

**HOUSING AUTHORITY OF THE CITY OF**  
**SAN BUENAVENTURA**

**FINANCIAL STATEMENTS**  
**&**  
**SUPPLEMENTAL INFORMATION**

**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

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HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
MANAGEMENT DISCUSSION & ANALYSIS  
FOR YEAR ENDED SEPTEMBER 30, 2020

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**MANAGEMENT'S DISCUSSION AND ANALYSIS**

The Housing Authority of the City of San Buenaventura (hereinafter referred to as the "Authority" or "HACSB") is pleased to present its basic financial statements for year ended September 30, 2020, which were prepared in accordance with U.S. generally accepted accounting principles (GAAP). GAAP requires the inclusion of the three basic financial statements: the statement of net position (balance sheet); the statement of revenues, expenses, and changes in fund net position; and the statement of cash flows. In addition, GAAP requires the inclusion of this Management's Discussion and Analysis (MD&A) section as required supplementary information.

The MD&A is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent years' challenges), and (d) identify issues or concerns. This will now be presented at the front of each year's financial statements. Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, we encourage readers to consider the information presented here in conjunction with the Authority's financial statements, which follow this section.

As provided for under GAAP, the Authority uses the accrual basis of accounting to prepare its basic financial statements. Under this basis of accounting, revenues are recognized in the period in which they are earned, and expenses, including depreciation, are recognized in the period in which they are incurred. All assets and liabilities associated with the operation of the Authority are included in the statement of net position.

The financial performance discussed in the following analyses does not include tax credit partnerships. The tax credit partnerships are owned by separate limited partnerships/corporations with Homecomings, Inc. an affiliate of the Authority wholly controlled by it acting as the general partner or the managing member of the LLC that is the general partner. The tax credit properties are fee managed by the Authority. Because of the different corporate structure of the partnerships, their operations are not carried directly on the books of the Authority but are listed as affiliated organizations as detailed in the Authority's financial statements' footnote disclosures (*See Note 13*). The partnerships' financial data are therefore not included in the analysis and financial reports that follow. Also, while the Authority's financial statements include Triad Properties, the Authority's discretely presented component unit, the following overview focuses on the primary government and does not address all of the effects the discretely presented component unit has on the Authority's operations. See the Component Units section below for additional information regarding Triad Properties.

**FINANCIAL HIGHLIGHTS**

- Net position at September 30, 2020, increased to \$93,314,214. Since the Authority engages only in business-type activities, the increase is all in the category of business-type net position. Net position was \$87,627,810 for 2019.
- The business-type activities operating revenues at September 30, 2020, increased to \$25,761,572. Total operating revenues were \$22,269,639 for 2019.
- The total operating expenses of all programs for 2020, increased to \$25,529,804. Total operating expenses were \$23,977,610 for 2019.
- Total capital grant contributions for the fiscal year ended September 30, 2020, decreased to \$212,674, compared to \$213,148 at September 30, 2019.

## OVERVIEW OF THE FINANCIAL STATEMENTS

The financial statements included in this annual report are those of a special-purpose government engaged in a business-type activity.

This MD&A is intended to serve as an introduction to the Authority's basic financial statements. The following statements are included:

- Statement of Net Position – presents information on HACSB's assets and liabilities, with the difference between the two reported as net positions. Assets and liabilities are presented in the order of liquidity and are classified as "current" (convertible to cash within one year) and "noncurrent". Over time, increases or decreases in net position may serve as useful indicators as to whether the HACSB's financial health is improving or deteriorating.
- Statement of Revenue, Expenses, and Changes in Fund Net Position – presents information showing how HACSB's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported for some items that will only result in cash flows in future years.
- Statement of Cash Flows – reports how HACSB's cash was used in and provided by its operating, noncapital financing, capital and related financing, and investing activities during the periods reported. The net of these activities is added to the beginning year cash balance to reconcile to the cash balances at September 30, 2020. The HACSB uses the direct method of presenting cash flows, which includes a reconciliation of operating activities to operating income. These statements provide answers to such questions as to where the cash came from, how was cash used, and what was the change in the cash balance during the year.
- Notes to the Basic Financial Statements – provide financial statement disclosures that are an integral part of the basic financial statements. Such disclosures are essential to a comprehensive understanding of the information provided in the basic financial statements.

## THE AUTHORITY'S PROGRAMS

The Authority administers a broad range of federally and locally financed housing programs serving the City of San Buenaventura. The Authority owns or manages 911 units of housing and provides rental subsidies to 1,547 authorized households. The majority of the Authority's program participants have incomes below 30 % of area median income. The majority of agency funding is from the US Department of Housing and Urban Development (HUD).

### Low Income Public Housing (LIPH)

Under this program, the Authority rents units that it owns within the City of San Buenaventura to low-income households. This program is operated under the annual contributions contract (ACC) with HUD, and HUD provides operating subsidy to enable the Authority to provide the housing at a cost that is based upon 30% of household income. As of September 30, 2020, the Authority owned and operated 221 subsidized units in this program.

