



SAN DIEGO
HOUSING
COMMISSION

San Diego Housing Commission

Fiscal Year 2016 Annual Financial Audit Report

Presentation to the San Diego Housing Commission Board

December 2, 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
- No Applicable Pronouncements





SDHC Fiscal Year (FY) 2016

Annual Financial Audit Report

Financial Results Summary

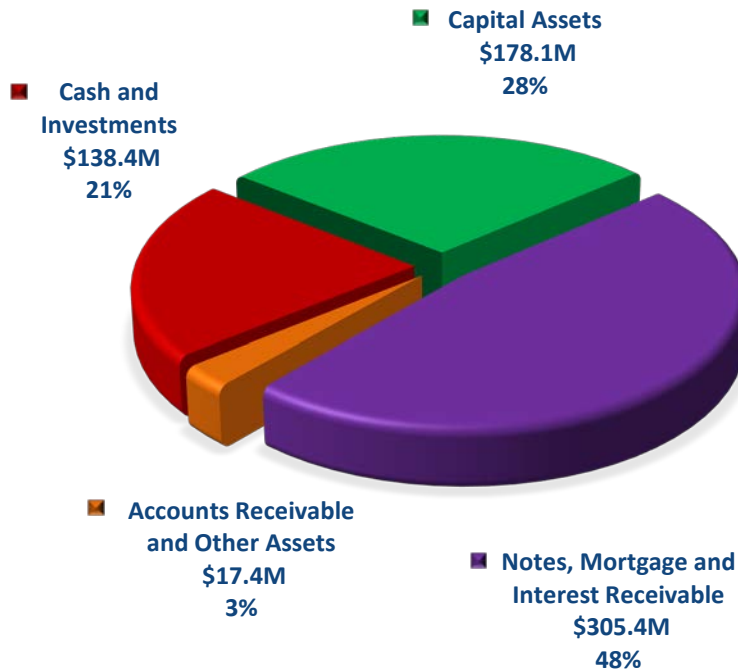
- Total revenues: \$252.2M
- Federal grants: 72% of revenues
- City of San Diego awarded funds: \$6.1M
- Total expenses: \$217.4M
- Total capital improvements, including Green Physical Needs Assessment efforts: \$8.5M
- Expenses related to programs serving the homeless: \$23.1M
- Total assets: \$639.3M



SDHC Fiscal Year (FY) 2016 Annual Financial Audit Report

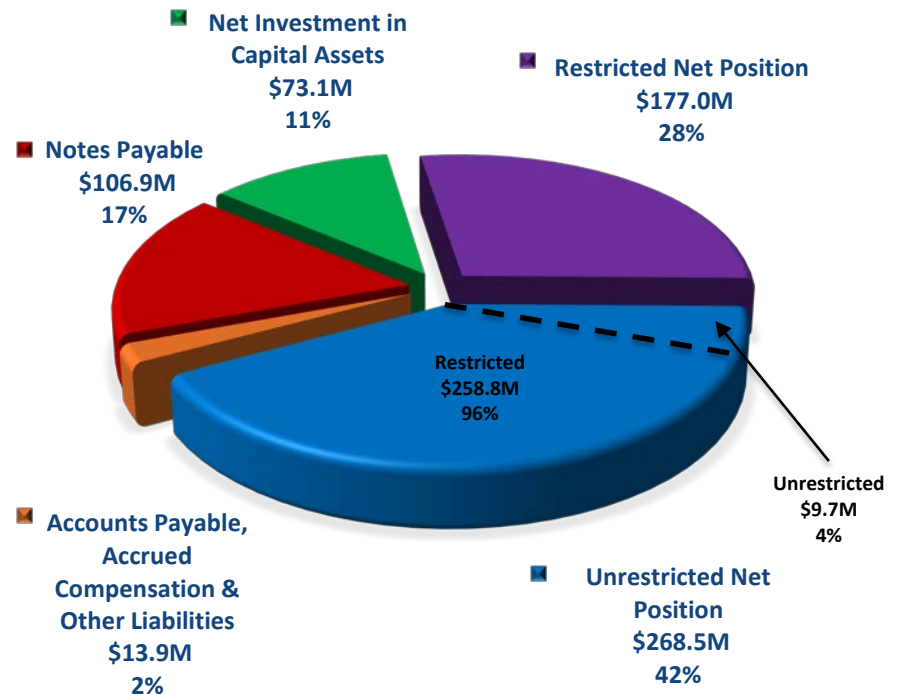
SDHC Financial Results – Assets, Liabilities and Net Position (in millions)

