

**REGIONAL HUMAN RIGHTS/FAIR HOUSING
COMMISSION**

No Material Memo

Date: Tuesday, May 25, 2021

Subject: Election Of Chairperson And Vice Chairperson For Fiscal Year 2021-2022

Board Action: Elected Director Mai Vang as Chairperson and Director Don Nottoli as Vice-Chairperson effective July 1, 2021.

MATERIAL NOT INCLUDED

**REGIONAL HUMAN RIGHTS/FAIR HOUSING
COMMISSION**

No Material Memo

Date: Tuesday, May 25, 2021

**Subject: Election Of Chairperson And Vice Chairperson For
Fiscal Year 2021-2022**

MATERIAL NOT INCLUDED

MAY 25 2021

BY *Florence Davis*
Clerk of the Board

ACTION SUMMARY

**GOVERNING BOARD OF DIRECTORS
REGIONAL HUMAN RIGHTS/FAIR HOUSING COMMISSION
SACRAMENTO COUNTY ADMINISTRATION BUILDING
700 H STREET, SACRAMENTO, CA 95814
(TELECONFERENCE)**

THURSDAY

MAY 14, 2020

10:00 AM

DIRECTORS: CHAIRPERSON LARRY CARR (CITY OF SACRAMENTO), VICE-CHAIRPERSON PATRICK KENNEDY (COUNTY OF SACRAMENTO), DON NOTTOLI (COUNTY OF SACRAMENTO), SUE FROST – ALTERNATE (COUNTY OF SACRAMENTO)

(All Directors were present)

.....

ANNOUNCEMENT

In compliance with directives of the County, State, and Centers for Disease Control and Prevention (CDC), this meeting is live stream and closed to the public. Temporary procedures are subject to change pursuant to guidelines related to social distancing and minimizing person-to-person contact.

Members of the public are encouraged to submit public comments electronically. Public comments will be distributed to members of the Board and filed in the meeting record. Public comments may be related to a specific agenda item number or for a matter that is not posted on the agenda, referred to as an “off agenda” item.

How to make a public comment

- Email BoardClerk@saccounty.net. Include agenda item number and it is optional to include first and last name.
- Mail or drop off at 700 H Street, Suite 2450, Sacramento, CA 95814.

How to listen to a meeting

The meeting will be streamed live through BlueJeans Events. Members of the public may watch and/or listen to the meeting as follows:

- Audio from a PC: <https://primetime.bluejeans.com/a2m/live-event/hevxyjdi>
- Audio from a mobile device: <https://primetime.bluejeans.com/a2m/live-event/hevxyjdi>

(Enter Event ID Code: **hevxyjdi**)

- Teleconference (audio only) dial: (415) 466-7000 (Enter PIN Code: **7066650#**)

1. Call To Order/Roll Call

10:04 AM Board Action: The meeting was called to order by Chairperson Larry Carr.

Directors Present: Don Nottoli, Patrick Kennedy, Larry Carr

Directors Absent: (None)

Staff Present: John Colville, Craig Collins, Sheryl Patterson, Kate Rose, John Colville, Leanne Mueller, Alma Munoz, Grazyna Dawlewicz

2. Election Of Chair And Vice Chair For Fiscal Year 2020-21

10:05 AM Board Action: Don Nottoli / Carr - Elected Director Patrick Kennedy as Chairperson and Director Larry Carr as Vice-Chairperson effective July 1, 2020.

AYES: Directors Kennedy, Nottoli, Carr

NOES: (None)

ABSTAIN: (None)

ABSENT: (None)

RECUSAL: (None)

(PER POLITICAL REFORM ACT (§ 18702.5.))

3. Approval Of May 30, 2019 Action Summary

10:08 AM Board Action: Patrick Kennedy / Don Nottoli – Approved as recommended.

AYES: Directors Kennedy, Nottoli

NOES: (None)

ABSTAIN: Director Larry Carr

ABSENT: (None)

RECUSAL: (None)

(PER POLITICAL REFORM ACT (§ 18702.5.))

4. Approval Of 2020-21 Annual Budget

10:10 AM Board Action: Don Nottoli / Patrick Kennedy – Adopted Resolution No. **2020-01** approving the Fiscal Year 2020-21 Annual Budget.

AYES: Directors Kennedy, Nottoli, Carr

NOES: (None)

ABSTAIN: (None)

ABSENT: (None)

RECUSAL: (None)

(PER POLITICAL REFORM ACT (§ 18702.5.))

5. General Public Comments

10:14 AM – No public comments were made.

Adjournment

Adjourned at 10:14 a.m.

Respectfully Submitted,

Grazyna Dawlewicz, Deputy Clerk
Governing Board of Directors

REGIONAL HUMAN RIGHTS/FAIR HOUSING COMMISSION

Governing Board Members

City of Sacramento

Councilmember Mai Vang

County of Sacramento

Supervisor Patrick Kennedy
Chair
Supervisor Don Nottoli

Supervisor Sue Frost,
Alternate member

Executive Director

John Colville
915 I Street, 3rd Floor
Sacramento, CA 95814
(916) 808-8297

APPROVED

BOARD OF DIRECTORS

By Resolution No. 2021-01
MAY 25 2021

BY *Florence Evans*
Clerk of the Board

Agenda Item: 3

For the Agenda of: May 25, 2021

Subject: Approval of 2021-22 Annual Budget

Report Type: Action

Contact: John Colville, Executive Director,
(916) 808-8297

Overview: The Fiscal Year 2021-22 Annual Budget includes costs for the Commission's outstanding retirement liability payments and residual wind down expenses.

Recommendation: Adopt the attached Resolution approving the Fiscal Year (FY) 2021-22 Annual Budget (EXHIBIT 1)

Background: The FY 2021-22 Annual Budget anticipates \$104,414 in funding to address anticipated expenditures. Specifically, the FY 2021-22 Annual Budget includes costs for the retirement liability payment required by CalPERS (\$102,414) and costs associated with accounting functions to meet requirements resulting from continuing the organization in existence at an amount exceeding the non-audit accounting service cost for the 2020-21 fiscal year (\$2,000). There is a fund balance of approximately \$2,500 that will offset some expenses. Therefore, the anticipated revenue from the County and City is \$50,957 from each.

Attachments: RESOLUTION
EXHIBIT 1 - Fiscal Year 2021-22 Annual Budget

REGIONAL HUMAN RIGHTS/FAIR HOUSING COMMISSION

Resolution No. **2021-01**

Adopted on May 25, 2021

RESOLUTION ADOPTING THE FISCAL YEAR 2021-22 FINAL BUDGET OF THE REGIONAL HUMAN RIGHTS/FAIR HOUSING COMMISSION

WHEREAS, the Regional Human Rights/Fair Housing Commission discontinued providing services as of October 31, 2014 and Governing Board is overseeing the wind down of the organization and payment for retirement benefits for the prior Commission employees.

THEREFORE, IT IS HEREBY RESOLVED, the final budget for the Fiscal Year 2021-22 is hereby adopted in accordance with the following categories:

(1)	Salaries and Employees benefits	\$ 102,414	
(2)	Services and Supplies	2,000	
(3)	Other Charges	--	
(4)	Fixed Assets		
	(A) Land	--	
	(B) Structures and improvements		--
	(C) Equipment	--	
(5)	Expenditure transfers	--	
(6)	Contingencies	--	
(7)	Provision for reserve increases		--
	TOTAL BUDGET REQUIREMENTS	<u>\$ 104,414</u>	

BE IT FURTHER RESOLVED that means for financing the expenditures will be by monies derived from Revenue and Fund Balance.

