



SAN DIEGO
HOUSING
COMMISSION

San Diego Housing Commission

Fiscal Year 2016 Annual Financial Audit Report

Presentation to the San Diego Housing Commission Audit Committee
November 7, 2016

Tracey McDermott
Vice President & Chief Financial Officer
Financial Services Department





SDHC Fiscal Year (FY) 2016

Annual Financial Audit Report

Agenda

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





SDHC Fiscal Year (FY) 2016

Annual Financial Audit Report

Introduction

- Audit Period: July 1, 2015 - June 30, 2016
- Independent Auditors: CohnReznick LLP
- Audit Opinion: Unmodified
- No Management Letter Comments
- New Government Accounting Standards Board (GASB) Pronouncements, which have no FY2016 Financial Statement Impact:
 - Statement #77 “Tax Abatement Disclosures”; Statement #78 “Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans”; Statement #79 “Certain External Investment Pools and Pools Participants”; Statement #80 “Blending Requirements for Certain Component Units”; Statement #81 “Irrevocable Split-Interest Agreements”; Statement #82 “Pension Issues”



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Financial Results Summary

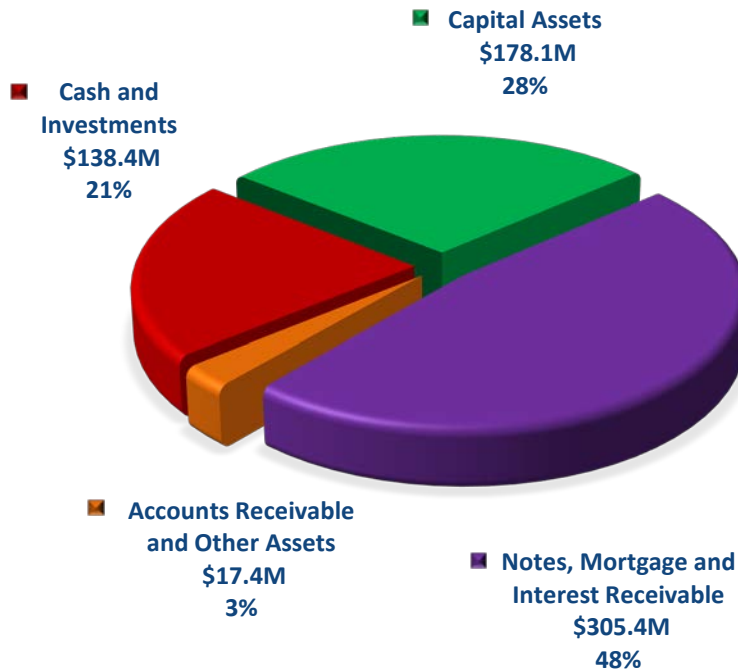
- Total revenues: \$252.2M
- Federal grants: 72% of revenues
- City of San Diego awarded funds: \$6.1M
 - General Funds: \$2.1M
 - Low-Income Lease Revenue Funds: \$4.0M
- Total expenses: \$217.4M
 - Housing Assistance Expenses: \$146.6M
 - Other Expenses: \$70.8M
- Total capital improvements, including Green Physical Needs Assessment efforts: \$8.5M
- Expenses related to programs serving the homeless: \$23.1M
- Total assets: \$639.3M