### Section 8 Program

Within the Section 8 program, the Authority administers contracts with independent landlords that own and lease units within the city of Ventura under the Housing Choice Voucher program (HCV). The Authority subsidizes the family's rent through a housing assistance payment (HAP) made to the landlord. The HAP matches the difference between the total rent that the landlord can charge at or below a fair market rent amount supplied by HUD, and the amount that the tenant can pay. For each voucher that the Authority administers, HUD pays the Authority an administrative fee. The Authority is not responsible for the protective services and maintenance of the units and properties associated with this program. However, the landlord must maintain the units in accordance with HUD's housing quality standards (HQS) in order to participate in the program. The Authority currently administers 1,286 HCV tenant-based vouchers, 127 Veterans Assistance vouchers (VASH), 9 Family Unification Program (FUP) and 3 FUP Youth vouchers, 408 Rental Assistance Demonstration (RAD) project-based vouchers, 54 Mainstream vouchers, and 244 conventional project-based vouchers.

These programs are operated under an annual contribution contract (ACC) with HUD. The Program Participants pay a housing cost of 30% of their household income. The Authority is a "High Performer" under the Section Eight Management Assessment Programs (SEMAP).

### Special Needs Assistance Program and Shelter Plus Care

The Authority receives grant funds to fund ten (10) vouchers that serve to provide housing and supportive services on a long-term basis for homeless persons with disabilities, (primarily those with serious mental illness, chronic problems with alcohol and/or drugs, and acquired immunodeficiency syndrome (AIDS) or related diseases) and their families who are living in places not intended for human habitation (e.g., streets) or in emergency shelters. The program allows for a variety of housing choices, and a range of supportive services funded by other sources, in response to the needs of the hard-to-reach homeless population with disabilities.

### Public Housing Capital Fund Program (CFP)

The Public Housing Capital Fund Program also is the primary funding source for physical and management improvements to the Authority's properties. CFP funding is based on a formula allocation that takes into consideration the size and age of the Authority's housing stock. The CFP is operated under an annual contribution contract (ACC) with HUD and the 2019 Capital Fund Grant award totaled \$641,264.

### Community Services

The Community Services Department (CSD) formed in May 2015; team CSD focuses on strengthening and building internal and external partnerships whilst encouraging an increase in resident engagement and participation in onsite and offsite opportunities. The CSD is funded by a Family Self-Sufficiency (FSS) grant which funds one-full time staff person; and the Resident Opportunities and Self Sufficiency (ROSS) Grant, which also funds one- full time staff position. The FSS program encourages HUD-assisted families to increase earned income, reduce or eliminate the need for welfare assistance, and make progress toward achieving economic independence and housing self-sufficiency. The Resident Opportunities and Self-Sufficiency (ROSS) program is structured to encourage resident economic self-sufficiency through educational, training, and employment opportunities, with an emphasis on early years and school readiness in order to afford an opportunity for the best start possible.

The CSD programming approach covers all aspects of education, health, skill building, career pathways, employment, and social, emotional, physical, and intellectual well-being across all age groups. As the CSD celebrates its five-year anniversary it continues to successfully update inter-agency working models, increase partnerships and access to programs for strong outcomes for residents.

### Rental Assistance Demonstration Project (RAD)

The Authority was awarded, through a competitive process, the ability to convert a portion of its current public housing units to Section 8 project-based vouchers. This new initiative from HUD is known as the Rental Assistance Demonstration program or RAD.

RAD offers a long-term, cost effective solution to preserve and enhance the country's public and affordable housing stock—including leveraging public and private funding to make much-needed improvements—by allowing Public Housing Authorities (PHA) to convert their current assistance to long-term project-based Section 8 contracts.

The HACSB has been involved in the RAD initiative for the last seven (7) years and the benefits of the RAD initiative include:

- RAD projects have brought over \$200,000,000 of new investment into Ventura.
- Leveraged private debt and equity.
- Moved Public Housing into the affordable housing mainstream
- Created jobs
- Ensured opportunities for resident participation
- Built using green building standards and sustainable practices
- Preserved affordable housing for the next generation

To date, the HACSB has converted 477 units of public housing using RAD to non-profit ownership with project-based Section 8 rental subsidy.

- The first development, Vista Del Mar Commons, is composed of 142 units located at the Palms, Mission Park and Training for Independent Living. The Construction loan closed January 2014; construction began February 2014 and was completed on April 23, 2015.
- The second conversion, Johnson Gardens, is composed of 101 units located at Gregory Gardens, Villa de Oro and Villa Pacifica. The Construction loan closed June 16, 2015; construction began June 2015 and was completed in February 2016.
- The third conversion, Buena Vida, is composed of 75 senior units and 20 family units. The Construction loan closed August 2016; construction began in September 2016 and was completed in August 2017.
- The fourth conversion is our most ambitious project: the redevelopment of Westview Village. The Housing Authority plans to demolish 180 ACC units and redevelop approximately 320 units on what is now the Westview Project included in AMP 1. The Authority has partnered with BRIDGE Housing as co-developer for this project. At a joint meeting, the City's Planning Commission and Design Review Committee (DRC) unanimously approved the entitlements for Phase I of the project on December 16, 2015. The project will be developed in four phases. Phase I consisted of the demolition of 72 public housing units which was replaced with 131 newly constructed units and a public park. The construction loan closed December 22, 2016. Construction for Phase I completed in April of 2019, with tenant move-in shortly thereafter. Phase II will involve the demolition of 10 units that will be replaced 50 senior apartments. Phase II's construction is projected to commence in March 2022, with completion projected in December 2023. 69 units have been demolished for Phase III. Those units will be replaced by 105 family apartments. Construction of Phase III commenced in September 2020, with completion estimated for September 2022. The final phase, Phase IV, will see 29 units replaced by 34 "for sale" homes.

