

2022 FINANCIAL AUDIT REPORT

Housing Development Partners of San Diego
Audit Committee Meeting

July 21, 2023

Suket Dayal
Chief Financial Officer

Julie Conserva
Vice President of Real Estate Finance



HDP 2022 Financial Audit Report Agenda

- Introduction
- Audit Timeline
- Consolidated Financial Results



Studio 15 Apartments

HDP 2022 Financial Audit Report

Introduction

- Audit Period: January 1, 2022 – December 31, 2022
- Independent Auditors: CohnReznick, LLP
- Audit Opinion: Unmodified
- Consolidated Entities Include: 23

Housing Development Partners	HDP Broadway Management, LLC	HDP Quality Inn, LLC
Casa Colina, LP	HDP Churchill, LP	HDP West Park, LP
Logan Development II, LP	HDP Island Village, LLC	HDP West Park Management, LLC
HDP Mason Housing Corporation	HDP New Palace, LP	HDP Mariner's Village LP
Logan Development Management, LLC	HDP New Palace Management, LLC	HDP Mariner's Village Management, LLC
HDP Parker Kier, LLC	HDP Town & Country, LP	HDP Casa Colina Management, LLC
HDP Churchill LLC	HDP Town & Country, LLC	HDP ADU, LLC
HDP Broadway, LP	HDP Village North, LLC	

HDP 2022 Financial Audit Report

Audit Timeline

Sept– December 2022
Interim Audit

HDP 2022 Financial Audit Report

Financial Results Summary

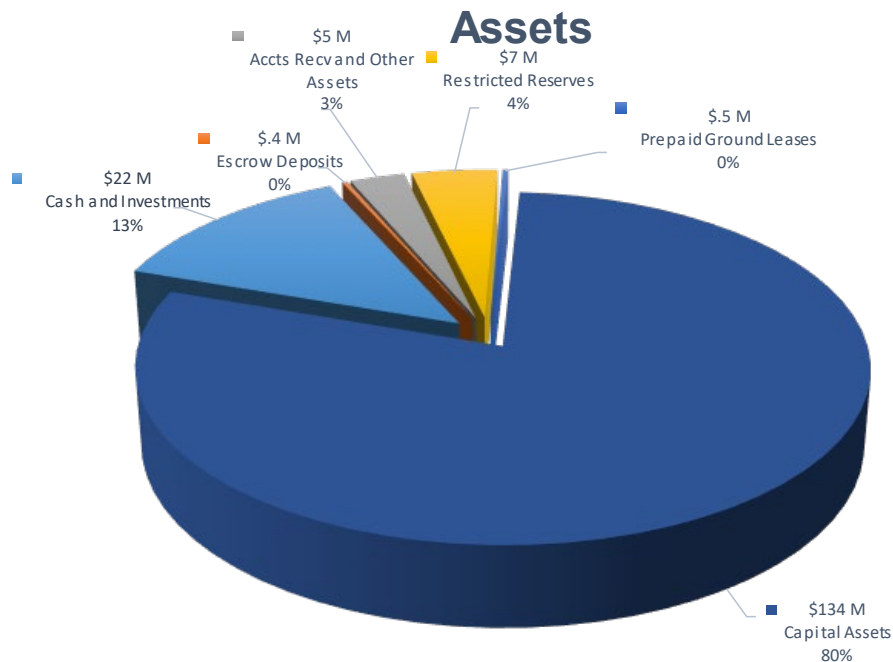
- Total Revenues:	\$18.9 M
- Total Expenses:	\$21.4 M
- Total Capital Assets:	\$134.1 M
- Total Assets:	\$168.9 M
- Total Entities Consolidated:	23
- Total Units Managed:	1,719



