alameda (the Authority) was established 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 Alameda, California City Council. However, the Housing 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 Commission. The members of the Commission are selected to serve for either two or four year terms.

Note 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position; the statement of revenues, expenses, and changes in net position; and the statement of cash flows) report the financial information of the Authority's operations as a whole.

For financial reporting purposes, the Authority reports all of its operations as a single business type activity in a single enterprise housing fund. Therefore, for the Authority the government-wide and fund financial statements are the same. These basic financial statements are presented in accordance with the standards established by the Governmental Accounting Standards Board (GASB).

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements are reported using the *economic resources measurement focus* and the *accrual basis* of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when related cash flows take place. Nonexchange transactions are those in which the Authority receives value without directly giving equal value in exchange. These transactions include revenues from federal, state, and local assistance programs. Revenues from these sources are recognized in the fiscal year in which all eligibility requirements have been met.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

Note 2 (continued)

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* activities. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise housing fund are grants from federal funding agencies for housing assistance payments earned, administrative and developer fees, and rental income from its owned housing units. Operating expenses include employee services and supplies, administrative expenses, management fees, utilities, housing assistance payments to landlords, and depreciation of its capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Authority applies all applicable Financial Accounting Standards Board (FASB) pronouncements issued before November 30, 1989 in accounting and reporting for its proprietary operations and it has implemented in fiscal year 2013 GASB Statement Number 62, Codification of Accounting and Financial Reporting Guidance Contained in pre-November 30, 1989 FASB and AICPA Pronouncements for FASB Pronouncements issued after November 30, 1989.

C. Assets, Liabilities, and Net Position

1. Cash and Cash Equivalents

For purposes of the accompanying statement of cash flows all highly liquid cash and investments with a maturity of three months or less when purchased and cash restricted by federal governmental requirements are considered cash and cash equivalents.

Cash and cash equivalents include amounts in demand deposits and savings accounts. All of the Authority's investments can be converted to cash in a relatively short amount of time. Therefore, all cash and investments and amounts of restricted are reported in the Statement of Cash Flows.

2. Restricted Assets

Restricted cash, cash equivalents, and investments, represent deposits that are used for replacement reserves, security deposit payable amounts to tenants and amounts that are required by grants from HUD to be used only to provide housing assistance for individuals and families that meet various income, age, and employment standards.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

Note 2 (continued)

3. Receivables

All receivables are reported at their gross value and are reduced by an allowance for doubtful accounts if such an amount is considered applicable.

4. Inventories and prepaid assets

All inventories are valued at cost using the first in/first out (FIFO) method. Inventories are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items the financial statements.

5. Capital Assets

Capital assets which include land, buildings, improvements, and furniture and equipment, are reported at historical cost. Contributed capital assets are recorded at fair value at the time received. Interest expense during any development periods is capitalized.

Maintenance, minor repairs and replacements are recorded as expenses; extraordinary replacements of property resulting in property betterments are charged to the property accounts.

Depreciation is charged to operations using the straight-line method based on the estimated useful life of the related asset. The estimated useful lives of the various asset categories are as follows:

Buildings	40 years
Improvements	15 years
Furniture and Equipment	5 to 10 years

6. Compensated Absences

It is the Authority's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. All vacation pay is accrued when incurred.

7. Taxes

The Authority is exempt from federal and state income taxes.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

Note 2 (continued)

8. Encumbrances

Encumbrance accounting is not employed by the Authority.

9. Net Position

Net position represents the differences between assets and liabilities. Net position consists of investment in capital assets, net of related debt; restricted net position; and unrestricted net position. Net position invested in capital assets, net of related debt, consists of capital assets, net of depreciation, reduced by the outstanding balances of borrowings used for the construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use through constitutional provisions or enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

10. Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the Statement of Net Position includes separate sections for deferred outflows and inflows of resources. These separate sections represent a consumption or acquisition of net position that applies to future periods and will not be recognized as outflows (revenues) or inflows (expenses) until that time.

D. New GASB Pronouncements

During fiscal year 2013 the Authority adopted GASB Statements No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* and GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.

The implementation of GASB Statement No. 62 did not have any financial reporting impact on the Authority for fiscal year 2013. Implementation and adoption of GASB Statement No. 63 required the reclassification of the Fund Equity from the concept of Net Assets to Net Position. This reclassification resulted in the Statement of Net Assets and the Statement of Revenues, Expenses, and Changes in Net Assets being changed to the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position. Within the category of net position; the classification of Invested in Capital Assets, Net of Related Debt has been reclassified to Net Investment in Capital Assets.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

Note 2 (continued)

E. Estimates

Management of the Authority has made certain estimates and assumptions relating to the reporting of assets and liabilities and revenues and expenses to prepare the financial statements. Actual results may differ from those estimates.

F. Budgets and Budgetary Accounting

Each year the Authority's Board of Commissioners adopts an operating budget. This budget may be revised during the year to give consideration to unanticipated revenue and expenditures primarily resulting from events unknown at the time of the adoption of the annual budget.

Note 3 - CASH AND INVESTMENTS

A. Policies

California law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the Authority's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the Authority's name and places the authority ahead of general creditors of the institution.

The Authority and its fiscal agents invest in individual investments and in investment pools. Individual investments are evidenced by specific identifiable *securities instruments*, or by electronic entry registering the owner in the records of the institution issuing the security, called the *book entry* system. In order to increase security, the Authority employs the Trust Department of a bank as the custodian of certain managed investments, regardless of their form.

The Authority's investments are carried at fair value, as required by generally accepted accounting principles. The Authority adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of those adjustments in income for that fiscal year.

Cash and cash equivalents are considered to be liquid assets for purposes of measuring cash flows.

HOUSING AUTHORITY OF THE CITY OF ALAMDEA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013

Note 3 (Continued)

B. Classification

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the terms of Authority debt instruments or agency agreements. Cash and investments as of June 30, 2013 are as follows:

Cash	\$ 20,667,001
Investments with trustees	<u>768,855</u>
Total cash and investments	<u>\$ 21,435,856</u>

The \$20,667,001 of cash reflects \$1,388,473 maintained on deposit in banks, \$250 of petty cash, and \$19,278,278 deposited in the State of California Local Agency Investment Fund (LAIF). Of the amounts deposited into banks, \$250,000 is covered by federal deposit insurance. The remaining \$1,138,473 as previously stated is required by California law to be collateralized by governmental securities with a market value of 110% of the deposit or with first trust deed mortgages with a value of 150% of the uninsured amount.

