We're About People

San Diego Housing Commission (SDHC)
Fiscal Year (FY) 2026 Annual Financial Audit Report

Presentation to the SDHC Board of Commissioners
November 5, 2026

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Agenda

- Introduction and Summary of Annual Audit
- Operational Highlights
- Financial Results

Introduction

- New Accounting Pronouncements issued by the Governmental Accounting Standards Board (GASB), effective fiscal year ending June 30, 2026:
  - Statement No. 103 “Financial Reporting Model Improvements”
    - Reclassified grant revenue from nonoperating to operating grants and presents capital grant activity separately
    - Reclassified notes receivable interest income from nonoperating income to operating revenue
  - Statement No. 104 “Disclosure of Certain Capital Assets”
    - No significant impact on SDHC financial statements

Introduction (Continued)

- Audit Period: July 1, 2026 - June 30, 2026
- Independent Auditors: CohnReznick LLP
- Audit Opinion: Unmodified
- No Management Letter Comments

SDHC Operational Highlights

Rental Assistance

- Approximately 17,000 households received rental assistance.
- 448 Federal Project-Based Vouchers awarded to serve residents with low-income or experiencing homelessness

Homeless Housing Innovations

- Administered the City's homelessness shelters and services programs

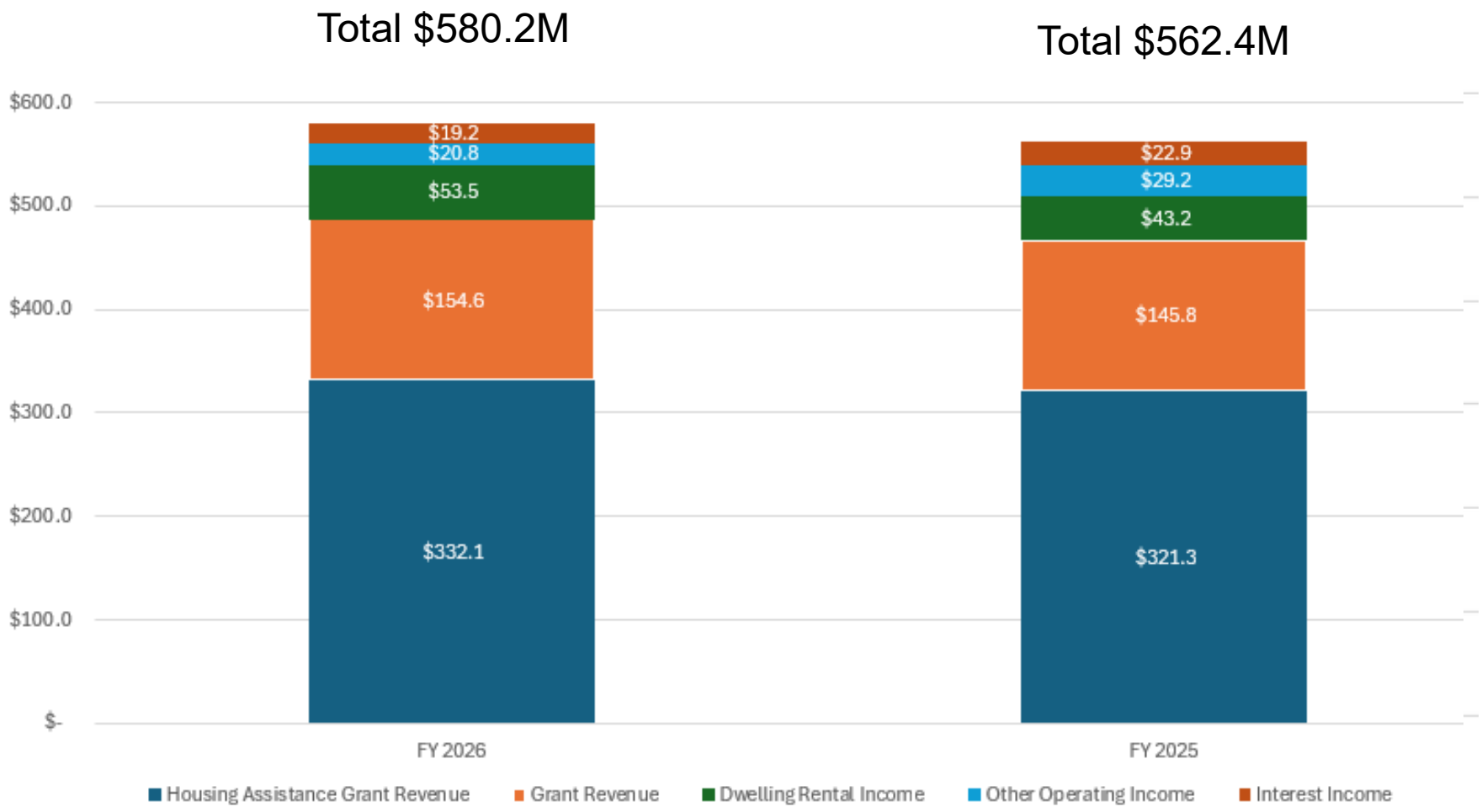
Real Estate Division

- Acquisition and rehabilitation of Starling Place, providing 80 new affordable housing units for individuals who experienced homelessness, including veterans
- Own and manage 154 properties, with 2,688 affordable rental housing units