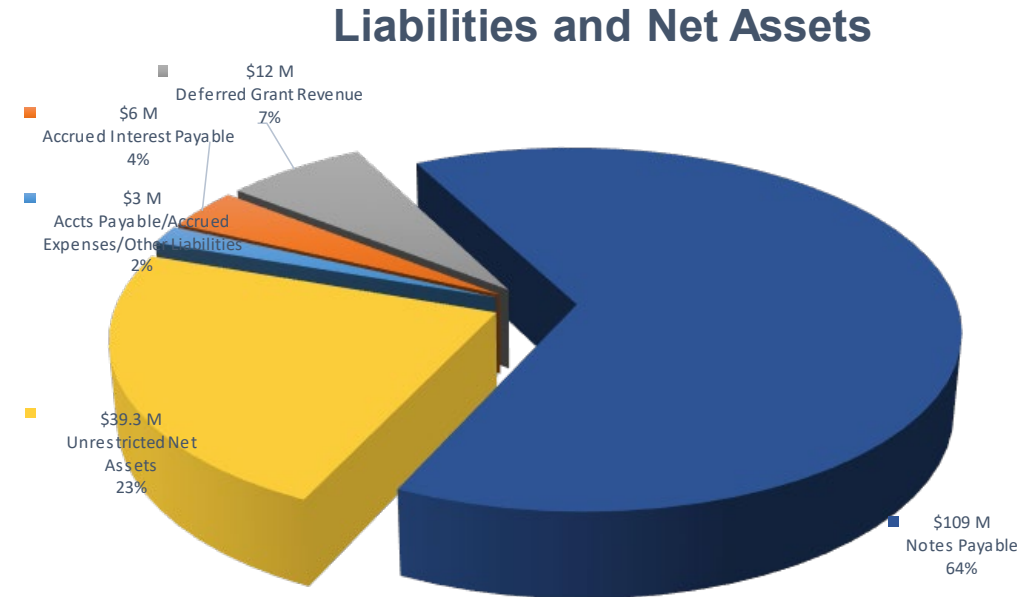
Mariners Village Apartment Homes

HDP 2022 Financial Audit Report

HDP Financial Results – Assets, Liabilities and Net Assets (in millions)



Total Assets = \$169 M



Liabilities \$130 M + Net Assets \$39 M = \$169 M

HDP 2022 Financial Audit Report

Statement of Net Assets – Changes from Prior FY (in millions)

	2022	2021	\$\$ Change	% Change
Assets	\$168.9 M	\$172.2 M	-\$3.3 M	-2%
Liabilities	\$129.6 M	\$150.4 M	-\$20.8 M	-14%
Net Assets	<u>\$39.3 M</u>	<u>\$21.8 M</u>	<u>\$17.5 M</u>	<u>80%</u>
Total Liabilities + Net Assets	\$168.9 M	\$172.2 M	-\$3.3 M	-2%

Assets approximated prior levels with the 2% decrease attributable to the ongoing depreciation of capital assets.

Liabilities decreased by \$20.8 million with a corresponding increase in Net Assets due to the conversion Mariner's Village construction loan to permanent mortgage funded by limited partner capital contributions.

HDP 2022 Financial Audit Report

Consolidated Statement of Activities (in millions)

	2022
Revenue	\$18.9 M
Expenses (Excluding Depreciation & Amortization)	\$16.0 M
Net Income Before Depreciation & Amortization	\$2.9 M
Depreciation & Amortization	-\$5.4 M
Net Income/(Loss)	<u>-\$2.5 M</u>

HDP 2022 Financial Audit Report

HDP Financial Results – Revenues and Expenses (in millions)

	2022	2021	\$\$ Change	% Change
Total Revenue	\$18.9 M	\$18.9 M	\$.0 M	0%

	2022	2021	\$\$ Change	% Change
Total Expenses	\$21.4 M	\$20.6 M	\$.8 M	4%

Revenue remained the same as prior year due to increased rental income of 9% which was offset by developer fee revenue reductions.

HDP 2022 Financial Audit Report

Questions/Comments