The \$768,855 of investments with trustees reflects amounts held by trust departments of various Authority lending agencies. These amounts will be used for future rehabilitation and operating costs of the Authority's multifamily projects. Investments are carried at fair value.

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

The Authority's investment policy and the California Government Code allow the Authority to invest in the following, provided rating of the issuers are acceptable to the Authority; and approved percentages and maturities are not exceeded. The table below also identifies certain provisions of the California Government Code, or the Authority's investment policy where the Authority's Investment Policy is more restrictive.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Credit Quality</u>	<u>Maximum in Portfolio</u>	<u>Maximum Investment One Issuer</u>
Repurchase Agreements	N/A	N/A	N/A	N/A
California Local Agency Investment Fund (LAIF)	On Demand	N/A	N/A	N/A
U.S. Treasury Bonds, Notes & Bills	N/A	N/A	N/A	N/A
U.S. Agency & U.S. Government Bankers acceptances	N/A	N/A	N/A	N/A
Negotiable Certificates of Deposit	270 Days	N/A	40%	30%
	N/A	AA	30%	N/A

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

Note 3 (continued)

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Credit Quality</u>	<u>Maximum in Portfolio</u>	<u>Maximum Investment One Issuer</u>
Time Certificates of Deposit	N/A	N/A	30%	N/A
Medium Term Corporate Notes	5 Years	N/A	30%	N/A
Money Market Mutual Funds	N/A	AAA	20%	N/A
County Agency Investment fund	On Demand	N/A	30%	N/A
Reverse Repurchase Agreements	N/A	N/A	N/A	N/A

D. Investments authorized by Debt Agreements and Governmental Grants

The Authority must maintain required amounts of cash and investments or fiscal agents under terms of certain debt issues and governmental grants. These funds are unexpended bond proceeds or are pledged as reserves to be used if the Authority fails to meet its obligations under these debt issuances or governmental grants. The California Government Code requires these funds to be invested in accordance with Authority policies, bond indentures or State Statute. The table below identifies the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Credit Quality</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum in Investment In One Issuer</u>
<u>For U.S. Department of Housing and Urban Development Funds</u>				
Repurchase Agreements	N/A	N/A	No Limit	No Limit
U.S. Government Obligations & Agencies	No Limit	N/A	No Limit	No Limit
State Obligations	N/A	N/A	No Limit	No Limit
Commercial Paper	N/A	N/A	No Limit	No Limit
Bankers acceptances	270 Days	N/A	40%	30%
Certificates of Deposit	N/A	N/A	30%	No Limit
Time Deposits	N/A	N/A	No Limit	No Limit
Qualified Financial Institution General Obligations	Upon Demand	AAA	No Limit	No Limit
Money Market Mutual Funds	N/A	AAA	20%	No Limit
U.S. Treasury Bills, Notes and Bonds	No Limit	N/A	No Limit	No Limit

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

Note 3 (continued)

For Non U.S. Department of Housing and Urban Development Funds				
Prime Commercial Paper	180 Days	Highest Rating	15%	30%
Medium Term Notes	5 Years	A	30%	N/A
City of Alameda Bonds	N/A	N/A	No Limit	No Limit
State of California Obligations	N/A	N/A	No Limit	No Limit
U.S. Government Obligations and Agencies	N/A	N/A	No Limit	No Limit
Bankers Acceptances	270 Days	N/A	40%	30%
Certificates of Deposit	N/A	N/A	30%	No Limit
Repurchase Agreements	N/A	N/A	No Limit	No Limit
Money Market Mutual Funds	N/A	N/A	No Limit	No Limit
Trust Indentures	N/A	N/A	No Limit	No Limit
Mortgage & Equipment Lease Obligations	5 Years	AA	30%	No Limit

E. Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the Authority's investments (including investments held by bond trustees) to market rate fluctuations is provided by the following table that shows the distribution of the Authority's investments by maturity:

<u>Investment Type</u>	<u>12 Months or Less</u>	<u>One to Five Years</u>	<u>More Than Five Years</u>	<u>Total</u>
U.S. Treasury Notes and Bills	\$ 768,855	\$ -	\$ -	\$ 768,855
Local Agency Investment Fund	<u>19,278,278</u>	<u>-</u>	<u>-</u>	<u>19,278,278</u>
Total Investments	<u>\$ 20,047,133</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,047,133</u>

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

Note 3 (continued)

F. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the actual rating as of June 30, 2013 for each Authority investment type as provided by Standard and Poor's except as noted:

Investment Type

Not Rated:

Local Agency Investment Fund

\$ 19,278,278

G. Concentration of Credit Risk

The Authority is required to disclose investments that represent a concentration of five percent or more of investments in any issuer, held by individual Authority Funds in the securities of issuers other than U.S. Treasury securities, mutual funds and external investment pools. At June 30, 2013 there were no investments of this type.

H. Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank or brokerage failure, the Authority's deposits may not be returned. As previously stated the Authority's bank deposits are either covered by FDIC insurance or are collateralized.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

Note 4 - CAPITAL ASSETS

The following is a summary of the Authority's changes in capital assets for the fiscal year ended June 30, 2013:

	Balance 6/30/12	Additions	Adjustments And Deletions	Balance 6/30/13
Land	\$ 13,412,054	\$ -	\$ -	\$ 13,412,054
Buildings and improvements	37,212,156	870,311	-	38,082,467
Equipment	297,150	66,763	-	363,913
	<u>50,921,360</u>	<u>937,074</u>	<u>-</u>	<u>51,858,434</u>
Less accumulated Depreciation for:				
Buildings and Improvements	(18,440,617)	(1,138,022)	-	(19,578,639)
Equipment	(248,485)	(25,896)	-	(274,381)
	<u>(18,689,102)</u>	<u>(1,163,918)</u>	<u>-</u>	<u>(19,853,020)</u>
Capital assets, net	<u>\$ 32,232,258</u>	<u>\$ (226,844)</u>	<u>\$ -</u>	<u>\$ 32,005,414</u>

