

2023 FINANCIAL AUDIT REPORT

Audit Committee Meeting
Housing Development Partners
July 19, 2024

Suket Dayal, Chief Financial Officer
Julie Conserva, Vice President of Finance, Real Estate

HDP 2023 Financial Audit Report

Agenda

- Introduction
- Audit Timeline
- Consolidated Financial Results



New Palace Hotel

HDP 2023 Financial Audit Report

Introduction

- Audit Period: January 1, 2023 – December 31, 2023
- Independent Auditors: Cohn Reznick, 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	

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Audit Timeline

September – December 2023 Interim Audit	January – February 2024 Year-End Audit	March – April 2024 Year-End Audit	May 2024 Year-End Audit	June – July 2024 Year-End Audit
<ul style="list-style-type: none"> • Preliminary audit work, including review of policies, procedures and internal controls of the corporation as well as for outsourced property management firms. • Preliminary program compliance testing; review of documents and corresponding accounting treatment for acquisitions, dispositions, financing and conversions that occurred during the reporting period. • Respond to preliminary auditor requests and inquiries. 	<ul style="list-style-type: none"> • Internal review and year-end closing of books. • Review management firms' books and request needed adjustments and revisions. • Prepare auditor requests and respond to auditor inquiries. 	<ul style="list-style-type: none"> • Finalize audits and tax returns for lower tier entities. • Submit required filings for the federal and state regulated entities (FHA and CalHFA) • <u>Entities</u> <ul style="list-style-type: none"> • Casa Colina, LP • HDP Broadway, LP • HDP Town & Country, LP • Logan Development, LP • HDP Mason Housing • HDP Churchill, LP • HDP New Palace, LP • HDP West Park, LP • HDP Quality Inn, LLC • HDP Mariner's Village, LP 	<ul style="list-style-type: none"> • Finalize audits and tax returns for upper tier entities. • <u>Entities</u> <ul style="list-style-type: none"> • HDP Village North, LLC • HDP Parker Kier, LLC • HDP Island Village, LLC • HDP Town & Country Mgmt, LLC • HDP Mariner's Village Mgmt, LLC • HDP New Palace Mgmt, LLC • HDP West Park Mgmt, LLC • HDP Churchill, LLC • HDP Casa Colina Mgmt, LLC • HDP ADU, LLC 	<ul style="list-style-type: none"> • Prepare financial statements for the consolidated reporting entity and finalize corresponding audit. • Audit Committee Approval • Prepare modified financial statements to conform with SDHC presentation as a component unit of SDHC for inclusion in their Annual Comprehensive Financial Report. • File the annual Financial Data Schedule (FDS) in HUD's RE Assessment Center (REAC) for PHA's as a discrete component unit of SDHC.

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Financial Results Summary

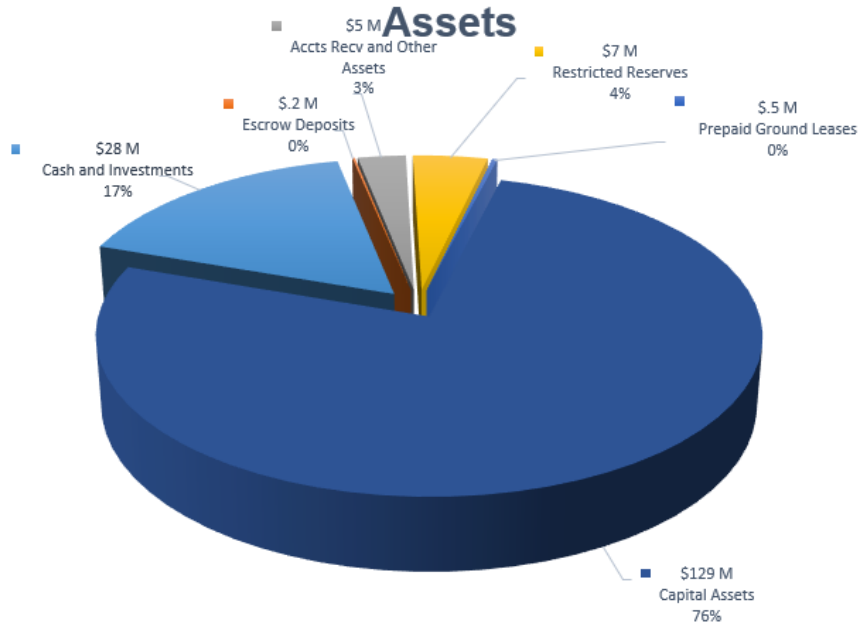
- Total Revenues: \$22.1 M
- Total Expenses: \$21.9 M
- Total Capital Assets: \$129.0 M
- Total Assets: \$169.1 M
- Total Entities Consolidated: 23
- Total Units: 1,719