#### Business Activities

The Authority accounts for its various non-federal activities under the business activities program.

#### *Affordable Housing Projects*

The Authority is currently in the process of developing multiple affordable housing projects in Ventura, California. The Authority incurs certain predevelopment costs associated with these projects – primarily funded by non-federal sources – until all necessary partners, investors and funding sources are identified at which time all project assets, liabilities and commitments are conveyed to the limited partnerships.

Rancho Verde – The Authority developed a 24-unit farm worker housing project in Ventura, CA. The University of California committed to the donation of approximately 2 acres of the 30-acre Hansen Trust site to the Authority as a fully improved building site ready for development. A recoverable grant of \$102,000 was awarded by the Ventura County Community Foundation for pre-development costs in addition to \$600,000 for impact fees and construction documents that was committed in the Development Agreement between the UC Regents and the City of Ventura. The project was on hold until March 2015, when the University sold the site to a master developer, Williams Homes and closed escrow on the project acquisition in March 2015. MainStreet Architects + Planners was selected to be Architect of Record in August 2015. The City's Design Review Committee approved the plans on August 17, 2016.

The Project received a commitment for a USDA Section 514 permanent loan of \$3,000,000.00 and USDA Section 521 rental assistance. The project also received an award of \$240,000 from the County of Ventura farmworker housing fund.

Construction started in March of 2018. The project included Net Zero energy goals, greywater for landscaping, which are requirements of the USDA funding award. In addition, the Authority installed an Electric Vehicle (EV) charging station, the first in a multifamily development in Ventura. Construction completed in June 2019, with residents moving in shortly thereafter. This project received a national award from the National Association of Housing and Redevelopment Officials (NAHRO).

Westview Village – is another public housing development scheduled for a RAD conversion which includes the replacement of 180 aging public housing units with 320 new homes on Ventura's Westside. The development, Villages of Westview, will be constructed in four phases and include the construction of 234 affordable apartments for families, 50 for seniors, and 34 first-time homebuyer townhomes. Construction on the first phase began in early 2017, and completed in April 2019. The next phase, Phase III, commenced construction in September 2020, with an anticipated completion date of September 2022.

*Buena Vida* – is the fourth RAD project which includes the conversion of 95 units: (75 senior/disabled and 20 family) to non-profit ownership with rental subsidy from project-based Section 8 vouchers. The Construction loan closed August 2016; construction began in September 2016 and was completed in August 2017 and is fully occupied.

*Willett Ranch* – the Authority signed a Letter of Intent to purchase two tentatively approved lots which abut the east side of Ventura Avenue and comprise the westerly- most portion of the 27.6-acre property located at 2686 N. Ventura Avenue, formerly known as the Willett Ranch Property. The property, which has been approved by the City of Ventura for the development of a 50-unit affordable senior apartment complex, with 15 units set-aside for formerly homeless seniors, and is a component of the overall 199-unit Solano Heights market-rate residential development which was approved in 2007. The site was acquired in July 2019, was subsequently sold to Willett Ranch, L.P. in January 2020, which is when construction began. Construction is scheduled to be completed in 2021.

#### City Programs

The Authority has three (3) contracts with the City of San Buenaventura (hereinafter referred to as the “City”) to provide administration, management and implementation of the City’s affordable housing programs. The contracts consist of the City’s Affordable Housing Program (AHP) the Mobile Home Rehabilitation Grant Program (MHRGP) and Housing Preservation Program (HPP). Programs include the sale of new or resale affordable homes, mobile home rehabilitation, servicing of loan portfolio and monitoring of owner-occupied and rental units. This fiscal year 13 affordable units were resold to low or moderate-income households. Monitoring of rental units are conducted annually to determine compliance by landlords, property managers and management companies. Over 500 owner-occupancy certifications are completed annually to determine compliance with property restrictions. As needed the servicing of loan portfolio may require the process of a refinance, subordination, payoffs or any other servicing request. On an annual basis the goal is to assist 15 mobile homeowners to improve living conditions. These improvements increase energy efficiency, reduce utility costs, provide a safe and healthier environment, accessibility and expands the life of the mobile home. The intent of these programs as provided by the City are to support the preservation and increase the supply of affordable housing.

#### Housing Trust Fund

In 2008, in an effort to ensure the availability of safe and sanitary affordable housing for the citizens of the City of San Buenaventura (the “City”), the Authority and the City agreed to amend their existing Cooperation Agreement – with HUD approval – to permit annual Payments in Lieu of Taxes (PILOT) to be deposited into a Housing Trust Fund (HTF) held in the name of the Authority. These funds may be used to preserve or increase the supply of housing for low and very low-income persons in the City, specifically priority shall be given in housing to employees of the Ventura County, Ventura Unified School District, and the City of Ventura for housing units in developments for which these funds are used as a funding source. The Housing Trust Fund balance on September 30, 2020 totaled \$1,855,197.

#### State and Local Program

The Authority administers as sub-recipient’s various grants and housing programs from the local governmental entities. Congress amended the Housing and Community Development Act of 1974 (HCD Act) in 1981 to give each jurisdiction the opportunity to administer Community Development Block Grant (CDBG) funds for non-entitlement area. CDBG provides states, eligible metropolitan cities and urban counties with annual direct grants that they can use to revitalize neighborhoods, expand affordable housing and economic opportunities, and/or improve community facilities and services, principally to benefit low- and moderate- income persons.