Assets



Total Assets = \$639.3M

Liabilities and Net Position

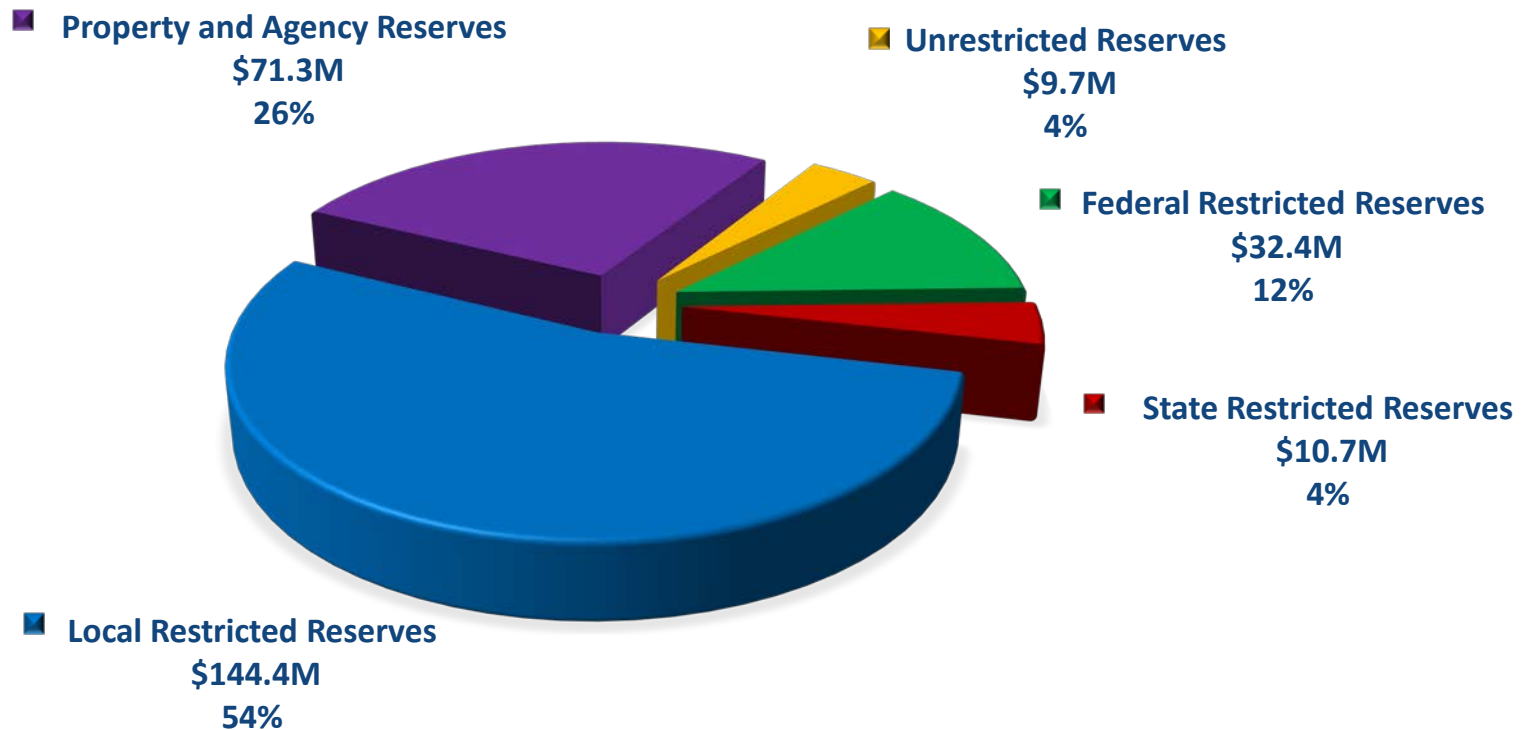


Liabilities \$120.7M + Net Position \$518.6M = \$639.3M



SDHC Fiscal Year (FY) 2016 Annual Financial Audit Report

Unrestricted Net Position Breakout (in millions)