SDHC Fiscal Year (FY) 2016 Annual Financial Audit Report

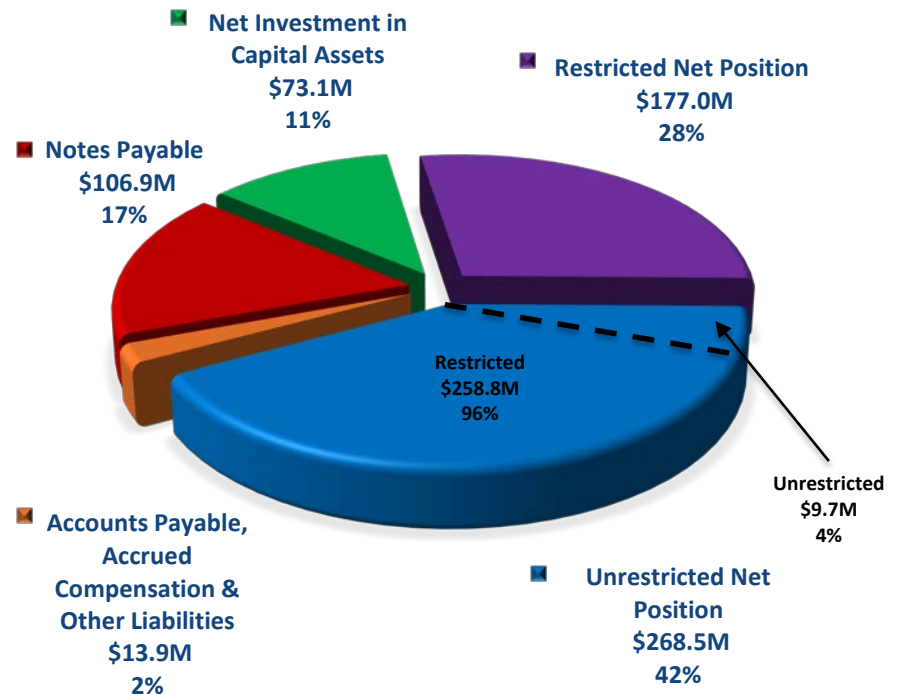
SDHC Financial Results – Assets, Liabilities and Net Position (in millions)