BE IT FURTHER RESOLVED that the budget is hereby adopted in accordance with the attachment that shows in detail the approved appropriations and revenues and methods of financing.

Resolution Adopting the Fiscal Year 2021-22 Final Budget of the Regional Human Rights/Fair Housing Commission

Page 2

On a motion by Director Nottoli, seconded by Director Kennedy, the foregoing Resolution was passed and adopted by the following vote:

AYES: Directors Kennedy, Nottoli, Vang

NOES: (None)

ABSTAIN: (None)

ABSENT: (None)

RECUSAL: (None)
(PER POLITICAL REFORM ACT (§ 18702.5.))

By: Pat O'R

Chairperson, Regional Human Rights/ Fair Housing Commission



ATTEST: Gueryne Dew Lewis
Clerk, Regional Human Rights/Fair Housing Commission

In accordance with Section 25103 of the Government Code of the State of California a copy of the document has been delivered to the Chair on May 25, 2021

By: Gueryne Dew Lewis
Deputy Clerk, Board of Directors

Attachment:
Exhibit 1 – FY 2021-22 Annual Budget

FILED
BOARD OF DIRECTORS

MAY 25 2021
Gueryne Dew Lewis

BY Gueryne Dew Lewis
CLERK OF THE BOARD

REGIONAL HUMAN RIGHTS/FAIR HOUSING COMMISSION		
Special District 96	Sac City	FINAL BUDGET 2021-2022
	Sac County	TOTALS
FUND CENTER ----->	6266265	6266268
SALARIES		
10111000 - Regular Employees	-	-
TAXES/BENEFITS		
10121000 - Retirement	51,207	51,207
SERVICES/SUPPLIES		102,414
20250500 - Accounting	1,000	1,000
CONTINGENCY		2,000
79790100 - Contingency Appropriation	-	-
Total Expenditures	52,207	52,207
REVENUE		
95953100 - Intergovernment Revenue	50,957	50,957
FUND BALANCE		101,914
7400000-Fund Balance	1,250	1,250
Total Financing	52,207	52,207
		104,414

No assurance is provided.

Governing Board Members

City of Sacramento

Councilmember Mai Vang

County of Sacramento

Supervisor Patrick Kennedy,
Chair
Supervisor Don Nottoli

Executive Director

John Colville

915 I Street, 3rd Floor
Sacramento, CA 95814
(916) 808-8297

APPROVED
BOARD OF DIRECTORS

MAY 25 2021

BY *Florence Evans*
Clerk of the Board

REGIONAL HUMAN RIGHTS/FAIR HOUSING COMMISSION

Agenda Item: 4

For the Agenda of: May 25, 2021

Subject: Receive and File Two Year Audit for Fiscal Years 2018-19 and 2019-20; and Approve a Two Year Audit for Fiscal Years 2020-21 and 2021-22

Report Type: 1) Receive and File Audit; and 2) Action.

Contact: John Colville, Executive Director, (916) 808-8297

Overview: The Commission's audited financial statements and auditor's communication for the years ended June 30, 2019 and 2020 are attached.

Recommendation: Receive and file the 2018-19 and 2019-20 audited financial statements and pass a motion approving a two year audit for FY 2020-21 and 2021-22.

Background: Government Code Section 6505 (b) requires and the Commission's Joint Exercise of Powers Agreement provide for an annual audit of the Commission's accounts and records. The Commission engaged JJACPA, Inc., a CPA firm specializing in governmental accounting and auditing, to audit its financial statements for the two years ended June 30, 2020. Government Code Section 6505 (f) allows for a two year audit with a unanimous vote of the Governing Board. Given the limited function of the Commission and to save costs, staff is recommending approval of a two-year audit for the next two fiscal years.

Discussion: As noted in the report, JJACPA, Inc. has again expressed a clean opinion on the financial statements. The focus of this audit was on the fairness of the financial statements themselves, but the auditor also noted he did not identify any material weaknesses in internal control in the course of performing the audit. The auditor's Communication with Those Charged with Governance, also attached, summarizes the auditor's comments on a variety of ordinarily routine matters that professional standards require in each audit performed. This communication confirms that the audit did not detect material misstatements in the financial statements.

During the 2018-2019 and 2019-2020 fiscal years covered by this audit, the Commission's financial activities were limited to making the required CalPERS payment, as well as paying other minimal operating costs.

Attachments: ATT 1 - Audited Basic Financial Statements for the Years Ended June 30, 2019 and 2020

ATT 2 - Auditor's Communication with Those Charged with Governance and Management Representation Letter

**REGIONAL HUMAN RIGHTS/
FAIR HOUSING COMMISSION
BASIC FINANCIAL STATEMENTS
FOR THE YEARS ENDED
JUNE 30, 2020 AND JUNE 30, 2019**

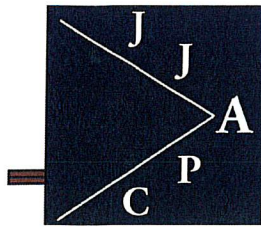
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Regional Human Rights/Fair Housing Commission
Basic Financial Statements
For the years ended June 30, 2020 and 2019

Table of Contents

	<u>Page(s)</u>
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-9
Basic Financial Statements:	
Statement of Net Position – Governmental Activities.....	12
Statement of Activities – Governmental Activities	13
Balance Sheet – General Fund.....	16
Reconciliation of the General Fund Balance Sheet to the Statement of Net Position	17
Statement of Revenues, Expenditures and Changes in Fund Balances – General Fund	18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances – General Fund to the Statement of Activities	19
Statement of Revenues, Expenditures, and Changes in Fund Balance, Budget and Actual – General Fund	20-21
Notes to Basic Financial Statements.....	23-35
Required Supplementary Information:	
Schedule of the Commission's Proportionate Share of the Net Pension Liability	38
Schedule of Contributions	38
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	39-40

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JJACPA, Inc.

A Professional Accounting Services Corp.

INDEPENDENT AUDITOR'S REPORT

Governing Board
Regional Human Rights/Fair Housing Commission
Sacramento, California.

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, general fund and budgetary comparison information of the Regional Human Rights/Fair Housing Commission (HR/FHC), as of and for the years ended June 30, 2020, and June 30, 2019 and the related notes to the financial statements, which collectively comprise the HR/FHC'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 an opinion 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, 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 opinion.

Governing Board
Regional Human Rights/Fair Housing Commission
Sacramento, California.
Page 2

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, general fund, and budgetary comparison information of the HR/FHC, as of June 30, 2020, and June 30, 2019 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 3-9, the Commission's Schedule of Contributions on page 38, and the Schedules of the Commission's Proportionate Share of the Net Pension Liability on page 38 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 14, 2021 on our consideration of HR/FHC'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 HR/FHC's internal control over financial reporting and compliance.

May 14, 2021

JJACPA, Inc.
JJACPA, Inc.