Note 5 - LONG-TERM DEBT

Following is a summary changes in long-term debt for the year ended June 30, 2013:

	Balance 6/30/12	Additions	Deletions	Balance 6/30/13	Current Portion
Bonds Payable:					
PNC Bank	\$ 6,066,853	\$ -	\$ (130,051)	\$ 5,936,802	\$ 137,846
Greystone Financial	7,886,956	-	(247,408)	7,639,548	261,545
Note Payable:					
City of Alameda	1,082,240	-	(1,368)	1,080,872	1,383
County of Alameda	942,650	-	-	942,650	-
Other	368,120	-	(17,740)	350,380	18,727
Compensated Absences (Note 6)	188,222	-	(2,376)	185,846	-
	<u>\$ 16,535,041</u>	<u>\$ -</u>	<u>\$ (398,943)</u>	<u>\$ 16,136,098</u>	<u>\$ 419,501</u>

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

Note 5 (continued)

The following is a schedule of debt payment requirements to maturity for long-term obligations other than compensated absences:

Year Ending June 30,	Principal Payments	Interest Payments	Total Payments
2014	\$ 419,501	\$ 584,342	\$ 1,003,843
2015	443,777	584,342	1,028,119
2016	469,460	544,165	1,013,625
2017	496,631	522,324	1,018,955
2018	525,376	499,226	1,024,602
2019-2023	3,119,857	2,100,319	5,220,176
2024-2028	4,076,918	1,290,513	5,367,431
2029-2033	3,595,965	364,479	3,960,444
2034-2038	919,674	22,125	941,799
2039-2043	45,860	-	45,860
2044-2048	39,872	-	39,872
2049-2053	31,859	-	31,859
2054-2058	822,853	-	822,853
2059-2063	-	-	-
2064-2068	942,649	1,933,741	2,876,390
	<u>\$ 15,950,252</u>	<u>\$ 8,445,576</u>	<u>\$ 24,395,828</u>

A description of the debt recorded at June 30, 2013 for the housing authority is as follows:

Bonds Payable:

The deed of trust bond payable dated April 1, 2005 of \$6,800,000 for the Parrot Village and Eagle Village Apartments administered by PNC Bank. The bonds accrue interest at a variable rate based upon the weekly short term bond reset rate. The bonds require annual payments of principal and interest in amounts at least totaling \$340,016. The bonds mature April 15, 2035. The outstanding balance on the bonds at June 30, 2013 was \$5,936,802.

Bonds payable administered by Greystone Servicing Corporation were issued on August 25, 1998. They are payable in monthly installments of \$56,705, including principal and interest at 5.57%. Final payment is due February 1, 2031. The outstanding balance on the bonds at June 30, 2013 was \$7,639,548.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

Note 5 (continued)

Notes Payable:

Two loans issued during the fiscal year ended June 30, 1997 from the City of Alameda. These are non-interest bearing loans originally issued for \$518,600. They are secured by deeds of trust on nine properties located in Alameda, California. One of the notes is deferred until January 1, 2027. The combined balances outstanding on these notes at June 30, 2013 were \$510,872.

A promissory note agreement for \$570,000 was entered into with the City of Alameda on June 18, 1998. 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 Authority entered into two separate note payable agreements with the County of Alameda. One of the notes for \$536,400 was entered into on March 15, 2012 and the other note for \$380,000 was entered into on September 1, 2009. Both of these notes bear interest at 3% per annum. Principal and interest are payable throughout the term of these loans if there are "Residual Receipts" as defined by the loan agreements. A final payment is due on the outstanding loans principal and accrued interest on the earlier of (1) the date of transfer of the properties, (2) the date of any defaults on the loans, (3) July 30, 2067. The combined outstanding balances on these loans at June 30, 2012 was \$916,400.

The Authority assumed a loan payable originally entered into by the Filipino American Community Services Agency payable to the County of Alameda. The principal balance assumed and outstanding at June 30, 2012 is \$26,250. This note bears no interest. However, if this note is not paid when due the note will bear interest at 7% per annum for each day the note is not paid in full. The note is payable upon sale or transfer of the property whose deed of trust secures the note.

Three notes payable to then U.S. Bank secured by deeds of trust on six properties located throughout the City of Alameda. These notes were issued during the fiscal years ended June 30, 1997 and June 30, 2004. The notes have interest rates ranging from 5.05% to 6.72% per annum and require annual principal and interest payments totaling \$37,298. These notes have a balance owing of \$350,380 as of June 30, 2013.

Note 6 – UNEARNED REVENUES

On January 4, 2012 the Authority became the "Successor Agency" for the Low and Moderate Income Housing Assets of the former Community Improvement Commission of the City of Alameda. As a condition of becoming the "Successor Agency" the Authority received cash to pay the enforceable obligations of the prior Community Improvement Commission of the City of Alameda. The amounts received to pay these enforceable obligations are recorded as "unearned revenues". At June 30, 2013 there was \$18,569,544 remaining to pay these enforceable obligations.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

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. This leave will be used in future periods or paid to employees upon separation from the Authority. Accrued vacation leave has been valued by the Authority and has been recorded at \$185,846 as of June 30, 2013.

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.

Note 8 - OPERATING LEASE

The Authority on March 14, 2003 entered into a lease agreement with the Resources for Community Development (RCD) to lease land to RCD until March 14, 2078. Total rental income for the year ended June 30, 2012 under the lease agreement was \$1.