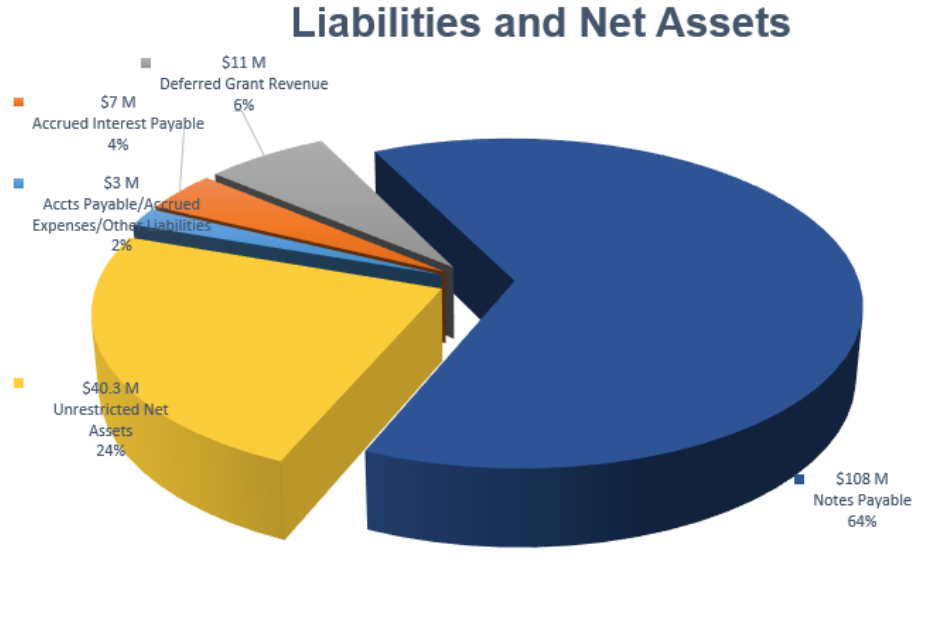
Mariners Village Apartment Homes

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Assets, Liabilities and Net Assets (in millions)



Total Assets = \$169 M



Liabilities \$129 M + Net Assets \$40 M = \$169 M

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Statement of Net Assets – Change from Prior Fiscal Year (in millions)

	2023	2022	\$\$ Change	% Change
Assets	\$169.1 M	\$168.9 M	\$.2 M	0%
Liabilities	\$128.8 M	\$129.6 M	-\$.8 M	-1%
Net Assets	<u>\$40.3 M</u>	<u>\$39.3 M</u>	<u>\$1.0 M</u>	<u>2%</u>
Total Liabilities + Net Assets	\$169.1 M	\$168.9 M	\$.2 M	0%

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Consolidated Statement of Activities (in millions)

	2023
Revenue	\$22.1 M
Expenses (Excluding Depreciation & Amortization)	\$16.6 M
Net Income Before Depreciation & Amortization	\$5.5 M
Depreciation & Amortization	-\$5.4 M
Net Income/(Loss)	<u>\$.1 M</u>

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HDP Financial Results – Revenues and Expenses (in million)

	2023	2022	\$\$ Change	% Change
Total Revenue	\$22.1 M	\$18.9 M	\$3.2 M	17%

	2023	2022	\$\$ Change	% Change
Total Expenses	\$21.9 M	\$21.4 M	\$.5 M	2%

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Questions/Comments