**Regional Human Rights/Fair Housing Commission
Management's Discussion and Analysis
For the year ended June 30, 2020 and June 30, 2019**

Management's Discussion and Analysis

This section of the Regional Human Rights/Fair Housing Commission's (HR/FHC) basic financial statements presents management's discussion and analysis of HR/FHC's financial performance during the fiscal year ended June 30, 2020. Since this management's discussion and analysis is designed to focus on current activities, resulting change, and current known facts, please read it in conjunction with HR/FHC's basic financial statements (pages 12 - 21) as well as the footnotes to the financial statements (pages 23 - 35).

Financial Highlights for the Fiscal Year Ended June 30, 2020

- 1) The liabilities of HR/FHC exceeded its assets as of June 30, 2020 by \$820,250 (negative net position) due to the long-term net pension liability for the pension benefits of prior employees exceeding the assets currently available. The Commission intends to seek funding from the City and County of Sacramento to service this liability as payments come due.
- 2) The cash balance on deposit in the County Treasury was \$3,565 at June 30, 2020 (net of outstanding warrants)
- 3) Total expenses increased by \$73,043 or 87% because the five-year amortization of a significantly positive investment return from a prior year in the retirement fund was completed in 2019, because the retirement fund paid more benefits than was projected, and due to other factors impacting the pension liability.

Financial Highlights for the Fiscal Year Ended June 30, 2019

- 1) The liabilities of HR/FHC exceeded its assets as of June 30, 2019 by \$748,516 (negative net position) due to the long-term net pension liability for the pension benefits of prior employees exceeding the assets currently available. The Commission intends to seek funding from the City and County of Sacramento to service this liability as payments come due.
- 2) The cash balance on deposit in the County Treasury was \$4,387 at June 30, 2019 (net of outstanding warrants)
- 3) Total expenses decreased by \$33,961 or 29% due to a positive shift in the net plan to plan resource movement for the measurement period ended June 30, 2018 and other factors impacting the pension liability.

**Regional Human Rights/Fair Housing Commission
Management's Discussion and Analysis
For the year ended June 30, 2020 and June 30, 2019**

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Commission's basic financial statements which are comprised of the financial statements and the notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of HR/FHC's finances, in a manner similar to private-sector business.

The statement of net position presents information on all of HR/FHC'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 HR/FHC is improving or deteriorating.

The statement of activities presents information showing how 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 reported in this statement include some items that will only result in cash flows in future fiscal periods.

Fund Financial Statements

Unlike government-wide financial statements, the focus of fund financial statements is directed to specific activities of HR/FHC rather than HR/FHC as a whole. HR/FHC accounts for its activities in the general fund. The fund financial statements consist of the balance sheet and statement of revenues, expenditures, and changes in fund balance. These are prepared on the modified-accrual basis of accounting, in contrast with the government-wide financial statements, which are prepared on the full-accrual basis. In general, these financial statements under the modified-accrual basis have a short-term emphasis and for the most part, measure and account for assets that are current financial resources, and liabilities that are expected to be liquidated with current financial resources. Specifically, cash and receivables collectible within a very short period of time are reported on the balance sheet. Fund liabilities include amounts that are to be paid within a very short time after the end of the fiscal year on demand. Long-term liabilities are not included. The difference between a fund's total assets and total liabilities represents the fund balance. The statement of revenues, expenditures, and changes in fund balance for the General Fund reflects all expenditures incurred, but only those revenues that were collected in cash during the current period or within 60 days following end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Where differences exist, both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Regional Human Rights/Fair Housing Commission
Management's Discussion and Analysis, Continued
For the years ended June 30, 2020 and June 30, 2019

Notes to financial statements.

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

Financial Analysis of HR/FHC as a Whole

	Net Position		
	For the years ended June 30, 2020, 2019 and 2018		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Assets and Deferred Inflows of Resources			
Current Assets	3,629	4,500	9,781
Deferred Inflows	<u>170,646</u>	<u>178,276</u>	<u>239,539</u>
Total Assets and Deferred Inflows	<u>174,275</u>	<u>182,776</u>	<u>249,320</u>
Liabilities and Deferred Outflows of Resources			
Current Liabilities	295	1,026	1,495
Noncurrent Liabilities	896,997	851,820	879,388
Deferred Outflows	<u>97,233</u>	<u>78,446</u>	<u>100,469</u>
Total Liabilities and Deferred Outflows:	<u>994,525</u>	<u>931,292</u>	<u>981,352</u>
Net Position			
Unrestricted	<u>(820,250)</u>	<u>(748,516)</u>	<u>(732,032)</u>
Total Net Position	<u>\$ (820,250)</u>	<u>\$ (748,516)</u>	<u>\$ (732,032)</u>

This schedule is prepared from HR/FHC's Statement of Net Position, which is presented on an accrual basis of accounting in which assets are capitalized and depreciated and long-term liabilities are recognized when the obligation arises rather than when they come due for payment.

Net Position at June 30, 2020 and 2019 of (\$820,250) and (\$748,516), respectively, was negative due to the net pension liability offset by a relatively small amount of cash held in the County Treasury as of the end of each fiscal year. HR/FHC expects funding for the pension obligation to be provided in the future by the City and County of Sacramento, but as there is no legal obligation for the City and County to make these contributions, they cannot be recorded as receivables to offset the pension liability. The decrease in net position of \$16,484 between June 30, 2018 and June 30, 2019 and the further decrease in net position of \$71,734 between June 30, 2019 and June 30, 2020 results from the fact that the pension contributions required by the California Public Employees Retirement System (CalPERS) are calculated in a different manner than the pension expense recognized under generally accepted accounting principles.

Regional Human Rights/Fair Housing Commission
Management's Discussion and Analysis, Continued
For the years ended June 30, 2020 and June 30, 2019

Financial Analysis of HR/FHC as a Whole, Continued

Although HR/FHC received sufficient revenue during both the 2019-2020 and 2018-2019 fiscal years to enable to it make the required pension contributions to CalPERS, the required contributions were less than the pension expense recognized under generally accepted accounting principles, due to timing differences and differences in the methodology for calculating pension expense under generally accepted accounting principles when compared to the calculation of the employer required contribution.

Operating Results
For the years ended June 30, 2020, 2019 and 2018

	2020	2019	2018
Operating expenses:	\$ 157,103	\$ 84,060	\$ 118,021
Program revenue:			
Intergovernmental	85,209	67,357	44,120
Total Program Revenue	<u>85,209</u>	<u>67,357</u>	<u>44,120</u>
Net operating expenses	<u>(71,894)</u>	<u>(16,703)</u>	<u>(73,901)</u>
General revenue:			
Interest	160	219	188
Total general revenue	<u>160</u>	<u>219</u>	<u>188</u>
Increase (Decrease) in net position	(71,734)	(16,484)	(73,713)
Net position:			
Beginning of year	(748,516)	(732,032)	(658,319)
End of year	<u>\$ (820,250)</u>	<u>\$ (748,516)</u>	<u>\$ (732,032)</u>

**Regional Human Rights/Fair Housing Commission
Management's Discussion and Analysis, Continued
For the years ended June 30, 2020 and June 30, 2019**

Financial Analysis of HR/FHC as a Whole, Continued

In fiscal years 2019-2020 and 2018-2019, program revenues consisted exclusively of contributions by the City and County of Sacramento used to service HR/FHC's pension obligations. Total program revenue in the 2018-2019 fiscal year increased \$23,237 when compared with 2017-2018 due to an increase in required pension contributions. Total program revenue in the 2019-2020 fiscal year increased \$17,852 when compared to 2018-2019, again due to an increase in required pension contributions. Changes in operating expenses, which consist primarily of pension expense, are discussed in the Financial Highlights section at the beginning of this analysis.