#### Neighborhood Stabilization Program - NSP-R Program Loan

In connection with the development of the Encanto Del Mar Apartments affordable housing project, permanent financing was obtained from various sources, including a \$9.4 million Neighborhood Stabilization Program (NSP-R) loan from the Department of Housing and Community Development of the State of California (the “Department”) and an NSP 1 grant award from the County of Ventura in the amount of \$443,636. The loan is the obligation of the Encanto Del Mar Apartments, L.P. (the “Borrower”). However, the Authority is listed as the sponsor organization – as defined in the loan agreements – and has ultimate responsibility to ensure compliance with the terms and conditions of the program for the life of the loan. As the sponsoring organization, the Authority is subject to the same liability as the Borrower if it fails to ensure compliance. The outstanding loan balance and related transactions are included in the financial statements of the Borrower.

## Challenges

Looking ahead, HACSB will continue to work on offering more housing options in response to Ventura's ever-increasing need for high-quality, affordable and safe housing. The coming year will bring both newly acquired developments as well as the rehabilitation of an existing property, including Willett Ranch, Westview Phase III and the rehabilitation of El Portal.

While HACSB continues to face a tumultuous economic period for the public housing industry, we remain committed to identifying new and creative ways to address the needs of Ventura's most vulnerable residents. And we look forward to working collaboratively with the Community to provide opportunity and an environment to thrive for more residents in the years ahead.

## Component Unit

The Authority has established component units to operate and develop mixed financing and/or tax credit housing. The governing body of the Authority is its Board of Commissioners (the "Board") comprised of seven (7) members appointed by the City Council of the City of Ventura. The Authority is not a component unit of the City, as defined in Governmental Accounting Standards Board Statement No. 6, as the Board independently oversees the Authority's operations. The Housing Authority has one discretely presented component unit, Triad Properties, Inc. The entity is shown as discretely presented because the Housing Authority is financially accountable, however, they do not have full ownership over this entity. The role of the Authority is to act as a managing agent of this component unit.

The component units for the Authority also consist of Homecomings, Inc. (Homecomings), and Cocina Sin Fronteras (Cocina), both of which are presented as blended component units as their Boards of Directors are the same as the Authority's Board of Commissioners. The following includes additional information on each of these Housing Authority component units:

### *Triad Properties*

Triad Properties is a California nonprofit public benefit corporation which was formed to promote affordable housing and related services for low to moderate income households in the County of Ventura, California. Triad is considered a "Discrete Component Unit". Triad owns and operates twenty-two (22) low-income housing units in the City of Ventura.

Also, in April 2019, Triad Properties acquired the El Portal building located on Ventura Avenue, in the City of Ventura. El Portal holds a significant place in the history in the City. At the time of the acquisition, it consisted of 6 commercial spaces and 33 residential units, as well as over 300 City building code violations. In March 2020, Homecomings, Inc. acquired the property from Triad Properties and created El Portal LP. Since being acquired by Homecomings, Inc., El Portal is going through a major renovation in which there will now be 4 commercial spaces and 29 dwelling units, with 14 of those units reserved for special needs residents. The financing of the project closed in April 2020. The rehabilitation project started in July 2020 with the projected full completion and occupancy by July 2021.

The relationship between the Authority and Triad is supportive in nature as Triad independently carries out its stated mission and purpose of providing decent, safe and affordable housing. Upon inception, the Authority's Board acted as the original governing body for Triad. In March 2010, Triad's bylaws were amended, and a new Board of Directors were appointed, who are now substantially different from that of the Authority's Board. The amended bylaws state that the Triad Board of Directors will serve four-year terms and it is now empowered to appoint new director(s). Therefore, Triad will be discretely presented in the current year financial statements and notes. All inter-program balances and transactions between the primary government and the discretely presented component unit will be separately disclosed in the notes to the financial statements and will not be eliminated. Separately issued financial statements of Triad Properties may be obtained by contacting Joe Nocella, Chief Financial Officer, Housing Authority of the City of San Buenaventura, 995 Riverside Street, Ventura, CA 93001.



### *Homecomings, Inc.*

Homecomings, Inc., is a California nonprofit public benefit corporation which was formed to promote and develop affordable housing for low to moderate income households in the County of Ventura. It can also form partnerships and currently acts as the general partner or sole member of the LLC that is the general partner in each of the following tax credit partnerships in which it, or an LLC with it as the sole member, has a .01% ownership interest.

