
**HOUSING AUTHORITY
OF THE CITY OF RICHMOND**

**BASIC COMPONENT UNIT
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED JUNE 30, 2015

**HOUSING AUTHORITY OF THE CITY OF RICHMOND
BASIC COMPONENT UNIT FINANCIAL STATEMENTS**

FOR THE YEAR ENDED JUNE 30, 2015

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Housing Authority of the City of Richmond
Richmond, California

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of Housing Authority of the City of Richmond, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise Housing Authority of the City of Richmond's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

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 and the discretely presented component unit of Housing Authority of the City of Richmond as of June 30, 2015, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter – Change in Accounting Principles

As discussed in Note 1 to the financial statements, in 2015 the Housing Authority of the City of Richmond adopted new accounting guidance, *Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2015, on our consideration of Housing Authority of the City of Richmond's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Housing Authority of the City of Richmond's internal control over financial reporting and compliance.

Palm & Associates, LLP

Oakland, California
December 23, 2015

HOUSING AUTHORITY OF THE CITY OF RICHMOND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015

The management discussion and analysis (MD&A) will be focused on the Primary Governmental Unit referred to in this document, the financial statements as well as the notes to the financial statements as the "Authority". The MD&A is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, and (c) identify changes in the Authority's financial position for the fiscal year ended June 30, 2015.

Please read it in conjunction with the Authority's financial statements.

Overview of the financial statements

The Authority's financial statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. The Authority's accounting records is structured as an enterprise fund with revenues recognized when earned, rather than when received. Expenses are recognized when incurred, not when they are paid. Capital assets are capitalized and depreciated over their estimated useful lives. The accounting for enterprise funds is similar to the accounting used by businesses. See the notes to the financial statements for a summary of the Authority's significant accounting policies.

Following the MD&A are the basic financial statements of the Authority together with notes, which are essential to a full understanding of the data contained in the financial statements. The Authority's basic financial statements are designed to provide readers with a broad overview of the Authority's finances.

The **Statement of Net Position** presents information similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources of the Authority. The statement is presented in the format where assets, minus liabilities, equal net position. Assets and liabilities are presented in order of liquidity, and are classified as current and non-current.

Net position is reported in three broad categories:

Net Invested in Capital Assets: This component consists of all capital assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position: This component consists of assets that are constrained by limitations placed on their use by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Position: This component consists of assets that are not restricted and do not meet the definition of Net Invested in Capital Assets.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015

The **Statement of Revenues, Expenses, and Changes in Net Position** presents information showing how the Authority's net position changed during the year. This statement includes operating revenues, such as rental income, operating expenses, such as administrative, utilities, maintenance, and depreciation, and non-operating revenue and expenses, such as grant revenue, investment income, interest expense, and gains or losses from the sale or disposition of capital assets. The focus of the statement is the change in net position, which is similar to net income or loss for a business entity.

The **Statement of Cash Flows** reports net cash provided by or used by operating activities, non-capital financing activities, capital and related financing activities and investing activities.

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

In addition to the basic financial statements and accompanying notes, this report includes two types of supplementary information: required supplementary information and other supplementary information. Required supplementary information must be included to conform with generally accepted accounting principles. Management's discussion and analysis is the required supplementary information.

Other supplementary information is not required by generally accepted accounting principles but is presented for additional analysis purposes or to meet other requirements. The financial data schedule is required by the U.S. Department of Housing and Urban Development (HUD). The schedule of expenditures of federal awards is required by the U.S. Office of Management and Budget and Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations.

Program information

Low Income Public Housing: The Authority owns 508 units. Under the low income public housing program, the Authority rents units that it owns to low-income households. The program is operated under an annual contributions contract with HUD, and HUD provides operating subsidy and capital funding to enable the Authority to provide housing at a rent that is based on 30% of household income. The conventional public housing program includes the capital fund program, which is the primary funding source for physical improvements to the Authority's properties.

Section 8 Housing Choice Vouchers: HUD has contracted with the Authority for support for 1,750 Housing Choice Vouchers. Under the housing choice voucher program, the Authority administers contracts with landlords that own rental property. The Authority subsidizes the family's rent through a housing assistance payment made to the landlord. The program is administered under an annual contributions contract with HUD. HUD provides an annual contribution funding to enable the Authority to structure a lease that sets the participant's rent at 30% of household income.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015

HOPE VI Program: A grant program funded by the Department of Housing and Urban Development to redevelop the Authority's Easter Hill Village housing project.

Lead-Based Paint: A grant program funded by the Department of Housing and Urban Development to assist rental housing on Lead Based Paint Hazard Control.

Financial position and analysis

Table 1 compares the Authority's financial position for the fiscal years ended June 30, 2015 and 2014:

	The Authority		RHA Properties		Increase (Decrease)	Percent Variance
	2015	2014	2015	2014		
Assets						
Cash & cash equivalents	\$ 938,866	\$ 792,948	\$ 32,046	\$ 32,046	113,872	13.80%
Other current assets	519,449	673,369	2,500,000	2,506,575	(160,495)	-5.05%
Noncurrent assets	48,419,314	49,300,066			(880,752)	-1.79%
Total assets	49,877,629	50,766,383	2,500,000	2,538,621	(927,375)	-1.74%
Deferred outflow of resources	386,065				386,065	100.00%
Liabilities						
Current liabilities	2,974,195	1,834,837	2,500,000	2,519,127	1,120,231	25.73%
Noncurrent liabilities	6,811,871	6,120,229			691,642	11.30%
Total liabilities	9,786,066	7,955,066	2,500,000	2,519,127	1,811,873	17.30%
Deferred inflow of resources	1,587,317	1,115,487			471,830	100.00%
Net position						
Invested in capital assets	36,599,767	37,733,661			(1,133,894)	-3.00%
Restricted	395,061				395,061	0.00%
Unrestricted	1,895,483	3,962,169		19,494	(2,086,180)	-50.25%
Total net position	\$ 38,890,311	\$ 41,695,830	\$ 19,494	\$ 19,494	\$ (2,825,013)	-6.57%

Cash & Cash Equivalents increased by \$113,872 or 13.8% primarily due to the receipt of HAP income in excess of HAP expenses along receipt of interest owed on notes receivable in the Hope VI Program.

Other Current Assets decreased by \$160,495 or 5.05% primarily due to the collection of Capital Fund Grant receivables owed at the end of the prior year.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015

Current Liabilities increased by \$1,120,231 or 25.73% due primarily to increases in amounts owed to the City of Richmond for water, sewer, and internal service funds.

Noncurrent Liabilities increased \$691,642 or 11.30%. This increase was primarily due to the acquisition of debt from a promissory note of \$700,000 from the Authority due to the City of Richmond to cover RAD related costs.