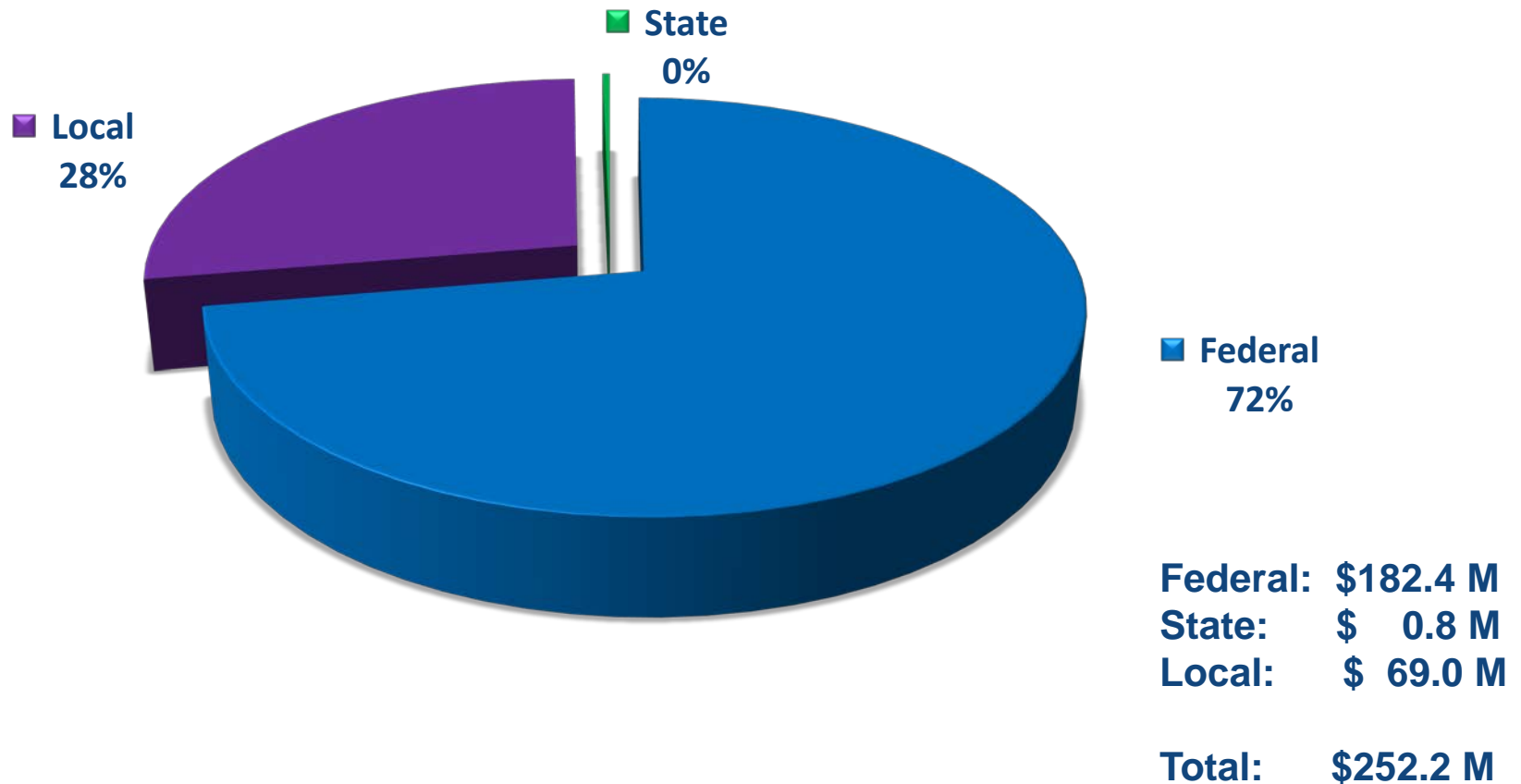
Total Unrestricted Net Position = \$268.5M



SDHC Fiscal Year (FY) 2016

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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%