**Operating Revenues
For the years ended June 30, 2020, 2019 and 2018**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Program revenues			
Intergovernmental	\$ 85,209	\$ 67,357	\$ 44,120
Total operating revenue	<u>\$ 85,209</u>	<u>\$ 67,357</u>	<u>\$ 44,120</u>

**Operating Expenses
For the years ended June 30, 2020, 2019 and 2018**

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Operating expense:			
Employee pension expense	\$ 156,803	\$ 82,029	\$ 116,521
Professional services	300	2,031	1,500
Total operating expenses	<u>\$ 157,103</u>	<u>\$ 84,060</u>	<u>\$ 118,021</u>

**Regional Human Rights/Fair Housing Commission
Management's Discussion and Analysis, Continued
For the years ended June 30, 2020 and June 30, 2019**

Financial Analysis of HR/FHC as a Whole, Continued

	Analysis of Net Position As of June 30:		
	<u>2020</u>	<u>2019</u>	<u>2018</u>
Net Position			
Unrestricted	<u>\$ (820,250)</u>	<u>\$ (748,516)</u>	<u>\$ (732,032)</u>
Total	<u>\$ (820,250)</u>	<u>\$ (748,516)</u>	<u>\$ (732,032)</u>

As previously discussed, the decreases in net position between June 30, 2018 and June 30, 2020 are related to factors that caused HR/FHC's pension expense to exceed the annual required pension contribution that was funded by the City and County of Sacramento.

GENERAL FUND FINANCIAL ANALYSIS

HR/FHC's General Fund reported a decrease in total fund balance of \$140 for fiscal year 2019-2020 resulting in total ending fund balance of \$3,334 as of June 30, 2020. 100% of this amount is considered unassigned. Fund balance remained essentially unchanged because the contributions received from members were intended to be approximately the same as the pension contributions made for the fiscal year.

HR/FHC's General Fund reported a decrease in total fund balance of \$4,812 for fiscal year 2018-2019 resulting in total ending fund balance of \$3,474 as of June 30, 2019. 100% of this amount is considered unassigned. Fund balance declined because HR/FHC elected to use a portion of existing fund balance to make the required pension contribution for the year and/or pay other expenses.

**Regional Human Rights/Fair Housing Commission
Management's Discussion and Analysis, Continued
For the years ended June 30, 2020 and June 30, 2019**

ECONOMIC FACTORS AND NEXT YEAR'S RATES

HR/FHC no longer performs services, but remains in existence to finalize wind-down activities and make payments on its retirement obligation. The most recent CalPERS actuarial projects a levelling off of required contributions after rising to about \$100,000 in fiscal year 2021-2022.

The adopted budgets for fiscal years of 2019-2020, 2018-2019, and 2017-2018 are summarized as follows:

	<u>FY 2019-2020</u>	<u>FY 2018-2019</u>	<u>FY 2017-2018</u>
Charges to appropriations (outflows)			
Employee pension expense	\$ 88,300	\$ 73,000	\$ 63,000
Professional services	1,500	4,000	4,000
Return of funds	-	-	-
Contingency	2,500	2,500	2,500
Total Budget	<u>\$ 92,300</u>	<u>\$ 79,500</u>	<u>\$ 69,500</u>

Contacting HR/FHC

This financial report is designed to provide interested parties a general overview of HR/FHC's finances and to demonstrate HR/FHC's accountability for the money it receives and is allocated to it. If you have questions about this report, contact the Executive Director of the Regional Human Rights/Fair Housing Commission, in care of the Sacramento City Treasurer's Office, 915 I Street, 3rd Floor, Sacramento, CA 95814.

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BASIC FINANCIAL STATEMENTS

Regional Human Rights/Fair Housing Commission
Statements of Net Position - Governmental Activities
June 30, 2020 and June 30, 2019

ASSETS	2020	2019
Current assets:		
Cash and investments:		
Available for operations	\$ 3,565	\$ 4,387
Interest receivable	64	113
Total assets	<u>3,629</u>	<u>4,500</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension plan	170,646	178,276
Total assets and deferred outflows of resources	<u>\$ 174,275</u>	<u>\$ 182,776</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 295	\$ 1,026
Total current liabilities	<u>295</u>	<u>1,026</u>
Noncurrent liabilities:		
Long-term liabilities:		
Net pension liability	896,997	851,820
Total noncurrent liabilities	<u>896,997</u>	<u>851,820</u>
Total liabilities	<u>897,292</u>	<u>852,846</u>
DEFERRED INFLOWS OF RESOURCES		
Pension plan	97,233	78,446
Total deferred inflows of resources	<u>97,233</u>	<u>78,446</u>
NET POSITION		
Unrestricted	(820,250)	(748,516)
Total net position	<u>(820,250)</u>	<u>(748,516)</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 174,275</u>	<u>\$ 182,776</u>

The accompanying notes are an integral part of these basic financial statements.

Regional Human Rights/Fair Housing Commission
Statements of Activities - Governmental Activities
For the years ended June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
EXPENSES:		
Public Assistance:		
Employee pension expense	\$ 156,803	\$ 82,029
Professional services	300	2,031
Other expenses	-	-
Total expenses	<u>157,103</u>	<u>84,060</u>
REVENUES:		
Program revenues:		
Intergovernmental	85,209	67,357
Total program revenues	<u>85,209</u>	<u>67,357</u>
Net program expense	<u>(71,894)</u>	<u>(16,703)</u>
General revenues:		
Interest	160	219
Total general revenues	<u>160</u>	<u>219</u>
CHANGE IN NET POSITION	<u>(71,734)</u>	<u>(16,484)</u>
NET POSITION:		
Beginning of the year	(748,516)	(732,032)
End of the year	<u>\$ (820,250)</u>	<u>\$ (748,516)</u>

The accompanying notes are an integral part of these basic financial statements

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FUND FINANCIAL STATEMENTS

Regional Human Rights/Fair Housing Commission
Balance Sheets - General Fund
June 30, 2020 and June 30, 2019

ASSETS	<u>2020</u>	<u>2019</u>
Assets		
Cash and investments:		
Available for operations	\$ 3,565	\$ 4,387
Interest receivable	64	113
Total assets	<u>\$ 3,629</u>	<u>\$ 4,500</u>
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 295	\$ 1,026
Total liabilities	<u>295</u>	<u>1,026</u>
Fund balances:		
Unassigned	3,334	3,474
Total fund balances	<u>3,334</u>	<u>3,474</u>
Total liabilities and fund balances	<u>\$ 3,629</u>	<u>\$ 4,500</u>

The accompanying notes are an integral part of these basic financial statements.