Deferred inflows and outflows were added to the financial statements in conjunction with the implementation of GASB 68 pension reporting requirements. Deferred outflows of \$386,065 represent contributions to the pension made by the Authority subsequent to the measurement date of the net pension liability while deferred inflows represent cumulative differences between actual and estimated values that impact the net pension liability. The 2014 balances have been presented to show the effect of the prior period adjustment made to state the GASB 68 related balances if implemented in the prior year.

Table 2 focuses on the changes in net position:

	The Authority		RHA Properties		Increase (Decrease)	Percent Variance
	2015	2014	2015	2014		
Operating revenue & expense						
Operating revenue	\$ 24,013,216	24,592,235		\$ 3,503,083	\$ (4,082,102)	-14.53%
Operating expenses	28,049,474	29,771,151	2,717	2,611,925	(4,330,885)	-13.37%
Operating income (loss)	(4,036,258)	(5,178,916)	(2,717)	891,158	248,783	-5.80%
Non-operating revenues & expenses	135,899	1,360,057		9,158,795	(10,382,953)	-98.71%
Capital grants	1,078,063	618,670			(459,393)	-74.25%
Increase (decrease) in net position	(2,822,296)	(3,200,189)	(2,717)	10,049,953	(9,674,777)	-141.24%
Prior period adjustment – GASB 68	(6,982,762)				(6,982,762)	-100.00%
Transfers	16,777		(16,777)			0.00%
Net position, beginning of year	48,678,592	51,878,781	19,494	(10,030,459)	6,849,764	16.37%
Net position, end of year	\$ 38,890,311	\$ 48,678,592	\$	\$ 19,494	\$ (9,807,775)	-20.14%

**HOUSING AUTHORITY OF THE CITY OF RICHMOND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

Table 3 presents a summary of the Authority's revenue by source:

	The Authority		RHA Properties		Increase (Decrease)	Percent Variance
	2015	2014	2015	2014		
Operating revenue						
Tenant revenue	\$ 1,588,435	\$ 1,745,290	\$	\$ 3,431,135	\$ (3,587,990)	-60.31%
HUD Operating grants	22,112,391	21,953,401			158,990	0.72%
Other income	312,390	893,544		71,948	(653,102)	-67.64%
Total operating revenue	24,013,216	24,592,235		3,503,083	(4,082,1024)	-14.53%
Non-operating revenues						
Interest income	135,899	128		5,061	130,710	2518.98%
Gain on disposition of assets				12,703,208	(12,703,208)	100.00%
Extraordinary item		1,359,929			(1,359,929)	100.00%
Total non-operating revenues	135,899	1,360,057		12,708,269	(13,932,427)	-99.03%
Public housing capital fund	1,078,063	618,670			459,393	74.25%
Total revenues	\$ 25,227,178	\$ 26,570,962	\$	\$ 16,211,352	\$ (17,555,136)	-41.03%

Tenant revenue decreased \$3,587,990 or 69.31%. This was due to not having any rental income in the Westridge Property as it was sold in April 2014. The Authority tenant revenue also decreased due to fewer units available for rent as RAD conversions took place.

Interest income increased by \$130,710 or 2,518.98%. This is due to affiliate entities generating surplus cash in sufficient amounts to pay interest on notes receivable.

Other income decreased \$653,102 or 67.64% due to the reduction in HAP Portability Income as portability tenants were absorbed by the Authority's Housing Choice Voucher Program.

Table 4 presents a summary of the Authority's operating expenses:

	The Authority		RHA Properties		Increase (Decrease)	Percent Variance
	2015	2014	2015	2014		
Administrative	\$ 3,300,559	\$ 3,639,825	\$	\$ 670,968	\$ (1,010,234)	-23.43%
Tenant services	48,236	182,235			(133,999)	-73.53%
Utilities	798,159	715,053		339,847	(256,741)	-24.34%
Maintenance	1,161,927	2,226,146		545,397	(1,609,616)	-58.08%
Protective services	308,554	329,377			(20,823)	-6.32%
General expenses	2,457,080	2,271,940	2,717	278,704	(90,847)	-3.56%
Depreciation expenses	2,421,400	2,402,097		777,009	(757,706)	-23.83%
Housing assistance payments	17,553,559	18,004,478			(450,919)	-2.50%
Total expenses	\$ 28,049,474	\$ 29,771,151	\$ 2,717	\$ 2,611,925	\$ (4,330,885)	-13.37%

**HOUSING AUTHORITY OF THE CITY OF RICHMOND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

Administrative decreased by \$1,010,234 or 23.43%. This is primarily due to no administrative expenses at RHA Properties due to the sale of Westridge in April 2014. Further, there has been a decrease in Administrative salaries and benefits at the Authority in an effort to reduce operating costs.

Maintenance expenses decreased by \$1,609,616 or 58.08%. This was primarily due to no maintenance expenses at RHA Properties due to the sale of Westridge in April 2014 and a decrease in inspections, risk assessments, and site monitoring costs at the Authority.

Depreciation decreased by \$757,706 or 23.83% due to no depreciation required to be booked on RHA Properties with the Westridge Property sale.

Budgetary Analysis

The Authority adopts a consolidated annual operating budget for all programs. The budget for Low Income Public Housing and Housing Choice Voucher are adopted on the basis of accounting prescribed by HUD, which differs in some respects from generally accepted accounting principles.

Low Income Public Housing

	Budget	Actual	Variance Favorable (Unfavorable)	Percent Variance Favorable (Unfavorable)
Operating revenue				
Rental income	\$ 1,725,000	\$ 1,588,434	\$ (136,566)	-7.92%
Operating subsidy	2,394,000	2,256,573	(137,427)	-5.74%
Capital fund operations	450,000	441,778	(8,222)	100.00%
Other income	100,000	49,688	(50,312)	-50.31%
Total revenue	4,669,000	4,336,473	(332,527)	-7.12%
Expenses				
Administrative	2,124,369	1,476,436	647,933	30.50%
Tenant services		78,226	(78,226)	100.00%
Utilities	749,855	795,701	(45,846)	-6.11%
Maintenance	1,294,253	1,259,303	34,950	2.70%
Insurance	84,375	63,400	20,975	24.86%
General expenses	416,148	1,104,096	(687,948)	-165.315
Total expenses	4,669,000	4,777,162	(108,162)	-2.32%
Income (over)/under expenses	\$	\$ (440,689)	\$ (440,689)	-100.00%

HOUSING AUTHORITY OF THE CITY OF RICHMOND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015

Rental Income was under budget by \$136,566 or 7.92% due to fewer rent charged to tenants as more properties converted to RAD and fewer units were available.

Other Income was under budget by \$50,312 or 50.31% due to fewer charges to tenants for fees such as damages, late fees, keys, etc.

Administrative was under budget by \$647,933 or 30.50% and General was over budget by \$687,948 or 165.31%. This was primarily due to charges from the City of Richmond for cost allocations and the expense of operating subsidy pass-through being budgeted as administrative and recorded as general.