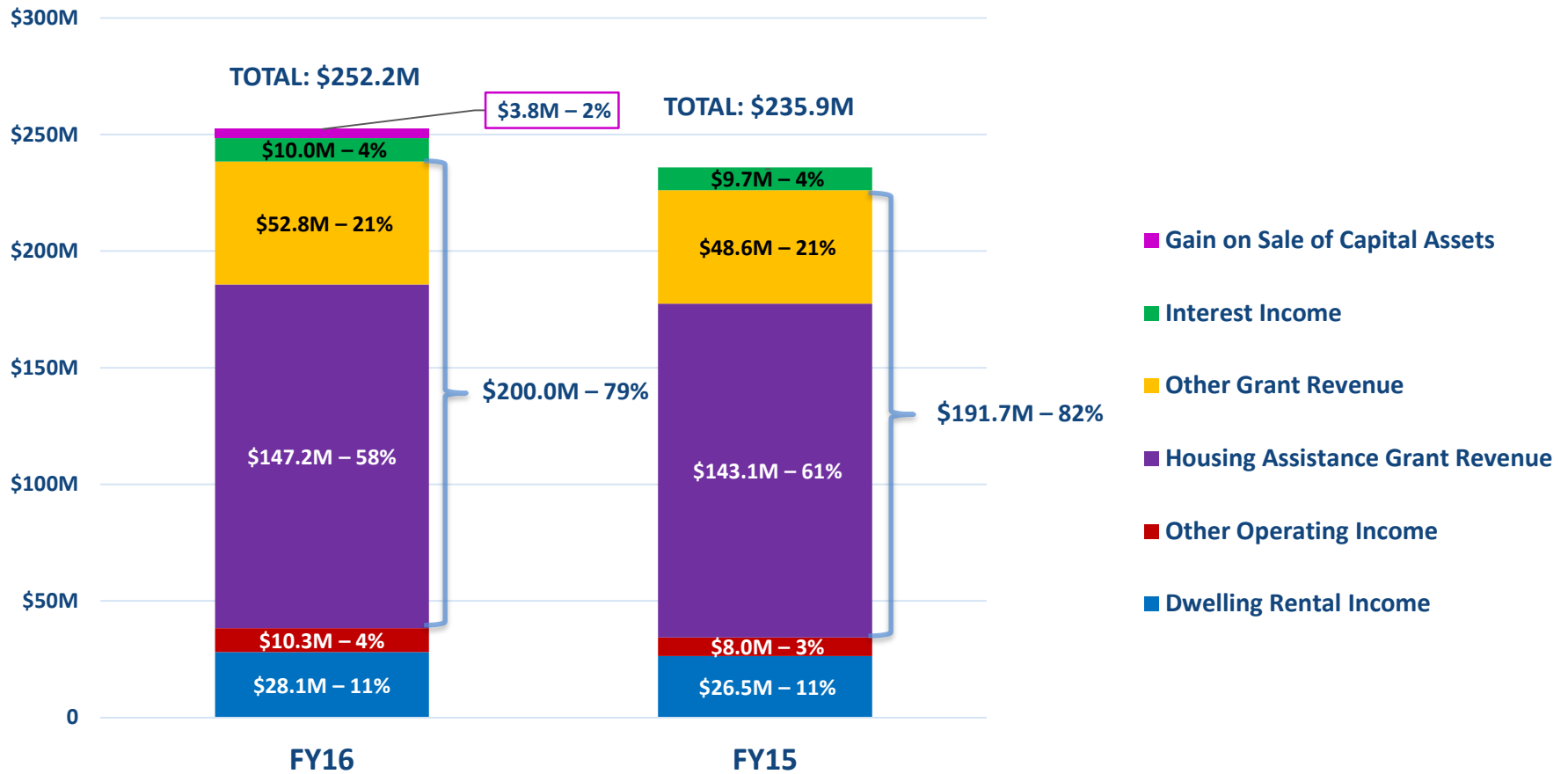
- Increase in total expenses of \$8.3M primarily due to:
 - Increase in personnel expenses of \$2.1M
 - Increase in grant expense of \$4.7M