At June 30, 2013, the future rental income required under the lease for the land is as follows:

Fiscal Year <u>Ending</u>	
2014	\$ 1
2015	1
2016	1
2017	1
2018	1
Thereafter	<u>59</u>
	<u>\$ 64</u>

Note 9 - PENSION PLAN

Public Employees Retirement System

Plan Description: Effective April 22, 2012 the Authority became a member of the California Public Employees Retirement System (PERS), a cost sharing multiple-employer defined pension plan administered by PERS. The PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and the Housing Authority. The PERS issues a publicly available financial report that includes financial statements and required supplementary information for the PERS. That report may be obtained from their executive office, 400 "P" Street, Sacramento, California, 95814.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

Note 9 (continued)

Funding Policy and Annual Pension Cost: Plan members are required to contribute 7% of their annual covered salary, and the Housing Authority of the City of Alameda is required to contribute at an actuarially determined rate. The current rate for the Authority is 12.45% of covered payroll. The contribution requirements of plan members and the Housing Authority of the City of Alameda are established by resolutions and contracts of the Housing Authority and may be amended by PERS. The Housing Authority's contributions to PERS for the fiscal year ended June 30, 2012 were as follows:

Trend Analysis

<u>Plan</u>	<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contribution</u>	<u>Net Pension Obligation</u>
Regular employees	6/30/12	\$ 59,757	0%	\$ 59,757
Regular employees	6/30/13	\$ 385,177	100%	0

The above pension costs reflect only the Employer's required contributions (normal cost) and exclude the required employee contributions.

Prior to April 22, 2012 workers at the Authority were employees of the City of Alameda, California and participated in the City's retirement plan. Information pertaining to this retirement plan is included in the annual financial report for the City of Alameda.

Note 10 – OTHER POST EMPLOYMENT BENEFITS

Plan Description:

The Authority provides post-employment medical health care benefits to its retired employees and, in some instances, their spouses. Benefits include coverage in the CALPERS health plan. The Authority pays a portion of the premiums for the medical insurance for retirees. Monthly benefit amounts for 2013 were \$115 for eligible retirees. The majority of costs for medical insurance are the responsibility of each retiree.

Eligibility:

The Authority's retirees are eligible for membership in the plan upon retirement. Employees are eligible for retirement at age 50 and with 10 years of service or upon disability. As of June 30, 2013, the Authority had one retiree who was eligible for the program and receiving benefits. The Authority had another 31 active employees, who are eligible for the program, but are not receiving benefits as they have not yet retired from the Authority.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

Note 10 (continued)

Requirements of GASB 45:

The government Accounting Standards Board (GASB) has mandated disclosure of other post employment benefit (OPEB) liabilities for all government employers beginning in 2009. During prior fiscal years the Authority's employees were actually employees of the City of Alameda and not employees of the Authority itself, therefore there was no OPEB obligation or expense recognized in previous fiscal years. During fiscal year 2013 the Authority administered this program on a pay-as-you-go basis and actual costs were expensed as incurred. To comply with GASB 45, the Authority estimated it's the present value of the projected benefits of the OPEB program using the *Alternative Measurement Method* as permitted by GASB Statements Numbers 43 and 45.

Funding Policy:

The goal of GASB 45 is to match recognition of retiree medical expense with the periods during which the benefit is earned. The entry age normal cost method effectively meets this goal in most circumstances. The Authority has adopted an entry age normal cost method to determine the present value of benefits and the actuarial accrued liability. The plan currently has no assets. The amortization method is a level percent of payroll. The amortization period is thirty years. The Authority has adopted a pay-as-you-go policy and is not currently funding this liability above the monthly requirement. The Authority makes actual monthly payments for its portion of the retirees' premiums. The payments for 2013 totaled \$230. The Authority accrued a management determined estimate of \$1,368, to recognize expense in the current fiscal year.

Annual OPEB Cost and Net OPEB Obligation:

The Authority's annual OPEB costs (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. Interest on net OPEB obligation is based on the actuarial interest rate of 2% and is computed on the unfunded amount. There was no interest on the net OPEB obligation for fiscal year 2013.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

Note 10 (continued)

The following table shows the components of the annual OPEB cost, the amount actually contributed to the plan, and any changes in the net OPEB obligation.

Annual required contribution	\$ 1,598
Interest on net OPEB obligation	-
Adjustment of annual required contribution	-
Annual OPEB cost	<u>\$ 1,598</u>
Annual OPEB Cost	\$ 1,598
Contributions made	(230)
Change in net OPEB obligation (asset)	-
Net OPEB obligation (asset), beginning of year	-
Net OPEB obligation (asset), end of year	<u>\$ 1,368</u>

The Authority's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013 is as follows:

<u>Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Actual Employer Contribution</u>	<u>Percentage Contributed</u>	<u>Net Ending OPEB Obligation (Asset)</u>
6/30/13	\$ 1,598	\$ 230	14.4%	1,368

Funded Status and Funding Progress:

The funded status of the plan based on an actuarial valuation as of June 30, 2013, was as follow:

Actuarial accrued liability (AAL)	\$ 41,033
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$ 41,033</u>
Funded ratio (actuarial value of plan Assets/AAL)	0%
Covered payroll	\$ 2,620,894
UAAL as percentage of covered payroll	1.6%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events in the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

Note 10 (continued)

Actuarial Methods and Assumptions:

For the actuarial valuation, the entry age normal cost, level percent of pay; closed group method was used. The actuarial assumptions include a 2% discount rate. A long-term inflation assumption of 2% was used in developing level percent amortization. The healthcare trend rate assumption is 9% for 2013 grading down to 6% by 2018. The actuarial value of assets is equal to the market value. The unfunded actuarial accrued liability is being amortized over a period of 30 years as a level percentage of projected payroll. The amortization period at June 30, 2013 is 30 years reflecting the Authority's use of an open amortization period.

Note 11 - JOINT POWERS AGREEMENTS

Workers' Compensation Insurance

The Authority participates in a joint venture under a joint powers agreement (JPA) with the California Housing Workers' Compensation Authority (CHWCA). CHWCA was formed to provide workers' compensation insurance coverage for member housing authorities. At December 31, 2012, there were thirty-three members. The relationship between the Authority and CHWCA is such that CHWCA is not a component unit of the Authority for financial reporting purposes.

Condensed audited financial information for the year ended December 31, 2012, is as follows:

Total assets	\$ 23,541,211
Total liabilities	<u>(16,612,551)</u>
Total net assets	<u>\$ 6,928,660</u>
Total revenues	\$ 4,386,310
Total expenses	<u>(6,513,868)</u>
Net decrease in net assets	<u>\$ (2,127,558)</u>

CHWCA had \$16,071,499 of unpaid claims and claim adjustment expenses outstanding at December 31, 2012. The Authority's share of year end assets, liabilities, or retained earnings has not been calculated.