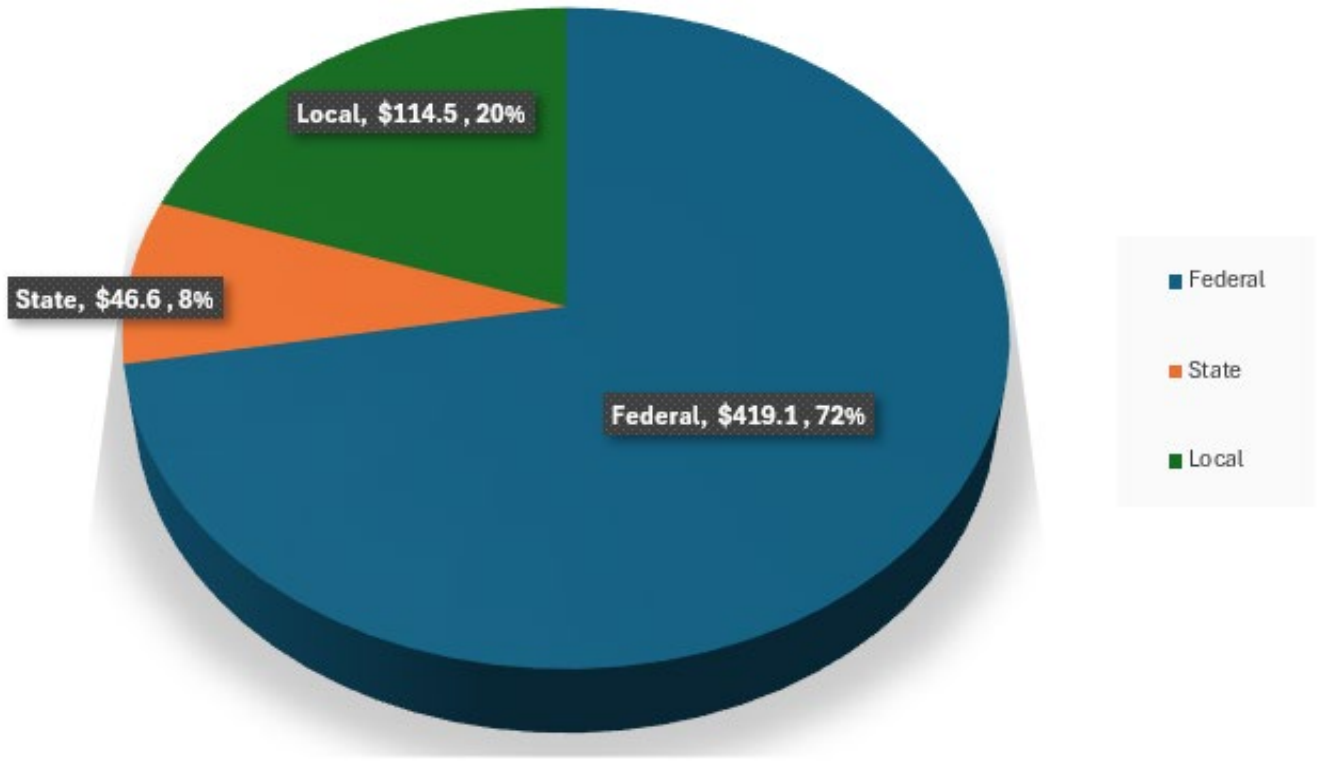
Financial Results Summary

- Total revenues: $580.2 million
  - U.S. Department of Housing and Urban Development (HUD) and U.S. Treasury Department grants are 75% of revenues
- Total expenses: $518.2 million
  - Housing Assistance Expenses: $355.1 million
  - Grant Expenses: $45.5 million
  - Other Expenses: $117.6 million