SDHC Fiscal Year (FY) 2016

Annual Financial Audit Report

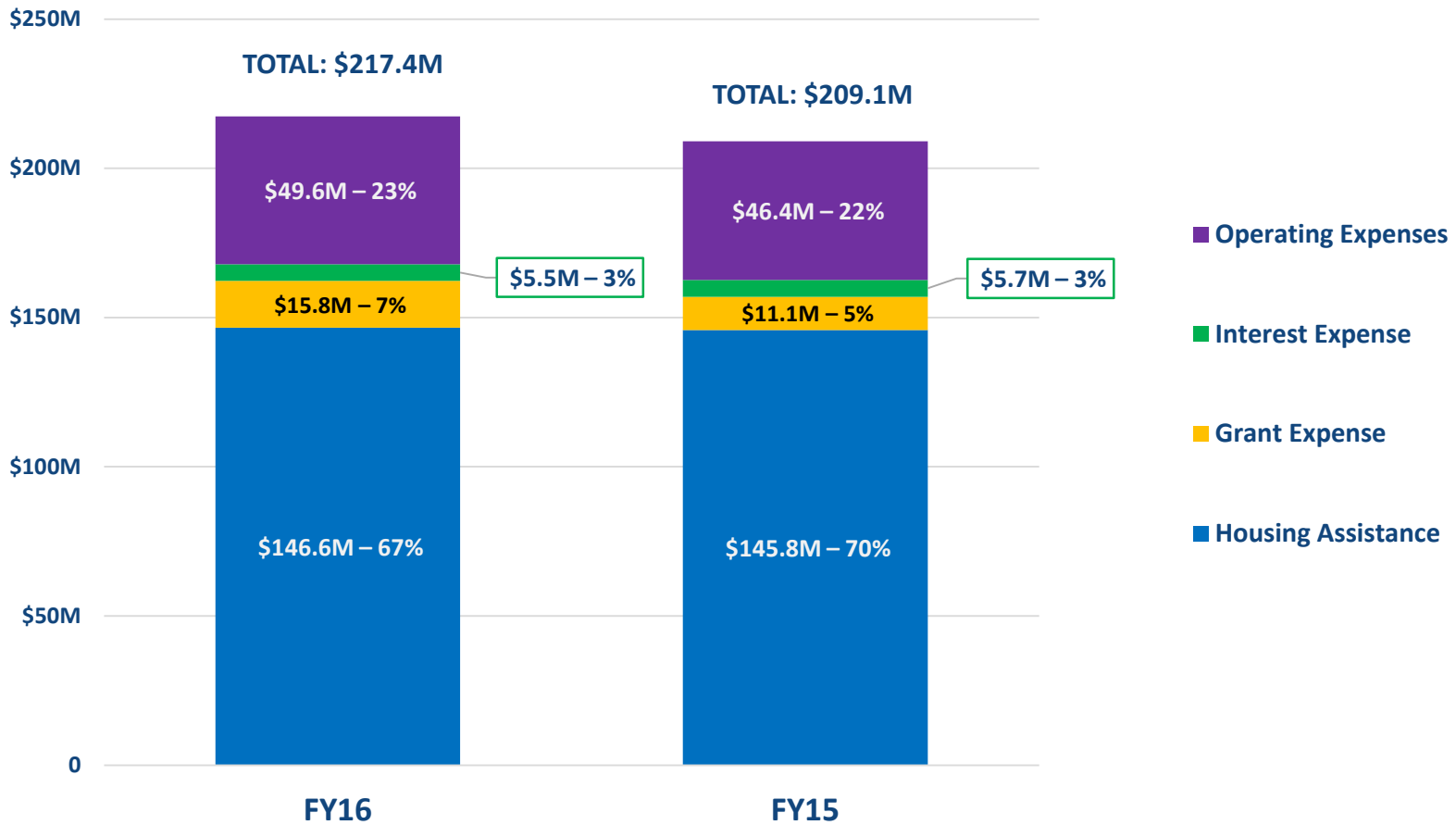
SDHC Financial Results – Revenues (in millions)



SDHC Fiscal Year (FY) 2016

Annual Financial Audit Report

SDHC Financial Results – Expenses (in millions)



SDHC Fiscal Year (FY) 2016

Annual Financial Audit Report

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.