	Budget	Actual	Variance Favorable (Unfavorable)	Percent Variance Favorable (Unfavorable)
Revenue				
Operating subsidy	\$ 18,077,626	\$ 17,742,527	(335,099)	-1.85%
Administrative fees	1,616,774	1,735,985	119,211	7.37%
Portability revenue		206,306	206,306	100.00%
Other income		53,862	53,862	100.00%
Total revenue	19,694,400	19,738,680	44,280	0.22%
Expenses				
Administrative	1,521,236	1,558,388	(37,152)	-2.44%
Utilities	23,500	-0-	23,500	100.00%
Maintenance	19,965	18,429	1,536	7.69%
General expenses	52,073	18,344	33,729	64.77%
HAP expense	18,077,626	17,553,559	524,067	2.90%
Total expenses	19,694,400	19,148,720	(545,680)	-34.00%
Income (over)/under expense	\$	\$ 589,960	\$ 589,960	100.00%

HAP Grant Revenue was under budget by \$335,099 or 1.85%. This is due to a reduction in funding from the HCV Program in an effort to have Authorities use existing cash balances and HAP income being provided to match expense levels.

Administrative Fees were over budget by \$119,211 or 7.37% primarily due to additional fees being received at year-end and a higher than anticipated pro-ration.

**HOUSING AUTHORITY OF THE CITY OF RICHMOND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

Portability Revenue was over budget by \$206,306 or 100% due to the Authority not including Portability revenues or HAP Portability expenses in the operating budget.

Utilities expenses were under budget by \$23,500 or 100% primarily due to no utility expenses being incurred for HCV.

HAP expenses were under budget by \$524,067 or 2.90% primarily due to estimates of HAP being higher than actual checks issued to tenants.

Capital assets

Table 7 summarizes the Authority's investment in capital assets:

	The Authority		RHA Properties		Increase (Decrease)	Percent Variance
	2015	2014	2015	2014		
Land	\$ 2,744,477	\$ 2,744,477		\$		0.00%
Buildings, improvements and equipment	65,946,118	65,472,245			473,873	0.72%
Construction in progress	1,843,317	1,029,684			813,633	79.02%
	70,533,912	69,246,406			1,287,506	1.86%
Less: accumulated depreciation	(33,934,145)	(31,512,745)			(2,421,400)	7.68%
Capital assets, net	\$ 36,599,767	\$ 37,733,661	\$	\$	\$ (1,133,894)	-3.00%

Acquisitions are capitalized at cost and depreciated using the straight-line method of depreciation. Additional information and details can be found in the Notes to the Financial Statements.

Capital funding available for 2015 is as follows:

	Grant	Total Budget	Expended through 6/30/2015	Budget Remaining at 6/30/2015
Capital Fund Program 2012	501-12	\$ 745,045	\$ 607,517	\$ 137,528
Capital Fund Program 2013	501-13	753,815	675,715	78,100
Capital Fund Program 2014	501-14	782,201	408,633	373,568
Capital Fund Program 2015	501-15	775,701	258,363	517,338
				\$ 1,106,534

**HOUSING AUTHORITY OF THE CITY OF RICHMOND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015**

Significant economic factors affecting the Authority are as follows:

- The Department of Housing and Urban Development (HUD) has historically been underfunded to meet the subsidy needs of public housing authorities (PHAs). We do not expect this consistent trend to change.
- Even if HUD was fully funded for both the Operating and Capital Funds, it is unlikely that Congress would appropriate adequate funding. Pressure on the federal budget will remain in the form of both record deficits and competing funding needs. Further, funding for the Departments of Defense and Homeland Security will probably result in reduced appropriations for all other domestic program spending.
- Rising cost of utility rates, supplies, and other costs may impact our budgets in future years.

Request for Information

This financial report is designed to provide a general overview of the Authority's accountability for all those interested. If you should have additional questions regarding the financial information, you can contact our office in writing at the following address:

Richmond Housing Authority
Attn: Tim Jones, Executive Director
330 24th Street
Richmond, CA 94804

HOUSING AUTHORITY OF THE CITY OF RICHMOND
STATEMENT OF NET POSITION
JUNE 30, 2015

	Primary Government Business-Type Activities	Component Unit RHA Properties
ASSETS AND DEFERRED OUTFLOW OF RESOURCES:		
Current assets:		
Cash in bank (Note 2)	\$ 421,390	\$
Investments (Note 2)	517,476	
Accounts receivable - HUD	286,968	
Accounts receivable - other and tenants, net of allowance (Note 1.g)	193,180	2,500,000
Prepaid expenses and deposits	31,208	
Inventories	8,093	
Total current assets	1,458,315	2,500,000
Restricted assets:		
Cash and Investments (Note 2)	597,804	
Capital assets (Note 3)		
Land	2,744,477	
Construction in progress	1,843,317	
Buildings and improvements	64,378,585	
Furniture and equipment	1,567,533	
Less accumulated depreciation	(33,934,145)	
Total capital assets, net	36,599,767	
Other non current assets:		
Notes receivable (Note 10a)	11,221,743	
Total non current assets	48,419,314	
Total assets	49,877,629	2,500,000
Deferred Outflow of Resources		
Current year pension contributions	386,065	
Total deferred outflow of resources	386,065	
Total assets and deferred outflow of resources	50,263,694	2,500,000
LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION:		
Current liabilities:		
Accounts payable	172,958	
Accrued and other liabilities	33,527	
Tenants security deposits	202,743	
Due to City of Richmond (Note 10b)		2,500,000
Due to City of Richmond (Note 10b)	2,537,790	
Accrued compensated absences (Note 1e)	27,177	
Total current liabilities	2,974,195	2,500,000
Long-term liabilities:		
Promissory notes (Note 4)	700,000	
Accrued compensated absences (Note 1e)	244,596	
Pension liability	5,867,275	
Total long term liabilities	6,811,871	
Total liabilities	9,786,066	2,500,000
Deferred inflow of resources:		
Net difference between projected and actual earning on pension plan investments	1,587,317	
Net position (Note 5):		
Investment in capital assets, net of related debt	36,599,767	
Restricted (Note 2)	395,061	
Unrestricted	1,895,483	
Total net position	\$ 38,890,311	\$

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE CITY OF RICHMOND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Primary Government Business-Type Activities</u>	<u>Component Unit RHA Properties</u>
Operating revenues:		
HUD PHA grants	\$ 22,112,391	\$
Rental revenue - tenant	1,588,435	
Other revenues	<u>312,390</u>	
Total operating revenues	<u>24,013,216</u>	<u>0</u>
Operating expenses:		
Administration	3,300,559	
Tenant services	48,236	
Utilities	798,159	
Ordinary maintenance and operations	1,161,927	
Protective services	308,554	
General expenses	2,457,080	2,717
Housing assistance payments	17,553,559	
Depreciation	<u>2,421,400</u>	
Total operating expenses	<u>28,049,474</u>	<u>2,717</u>
Operating income/(loss)	<u>(4,036,258)</u>	<u>(2,717)</u>
Non-operating revenues/(expenses):		
Investment earnings	<u>135,899</u>	
Total non-operating revenues/(expenses)	<u>135,899</u>	<u>0</u>
(Loss) before capital grants	(3,900,359)	
Capital grants	<u>1,078,063</u>	
Changes in net position	(2,822,296)	(2,717)
Transfer from component unit	16,777	(16,777)
Net position, beginning of the year - as restated (Note 12)	<u>41,695,830</u>	<u>19,494</u>
Net position, end of the year	<u>\$ 38,890,311</u>	<u>\$ 0</u>