Assets



Total Assets = \$639.3M

Liabilities and Net Position

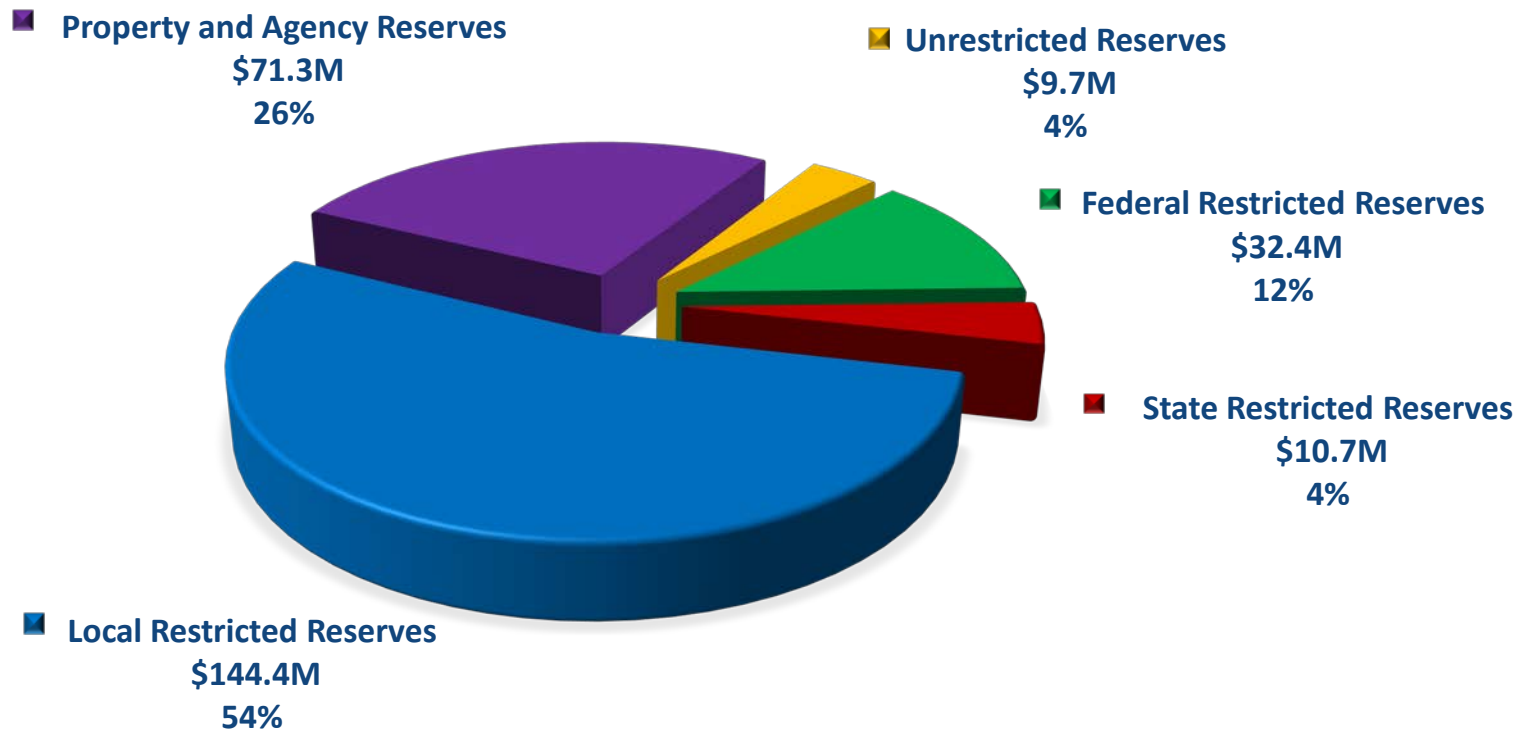


Liabilities \$120.7M + Net Position \$518.6M = \$639.3M



SDHC Fiscal Year (FY) 2016 Annual Financial Audit Report

Unrestricted Net Position Breakout (in millions)



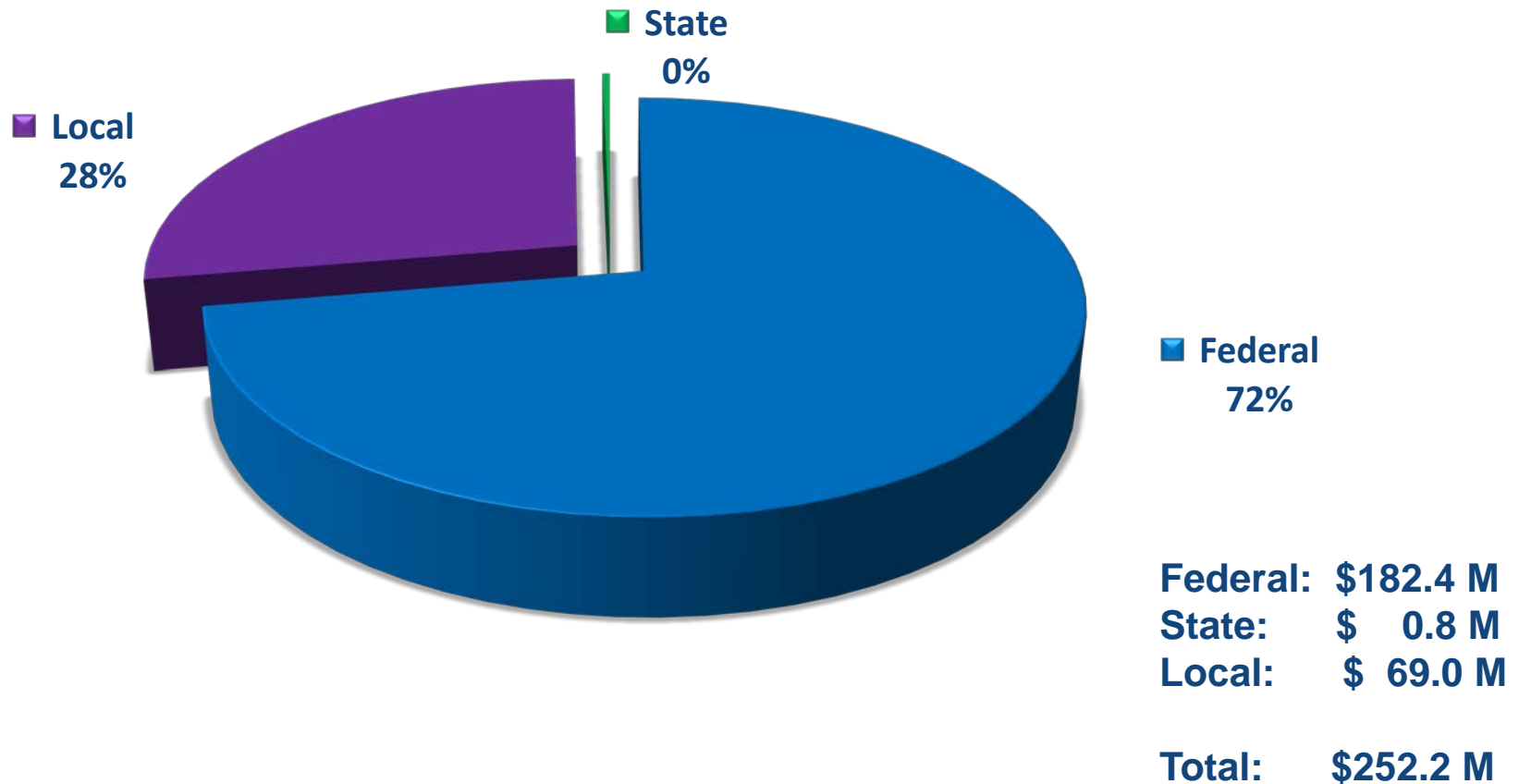
Total Unrestricted Net Position = \$268.5M



