

2025 FINANCIAL AUDIT REPORT

Housing Development Partners (HDP)
Audit Committee Meeting
September 25, 2026

Julie Conserva
Vice President of Finance, Real Estate

Ngoc Dang
Principal Reporting Analyst

HDP 2025 Financial Audit Report

Agenda

- Introduction
- Audit Timeline
- Consolidated Financial Results



New Palace Hotel

HDP 2025 Financial Audit Report

Introduction

- Audit Period: January 1, 2025 – December 31, 2025
- 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	

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Audit Timeline

Sept– December 2025 Interim Audit

- 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.

Jan – February 2025 Year End Audit

- 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.

March – April 2025 Year End Audit

- Finalize audits and tax returns for lower tier entities
- Submit required filings for the federal and state regulated entities (FHA and Calhfa)
- Entities
 - 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

May 2025 Year End Audit

- Finalize audits and tax returns for upper tier entities
- Entities
 - 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

June –July 2025 Year End Audit

- 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 Comprehensive Annual Financial Report
- File the annual Financial Data Schedule (FDS) in HUD's Real Estate Assessment Center (REAC) for PHA's as a discrete component unit of SDHC

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Financial Results Summary

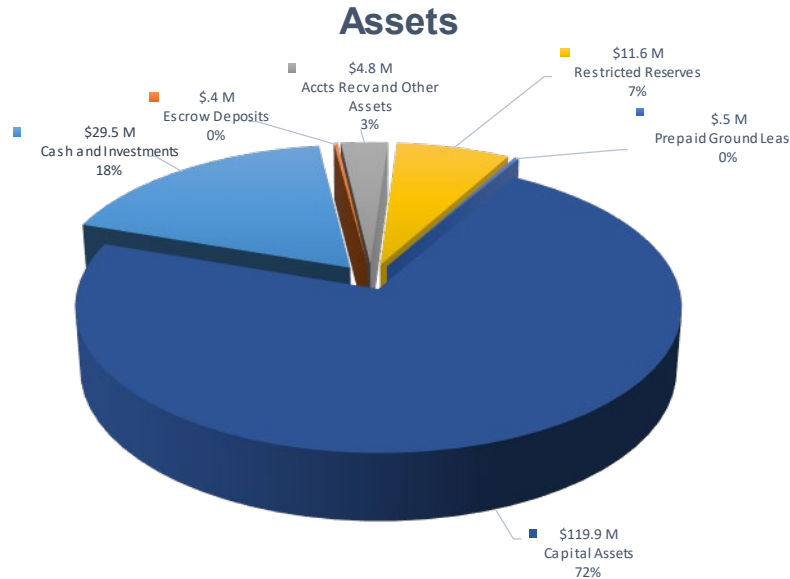
• Total Revenues	\$25.4M
• Total Expenses	\$23.2M
• Total Capital Assets	\$119.9M
• Total Assets	\$166.7M
• Total Entities Consolidated	23
• Total Units Managed	1,438



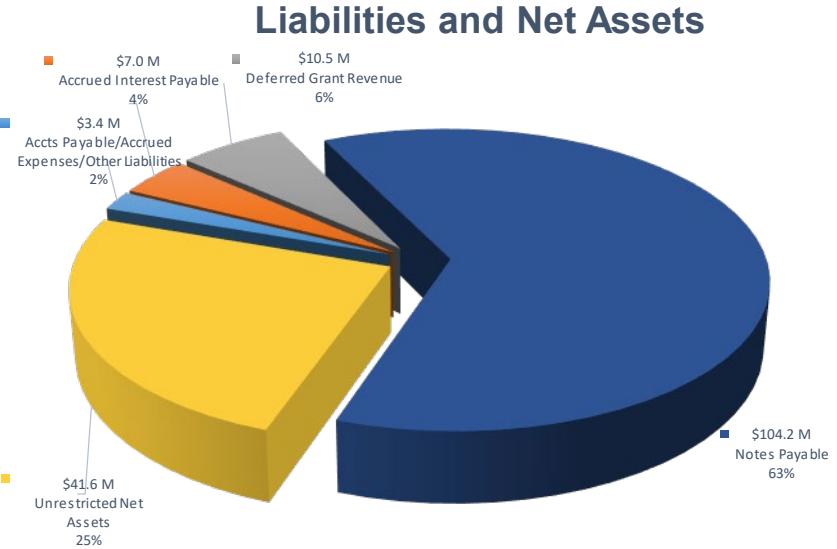
Mariners Village

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



Total Assets = \$166.7 M



Liabilities \$125.1 M + Net Assets \$41.6 M = \$166.7 M

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Statement of Net Assets – Changes from Prior Fiscal Year (in Millions)

	2025	2024	\$\$ Change	% Change
Assets	\$166.7 M	\$169.4 M	-\$2.7 M	-2%
Liabilities	\$125.1 M	\$127.3 M	-\$2.2 M	-2%
Net Assets	<u>\$41.6 M</u>	<u>\$42.1 M</u>	<u>-\$0.5 M</u>	<u>-1%</u>
Total Liabilities + Net Assets	\$166.7 M	\$169.4 M	-\$2.7 M	-2%

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Consolidated Statement of Activities (in Millions)

	2025
Revenue	\$25.4 M
Expenses (Excluding Depreciation & Amortization)	\$18.4 M
Net Income Before Depreciation & Amortization	\$7.0 M
Depreciation & Amortization	-\$4.9 M
Net Income/(Loss)	<u>\$2.1 M</u>

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HDP Financial Results – Revenues and Expenses (in Millions)

	2025	2024	\$\$ Change	% Change
Total Revenue	\$25.4 M	\$23.8 M	\$1.6 M	7%

	2025	2024	\$\$ Change	% Change
Total Expenses	\$23.2 M	\$22.9 M	\$0.3 M	1%

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Thank You