Regional Human Rights/Fair Housing Commission
Reconciliation of the General Fund Balance Sheets
to the Statements of Net Position
June 30, 2020 and June 30, 2019

	<u>2020</u>	<u>2019</u>
Total fund balances - General Fund	\$ 3,334	\$ 3,474
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Pension obligations result in deferred outflows and inflows of resources associated with the actuarial value of contributions, assets, and liabilities.		
Deferred outflows of resources	170,646	178,276
Deferred inflows of resources	(97,233)	(78,446)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Net pension Liability	<u>(896,997)</u>	<u>(851,820)</u>
Net position of governmental activities	<u>\$ (820,250)</u>	<u>\$ (748,516)</u>

The accompanying notes are an integral part of these basic financial statements.

Regional Human Rights/Fair Housing Commission
Statements of Revenues, Expenditures, and Changes in Fund Balances -
General Fund
For the years ended June 30, 2020 and June 30, 2019

	<u>2020</u>	<u>2019</u>
REVENUES:		
Intergovernmental	\$ 85,209	\$ 67,357
Interest	160	219
Total revenues	<u>85,369</u>	<u>67,576</u>
EXPENDITURES:		
Public Assistance		
Employee pension expense	85,209	70,357
Professional services	300	2,031
Other expenses	-	-
Total expenditures	<u>85,509</u>	<u>72,388</u>
Net change in fund balances	(140)	(4,812)
FUND BALANCES:		
Beginning of year	3,474	8,286
End of year	<u>\$ 3,334</u>	<u>\$ 3,474</u>

The accompanying notes are an integral part of these basic financial statements.

Regional Human Rights/Fair Housing Commission
Reconciliation of the Statements of Revenues, Expenditures, and Changes
in Fund Balances - General Fund to the Statements of Activities
For the years ended June 30, 2020 and 2017

	<u>2020</u>	<u>2019</u>
Net change in fund balances - General Fund	\$ (140)	\$ (4,812)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the General Fund. When those expenses come due for payment, they are reported as expenditures in the General Fund, but they are excluded from the Statement of Activities for the current year to the extent that they were already recognized as expenses there in prior years.		
Pension expense	<u>(71,594)</u>	<u>(11,672)</u>
Change in net position of governmental activities	<u>\$ (71,734)</u>	<u>\$ (16,484)</u>

The accompanying notes are an integral part of these basic financial statements.

Regional Human Rights/Fair Housing Commission
Statement of Revenues, Expenditures, and Changes in Fund Balance,
Budget and Actual - General Fund
For the year ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, 2019	\$ 3,474	\$ 3,474	\$ 3,474	\$ -
Resources (inflows):				
Intergovernmental	89,800	89,800	85,209	(4,591)
Interest	-	-	160	160
Amounts available for appropriation	93,274	93,274	88,843	(4,431)
Charges to appropriations (outflows):				
Employee pension expense	88,300	88,300	85,209	3,091
Professional services	1,500	1,500	300	1,200
Contingency	2,500	2,500	-	2,500
Total charges to appropriations	92,300	92,300	85,509	6,791
Budgetary fund balance, June 30, 2020	\$ 974	\$ 974	\$ 3,334	\$ 2,360

The accompanying notes are an integral part of these basic financial statements.

Regional Human Rights/Fair Housing Commission
Statement of Revenues, Expenditures, and Changes in Fund Balance,
Budget and Actual - General Fund
For the year ended June 30, 2019

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1, 2018	\$ 8,286	\$ 8,286	\$ 8,286	\$ -
Resources (inflows):				
Intergovernmental	70,000	70,000	67,357	(2,643)
Interest	-	-	219	219
Amounts available for appropriation	78,286	78,286	75,862	(2,424)
Charges to appropriations (outflows):				
Employee pension expense	73,000	73,000	70,357	2,643
Professional services	4,000	4,000	2,031	1,969
Contingency	2,500	2,500	-	2,500
Total charges to appropriations	79,500	79,500	72,388	7,112
Budgetary fund balance, June 30, 2019	\$ (1,214)	\$ (1,214)	\$ 3,474	\$ 4,688

The accompanying notes are an integral part of these basic financial statements.

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Regional Human Rights/Fair Housing Commission
Notes to Basic Financial Statements
For the years ended June 30, 2020 and June 30, 2019

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Regional Human Rights/Fair Housing Commission (HR/FHC) is a Joint Powers Agency under Government Code Section 6500 et. seq. The organization traces its roots back to the not-for-profit Human Relations Commission formed by Sacramento County in 1963. A governmental joint powers authority was created by the City and County of Sacramento in 1981 and was expanded to include the Cities of Citrus Heights, Elk Grove, and Rancho Cordova in addition to the City and County of Sacramento. However, the Cities of Citrus Heights, Elk Grove, and Rancho Cordova withdrew from the JPA during the 2013-2014 fiscal year. The JPA is directed by a Governing Board with representative(s) from each JPA member. The Executive Director is responsible for the management, administration and day to day operation of HR/FHC and reports to and works for the Governing Board.

HR/FHC is currently undergoing a wind-down process which discontinued all public operations by October 31, 2014 and identified alternative organizations in the community that offered similar services to HR/FHC. HR/FHC remains in existence primarily to continue servicing its retirement obligations.

The financial statements of HR/FHC have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies:

A. Reporting Entity

As defined by GASB Statement No. 14, 39, and 63, HR/FHC is not financially accountable for any other entity other than itself, nor are there any other entities for which the nature and significance of their relationship with HR/FHC are such that exclusion would cause HR/FHC's financial statements to be misleading or incomplete.

In addition, based upon the above criteria, HR/FHC is not aware of any entity which would be financially accountable for HR/FHC which would result in HR/FHC being considered a component of the entity.

Regional Human Rights/Fair Housing Commission
Notes to Basic Financial Statements, Continued
For the years ended June 30, 2020 and 2019

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,
Continued

B. Financial Statements, Measurement Focus, and Basis of Accounting

Government-Wide Financial Statements:

The statement of net position and statement of activities display information about HR/FHC as a whole. The statement of activities presents a comparison between direct expenses and program revenues for each function of HR/FHC's governmental 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 grants and contributions that are restricted to meeting the operational needs of HR/FHC's programs. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

The government-wide financial statements utilize an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net assets (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or non-current) associated with their activities are reported. Government-wide equity is classified as net position. Consistent with the economic resources measurement focus, the government-wide financial statements are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

Fund Financial Statements:

The fund financial statements provide information about HR/FHC's General Fund (the only fund reported by HR/FHC). These financial statements utilize a "current financial resources" measurement focus. Only current financial assets and liabilities are generally included on the balance sheet of a governmental fund. A governmental fund's operating statement presents sources and uses of available spendable financial resources during a given period. Governmental funds use fund balance as their measure of available spendable financial resources at the end of the period.

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when earned and when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. HR/FHC defines available to be within 60 days of year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest, which are reported when due. Governmental capital asset acquisitions are reported as expenditures in governmental funds. Proceeds for governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

Regional Human Rights/Fair Housing Commission
Notes to Basic Financial Statements, Continued
For the years ended June 30, 2020 and 2019

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,
Continued

C. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. Budgets

Budgets are prepared on the modified accrual basis of accounting, in which capital assets acquired are recorded as expenditures and depreciation is not recorded. However, the budgetary basis incorporates strict cutoff timeframes. Accruals not posted to the County of Sacramento's financial system within approximately 15 days of the end of the fiscal year are not recognized until the following year for budget purposes, even if they would otherwise have met the criteria for recognition under the modified accrual basis.