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SDHC Financial Results – Revenues by Funding Type



SDHC Fiscal Year (FY) 2016

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

	FY16 Actual	FY15 Actual	\$\$ Change	% Change
Total Assets	\$639.3M	\$606.3M	\$33.0M	5%
<i>Total Liabilities</i>	<i>\$120.8M</i>	<i>\$122.6M</i>	<i>\$(1.8)M</i>	<i>(2)%</i>
<i>Total Net Position</i>	<i>\$518.6M</i>	<i>\$483.7M</i>	<i>\$34.9M</i>	<i>7%</i>
Total Liabilities + Net Position	\$639.3M	\$606.3M	\$33.0M	5%

- The increase in total assets of \$33.0M is primarily due to payoff of loan funds
- The decrease in total liabilities of \$1.8M was due to debt payments and the pay down of the Smart Corner office building



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SDHC Financial Results – Revenues and Expenses

	FY16 Actual	FY15 Actual	\$\$ Change	% Change
Total Revenue	\$252.2M	\$235.9M	\$16.3M	7%

- Increase in total revenue by \$16.3M primarily due to:
 - Increase in federal revenue of \$5.3M
 - Increase in local revenue of \$11.9M

	FY16 Actual	FY15 Actual	\$\$ Change	% Change
Total Expenses	\$217.4M	\$209.1M	\$8.3M	4%

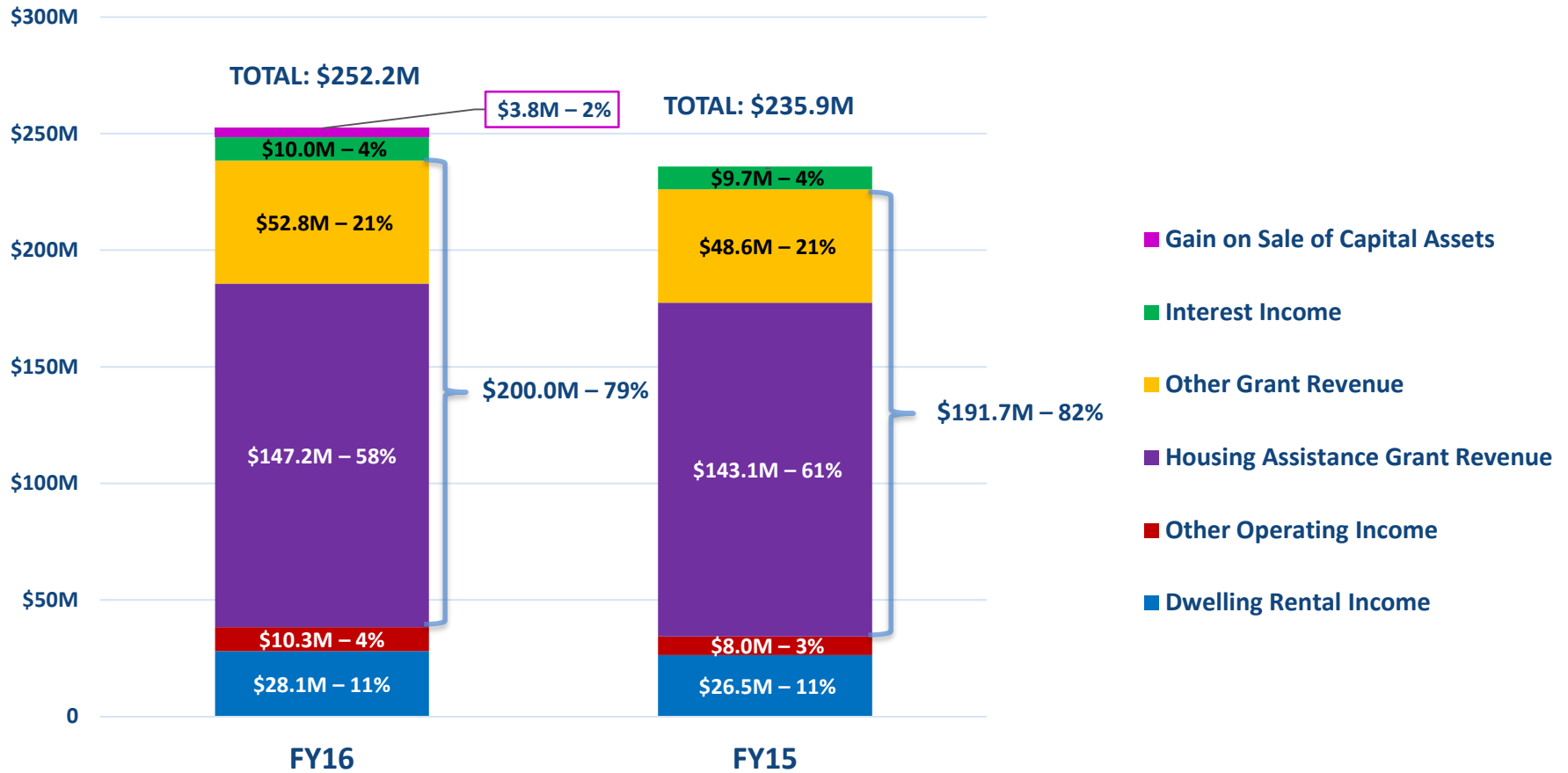
- Increase in total expenses of \$8.3M primarily due to:
 - Increase in personnel expenses of \$2.3M
 - Increase in grant expense of \$4.7M