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE CITY OF RICHMOND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2015

	Primary Government Business-Type Activities	Component Unit RHA Properties
Cash flows from operating activities		
Receipts from dwelling rents	\$ 1,399,600	\$
Subsidies from federal grants	22,055,779	
Receipts from other miscellaneous sources	295,613	6,574
Payments for housing assistance	(17,553,559)	
Payments for employee expenses	(1,911,970)	
Payments for administrative expenses	(1,175,938)	(2,717)
Payments for general maintenance and other expenses	(3,353,701)	
Payments of accounts payable		(19,127)
	(244,176)	(15,270)
Net cash (used) by operating activities		
Cash flows from non-capital & related financing activities:		
Proceeds on acquisition of debt	700,000	
	700,000	
Net cash provided by non-capital and related financing activities		
Cash flows from capital & related financing activities:		
Subsidies from federal capital assets	1,078,063	
Property and equipment purchases	(1,287,503)	
	(209,440)	
Net cash (used) by capital & related financing activities		
Cash flows from investing activities:		
Repayments on notes receivable	344,662	
Investment income	135,899	
Transfer from component unit	16,777	(16,777)
	497,338	(16,777)
Net cash provided/(used) by investing activities		
Net increase/(decrease) in cash and cash equivalents	743,722	(32,047)
Cash and cash equivalents at beginning of year	792,948	32,047
Cash and cash equivalents at end of year	\$ 1,536,670	\$
Reconciliation of operating income to net cash (used)/provided by operating activities:		
Operating income/(loss)	\$ (4,036,258)	\$ (2,717)
Adjustments to reconcile operating income/(loss) to net cash(provided/(used) by operating activities:		
Depreciation expense	2,421,400	
Pension expense	471,830	
Decrease in grants and accounts receivable	139,773	6,574
Decrease in prepaid expenses and other assets	10,484	
Decrease in inventory	3,660	
Increase / (Decrease) in accounts payable	(94,549)	(19,127)
Increase in accrued liabilities and other liabilities	1,224,704	
Increase in deferred outflows	(386,065)	
Increase in tenant security deposits	845	
	(244,176)	(15,270)
Net cash (used) by operating activities	\$ (244,176)	\$ (15,270)

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE CITY OF RICHMOND
NOTES TO BASIC COMPONENT UNIT FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Financial Reporting Entity

The Housing Authority of the City of Richmond (the "Authority") was formed in 1941 as a separate legal entity under the provisions of the Housing Act of 1937. The Authority was established to use funds provided by the Department of Housing and Urban Development (HUD) to rehabilitate local deteriorated housing and to subsidize low-income families in obtaining decent, safe, and sanitary housing. Under State Laws, the Authority is subject to California Health and Safety Code Sections 34200 – 34606. Although the Authority is a separate legal entity from the City of Richmond, it is an integral part of the City. The City exercises significant financial and management control over the Authority, and members of the City Council serve as the governing board of the Authority. The financial statements of the Authority are included in the City of Richmond's general-purpose financial statements.

The Authority has two component units, which are RHA Properties and RHA Housing Corporation in accordance with statement No. 61 Government Accounting Standards Board ("GASB"). Both entities are to be reported as discretely presented component under GASB 61 as management of the Authority does not manage the activities of the component units in the same manner in which it manages its own programs.

Discretely Presented Component Unit - RHA Properties is responsible for providing housing units within the Authority's jurisdiction. The members of RHA Properties' governing board are elected by the Authority and the City. However, the Authority is financially accountable for the RHA Properties because the Authority's Board approves RHA Properties' budget, and must approve any debt issuances. RHA Properties is presented as a business-type activity. Separate financial statements for RHA Properties can be obtained from the Authority.

RHA Housing Corporation is a nonprofit public benefit corporation created in 2004 to benefit and support the RHA with respect to the Easter Hill development. RHA Housing Corporation did not have any financial transactions during the fiscal year under audit.

(b) Basis of Presentation

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

HOUSING AUTHORITY OF THE CITY OF RICHMOND
NOTES TO BASIC COMPONENT UNIT FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

Government-wide Statements: The statement of net position and the statement of activities display information about the Authority (and its component unit, RHA Properties). These statements include the financial activities of the overall Authority. The Authority's business-type activities are financed in whole or in part by fees charged to external parties.

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

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

(c) **Basis of Accounting**

The government-wide and proprietary fund financial statements are reported using the *economic resources measurement focus* and the full *accrual basis* of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

Non-exchange transactions, in which the Authority gives or receives value without directly receiving or giving equal value in exchange, include grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Under the terms of grant agreements, the Authority may fund certain programs with a combination of cost reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The Authority's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

The Authority follows Statements and Interpretations of the Financial Accounting Standards Board and its predecessors issued on or before November 30, 1989, in accounting for its business-type activities, unless those pronouncements conflict with Government Accounting Standards Board pronouncements.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
NOTES TO BASIC COMPONENT UNIT FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

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

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Authority has an item that meets this criterion, contributions that were made to the plan subsequent to the measurement date. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Authority has an item that meets the criterion for this category, deferrals of pension expense that result from the implementation of GASB Statement 68 relating to the difference between actual and expected rate of return on investment of the pension plan.

(d) Changes in Accounting Principles

In June 2012, Governmental Accounting Standards Board (GASB) issued Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency.

In November 2013, the GASB issued Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date — An Amendment of GASB Statement No. 68*. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The Authority has implemented the Provisions of this Statement for the year ended June 30, 2015.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
NOTES TO BASIC COMPONENT UNIT FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

The implementation of the statement required the Authority to record beginning net pension liability and the effects on net position of contributions made by the Authority during the measurement period (fiscal year ending June 30, 2014). As a result, net position as of June 30, 2014 for the Authority has been restated and decreased by \$6,982,762.

(e) Compensated Absences

Vacation and related benefits fully vest as earned and are paid in full upon termination. Vested vacation obligations are recorded as accrued compensated absences until paid. Changes in compensated absences during fiscal year ended June 30, 2015, are presented as follows:

		<u>Business-Type Activities</u>
Beginning balance	\$	281,060
Additions		78,119
Payments		<u>(87,406)</u>
Ending balance	\$	<u>271,773</u>
Due within one year	\$	<u>27,177</u>

(f) Taxes

The RHA Properties is exempt from federal and state income taxes. The Authority is also exempt from property taxes, but makes payments to the City of Richmond for sewer fees. There is neither a cooperative agreement between the Housing Authority and the City of Richmond nor existing Payment in Lieu of Taxes (PILOT).