HR/FHC follows these procedures in establishing the budgetary data reflected in the financial statements:

- HR/FHC's governing board must approve a budget within 90 days of July 1st.
- The budget is legally enacted through passage of a motion during a board meeting prior to expenditure of funds.
- Formal budgeting is employed as a management control device during the year for the general fund.
- Budgets for the General Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America, except as explained above with regard to budgetary cutoff dates.

The legal level of a budgetary control, the amount to which budget should not be exceeded, is the object level.

Budgeted amounts are as originally adopted or as amended by the Governing Board.

E. Accounts and Records

Financial transactions initiated by the HR/FHC are paid and processed by the Sacramento County Department of Finance, Auditor-Controller office. HR/FHC maintains copies of source documents. The Department of Finance, Auditor-Controller provides related general ledger, revenue and expenditure details. Claims and warrants are issued and paid by the Department of Finance, Auditor-Controller.

Regional Human Rights/Fair Housing Commission
Notes to Basic Financial Statements, Continued
For the years ended June 30, 2020 and 2019

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES,
Continued

F. Cash and Investments

HR/FHC participates in an investment pool managed by the County of Sacramento, which has invested a portion of the pool funds in structured notes and asset-backed securities. The investment pool is stated at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*.

G. Capital Assets

Capital assets are carried at cost or estimated cost if actual cost was not available. Donated assets are valued at their estimated fair value on the date donated.

Depreciation is calculated on a straight line basis using the following useful life schedule:

Furniture and fixtures	5 to 8 years
Office equipment	5 to 8 years
Computer equipment	5 to 8 years

H. Net Position

As of October 31, 2014, HR/FHC ceased operations, all employees were terminated, it is no longer feasible to use any remaining resources for any type of ongoing operations as was originally intended by grantors and all program contracts have been closed out. Consequently, HR/FHC considers its net position to be unrestricted.

J. 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(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

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(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Commission's only deferred inflows and outflows of resources are related to pensions. Detail is presented in Note 6.

Regional Human Rights/Fair Housing Commission
Notes to Basic Financial Statements, Continued
For the years ended June 30, 2020 and 2019

2. MANAGEMENT'S PLAN OF OPERATIONS

The Commission ceased all public services on October 31, 2014 when the last of its contracts ended. All employees were released as of that date. HR/FHC continues in existence solely for the purpose of satisfying retirement obligations for past staff and will approach the JPA's two remaining members, the City and County of Sacramento for the necessary funding. The City and County have provided annually-appropriated funding for the retirement obligation since at least 2015.

3. CASH AND INVESTMENTS

The Commission had the following cash and investments at June 30, 2020 and 2019:

	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Cash with County of Sacramento Investment Pool	\$ 3,565	\$ 4,387
Total	<u>\$ 3,565</u>	<u>\$ 4,387</u>

Investments in External Investment Pools – HR/FHC holds cash with the County of Sacramento Investment Pool. HR/FHC's investment policy authorizes investments in the local government investment pool administered by the County of Sacramento (the County). The investment policy does not contain specific provisions intended to limit HR/FHC's exposure to interest rate risk, credit risk, and concentration of credit risk.

Interest rate risk – Interest rate risk is the risk that changes in 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. Disclosures related to the County's investment pool may be found in the County's comprehensive annual financial report.

Credit risk – The County has a separate investment policy, governed by the Government Code Sections 53600 et. Seq and 16429.1, that provides credit standards for its investments.

Custodial credit risk – deposits. For deposits, this is the risk that, in the event of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The California government code requires that a financial institution secure deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by public agencies. California law also allows financial institutions to secure local governmental unit deposits by pledging first trust deed mortgage notes having a value of 150% of the secured deposits. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pool such as the County of Sacramento.

The County of Sacramento's investment portfolio is overseen by a Treasury Oversight Committee which annually reviews the County's Statement of Investment Policy. The portfolio includes both voluntary and involuntary participants.

Regional Human Rights/Fair Housing Commission
Notes to Basic Financial Statements, Continued
For the years ended June 30, 2020 and 2019

4. FUND BALANCES/NET POSITION

Fund Balances consist of the following: Nonspendable, restricted, committed, assigned and unassigned. Nonspendable fund balance consists of prepaids that will not convert to cash soon enough to affect the current period. Restricted fund balance consists of resources that are subject to externally enforceable legal restrictions imposed by parties altogether outside the government consisting of grant funds. Unassigned amounts represent deficits in fund balance as reflected by the necessity to show nonspendable and restricted balances in an amount greater than total fund balance. Currently, the HR/FHC uses only the unassigned category. When multiple categories of fund balance or net position are permitted to finance a given expenditure, HR/FHC uses fund balance/net position from the most restrictive category permitted followed by less restrictive categories as necessary.

	<u>2020</u>	<u>2019</u>
Unassigned	3,334	3,474
	<u>\$ 3,334</u>	<u>\$ 3,474</u>

Net Position consist of net investment in capital assets, restricted, and unrestricted amounts. Restricted amounts reflect balances which cannot be influenced by HR/FHC Governing Board action. Unrestricted amounts reflect balances available for current operations.

	<u>Net Position</u>	
	<u>2020</u>	<u>2019</u>
Unrestricted	\$ (820,250)	\$ (748,516)
Total	<u>\$ (820,250)</u>	<u>\$ (748,516)</u>

5. RISK MANAGEMENT

HR/FHC is exposed to various risks of loss primarily related to theft of assets, errors and omissions, breach of contract, and injuries to employees.

HR/FHC ceased operations on October 31, 2014 and maintained commercial insurance coverage through December 10, 2017. Since that time, HR/FHC retained the risk of loss. HR/FHC had no claims liability that would be required to be accrued under U.S. GAAP as of June 30, 2020 or 2019 and no claims activity during the fiscal years then ended.

Regional Human Rights/Fair Housing Commission
Notes to Basic Financial Statements, Continued
For the years ended June 30, 2020 and 2019

6. PENSION PLAN

A. Plan Description

HR/FHC contributes to the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer defined benefit pension plan. HR/FHC's plan is part of the "Miscellaneous Plan" within the CalPERS system. The plan is now closed to new entrants since all HR/FHC employees have been released. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. A menu of benefit provisions as well as other requirements is established by State statutes within the Public Employee's Retirement Law. HR/FHC selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through the approval of HR/FHC's Governing Board. Benefits include a periodic pension payment upon retirement, as well as death and survivor benefits. Annual cost of living adjustments are included. Disability retirement is permitted subject to certain requirements. CalPERS makes reports available to the public that provide a detailed description of the pension plan's benefit provisions, actuarial assumptions, membership information, and fiduciary net position. These reports can be found on the CalPERS website at <http://www.calpers.ca.gov/>

The Plans' provisions and benefits in effect at June 30, 2020, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	Monthly for life
Retirement age (no disability)	50+	52+
Monthly benefits, as a % of eligible compensation	1.092% -2.418%	1.0% to 2.5%
Required employer contribution	Annually determined dollar amount based on actuarial	Annually determined dollar amount based on actuarial

Regional Human Rights/Fair Housing Commission
Notes to Basic Financial Statements, Continued
For the years ended June 30, 2020 and 2019

6. PENSION PLAN, CONTINUED

B. Funding Policy

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 both Plans 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 actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. HR/FHC is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2020 and 2019, the employer contributions recognized as deferred outflows of resources were \$85,209 and \$70,357, respectively.