- Chapel Lane, L.P. – 4% tax credit project with 38-senior units, in operation since September 2005
- Soho Associates, L.P. – 9% tax credit project with 12-family units, full occupancy was reached September 2011
- Encanto Del Mar Apartments, L.P. – 9% tax credit project with 37-family units; full occupancy was reached in 2012.
- Vista Del Mar Commons L.P. – 9% tax credit project-140 units - renovation completed in 2015
- Castillo del Sol L.P. – 9% tax credit project-40 units (39 for people with special needs) completed January 2016
- Johnson Gardens L.P. – 4% tax credit project with 101 units for senior/disabled households – renovation completed March 2016.
- Buena Vida L.P. – 4% tax credit project with 95 units (75 senior units and 20 family units) – renovation completed August 2017.
- Villages at Westview Phase I L.P. – demolition of 72 public housing units and new construction of 131 family units – project completed April 2019.
- Rancho Verde Ventura L.P. – 9% tax credit project with 24 units for farmworker households – project completed June 2019.
- Willet Ranch L.P. – 4% tax credit project with 50 units dedicated for senior residents. Project commenced construction in February 2020 and is scheduled to be completed by March 2021.
- El Portal Ventura, L.P. – 9% tax credit project involving the rehabilitation of an existing mixed-use facility that currently has 6 commercial spaces and 33 dwelling units. After rehabilitation, there will be 4 commercial units and 29 dwelling units, with 14 of those units reserved for special needs residents. Rehabilitation project commenced in July 2020 with first phase completion by May 2021, and full completion by September 2021.
- Villages at Westview Phase III L.P. – demolition of 45 public housing units and new construction of 105 family units. Project commenced in September 2020, with an estimated completion date of September 2022.

Homecomings accounts for its ownership interest in these tax credit partnerships using the equity method. Separately issued financial statements for the aforementioned tax credit partnerships may be obtained by contacting Joe Nocella, Chief Financial Officer, Housing Authority of the City of San Buenaventura, 995 Riverside Street, Ventura, CA 93001. The Authority both directly and indirectly controls the operations of Homecomings, and the Authority's Board also acts as the governing body for the organization. Therefore, Homecomings will be presented as a blended component unit included in the balances of the primary government, thus all significant inter-program balances and transactions between Homecomings and the Authority have been eliminated.

### *Cocina Sin Fronteras*

Cocina Sin Fronteras is a California nonprofit public benefit corporation, which was formed to provide support to low-income families served by the Authority in the areas of education, careers, and entrepreneurship to attain self-sufficiency. The Authority both directly and indirectly controls the operations of Cocina, and the Authority's Board also acts as the governing body for the organization. Therefore, Cocina is presented as a blended component unit included in the balances of the primary government, thus all significant inter-program balances and transactions between Cocina and the Authority have been eliminated.

## FINANCIAL ANALYSIS

The following tables focus on the net position and the change in fund net position of the primary government as a whole.

**TABLE 1 – STATEMENT OF NET POSITION**

	<u>2020</u>	<u>2019</u>	<u>Variance</u>	<u>% Change</u>
Current Assets	\$ 13,452,487	\$ 10,605,512	\$ 2,846,975	26.84%
Capital Assets, Net	9,866,277	14,838,315	(4,972,038)	-33.51%
Other Noncurrent Assets	<u>84,261,593</u>	<u>76,562,767</u>	<u>7,698,826</u>	10.06%
Total Assets	<u>107,580,357</u>	<u>102,006,594</u>	<u>5,573,763</u>	5.46%
Deferred Outflows of Resources	<u>1,550,577</u>	<u>1,649,238</u>	<u>(98,661)</u>	-5.98%
Current Liabilities	1,822,637	1,006,108	816,529	81.16%
Noncurrent Liabilities	<u>13,763,277</u>	<u>14,402,687</u>	<u>(639,410)</u>	-4.44%
Total Liabilities	<u>15,585,914</u>	<u>15,408,795</u>	<u>177,119</u>	1.15%
Deferred Inflows of Resources	<u>230,896</u>	<u>619,227</u>	<u>(388,331)</u>	-62.71%
Net Position				
Net Investment in Capital Assets	6,286,045	10,592,686	(4,306,641)	-40.66%
Restricted	61,462	582,496	(521,034)	-89.45%
Unrestricted	<u>86,966,617</u>	<u>76,452,628</u>	<u>10,513,989</u>	13.75%
Total Net Position	<u>\$ 93,314,124</u>	<u>\$ 87,627,810</u>	<u>\$ 5,686,314</u>	6.49%

## MAJOR FACTORS AFFECTING THE STATEMENT OF NET POSITION

Current assets increased by \$2,846,975 primarily due to an increase in cash from operations and an increase in miscellaneous accounts receivables.

Capital assets decreased by \$4,972,038 due primarily to capital asset disposals and normal depreciation in excess of the purchase of project capital assets.

Noncurrent notes receivable and noncurrent accrued interest receivable increased by \$7,698,826 due to issuance of permanent note receivables as financing for property sold to affiliated organizations including the Villages at Westview III, L.P. and Willett Ranch, L.P.

Deferred outflow of resources decreased by \$98,661, or 5.98%, and deferred inflow of resources decreased by \$388,331, or 62.71%. These changes are primarily due to changes in the net difference between projected and actual investment earnings on pension plan investments, changes in proportion, the difference between expected and actual experience and contributions subsequent to the measurement date.

Current liabilities increased by \$816,529, or 81.16%, due to an increase in accrued wages and payroll taxes payable, PILOT liability, and due to the receipt of \$635,905 and \$5,722 in HCV CARES Act funding and Mainstream Voucher Program CARES Act funding, respectively, that had not yet been earned (unearned revenue).

Noncurrent liabilities decreased by \$639,410, or 4.44%, due to a decrease in the noncurrent portion of debt outstanding.

**TABLE 2 – STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION**

The following schedule compares the revenue and expenses for the current and previous fiscal years. The Authority is engaged only in business-type activities.