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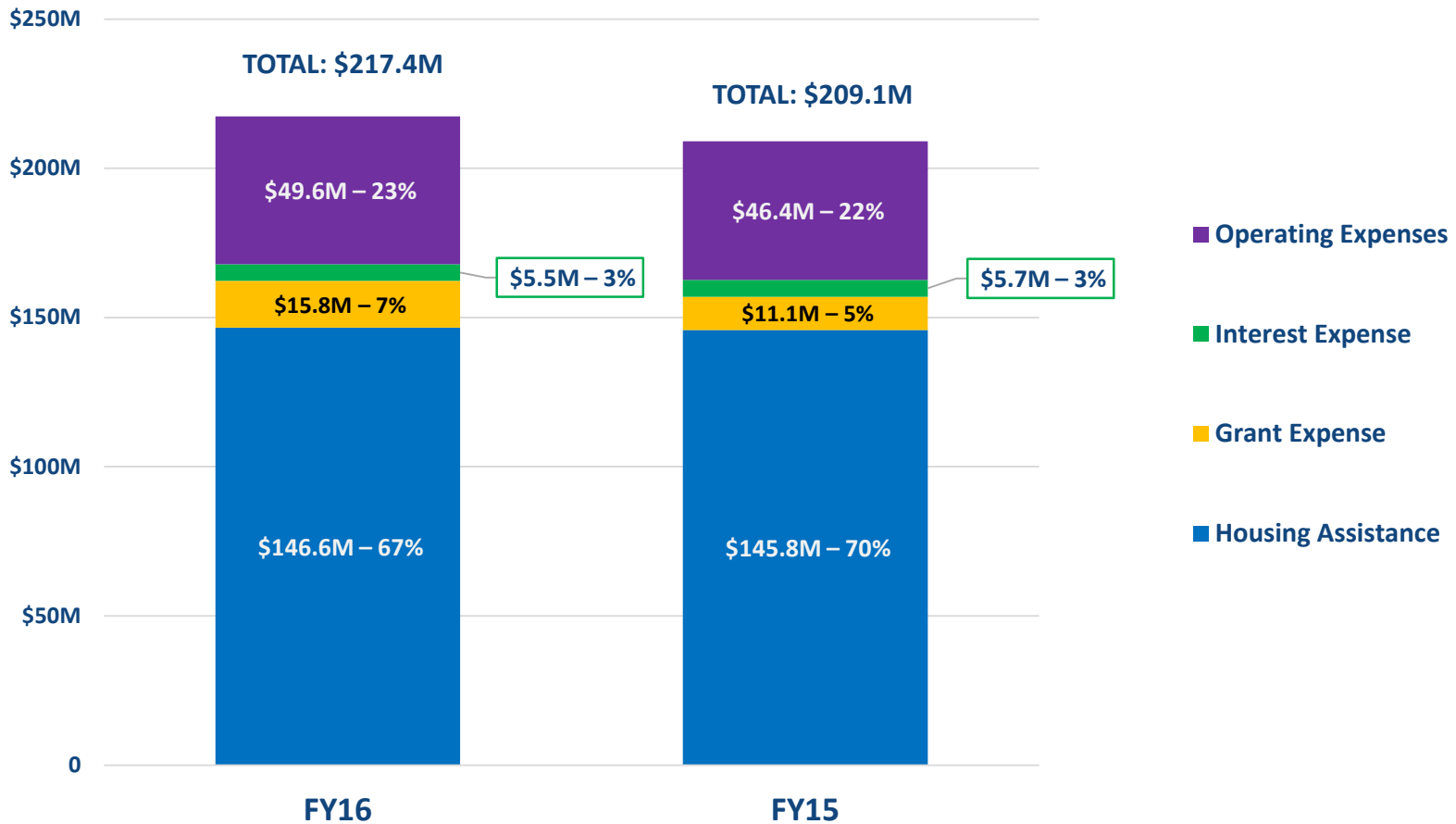
SDHC Financial Results – Revenues (in millions)