C. Annual Pension Cost and Net Pension Obligation

Beginning with the fiscal year ended June 30, 2015, HR/FHC's net pension liability for each Plan is measured as the proportionate share of the total net pension liability for all employers in the plan. The net pension liability of each of the Plans is measured as of June 30, 2019, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. HR/FHC's proportion of the net pension liability was based on a projection of HR/FHC's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. HR/FHC's proportionate share of the net pension liability of the plan as of June 30, 2020 and 2019 was approximately 0.0223997% and 0.0226024%, respectively.

For the year ended June 30, 2020 and 2019, HR/FHC recognized pension expense of \$156,803 and \$82,029 in governmental activities in the government-wide financial statements, respectively.

Regional Human Rights/Fair Housing Commission
Notes to Basic Financial Statements, Continued
For the years ended June 30, 2020 and 2019

6. PENSION PLAN, CONTINUED

At June 30, 2020, HR/FHC 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	\$ 85,209	\$ -
	57,473	-
Differences between expected and actual experiences		
Changes in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	354	81,551
Net differences between projected and actual earnings on plan investments	-	15,682
Change of Assumptions	27,610	-
Total	<u>\$ 170,646</u>	<u>\$ 97,233</u>

\$85,209 is reported as deferred outflows of resources related to contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2021	\$(25,380)
2022	33,847
2023	6,499
2024	(3,171)
2025	--
Thereafter	--

Regional Human Rights/Fair Housing Commission
Notes to Basic Financial Statements, Continued
For the years ended June 30, 2020 and 2019

6. PENSION PLAN, CONTINUED

At June 30, 2019, HR/FHC 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	\$ 70,357	\$ -
Differences between expected and actual experiences	21,561	-
Changes in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	8,837	78,446
Net differences between projected and actual earnings on plan investments	4,211	-
Change of Assumptions	73,310	-
Total	<u>\$ 178,276</u>	<u>\$ 78,446</u>

\$70,357 is reported as deferred outflows of resources related to contributions subsequent to the measurement date and was recognized as a reduction of the net pension liability in the year ended June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	
2020	\$(46,542)
2021	(25,237)
2022	34,650
2023	7,662
2024	--
Thereafter	--

Regional Human Rights/Fair Housing Commission
Notes to Basic Financial Statements, Continued
For the years ended June 30, 2020 and 2019

6. PENSION PLAN, CONTINUED

The net pension liability shown in these financial statements were determined using the following actuarial assumptions:

Actuarial Assumptions		
Fiscal Year End	June 30, 2020	June 30, 2019
Valuation Date	June 30, 2018	June 30, 2017
Measurement Date	June 30, 2019	June 30, 2018
Actuarial cost method	Entry-age normal cost method	Entry-age normal cost method
Actuarial assumptions:		
Discount rate	7.15%	7.15%
Inflation	2.75%	2.75%
Salary increases	Varies by entry age and service	Varies by entry age and service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funs	Derived using CalPERS' Membership Data for all Funs
Post-retirement benefit increase	Contract COLA up to 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter.	Contract COLA up to 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter.

The underlying 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, please refer to the 2014 experience study report.

Other actuarial assumptions used in the valuations referred to above were based on the results of an actuarial experience study for the fiscal years 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study can be obtained at CalPERS' website under Forms and Publications.

Discount Rate - The discount rate used to measure the total pension liability is stated in the table above for each year. To determine whether the municipal bond rate should be used in the calculation of the discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. The tests revealed the assets would not run out. Therefore, the discount rate is appropriate, and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rates shown above are applied to all plans in the Public Employees' Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS website under the GASB 68 section.

Regional Human Rights/Fair Housing Commission
Notes to Basic Financial Statements, Continued
For the years ended June 30, 2020 and 2019

6. PENSION PLAN, CONTINUED

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

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), 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 PERF 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 equal to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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. The target allocation shown was adopted by the Board.

Asset Class	Assumed Asset Allocation	Real Return Years 1 - 10 ¹	Real Return Year 11+ ²
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%

(1) In the Basic Financial Statements, Fixed income is included in Global Debt Securities, Liquidity is included in Short-Term Investments. Inflation Assets are included in both Global Equity Securities and Global Debt Securities

Regional Human Rights/Fair Housing Commission
Notes to Basic Financial Statements, Continued
For the years ended June 30, 2020 and 2019

6. PENSION PLAN, CONTINUED

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate –

The following presents HR/FHC's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as estimated amounts for what HR/FHC'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:

1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
\$ 1,438,831	\$ 896,997	\$ 449,752

1% Decrease (6.15%)	Current Discount Rate (7.15%)	1% Increase (8.15%)
\$ 1,368,259	\$ 851,820	\$ 425,508

7. REVENUE DETAIL

A summary of intergovernmental revenue for the year ended June 30, is as follows:

	2020	2019
County of Sacramento	\$ 42,605	\$ 32,179
City of Sacramento	42,604	35,178
Total	\$ 85,209	\$ 67,357

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REQUIRED SUPPLEMENTARY INFORMATION

Regional Human Rights/Fair Housing Commission
Required Supplementary Information
For the years ended June 30, 2020 and June 30, 2019

Schedule of HR/FHC's Proportionate Share of the Net Pension Liability

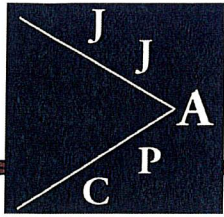
Year Ended June 30,	Proportion of net pension liability	Proportionate share of net pension liability	Covered employee payroll	Proportionate share of the net pension liability as a % of covered employee payroll	Plan fiduciary net position as a % of the total pension liability
2014	0.00945%	\$ 587,916	\$ 341,648	172.08%	80.14%
2015	0.02218%	608,541	66,276	918.19%	78.97%
2016	0.02231%	770,519	-	N/A	74.33%
2017	0.02218%	879,388	-	N/A	73.22%
2018	0.02231%	851,820	-	N/A	74.57%
2019	0.02260%	896,997	-	N/A	73.91%

Although GAAP require a 10-year history of the above information, the data is available only for periods since the implementation of GASB 68. As the years progress, the data will be accumulated until the full 10 years are presented.

Schedule of Contributions

Year Ended June 30,	Contractually required contribution (actuarially determined)	Contributions in relation to the actuarially determined contributions	Contribution deficiency (excess)	Covered employee payroll	Contributions as a % of covered employee payroll	Valuation Date
2014	\$ 37,151	\$ (37,151)	\$ -	\$ 341,648	10.87%	6/30/2013
2015	7,355	(7,355)	-	66,276	11.10%	6/30/2014
2016	44,014	(44,014)	-	N/A	N/A	6/30/2015
2017	59,520	(59,520)	-	N/A	N/A	6/30/2016
2018	70,357	(70,357)	-	N/A	N/A	6/30/2017
2019	85,209	(85,209)	-	N/A	N/A	6/30/2018

Although GAAP require a 10-year history of the above information, the data is available only for periods since the implementation of GASB 68. As the years progress, the data will be accumulated until the full 10 years are presented.