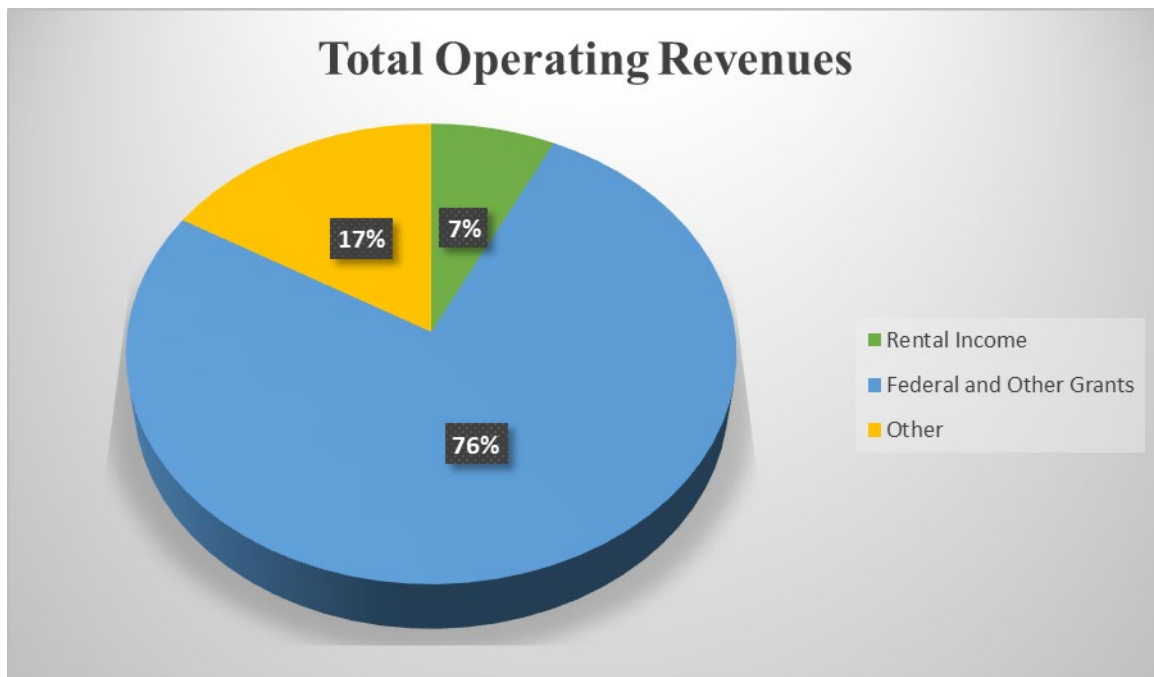
	<u>2020</u>	<u>2019</u>	<u>Variance</u>	<u>% Change</u>
Operating Revenues				
Rental Income	\$ 1,860,343	\$ 2,152,390	\$ (292,047)	-13.57%
Federal and Other Government Grants	19,672,458	18,343,159	1,329,299	7.25%
Other	<u>4,228,771</u>	<u>1,774,090</u>	<u>2,454,681</u>	138.36%
Total Operating Revenues	<u>25,761,572</u>	<u>22,269,639</u>	<u>3,491,933</u>	15.68%
Operating Expenses				
Administration	4,752,580	4,648,462	104,118	2.24%
Tenant Services	125,411	96,930	28,481	29.38%
Utilities	301,820	352,448	(50,628)	-14.36%
Maintenance	919,902	915,291	4,611	0.50%
Protective Services	72,508	-	72,508	
General	717,086	840,917	(123,831)	-14.73%
Housing Assistance Payments	17,615,778	16,104,635	1,511,143	9.38%
Depreciation	<u>1,024,719</u>	<u>1,018,927</u>	<u>5,792</u>	0.57%
Total Operating Expenses	<u>25,529,804</u>	<u>23,977,610</u>	<u>1,552,194</u>	6.47%
Operating Income (loss)	<u>231,768</u>	<u>(1,707,971)</u>	<u>1,939,739</u>	-113.57%
Nonoperating Revenues (Expenses)				
Interest Revenue	368,596	222,418	146,178	65.72%
Gain on Sale of Capital Assets	4,906,172	671,079	4,235,093	631.09%
Interest Expense	(57,896)	(58,452)	556	-0.95%
Transfers In	25,000	-	25,000	
Capital Contributions	<u>212,674</u>	<u>213,148</u>	<u>(474)</u>	-0.22%
Total Nonoperating Activity	<u>5,454,546</u>	<u>1,048,193</u>	<u>4,406,353</u>	420.38%
Change in Net Position	5,686,314	(659,778)	6,346,092	-961.85%
Beginning Net Position	<u>87,627,810</u>	<u>88,287,588</u>	<u>(659,778)</u>	-0.75%
Ending Net Position	<u>\$ 93,314,124</u>	<u>\$ 87,627,810</u>	<u>\$ 5,686,314</u>	6.49%

## MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION

### Total Operating Revenues

Total operating revenues increased by over 15% as compared to the prior year, increasing by \$3,491,933. This increase was primarily a result of an increase in federal grant revenues as well as other miscellaneous revenues. The increase in federal grant revenue was primarily a result of an increase in Housing Choice Voucher Program grant funding. The increase in other miscellaneous revenues was primarily a result of an increase in developer fees recognized by the Authority from their role in affordable housing redevelopment.