Property and Liability Insurance

The Authority participates in a joint venture under a joint powers agreement (JPA) with the Housing Authorities Risk Retention Pool (HARRP). HARRP was formed to provide property and liability insurance coverage for member housing authorities. At December 31, 2012 there were 86 members. The relationship between the Authority and HARRP is such that HARRP is not a component unit of the Authority for financial reporting purposes.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2013
(Continued)

Note 11 (continued)

Condensed audited financial information for the year ended December 31, 2012 is as follows:

Total assets	\$ 32,875,384
Total liabilities	(9,307,327)
Minority interest	<u>(10,380)</u>
Total net assets	<u>\$ 23,557,677</u>
Total revenues	\$ 7,321,709
Total expenses	(9,816,099)
Minority income	<u>4,566</u>
Net increase (decrease) in net assets	<u>\$ (2,429,824)</u>

HARRP had \$5,506,045 in outstanding claims liabilities at December 31, 2012. The Authority's share of year end assets, liabilities, or retained earnings has not been calculated.

Note 12 - CONTINGENT LIABILITIES

Federal Grants

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

SUPPLEMENTAL INFORMATION

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
REQUIRED SUPPLEMENTARY INFORMATION
AS OF JUNE 30, 2013**

Schedule of Funding Progress for OPEB

<u>Fiscal Year Ended</u>	<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Annual Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of covered Payroll</u>
June 30, 2013	June 1, 2013	\$ 0	\$ 1,368	\$ 41,033	0.0%	\$2,620,894	1.6%

Note – Prior to April 22, 2012 the employees working at the Authority were actually employees of the City of Alameda. Effective April 22, 2012, these former city employees officially became employees of the Housing Authority of the City of Alameda. The Authority's OPEB information prior to April 22, 2012 was included as a part of the OPEB valuation information for the City of Alameda as a whole and the Authority's portion could not be determined individually.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2013**

<u>Federal Grantor</u>	<u>CFDA Number</u>	<u>Expenditures</u>
Department of Housing and <u>Urban Development (HUD):</u>		
Direct Programs:		
Section 8 Moderate Rehabilitation – Single Room Occupancy	14.249	207,028
Section 8 Housing Choice Vouchers	14.871	<u>24,109,320</u>
Total U.S. Department of Housing and Urban Development		<u>24,316,348</u>
Total Federal Expenditures		<u>\$ 24,316,348</u>

This statement was prepared on the accrual basis of accounting.

The accompanying Independent Auditors' Report and notes are an integral part of this statement.

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**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***

Independent Auditors' Report

To the Board of Commissioners
Housing Authority of the City of Alameda
Alameda, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities, each major fund, and the aggregate remaining fund information of the Housing Authority of the City of Alameda, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements and have issued our report thereon dated January 7, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority of the City of Alameda'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 Housing Authority of the City of Alameda's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Alameda'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 and not have been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of the City of Alameda's financial statements are free of 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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

William Lowe & Associates

Pleasant Hill, California
January 7, 2014

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

Independent Auditors' Report

To the Board of Commissioners
Housing Authority of the City of Alameda
Alameda, California

Report on Compliance for Each Major Program

We have audited the Housing Authority of the City of Alameda's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the Housing Authority of the City of Alameda's major federal programs for the year ended June 30, 2013. The Housing Authority of the City of Alameda's major programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

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

Opinion on Each Major Federal Program

In our opinion, the Housing Authority of the City of Alameda 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, 2013.

Report on Internal Control Over Compliance

Management of the Housing Authority of the City of Alameda is responsible for establishing and maintaining effective internal control over compliance with the types of compliance referred to above. In planning and performing our audit of compliance, we considered the Housing Authority of the City of Alameda's internal control over compliance with the types of requirements that could have a direct and material effect on a 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 OMB circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the City of Alameda'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, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item number 2013-1, that we consider to be significant deficiencies.

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

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

We have audited the financial statements of the business-type activities, the one major fund, and the aggregate remaining fund information of the Housing Authority of the City of Alameda as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Alameda's basic financial statements. We issued our report thereon dated January 7, 2014, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statement that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Wallace Rowe & Associates

Pleasant Hill, California
January 7, 2014

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
STATUS OF PRIOR AUDIT FINDINGS
JUNE 30, 2013**

The previous audit report for the year ended June 30, 2012 contained no audit findings.

**HOUSING AUTHORITY OF THE CITY OF ALAMEDA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2013**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	unqualified
Internal control over financial reporting:	
Material weaknesses identified?	no
Reportable conditions identified not considered material weaknesses?	no
Noncompliance material to financial statements?	no

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	no
Reportable conditions identified not considered material weaknesses?	yes
Type of auditors' report issued on compliance for major programs:	unqualified
Any audit findings disclosed that are required to be reported in accordance with A-133, Section .510(a)?	yes
Identification of major programs:	
Section 8 Housing Choice Vouchers	14.871
Dollar threshold to distinguish between Type A and Type B programs	\$729,490
Auditee qualified as low risk auditee?	yes

Section II - Financial Statement Findings

no

Section III - Federal Award Findings

No. 2013-1

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
FINDINGS AND QUESTIONED COSTS
JUNE 30, 2103

Finding 2013-1 - Several Errors and Deficiencies Were Noted In Our Examination of the Authority's Compliance With Regulations for the Housing Choice Voucher Program (CFDA #14.871)

During the performance of our audit procedures and our examination of the Authority's compliance with U.S Department of Housing and Urban Development (HUD) regulations for the Housing Choice Voucher Program we noted the following:

Condition:

1. We examined the documentation of several housing choice voucher program's units that had failed the required annual unit inspection. We examined this documentation in order to determine if the conditions causing the units to fail the inspection had been corrected within the time periods required by HUD regulations. These regulations require that failing conditions considered non-life threatening be corrected within 30 calendar days of the date of the inspection. Life threatening conditions are required to be corrected within 24 hours of the unit's inspection. HUD regulations also require that if the conditions causing a unit to fail the inspection are not corrected within the required time periods that the housing assistance payment made to the landlord be immediately stopped (abated) until the condition causing the unit to fail inspection is corrected.