SDHC Fiscal Year (FY) 2016

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SDHC Financial Results – Expenses (in millions)



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SDHC Operational Highlights

Rental Assistance Division

Federal Section 8 Housing Choice Vouchers (HCV):

- Rental Assistance Vouchers to 1,477 new families
- Increased Veterans Affairs Supportive Housing (VASH) vouchers utilization by 29%
- Reached 102% Lease-Up rate for HCV

SDHC Achievement Academy:

- 1,930 participants received services
- 222 participants placed in jobs and 300 increased earnings
- 103 participants increased their credit score



***SDHC Achievement Academy
Money Matters Workshop
8.18.16***



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SDHC Operational Highlights (Cont.)

Real Estate Division

- Hotel Churchill – Completed the rehabilitation of the historic hotel in August 2016, creating 72 units of permanent supportive housing.
- San Diego Square – Completed the top-to-bottom rehabilitation of 154 affordable rental housing units.
- Real Estate Portfolio – Renovation of the agency's portfolio and rehabilitation related to the State Sites Conversion.



***Historic Hotel Churchill
Grand Reopening
9.19.16***



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SDHC Operational Highlights (Cont.)

Homeless Housing Innovations Department

- Kickoff of SDHC's 1,000 Homeless Veterans Initiative to provide 1,000 Homeless Veterans within the city of San Diego a path off the streets within a year (March 2017).
- City of San Diego's Year-Round Interim Housing program served more than 1,800 individuals.
- The 10th Project Homeless Connect – Downtown San Diego served 1,215 people.
- The Emergency Solutions Grants (ESG) and Continuum of Care Rapid Re-Housing (RRH) programs served 258 individuals.
- The Permanent Supportive Housing (PSH) program served 461 individuals and families.