(g) Accounts Receivable – Other and Tenants

Accounts receivables consist of Low Rent Public Housing tenants' unpaid rents and Housing Choice Vouchers overpayments to landlords and tenant fraud. Allowances for uncollectible accounts have been established for both receivables. For RHA Properties, the accounts receivable consists of amount due from Fidelity Title Company for funds withheld in escrow as repair reserve fund on sale of Westridge at Hilltop Apartments.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
NOTES TO BASIC COMPONENT UNIT FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

(h) Inventories

Inventories are valued at cost using the weighted average method. Inventories consist of maintenance, repair, and operating materials and supplies held for consumption. The cost is recorded as expenditure in the funds at the time individual inventory item is consumed rather than when purchased.

(i) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2: CASH AND INVESTMENTS

(a) Policies

California Law generally 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. As of June 30, 2015, the Authority's cash in bank was insured or collateralized as discussed above.

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 these adjustments in income for the fiscal year.

(b) Cash, Cash Equivalents and Investments

For purposes of reporting cash flows, the Authority considers each entity's share of cash to be cash and cash equivalents.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
NOTES TO BASIC COMPONENT UNIT FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

(c) **Classification**

Cash and investments are classified in the financial statements as shown below, based on whether or not their use is restricted under the term of the Authority's agreement with tenants.

	Authority	RHA Properties
Cash in bank	\$ 421,390	\$
Investments:		
Unrestricted	517,476	
Restricted*	597,804	
Total cash and investments	\$ 1,536,670	\$

Composition:

Cash	\$ 421,390	\$
Local Agency Investment Fund	6,260	
Deposit accounts – restricted cash*	597,804	
U.S. Treasury Notes	511,216	
Total cash and investments	\$ 1,536,670	\$

* Restricted deposit accounts comprise of:

	Commercial Sweep Repurchase Account	Certificates of deposit mature after 3 months
Security deposits	\$	\$ 202,743
Restricted HAP unused funds	395,061	
Total cash and investments	\$ 395,061	\$ 202,743

HOUSING AUTHORITY OF THE CITY OF RICHMOND
NOTES TO BASIC COMPONENT UNIT FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

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

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

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

There are no restrictions on the maximum amount invested in each security type or maximum that can be invested in any one issuer.

The Authority does not have reverse repurchase agreements.

(e) Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will affect the fair value of an investment. Normally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market rates. The Authority invests in cash, money market funds and U.S. Treasury Notes which may be drawn down as needed, subject to terms of the underlying debt indenture. The maturity date of the U.S. Treasury Note held by the Authority was July 11, 2015.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
NOTES TO BASIC COMPONENT UNIT FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

(f) Local Agency Investment Fund

The Authority is a participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The Authority reports its investment in LAIF at the fair value amount provided by LAIF, which is the same as the value of the pool share. The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations. At June 30, 2015, these investments matured in an average of 210 days.

(g) Concentration Risk

Significant investments in the securities of any individual issuers, other than U.S. Treasury securities, or mutual funds are required to be disclosed when they exceed five percent of the total portfolio. The Authority has no investments meeting this definition.

NOTE 3: CAPITAL ASSETS

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. Outlays for capital assets in excess of \$1,000 for the Authority and RHA Properties, respectively, are capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Capital assets with limited useful lives are depreciated over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets. Depreciation is provided using the straight-line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The Authority has assigned the useful lives listed below to capital assets:

Buildings and improvements	20-50 years
Furniture and equipment – operations	15 years
Furniture and equipment – administration	10 years

HOUSING AUTHORITY OF THE CITY OF RICHMOND
NOTES TO BASIC COMPONENT UNIT FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

A. Capital Assets, Additions and Retirements

Changes in the Authority's capital assets are summarized below:

	Balance at June 30, 2014	Additions	Reductions	Balance at June 30, 2015
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Capital assets not being depreciated:				
Land	\$ 2,744,477	\$	\$	\$ 2,744,477
Construction in progress	1,029,684	813,633		1,843,317
Total capital assets not being depreciated	<u>3,774,161</u>	<u>813,633</u>		<u>4,587,794</u>
Capital assets being depreciated:				
Buildings & improvements	63,904,715	484,123	(10,253)	64,378,585
Furniture & equipment	1,567,533			1,567,533
Total capital assets being depreciated	<u>65,472,248</u>	<u>484,123</u>	<u>(10,253)</u>	<u>65,946,118</u>
Less: Accumulated depreciation for:				
Buildings	30,715,434	2,323,433		33,038,867
Furniture & equipment	797,311	97,967		895,278
Total Accumulated depreciation	<u>31,512,745</u>	<u>2,421,400</u>		<u>33,934,145</u>
Total Capital assets being depreciated, net	<u>33,959,503</u>	<u>(1,937,277)</u>	<u>(10,253)</u>	<u>32,011,973</u>
Total Capital assets, net	<u>\$ 37,733,664</u>	<u>\$ (1,123,644)</u>	<u>\$ (10,253)</u>	<u>\$ 36,599,767</u>

HOUSING AUTHORITY OF THE CITY OF RICHMOND
NOTES TO BASIC COMPONENT UNIT FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 4: LONG TERM OBLIGATION

The following is a summary of long-term debt transactions for the year ended June 30, 2015:

	<u>Original Issue Amount</u>	<u>Balance June 30, 2014</u>	<u>Issuance/ Addition</u>	<u>Retirement</u>	<u>Balance June 30, 2015</u>	<u>Amount due within one year</u>
The Authority						
Accrued compensated Absences	\$	\$ 281,060	\$ 78,119	\$ (87,406)	\$ 271,773	\$ 27,177
City of Richmond Promissory Notes	<u>700,000</u>	<u> </u>	<u>700,000</u>	<u> </u>	<u>700,000</u>	<u> </u>
Total for the Authority		<u>281,060</u>	<u>778,119</u>	<u>(87,406)</u>	<u>971,773</u>	<u>27,177</u>
Total Long-Term Debt	\$	<u>\$ 281,060</u>	<u>\$ 778,119</u>	<u>\$ (87,406)</u>	<u>\$ 971,773</u>	<u>\$ 27,177</u>

A. City of Richmond Promissory Note

On December 17, 2014 the Authority entered into an agreement with the City of Richmond a municipal corporation and promises to pay a principal amount of \$700,000, plus interest. This Note was to finance acquisitions and development of the Property pursuant to that certain Home (Friendship Manor/Triangle Court). The principle balance shall bear one percent (1%) simple interest. The term of the Note shall expire fifty- five (55) years after. The balance of the promissory note at June 30, 2015, remains \$700,000.