For some of the units that had failed the annual unit inspections, we noted that the condition causing the unit to fail was not corrected within either the required 30 day or the 24 hour period. Several different explanations were provided to us as to why the conditions causing the unit to fail inspection were not corrected with the required time periods. While these explanations appear reasonable and valid we noted that no rent payments to the landlords were ever abated even though the condition causing the unit to fail the inspection had not yet been corrected.

2. While examining the documentation for certifications/re-certifications of the tenants' eligibility and rent calculations we discovered instances where required documentation was missing or where errors were made in the calculation of the housing assistance payments and the tenant's rent amount.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
FINDINGS AND QUESTIONED COSTS
JUNE 30, 2013
(Continued)

Finding 2013-1 (continued)

Cause:

1. The Authority prepared and maintained a log of the units that had failed the required annual inspection however the log did not indicate which units failed due to life threatening conditions. Therefore, it appears that the Authority was not always aware of when the condition causing the unit to fail inspection was required to be corrected or repaired. In addition, the Authority's Section 8 department did not notify the accounting department that the housing assistance payment to the landlord of the failing unit should be abated until the failing condition had been repaired or corrected.
2. The tenant files examined that had missing documentation, or where there were incorrect calculations of the housing assistance payments and tenant's rent, appear to be the result of isolated mistakes or errors. There did not appear to be systemic problems in the preparation of the tenants' certifications/re-certifications or maintenance of the tenants' files.

Effect:

1. By not ensuring that conditions causing the units to fail the annual inspections were rectified within the time periods required by HUD regulations, the Authority did not always comply with HUD regulations. In addition, housing assistance payments were made to landlords in violation of HUD regulations, for the units that had failed inspection, and the condition for failure had not been corrected within the time periods required by HUD regulations.
2. Documentation was missing from some of the tenant files and some errors were made in the calculation of the housing assistance payments and the tenants' rent portion.

Questioned Costs:

1. Since in most instances examined the required repairs appeared to have been made and the units re-inspected and passed prior to the next payment date for the housing assistance payment no costs are being questioned due to this finding.
2. Since most documents that were missing and most of the errors noted in the calculation of the housing assistance payments, were isolated instances, no costs are being questioned due to this part of the audit finding.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
FINDINGS AND QUESTIONED COSTS
JUNE 30, 2013
(Continued)

Finding 2013-1 (continued)

Recommendations:

1. We recommend that the Authority's log which shows the units that failed inspection indicate which units failed due to life threatening conditions. This log should also show the date the unit failed the inspection, the date the landlord was notified of the failed inspection, and the date that the condition causing the unit to fail the annual inspection was rectified.

We also recommend that the Authority's Section 8 department immediately notify the accounting department of any units where the housing assistance payment to the landlord be abated.

2. We recommend that additional care be taken to ensure that all required documentation be gathered and maintained in the tenants' files. We also recommend that the calculation of the housing assistance payment and the tenants' rent amount be calculated correctly.

Authority's Corrective Action Plan:

The Housing Authority of the City of Alameda (AHA) will follow all of the Auditor's recommendations. In addition, the AHA acknowledges that we can and should hold property owners and participants/tenants to stricter accountability when Housing Quality Standards (HQS) fail items are identified and require correction. In the case of items requiring correction within 30 days, or after any AHA-approved extension (requested and approved in writing), it has been our practice to abate Housing Assistance Payments (HAP) to the landlord no later than the first of the month following the end of the correction period. Going forward, we will immediately abate HAP when items have not been corrected within the 30 day period (or any AHA-approved extensions) until the condition causing the unit to fail has been corrected and inspected. If the fail item is "participant-caused" and not corrected within 30 days, we will continue to work with the participant to address the matter, but if not resolved within a reasonable period (generally not to exceed one week/5 business days), we will initiate termination of HCVP participation.

A tracking spreadsheet has been established (as per the Auditor's recommendation) to log and track any HQS defect requiring correction within 24 hours. In the case of items which must be corrected within 24 hours, the AHA has re-emphasized communication, notification, and scheduling practices to ensure that these items are resolved with the 24 hour correction period. These include the inspector telling the participant/tenant, and property owner if present, about the fail item and the 24 hour correction period when it is identified in the unit. If the property owner is not present but his/her telephone number is available to the inspector, the inspector will verbally notify the property owner from the field.

HOUSING AUTHORITY OF THE CITY OF ALAMEDA
FINDINGS AND QUESTIONED COSTS
JUNE 30, 2013
(Continued)

Finding 2013-1 (continued)

Upon return to the AHA office, the inspector will make sure the Housing Assistant/Inspection Coordinator and Director of Housing Programs (or designee) knows that a life-threatening condition has been identified. When a defect requiring immediate attention is identified, it will be entered on this spreadsheet with key actions toward timely correction. We will continue efforts to reach the property owner by telephone, email, and regular mail, and make arrangements to return to the unit the following day. If the fail item is "owner-caused" and not corrected upon re-inspection the next day, we will notify the Finance department and abate the HAP immediately until the condition is corrected and re-inspected. If the fail item is "participant-caused," we will continue to work with the participant to address the matter swiftly, and if not resolved within a reasonable period (not to exceed 3 business days), we will initiate termination of HCVP participation. Going forward, this log of "24 hour fails" will be available for audit and SEMAP (Section 8 Management Assessment Program) purposes.

The Housing Authority is pleased to learn that the Auditor did not find any systemic problems in the preparation of, or maintenance of participants' files. We acknowledge that some of the documentation stored electronically in the Laserfiche system is still difficult to read. In keeping with the Auditor's recommendation, we have, and will continue to reinforce with all staff the importance of ensuring that all information used in determining Total Tenant Payment (TTP) and HAP is backed up with sufficient and readable documentation, properly applied and calculated, and accurately entered into the Yardi software system. Quality Control reviews will be continue to ensure that the established standards are being met.