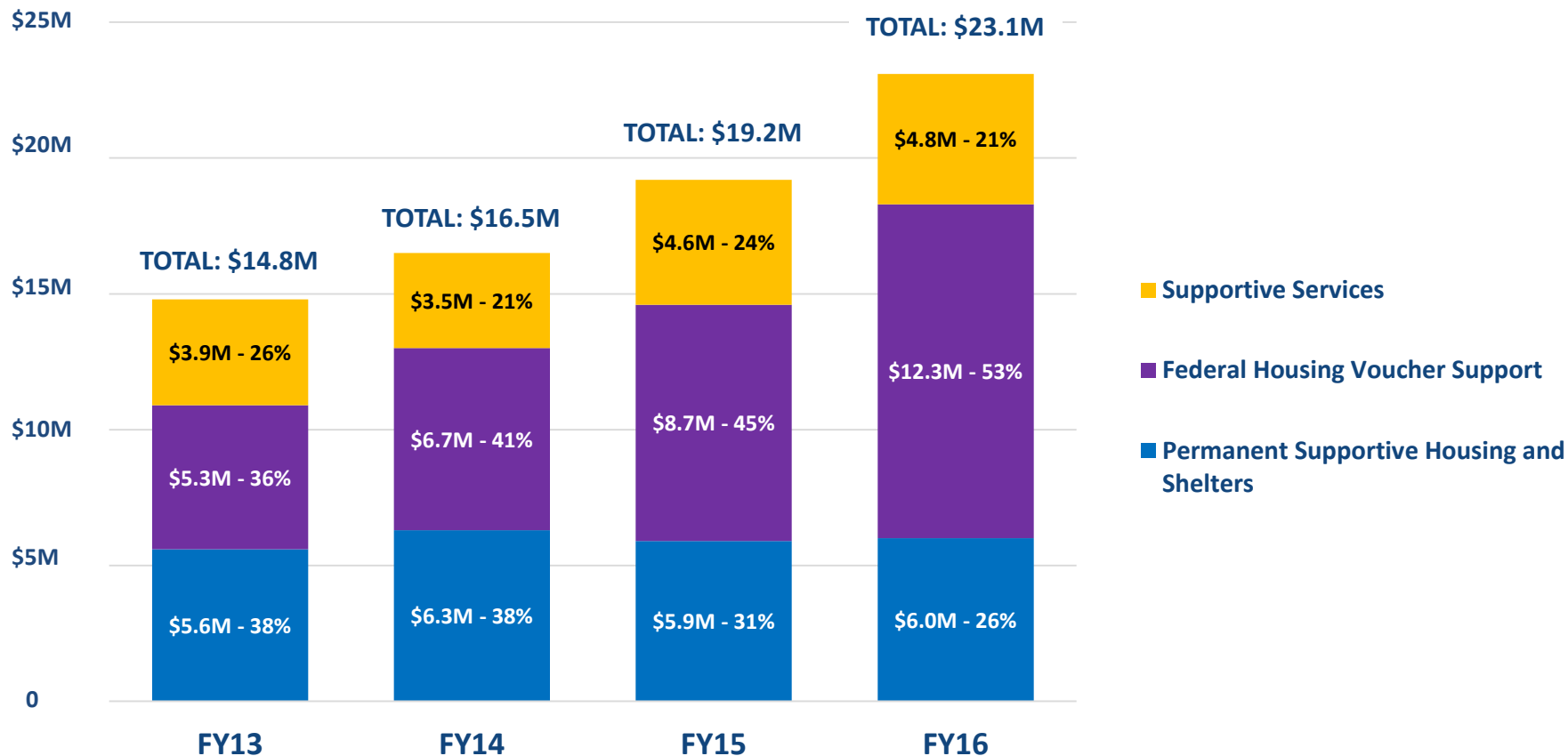
***SDHC's 1,000 Homeless
Veterans Initiative Update –
News Conference
7.20.16***



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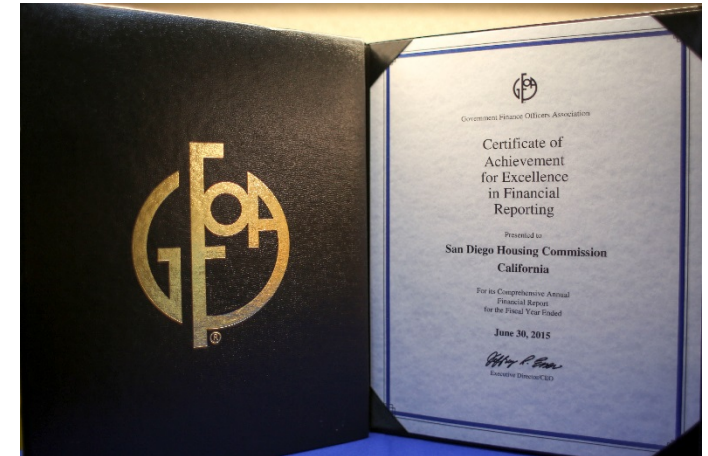
FY 2013 - 2016 Expenditures on Homelessness Activities (in millions)



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Financial Services

- Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for Comprehensive Annual Financial Report (CAFR) 2008 – 2015
- Award for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) from GFOA for 2010 - 2015



*Certificate of Achievement for Excellence in
Financial Reporting*



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Questions?