NOTE 5: NET POSITION

Net position is the excess of all the Authority's assets over all its liabilities. Net position is divided into the following captions of the Statement of Net Position.

Invested in Capital Assets, net of related debt describes the portion of net position which is represented by the current net book value of the capital assets, less the outstanding balance of any debt issued to finance these assets. For RHA Properties, there was no balance for invested in capital assets, net of related debt as a result of sale of Westridge at Hilltop Apartments and settling the outstanding balance of debt.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
NOTES TO BASIC COMPONENT UNIT FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

Restricted describes the portion of net position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the Authority, or RHA Properties cannot unilaterally alter. These principally include projects and debt service requirements. There was no balance for restricted net position as a result of settlement of liabilities utilizing sale proceeds on sale of Westridge at Hilltop Apartments.

Unrestricted describes the portion of net position which is not restricted as to use.

NOTE 6: PENSION PLAN

The Authority, an integral part of the City of Richmond (City), participates in the California Public Employees' Retirement System (PERS). The Authority's employees are included in Plans the City has with CALPERS.

A. *General Information about the Pension Plans*

Plan Description – All qualified permanent, probationary and part-time employees are eligible to participate in the City of Richmond's Miscellaneous Plan ("the Plan"), a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and City of Richmond's Ordinance. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Cost-sharing employers are those whose employees are provided with defined benefit pensions through cost-sharing multiple-employer pension plans—pension plans in which the pension obligations to the employees of more than one employer are pooled and plan assets can be used to pay the benefits of the employees of any employer that provides pensions through the pension plan.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the plan are applied as specified by the Public Employees' Retirement Law. The Pension Reform Act of 2013 (PEPRA), Assembly Bill 340, is applicable to employees new to CALPERS, and hired after December 31, 2012, and not subject to grandfathering into the previously existing Plan.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
NOTES TO BASIC COMPONENT UNIT FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

The Plan's provisions and benefits in effect at June 30, 2015, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.7% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 – 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0 % to 2.7%	1.0% to 2.5%
Required employee contribution rates	8%	6.75%
Required employer contribution rates	19.858%	19.858%

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City of Richmond is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2015, the contributions to the Plan were as follows:

Total Contributions – employer	\$7,178,549
Authority's portion	\$386,065

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

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

HOUSING AUTHORITY OF THE CITY OF RICHMOND
NOTES TO BASIC COMPONENT UNIT FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

As of June 30, 2015, the Authority reported net pension liabilities for its proportionate shares of the net pension liability of \$5,867,275.

The Authority's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2014, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The Authority's proportionate share of the net pension liability for the Plan as of June 30, 2014 and 2015 was as follows:

Proportion – June 30, 2013	8.00%
Proportion – June 30, 2014	6.70%
Change – Increase (Decrease)	(1.30%)

For the year ended June 30, 2015, the Authority recognized pension expense of \$85,765. At June 30, 2015, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 7,178,549	\$
Differences between Expected and Actual Experience- Changes of Assumptions	-0-	-0-
Net Differences between Projected and Actual Earnings on Pension Plan Investments	-0-	(23,691,293)
	<hr/>	<hr/>
Total	\$ 7,178,549	\$ (23,691,293)
	<hr/> <hr/>	<hr/> <hr/>
Authority's portion	\$ 386,065	\$ (1,587,317)
	<hr/> <hr/>	<hr/> <hr/>

HOUSING AUTHORITY OF THE CITY OF RICHMOND
NOTES TO BASIC COMPONENT UNIT FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

The Authority reported \$386,065 as deferred outflows of resources related to pensions resulting from Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

\$1,587,317 reported as deferred inflows of resources related to pension will be recognized as future pension expense using 5 year straight-line amortization as follows:

<u>Year Ended June 30,</u>	<u>Annual</u> <u>Amortization</u>
2016	\$ 317,463
2017	317,463
2018	317,463
2019	317,463
2020	<u>317,465</u>
	<u>\$ 1,587,317</u>

Actuarial Assumptions – For the measurement period ended June 30, 2014, the total pension liabilities were determined by rolling forward the June 30, 2013 total pension liability. The June 30, 2013 and June 30, 2014 total pension liabilities were based on the following actuarial methods and assumptions for all benefit tiers:

Valuation Date (VD)	30-Jun-13
Measurement Date (MD)	30-Jun-14
Measurement Period (MP)	July 1, 2013 to June 30, 2014
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.50%
Inflation Rate	2.75%
Payroll Growth Rate	3.00%
Projected Salary Increase	3.30% - 14.20% (Varies by Entry Age and Service)
Investment Rate of Return	7.50% (net of pension plan investment and administrative expenses adjusted by inflation)
Mortality Rate Table	The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
NOTES TO BASIC COMPONENT UNIT FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

Post Retirement Benefit
Increase

Contract COLA up to 2.75% until Purchasing
Power Protection Allowance Floor on Purchasing
Power applies, 2.75% thereafter

All other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found on the CalPERS website under Forms and Publications.

Discount Rate – The discount rate used to measure the total pension liability was 7.50% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

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HOUSING AUTHORITY OF THE CITY OF RICHMOND
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According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS deemed this difference immaterial to the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as they have changed our methodology.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach.

Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1=10*	Real Return Years 11+**
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0	0.99	2.43
Inflation Sensitive	6.0	0.45	3.36
Private Equity	12.0	6.83	6.95
Real Estate	11.0	4.50	5.13
Infrastructure and Forestland	3.0	4.50	5.09
Liquidity	2.0	(0.55)	(1.05)

* An expected inflation of 2.5% used for this period

** An expected inflation of 3.0% used for this period

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the Authority’s proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the Authority’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	If decreased by 1%	Current Rate	If increased by 1%
Discount Rate	6.50%	7.50%	8.50%
Collective Plan's Net Pension Liability	\$ 139,520,823	\$ 87,571,274	\$ 44,192,579
Authority's Proportion	\$ 9,347,895	\$ 5,867,275	\$ 2,960,903

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
NOTES TO BASIC COMPONENT UNIT FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

NOTE 7: OTHER POSTEMPLOYMENT BENEFITS

In addition to the pension benefits described in Note 6, the City also provides postretirement health care benefits, in accordance with City ordinances, to all employees who retire from the City on or after attaining retirement age (50 for policemen, 50 for fireman, and 55 for all other employees) and who have at least ten years of service. For fiscal year ended June 30, 2015, 18 retirees met those eligibility requirements. During fiscal year 2015, \$57,710 was paid by the City of Richmond for postemployment health care benefits on behalf of the Authority. Detail of these plans and funding policies may be found in the City's Comprehensive Annual Financial Report.

NOTE 8: DEFERRED COMPENSATION PLANS

City employees may defer a portion of their compensation under a City sponsored deferred compensation plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the plan.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under this plan are not the City's property and are not subject to claims by general creditors of the City, they have been excluded from these financial statements.