Financial Results - Revenue

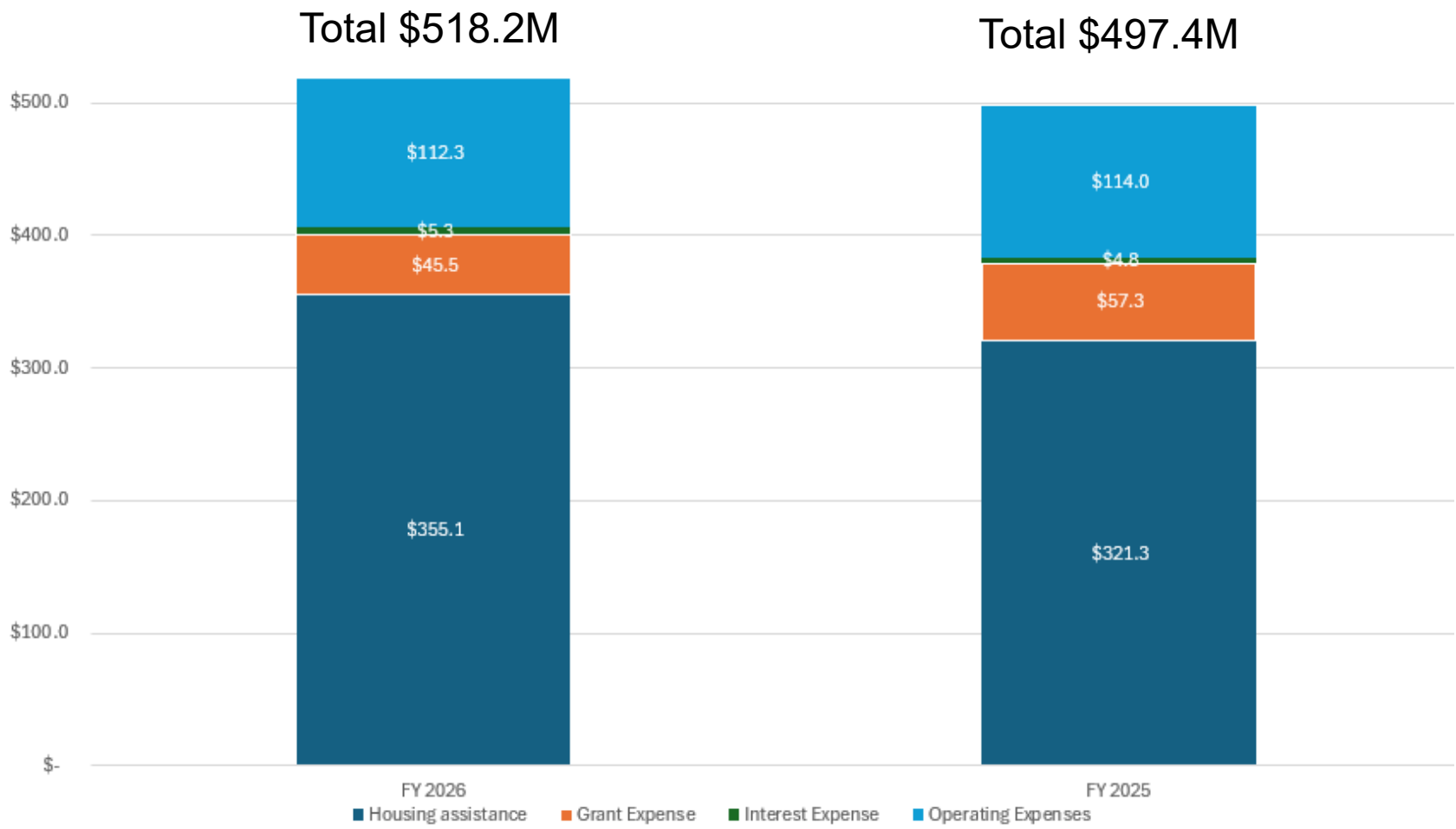


Financial Results – Revenue by Funding Type



Federal:	**$419.1M**
Local:	**$114.5M**
State:	**$46.6M**
Total:	**$580.2M**

Financial Results - Expenses



Statement of Net Position – Changes from prior Fiscal Year (in millions)

	FY26 Actual	FY25 Actual	$$ Change	% Change
Total Assets	***$1,285.9M***	***$1,227.8M***	***$58.1M***	**5%**
Total Liabilities	*170.2M*	*172.5M*	*(2.3M)*	*-1%*
Total Deferred Inflows	*85.3M*	*87.0M*	*(1.7M)*	*-2%*
Total Net Position	*1,030.4M*	*968.3M*	*62.1M*	*6%*
Total Liabilities + Deferred Inflows + Net Position	***$1,285.9M***	***$1,227.8M***	***$58.1M***	**5%**

Net Position Categories

- Net Investment in Capital Assets: $270.6 million
  - The amount spent on capital assets and is used for operations.
- Restricted Net Position: $267.1 million
  - This amount is restricted by external creditors, grantors, contributors, or laws or regulations of other governments.
- Unrestricted Net Position: $492.7 million
  - This balance is **not** indicative of funds available for discretionary use.
  - GASB (accounting) definitions require this amount to be classified as “unrestricted net position” for financial reporting on the Annual Comprehensive Financial Report (ACFR).

Staff Recommendation

- That the SDHC Board of Commissioners accept the Fiscal Year (FY) 2026 (July 1, 2025 – June 30, 2026) Annual Comprehensive Financial Report (ACFR) and Single Audit Reports prepared by CohnReznick LLP, an independent audit firm, and attached to the staff report, which offer a clean, unmodified opinion about SDHC's financial statements.

Questions & Comments