CITY OF ALAMEDA HOUSING AUTHORITY (CA062)
ALAMEDA, CA

Entity Wide Balance Sheet Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2013

	14.871 Housing Choice Vouchers	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.182 N/C S/R Section 8 Programs	2 State/Local	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$93,289	\$75,330	\$45,880	\$453,989	\$668,488		\$668,488
112 Cash - Restricted - Modernization and Development							
113 Cash - Other Restricted	\$353,834		\$480,908	\$287,946	\$1,122,688		\$1,122,688
114 Cash - Tenant Security Deposits			\$156,471	\$326,489	\$482,960		\$482,960
115 Cash - Restricted for Payment of Current Liabilities	\$7,219				\$7,219		\$7,219
100 Total Cash	\$454,342	\$75,330	\$683,259	\$1,068,424	\$2,281,355		\$2,281,355
121 Accounts Receivable - PHA Projects							
122 Accounts Receivable - HUD Other Projects							
124 Accounts Receivable - Other Government	\$7,540			\$20,036	\$27,576		\$27,576
125 Accounts Receivable - Miscellaneous	\$1,130			\$273,310	\$274,440		\$274,440
126 Accounts Receivable - Tenants	\$0		\$2,357	\$120,942	\$123,299		\$123,299
126.1 Allowance for Doubtful Accounts - Tenants	\$0		\$0	-\$24,400	-\$24,400		-\$24,400
126.2 Allowance for Doubtful Accounts - Other	\$0			\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current							
128 Fraud Recovery	\$173,305				\$173,305		\$173,305
128.1 Allowance for Doubtful Accounts - Fraud	-\$163,478				-\$163,478		-\$163,478
129 Accrued Interest Receivable	\$979		\$118	\$10,662	\$11,759		\$11,759
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$19,476	\$0	\$2,475	\$400,550	\$422,501		\$422,501
131 Investments - Unrestricted	\$476,718		\$69,120	\$12,577,234	\$13,123,072		\$13,123,072
132 Investments - Restricted	\$1,129,635			\$4,901,784	\$6,031,429		\$6,031,429
135 Investments - Restricted for Payment of Current Liability							
142 Prepaid Expenses and Other Assets			\$34,517	\$63,691	\$98,208		\$98,208
143 Inventories				\$9,441	\$9,441		\$9,441
143.1 Allowance for Obsolete Inventories				\$0	\$0		\$0
144 Inter Program Due From							
145 Assets Held for Sale							

150	Total Current Assets	\$2,080,171	\$75,330	\$789,371	\$19,021,134	\$21,966,006	\$21,966,006
161	Land			\$2,159,925	\$11,252,129	\$13,412,054	\$13,412,054
162	Buildings			\$11,980,740	\$19,664,268	\$31,645,008	\$31,645,008
163	Furniture, Equipment & Machinery - Dwellings	\$40,125		\$55,602	\$268,186	\$363,913	\$363,913
164	Furniture, Equipment & Machinery - Administration						
165	Leasehold Improvements			\$559,587	\$5,877,873	\$6,437,460	\$6,437,460
166	Accumulated Depreciation	-\$40,125		-\$6,514,080	-\$13,298,616	-\$19,853,021	-\$19,853,021
167	Construction in Progress						
168	Infrastructure						
160	Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$8,241,774	\$23,763,640	\$32,005,414	\$32,005,414
171	Notes, Loans and Mortgages Receivable - Non-Current				\$14,272,658	\$14,272,658	\$14,272,658
172	Notes, Loans, & Mortgages Receivable - Non Current - Past Due						
173	Grants Receivable - Non Current						
174	Other Assets						
176	Investments in Joint Ventures			\$8,241,774	\$38,036,298	\$46,278,072	\$46,278,072
180	Total Non-Current Assets	\$0	\$0				
190	Total Assets	\$2,080,171	\$75,330	\$9,031,145	\$57,057,432	\$68,244,078	\$68,244,078
311	Bank Overdraft						
312	Accounts Payable <= 90 Days			\$1,760		\$1,760	\$1,760
313	Accounts Payable >90 Days Past Due						
321	Accrued Wage/Payroll Taxes Payable				\$358	\$358	\$358
322	Accrued Compensated Absences - Current Portion	\$28,389		\$20,234	\$57,309	\$105,932	\$105,932
324	Accrued Contingency Liability						
325	Accrued Interest Payable				\$745,117	\$745,117	\$745,117
331	Accounts Payable - HUD PHA Programs	\$7,219	\$4,054			\$11,273	\$11,273
332	Account Payable - PHA Projects						
333	Accounts Payable - Other Government						
341	Tenant Security Deposits			\$154,877	\$324,789	\$479,766	\$479,766
342	Deferred Revenues	\$38,720		\$13,645	\$18,586,838	\$18,639,203	\$18,639,203
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue			\$261,545	\$157,956	\$419,501	\$419,501
344	Current Portion of Long-term Debt - Operating Borrowings						
345	Other Current Liabilities						
346	Accrued Liabilities - Other	\$93,596		\$57,570	\$436,827	\$587,993	\$587,993