NOTE 9: RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft, damage, and destruction of assets; errors and omissions; injuries to employees and natural disaster. The Authority joined together with other entities and participates in the Housing Authority Insurance Group, a public entity risk pool currently operating as a common risk management and insurance program for its member entities. The purpose of the Housing Authority Insurance Group is to spread the adverse effects of losses among the member entities and to purchase excess insurance as a group, thereby reducing its cost. The Authority pays annual premiums to Housing Authority Insurance Group for its property damage insurance.

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<u>Property</u>	<u>Building and Personal Property Premium</u>	<u>Annual Premium</u>	<u>Deductible</u>
Triangle Court	15,766	16,905	25,000
Nevin Plaza (#1)	24,051	25,787	25,000
Friendship Manor	9,798	10,506	25,000
Hacienda	15,766	16,905	25,000
Nystrom Village	15,766	16,905	25,000
Administration Office	7,928	8,500	25,000

The Authority is covered by the City of Richmond's general liability and worker's compensation insurance. The Authority pays annual premiums to California Joint Powers Risk Management Authority (CJPRMA) for general liability and the California State Association of Counties Excess Insurance Authority (CSAC EIA) for worker's compensation.

All of the Housing Authority properties are included for general liability coverage under the CJPRMA program.

The Authority is exposed to various risks of loss related to theft of, damage to, and destruction of assets; general liability; errors and omissions; injuries to employees; natural disasters; and inverse condemnation. The Authority began self-insuring its workers' compensation in 1976. In July 2009, the Authority joined the California Joint Powers Risk Management Authority (CJPRMA) for general liability and employment practices coverage. In April 2009, the Authority joined the California State Association of Counties Excess Insurance Authority (CSAC EIA) for worker's compensation insurance. The Authority has chosen to establish a risk financing internal service fund where assets are accumulated for claim settlements and expenses associated with the above risks of loss up to certain limits.

Excess coverage for the risk categories excluding inverse condemnation is provided by policies with various commercial insurance carriers. Self-insurance and insurance company limits are as follows:

<u>Type of Coverage</u>	<u>Self-Insurance/ Deductible</u>	<u>Coverage Limit</u>	<u>Insurance Carrier</u>
Difference in Conditions	10% pre-1970, 5% post-1970 of total insured value of each building; minimum \$100,000	\$50,000,000 inclusive of deductible	Various

**HOUSING AUTHORITY OF THE CITY OF RICHMOND
NOTES TO BASIC COMPONENT UNIT FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015**

Crime/Employee Dishonesty	\$10,000 per claim	\$1,000,000 inclusive of deductible	National Union Fire Insurance Company of Lexington (NUFICL)
Property	\$10,000 per claim	\$1,000,000,000 inclusive of deductible	(NUFICL)
Boiler and Machinery	\$5,000 per claim	\$1,000,000 inclusive of deductible	(NUFICL)
Port Liability	\$25,000 per claim	\$50,000,000 inclusive of deductible	Starr Indemnity & Liability
Special Events Program	N/A	\$1,000,000 per occurrence \$2,000,000 aggregate	Evanston Insurance
Compensation	N/A	Statutory excess of \$50,000,00	Various
Student Volunteer	N/A	\$50,000 per accident	Zurich Insurance Co

CJPRMA

The CJPRMA provides coverage against the following types of loss risks under the terms of a joint-powers agreement with the Authority as follows:

<u>Type of Coverage (Deductible)</u>	<u>Coverage Limits</u>
Liability (\$500,000)	\$40,000,000
Employment Practices (\$500,000)	\$8,000,000

Once the City's self-insured retention for general liability claims are met, CJPRMA becomes responsible for payment of all claims up to the limit. During fiscal year ended June 30, 2015, the Authority participated with the City in paying premiums of \$269,219 for the year ended June 30, 2015. Actual surpluses or losses are shared according to a formula developed from overall loss costs and spread to member entities on a percentage basis after a retrospective rating.

Audited financial statements for the CJPRMA are available from CJPRMA, 3201 Doolan Road, Suite 285, Livermore, CA 94551.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
NOTES TO BASIC COMPONENT UNIT FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

CSAC EIA

CSAC EIA is a public entity risk pool of cities and counties within Northern California. The CSAC EIA provides workers' compensation coverage up to the statutory limit and the City retains a self-insured retention of \$750,000. Loss contingency reserves established by the CSAC EIA are funded by contributions from member agencies. The City pays an annual contribution to the CSAC EIA, which includes its pro-rata share of excess insurance premiums, charges for pooled risk, claims adjusting and legal costs, and administrative and other costs to operate the risk pool. The City paid premiums of \$134,990 for the year ended June 30, 2015. CSAC EIA provides insurance through the pool up to a certain level, beyond which group purchased commercial excess insurance is obtained. CSAC EIA has never made an additional assessment and is currently fully funded. No provision has been made on these financial statements for liabilities related to possible additional assessments.

Audited financial statements for CSAC EIA are available from CSAC EIA, 75 Iron Point Circle, Suite 200, Folsom, CA 95630.

NOTE 10: COMMITMENT AND CONTINGENCIES

A. Hope VI Project

The Authority participates in a number of federally assisted grant programs, principal of which are the Section 8 Housing Assistance and the HOPE VI Revitalization Grant. It is possible that at some future date, it may be determined that the Authority is not in compliance with applicable grant requirements. The amounts, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Authority does not expect such disallowed amounts, if any, to materially affect the financial statements.

In June 2000, the Richmond Housing Authority received a \$35 million grant (HOPE VI Grant) from the U.S. Department of Housing and Urban Development ("HUD") for the revitalization of the former Easter Hill Public Housing Project. The original Easter Hill site, owned by the Richmond Housing Authority, included 300 units on 21 acres in the Cortez/Stege neighborhood of Richmond.

The California Tax Credit Committee, City of Richmond, Bank of America, Silicon Valley, Federal Home Loan Bank, California Housing Finance Agency, the Richmond Housing Authority along with the \$35 million dollar HUD grant financed this \$120 million revitalization effort. Physical costs are estimated to be approximately \$108 million and life services, relocation, acquisition, administrative and other costs are estimated to be approximately \$12 million. The physical development includes approximately 320 rental and homeownership units to replace the 300 rental units originally at the site and 273 remaining units at the time of grant approval. Amenities at the revitalized site include a pool and a 5,000 square feet community room with facilities for an after school program, computer center, gymnasium and conference room.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
NOTES TO BASIC COMPONENT UNIT FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

In addition, pursuant to the same agreement, the Authority is entitled to receive reimbursement for certain costs it has incurred in development of these projects. Upon completion of the project, the Authority recorded \$14,276,909, representing reimbursement from the developer which had been recorded in the accompanying financial statements as due from developer. The balance outstanding as of June 30, 2015 is \$11,221,743.