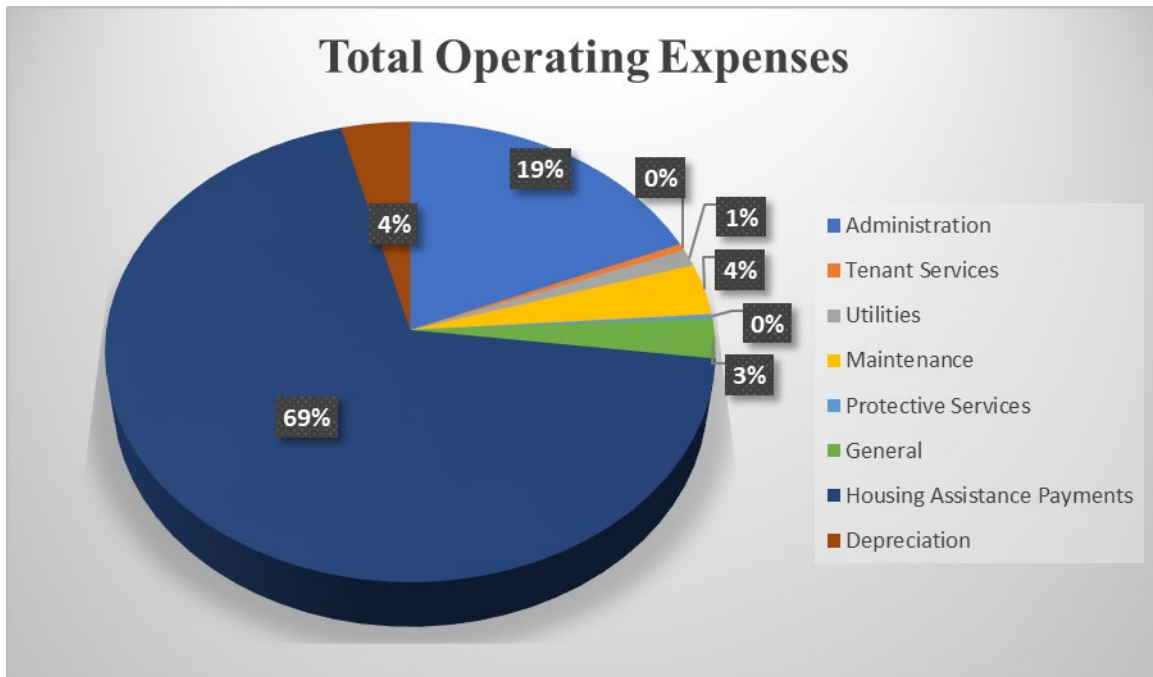
The following table provides further illustration of the Authority's total operating revenues for the year ended September 30, 2020:



### Total Operating Expenses

Total operating expenses increased by \$1,552,194 to \$25,529,804 from 2020 to 2019 primarily due to an increase of Housing Assistance Payments.

The following table provides further illustration of the Authority's total operating expenses for the year ended September 30, 2020.



### Nonoperating Revenues and Expenses

Nonoperating activity increased by \$4,406,353 primarily due to an increase from the gain on sale of Capital Assets.

Capital contributions decreased by \$474 to \$212,674.

### CAPITAL ASSETS

As of September 30, 2020, capital assets for its business-type activities amounted to \$9,866,277 net of accumulated depreciation. This investment in capital assets includes land, buildings, improvements, equipment, and construction in progress.

### DEBT OUTSTANDING

On September 30, 2020, the Authority had \$3,580,232 in capital debt outstanding compared to \$4,245,629 in the prior fiscal year. This debt is in the form of a note payable due to Bandar Properties, the seller of the Castillo del Sol property, in the amount of \$600,000 and multiple notes payable due to Montecito Bank & Trust in the amount totaling \$2,980,232. Proceeds were used to finance the activities of the various affordable housing projects being developed by the Authority.

## **ECONOMIC FACTORS AFFECTING HACSB'S FUTURE:**

Significant economic factors affecting the Authority are as follows:

- The majority, 76%, of HACSB's funding is from federal agencies in the form of operating subsidies, capital fund grants, Housing Choice Vouchers (HCV) housing assistance payments, and other smaller grants. In 2020 the administration's budget for public housing was dramatically reduced to almost zero. The reduced funding shift continues to have an impact on HACSB's economic position because federal housing dollars make up the largest source of revenue for HACSB. The continued disinvestment in public housing continues to compound longstanding maintenance issues. These underlying issues affecting public housing may change should a new administration be elected in the November 2020 General Election.
- HACSB is a beneficiary of significant Low-Income Housing Tax Credit (LIHTC) Equity dollars provided by investors for the provision of affordable rental housing construction and rehabilitation. These public-private partnerships provide a significant source of equity that continues to fuel the affordable housing developed by the HACSB. The competition for tax credits has increased over the past few years, thereby, reducing the pool of available funds and ratcheting up the tie-breaker score. A project eligible two years ago, may no longer be competitive. This creates an opportunity to reassess the community's housing needs and targeting more expansive projects.
- HACSB continues to monitor and mitigate the issues caused by COVID-19. The pandemic caused by COVID-19 virus has wreaked havoc on peoples' lives and on the global economy. HACSB is fortunate in that its residents have continued to pay their rent and have reported changes in income. This has kept HACSB rent collections within projected ranges. HACSB has hired extra security for its senior housing complexes to monitor the number of visitors coming to the complexes, reducing the risk of further exposure of COVID-19 to its residents, and will continue to hire such extra security on an as-needed basis in order to protect its high-risk tenants. HACSB has also expanded its cleaning of its facilities to combat the virus and will continue such on an as-needed basis.
- Local inflation and employment trends, which can affect resident incomes and therefore the amount of rental income.
- Inflationary pressure on utility rates, supplies and other costs.
- The Authority is continuing with Board-approved plans that guide real estate activities, including the provisions for liquidation of non-strategic assets, as appropriate. The Authority's portfolio is being assessed to evaluate properties that no longer align with current strategic plans, including single-family homes. The proceeds would be leveraged to further the Authority's mission and invest in affordable housing.
- The Authority's goal remains to continue to provide safe, quality affordable housing to the nearly 2,400 households we serve through its three core housing programs: Section 8, Public Housing, and nonprofit properties. The Authority looks forward to continuing work on significantly enhancing property management and housing operations, expanding educational, job-training, and health services to residents; and implementing additional efficiencies across the Authority.