CITY OF ALAMEDA HOUSING AUTHORITY (CA062)
ALAMEDA, CA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/A-133

Fiscal Year End: 06/30/2013

	14.871 Housing Choice Vouchers	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.182 NYC S/R Section 8 Programs	2 State/Local	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue			\$1,400,664	\$1,881,399	\$3,282,063		\$3,282,063
70400 Tenant Revenue - Other			\$6,804	\$68,375	\$75,179		\$75,179
70500 Total Tenant Revenue	\$0	\$0	\$1,407,468	\$1,949,774	\$3,357,242		\$3,357,242
70600 HUD PHA Operating Grants	\$24,109,320	\$207,028			\$24,316,348		\$24,316,348
70610 Capital Grants							
70710 Management Fee							
70720 Asset Management Fee							
70730 Book Keeping Fee							
70740 Front Line Service Fee							
70750 Other Fees							
70700 Total Fee Revenue							
70800 Other Government Grants			\$1,087,057	\$4,577,572	\$5,664,629		\$5,664,629
71100 Investment Income - Unrestricted	\$1,371		\$815	\$51,551	\$53,737		\$53,737
71200 Mortgage Interest Income							
71300 Proceeds from Disposition of Assets Held for Sale							
71310 Cost of Sale of Assets							
71400 Fraud Recovery	\$7,670				\$7,670		\$7,670
71500 Other Revenue	\$318,142		\$40,583	\$338,164	\$696,889		\$696,889
71600 Gain or Loss on Sale of Capital Assets							
72000 Investment Income - Restricted	\$0			\$0	\$0		\$0
70000 Total Revenue	\$24,436,503	\$207,028	\$2,535,923	\$6,917,061	\$34,096,515		\$34,096,515
91100 Administrative Salaries	\$808,570	\$38,565	\$327,659	\$726,331	\$1,901,125		\$1,901,125
91200 Auditing Fees	\$7,208	\$300	\$7,963	\$16,304	\$31,775		\$31,775
91300 Management Fee							
91310 Book-keeping Fee							
91400 Advertising and Marketing							
91500 Employee Benefit contributions - Administrative	\$306,646		\$113,363	\$229,697	\$649,706		\$649,706

91600 Office Expenses	\$19,359	\$8,666	\$19,954	\$47,979	\$47,979
91700 Legal Expense	\$21,102	\$14,387	\$40,638	\$76,127	\$76,127
91800 Travel	\$15,989	\$5,934	\$14,420	\$36,353	\$36,353
91810 Allocated Overhead					
91900 Other	\$336,362	\$55,962	\$216,437	\$608,761	\$608,761
91000 Total Operating - Administrative	\$1,515,246	\$533,934	\$1,263,781	\$3,351,826	\$3,351,826
92000 Asset Management Fee					
92100 Tenant Services - Salaries	\$48,462	\$22,890	\$42,773	\$114,125	\$114,125
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services	\$9,141			\$9,141	\$9,141
92400 Tenant Services - Other	\$575	\$922	\$21,705	\$23,202	\$23,202
92500 Total Tenant Services	\$58,178	\$23,812	\$64,478	\$146,468	\$146,468
93100 Water	\$1,543	\$47,212	\$144,451	\$193,206	\$193,206
93200 Electricity	\$6,593	\$44,152	\$73,900	\$124,645	\$124,645
93300 Gas	\$563	\$22,004	\$32,605	\$55,192	\$55,192
93400 Fuel					
93500 Labor					
93600 Sewer	\$323	\$58,972	\$166,863	\$226,158	\$226,158
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense					
93000 Total Utilities	\$9,042	\$172,340	\$417,819	\$599,201	\$599,201
94100 Ordinary Maintenance and Operations - Labor		\$280,133	\$584,057	\$864,190	\$864,190
94200 Ordinary Maintenance and Operations - Materials and Other	\$4,722	\$71,926	\$127,212	\$203,860	\$203,860
94300 Ordinary Maintenance and Operations Contracts	\$22,085	\$197,827	\$721,817	\$941,729	\$941,729
94500 Employee Benefit Contributions - Ordinary Maintenance		\$95,245	\$198,579	\$293,824	\$293,824
94000 Total Maintenance	\$28,807	\$645,131	\$1,631,665	\$2,303,603	\$2,303,603
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs	\$26,250	\$34,440	\$149,310	\$210,000	\$210,000
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$26,250	\$34,440	\$149,310	\$210,000	\$210,000
96110 Property Insurance		\$22,226	\$58,166	\$80,392	\$80,392
96120 Liability Insurance	\$3,062	\$2,269	\$12,839	\$18,170	\$18,170
96130 Workmen's Compensation	\$10,986	\$19,532	\$41,859	\$72,387	\$72,387
96140 All Other Insurance	\$722	\$30,343	\$7,220	\$38,285	\$38,285

96100	Total Insurance Premiums	\$14,780	\$0	\$74,370	\$120,084	\$209,234	\$209,234
96200	Other General Expenses						
96210	Compensated Absences						
96300	Payments in Lieu of Taxes						
96400	Bad debt - Tenant Rents			\$760	\$14,998	\$15,756	\$15,756
96500	Bad debt - Mortgages						
96600	Bad debt - Other						
96800	Severance Expense						
96900	Total Other General Expenses	\$0	\$0	\$760	\$14,998	\$15,756	\$15,756
96710	Interest of Mortgage (or Bonds) Payable			\$433,051	\$142,852	\$575,903	\$575,903
96720	Interest on Notes Payable (Short and Long Term)						
96730	Amortization of Bond Issue Costs						
96700	Total Interest Expense and Amortization Cost	\$0	\$0	\$433,051	\$142,852	\$575,903	\$575,903
96900	Total Operating Expenses	\$1,650,303	\$39,865	\$1,917,838	\$3,804,985	\$7,411,991	\$7,411,991
97000	Excess of Operating Revenue over Operating Expenses	\$22,786,200	\$168,163	\$618,085	\$3,112,076	\$26,684,524	\$26,684,524
97100	Extraordinary Maintenance			\$197,276	\$73,346	\$270,622	\$270,622
97200	Casualty Losses - Non-capitalized						
97300	Housing Assistance Payments	\$22,885,765	\$161,807			\$23,047,572	\$23,047,572
97350	HAP Portability-In	\$253,631				\$253,631	\$253,631
97400	Depreciation Expense			\$319,200	\$844,718	\$1,163,918	\$1,163,918
97500	Fraud Losses						
97600	Capital Outlays - Governmental Funds						
97700	Debt Principal Payment - Governmental Funds						
97800	Dwelling Units Rent Expense						
90000	Total Expenses	\$24,789,699	\$200,672	\$2,434,314	\$4,723,049	\$32,147,734	\$32,147,734
10010	Operating Transfer In						
10020	Operating transfer Out						
10030	Operating Transfers from/to Primary Government						
10040	Operating Transfers from/to Component Unit						
10050	Proceeds from Notes, Loans and Bonds						
10060	Proceeds from Property Sales						
10070	Extraordinary Items, Net Gain/Loss						
10080	Special Items (Net Gain/Loss)						
10091	Inter Project Excess Cash Transfer In						