In 2002, the Authority chose the development team of McCormack Baron Salazar, Inc. and Em Johnson Interest, Inc. to develop the site. Em Johnson Interest has developed the 82 homeownership units affordable to low, moderate and market rate buyers. McCormack Baron was charged with the development of 300 rental units, affordable to households 60% or below the area median income for Contra Costa County.

Thus far, all new construction rental units at the former Easter Hill site have been developed. Thirty-six rehab rental units at the site are underway. The remaining 202 rental units at the site have been leased. Similarly, all 82 homeownership units at the former Easter Hill and Cortez sites have been constructed. With the exception of one unit at the Cortez site, all homeownership units have been sold.

Due to the City Council's action to not allow the Authority to retain the Fire Training site originally anticipated for phase III of the project, the third phase is being revised to include the Authority's Nystrom Village and Hacienda Public Housing sites. This will include the demolition and reconstruction of the 252 rental units presently existing at the two sites. As the proposal and conceptual plans are being developed, the final financial and construction plans are not determined at this time.

B. Due to City of Richmond and Repayment

On May 1, 2013, a memorandum of understanding (MOU) was reached between the Housing Authority and RHA Properties, which states that the RHA Properties shall provide resource derived from the sale proceeds of Westridge at Hilltop Apartment to pay the financial sanction imposed by OIG in an amount no less than \$2,257,799, and to retire outstanding debt owed to the City of Richmond by the Housing Authority in an amount no less than \$6,600,000 upon disposition of the Westridge at Hilltop Apartment by RHA Properties. Using the proceeds from sale of Westridge at Hilltop Apartments, RHA Properties had paid back to the City of Richmond \$7,717,728 of assumed debt during the fiscal year 2013-2014. Included in the repayment was the OIG sanction debt of \$2,257,799, which had been fully paid off as of June 30, 2014.

At June 30, 2015, total debt owed to the City of Richmond by the Authority was \$5,037,790, out of which \$2,500,000 was assumed by RHA Properties on behalf of the Authority, \$2,537,790 remained with the Authority.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
NOTES TO BASIC COMPONENT UNIT FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

Included in the \$2,500,000 assumed by the RHA Properties was \$1,359,929 of new debt owed by the Authority to the City of Richmond, which represents retroactive charges the City of Richmond billed during fiscal year 2013-2014 for the services the City had provided to the Authority prior to fiscal year 2013-2014. The entire amount of debt assumed by the RHA Properties is expected to be paid off from the \$2,500,000 of repair reserve fund withheld in the escrow account when the fund is to be released to RHA Properties.

C. Commitments and Contingencies

RHA Properties is subject to litigation arising in the normal course of business. A lawsuit was filed by the Authority against the buyer of Westridge at Hilltop Apartments to release \$2,500,000 of liquidation proceeds withheld in escrow account pursuant to disposition agreement on April 15, 2014, as repair reserve fund has not been released to the RHA Properties as of December 23, 2015. A conditional settlement in November 2015 was reached. Approval by the Richmond City Council is the remaining condition to be satisfied before the settlement will become final. The outcome of this is not presently determinable and no liability has been accrued in the financial statements. In the opinion of the management the presently filed litigation is not likely to have a material adverse effect on the financial position of RHA Properties.

NOTE 11: RHA PROPERTIES

RHA Properties having sold Westridge at Hilltop Apartments is at the point an entity with no activity. It is mainly idle and available to be used in future. Management currently has no further plans for the entity.

NOTE 12: RESTATEMENT OF PRIOR YEAR NET POSITION

The Authority adopted GASB Statement No. 68 "Accounting and Financial Reporting for Pensions" in the current year. Consequently, the Authority adjusted its net position as of June 30, 2014 for the portion of pension liability attributable to periods before the year ended June 30, 2014. A pension liability of \$7,429,052 and deferred outflow of resources of \$446,290 was recorded as prior year adjustments. This resulted in a net decrease in the opening balance of net position by \$6,982,762.

HOUSING AUTHORITY OF THE CITY OF RICHMOND
NOTES TO BASIC COMPONENT UNIT FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015

Net position, July 1, 2014	\$	48,678,592
Net effect of GASB 68 implementation		(6,982,762)
Net position, July 1, 2014 as restated	\$	41,695,830

NOTE 13: SUBSEQUENT EVENTS

A Rental Assistance Demonstration ("RAD") Program conversion of the Friendship Manor and Triangle Court public housing sites will occur during the 2016 calendar year (includes both the 2015 and 2016 fiscal years). Starting in December 2015, 156 units of Public Housing will convert to non-profit ownership with Section 8-Project Based Voucher rental subsidy on two separate properties; All of 156 units except for three units (two are reserved for onsite managers and one for a manager's office) will be used to house low-income residents.

The Authority has subsequently obtained approximately \$16.5 million in tax exempt bonds, approximately \$12.2 - million in 4% tax credits, and \$5.4 million in local financing to complete the redevelopment.

The Authority has partnered with the John Stewart Company and The Richman Group to form a Limited Partnership, RHA RAD Housing Partners L.P, that will complete the conversion, manage the property and own the buildings. The Authority will relinquish the land via a long term ground lease.

After the property is placed in service and receives approval of the 8609 documents from the State of California, the Authority will split a Developer fee of \$2.5 with its General Partner John Stewart Company 70%/30%. The project will not be placed in service until approximately April 2016 so the bulk of the fee will not be received until that point.

RHA RAD Housing Partners LP will also receive \$732,557 in Public Housing and Capital Improvement funds throughout the January 1, 2016 – December 31, 2016 calendar year to cover the RAD HAP Voucher commitments of subsidy for the low income housing units at the two developments. The terms of this requirement are consistent with Notice 2012-32 of the Rental Assistance Demonstration Program which requires RAD conversions that close after November 30th of the calendar year to be funded out of Public Housing and Capital Fund Programs until the next calendar year, at which time the Developments will be funded with Section 8 Housing Choice RAD Vouchers.

REQUIRED SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF THE CITY OF RICHMOND
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
JUNE 30, 2015

	2015
CalPERS	
RHA's proportion of the net pension liability	6.70%
RHA's proportionate share of the net pension liability	\$ 5,867,275
RHA's covered – employee payroll	\$ 2,054,558
RHA's proportionate share of the net pension liability as a percentage of its covered – employee payroll	285.57%
Plan fiduciary net position as a percentage of the total pension liability	79.68%

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

HOUSING AUTHORITY OF THE CITY OF RICHMOND
SCHEDULE OF PENSION CONTRIBUTIONS
FOR THE YEAR ENDED JUNE 30, 2015

	<u>2015</u>
CalPERS	
Contractually required contribution	\$ 386,065
Contributions in relations to the contractually required contribution	<u>386,065</u>
Contribution deficiency (excess)	\$ <u><u> </u></u>
RHA's covered – employee payroll	\$ <u><u>2,054,558</u></u>
Contributions as a percentage of covered – employee payroll	<u><u>18.79%</u></u>

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