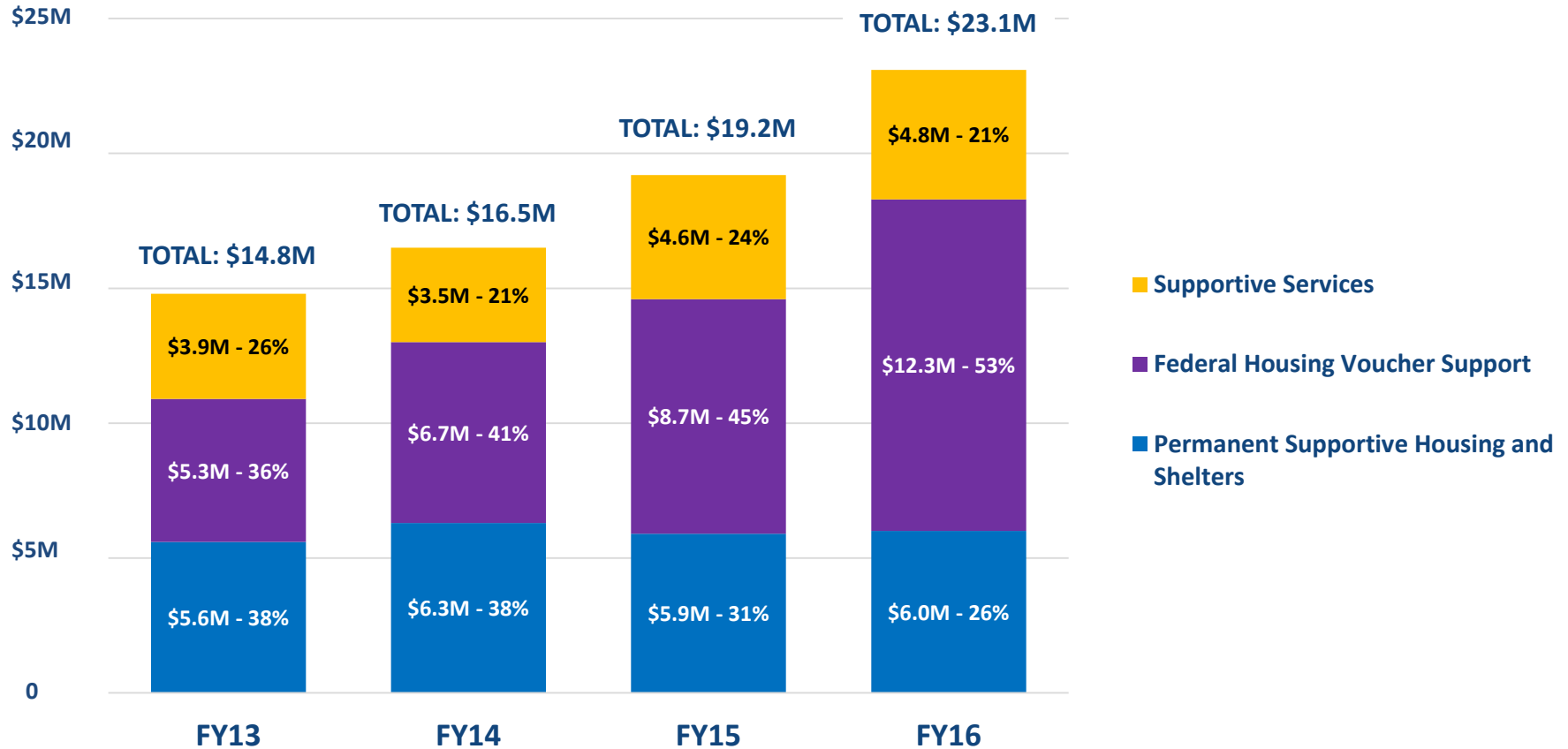
***SDHC's 1,000 Homeless
Veterans Initiative Update –
News Conference
7.20.16***



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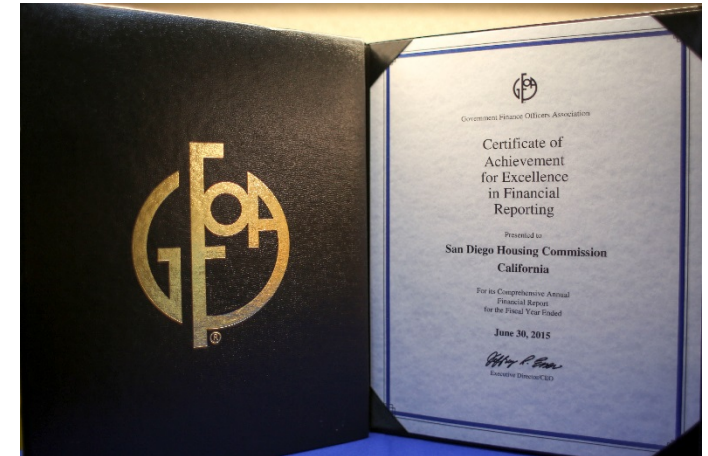
FY 2013 - 2016 Expenditures on Homelessness Activities (in millions)



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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?