JJACPA, Inc.

A Professional Accounting Services Corp.

**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 AUDITOR'S REPORT

Governing Board
Regional Human Rights/Fair Housing Commission
Sacramento, California

We have audited the basic financial statements of Regional Human Rights/Fair Housing Commission (HR/FHC) as of and for the year ended June 30, 2020 and June 30, 2019, and have issued our report thereon dated May 14, 2021. 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.

Internal Control over Financial Reporting

Management of the District is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over financial reporting.

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 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 over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether HR/FHC'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*.

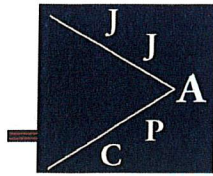
This report is intended solely for the information and use of management, the Governing Board, others within the entity, is not intended to be and should not be used by anyone other than these specified parties.

May 14, 2021

JJACPA, Inc.
JJACPA, Inc.

REGIONAL HUMAN RIGHTS/ FAIR HOUSING COMMISSION
COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE AND
COMMUNICATION OF INTERNAL CONTROL RELATED MATTERS

JUNE 30, 2020 AND JUNE 30, 2019



JJACPA, Inc.

A Professional Accounting Services Corp.

ATTACHMENT 2

May 14, 2021

Governing Board
Regional Human Rights/Fair Housing Commission
Sacramento, California

We have audited the financial statements of the Regional Human Rights/Fair Housing Commission (Commission) as of and for the years ended June 30, 2020 and June 30, 2019, and have issued our report thereon dated May 14, 2021. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated August 18, 2020, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Commission solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate and our firm have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Human Rights/Fair Housing is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during fiscal years ended June 30, 2020 and June 30, 2019. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements is the pension liability.

Management's estimate of the pension liability is based on market swings and other factors based on a third-party valuation with experience with similar agencies as well as industry standards, when applicable. We evaluated the key factors and assumptions used to develop the pension liability and determined that it is reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Commission's financial statements relate to going concern disclosures.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Commission's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated May 14, 2021.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Commission, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Commission's auditors.

Communication of Internal Control Related Matters

In planning and performing our audit of the financial statements, we considered the Commission'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 Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

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

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

This report is intended solely for the information and use of the Board of Directors and management of the Commission and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours.

Joseph J. Arch

JOSEPH J. ARCH, CPA
President/CEO
JJACPA, INC.

REGIONAL HUMAN RIGHTS/FAIR HOUSING COMMISSION

Governing Board Members

City of Sacramento

Councilmember Mai Vang

County of Sacramento

Supervisor Patrick Kennedy
Chair

Supervisor Don Nottoli

Supervisor Sue Frost,
Alternate member

Executive Director

John Colville

915 I Street, 3rd Floor
Sacramento, CA 95814

(916) 808-8297

May 14, 2021

JJACPA, Inc.
7080 Donlon Way, Suite 204
Dublin, CA 94568

This representation letter is provided in connection with your audit of the basic financial statements of Regional Human Rights/Fair Housing Commission (HR/FHC) as of June 30, 2020 and 2019 and for the years then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of Regional Human Rights/Fair Housing Commission in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of May 14, 2021:

Financial Statements

- We have fulfilled our responsibility, as set out in the terms of the audit engagement dated August 18, 2020 for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have, or will implement if needed, a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP, if any.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed, if any.
- We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with GASB Statement No. 62 (GASB-62), Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements (FASB Accounting Standards Codification™ (ASC) 450, Contingencies), and we have not consulted a lawyer concerning litigation, claims, or assessments that have been or may be made against the organization.
- All funds and activities are properly classified.

- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available is appropriately disclosed and net position is properly recognized under the policy.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported, if any.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated, if any.
- All required supplementary information is measured and presented within the prescribed guidelines in all material respects.
- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP in all material aspects.
 - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been or will be recorded in the accounting records and are reflected in the financial statements in all material respects.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- Except as disclosed to you, we have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- Except as disclosed to you, we have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation and claims whose effects should be disclosed or reported when preparing the financial statements, except as already disclosed or reported therein.
- We have disclosed to you the identity of the entity's related parties and all the material related party relationships and transactions of which we are aware.
- Except as disclosed to you there have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- Regional Human Rights/Fair Housing Commission has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.

JJACPA, Inc.
 May 14, 2021
 Page 3 of 3

- We have disclosed to you all guarantees, whether written or oral, under which Regional Human Rights/Fair Housing Commission is contingently liable, if any.
- We have disclosed to you any significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you in general the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- Except as disclosed to you, there are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be disclosed or reported in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
- Human Rights/Fair Housing Commission has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral.
- Except as disclosed to you, during the audit period and thereafter we have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- Note 2 to the financial statements discloses all material matters of which we are aware that are relevant to the entity's ability to continue as going concern, including significant conditions and events, and management's plan for the operations of the commission.

To the best of our knowledge and belief, no events have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements, other than those already disclosed.

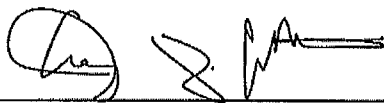
John Colville

Digitally signed by John Colville
 Date: 2021.05.14 16:17:08 -07'00'

John Colville, Executive Director

The below signature of Craig Collins, CPA, Contract Accountant, is provided subject to the following limitations:

- Craig D. Collins, CPA and Collins Accountancy Company have undertaken certain specific responsibilities pursuant to an engagement letter with the Human Rights/Fair Housing Commission and, notwithstanding the content of this letter, do not undertake any responsibilities or warrant anything other than what has been previously agreed to.
- Craig D. Collins, CPA and Collins Accountancy Company have not audited the financial statements and are not independent of the Human Rights/Fair Housing Commission because of our involvement in day-to-day accounting and administration and in the preparation of journal entries.



Craig D. Collins, CPA, Contract Accountant

**REGIONAL HUMAN RIGHTS/FAIR HOUSING
COMMISSION**

No Comments Memo

Date: May 25, 2021

Subject: Comments From The Staff

Board Action: No comments were made.

**REGIONAL HUMAN RIGHTS/FAIR HOUSING
COMMISSION**

No Material Memo

Date: Tuesday, May 25, 2021

Subject: Comments From The Staff

MATERIAL NOT INCLUDED

**REGIONAL HUMAN RIGHTS/FAIR HOUSING
COMMISSION**

No Material Memo

Date: Tuesday, May 25, 2021

Subject: Comments From The Board Members

Board Action: Director Nottoli requested information regarding whether or not employee and employer contributions are fixed or increased over time and staff confirmed contributions are fixed.

MATERIAL NOT INCLUDED

**REGIONAL HUMAN RIGHTS/FAIR HOUSING
COMMISSION**

No Material Memo

Date: Tuesday, May 25, 2021

Subject: Comments From The Board Members

MATERIAL NOT INCLUDED

**REGIONAL HUMAN RIGHTS/FAIR HOUSING
COMMISSION**

No Comments Memo

Date: May 25, 2021

Subject: Comments From The Public

Board Action: No comments were made.

**REGIONAL HUMAN RIGHTS/FAIR HOUSING
COMMISSION**

No Material Memo

Date: Tuesday, May 25, 2021

Subject: Comments From The Public

MATERIAL NOT INCLUDED