## **FINANCIAL CONTACT**

This financial report is designed to provide a general overview of the finances for all those with an interest in the Authority's finances. Questions concerning any of the information provided in this report or request for additional information should be addressed to Joe Nocella, Chief Financial Officer, Housing Authority of the City of San Buenaventura, 805-648-5008.

### **Independent Auditor's Report**

To the Board of Commissioners  
Housing Authority of the City of San Buenaventura

#### **Report on the Financial Statements**

We have audited the financial statements and the discretely presented component unit of the Housing Authority of the City of San Buenaventura (the "Authority"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

#### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority and the discretely presented component unit, as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Other Matters***

##### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 1-12, schedule of the Authority's proportionate share of the net pension liability – defined benefit pension plan on page 55, and schedule of contributions – defined benefit pension plan on page 56 are presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that comprise the Authority's basic financial statements. The accompanying supplemental data including the financial data schedule, statement and certification of actual modernization costs, statement and certification of actual resident opportunity and self-sufficiency grant costs, and statement and certification of actual FSS program coordinator grant costs are presented for purposes of additional analysis as required by the U.S. Department of Housing and Urban Development and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by the audit requirements of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The financial data schedule, statement and certification of actual modernization costs, statement and certification of actual resident opportunity and self-sufficiency grant costs, statement and certification of actual FSS program coordinator grant costs, and schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial data schedule, statement and certification of actual modernization costs, statement and certification of actual resident opportunity and self-sufficiency grant costs, statement and certification of actual FSS program coordinator grant costs, and schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 3, 2021 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*Henderson & Pilleteri, LLC*

Birmingham, AL  
June 3, 2021



**Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of  
Financial Statements Performed in Accordance with *Government Auditing Standards***

**Independent Auditor's Report**

To the Board of Commissioners  
Housing Authority of the City of San Buenaventura

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the basic financial statements and the discretely presented component unit of the Housing Authority of the City of San Buenaventura (the "Authority"), as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 3, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Henderson & Pilleteri, LLC*

Birmingham, AL  
June 3, 2021

**Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance**

**Independent Auditor's Report**

To the Board of Commissioners  
Housing Authority of the City of San Buenaventura

**Report on Compliance for Each Major Federal Program**

We have audited the Housing Authority of the City of San Buenaventura's (the "Authority") compliance with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended September 30, 2020. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

***Opinion on Each Major Federal Program***

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2020.

**Report on Internal Control over Compliance**

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Henderson & Pilleteri, LLC*

Birmingham, AL  
June 3, 2021

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
STATEMENT OF NET POSITION  
ENTERPRISE FUNDS  
SEPTEMBER 30, 2020

	Primary Government	Component Unit
<b>ASSETS</b>		
Current assets:		
Unrestricted cash and cash equivalents	\$ 11,323,214	\$ 608,173
Restricted cash and cash equivalents	1,200,529	47,529
PHA projects receivable	25,824	-
Due from HUD	26,401	-
Due from other governments	13,553	-
Miscellaneous receivable	639,233	104,319
Tenants receivable, net	9,730	-
Accrued interest receivable, current portion	159,483	-
Notes and mortgages receivable, current portion	46,500	-
Prepaid expenses and other assets	8,020	326
Total current assets	<u>13,452,487</u>	<u>760,347</u>
Noncurrent assets:		
Capital assets:		
Land and construction in progress	2,803,456	673,701
Building and equipment, net of depreciation	7,062,821	884,751
Total capital assets	9,866,277	1,558,452
Accrued interest receivable, net of current portion	433,276	-
Other assets	256,800	-
Notes and mortgages receivable, net of current portion	83,571,517	850,000
Total noncurrent assets	<u>94,127,870</u>	<u>2,408,452</u>
Total assets	<u>107,580,357</u>	<u>3,168,799</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension plan contributions subsequent to measurement date	669,664	-
Differences between actual and expected experience	450,401	-
Net difference between projected and actual investment earnings on pension plan investments	259,637	-
Pension plan changes in employer's proportion	170,875	-
Total deferred outflows of resources	<u>\$ 1,550,577</u>	<u>\$ -</u>

*The accompanying notes are an integral part of these financial statements.*

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
STATEMENT OF NET POSITION  
ENTERPRISE FUNDS  
SEPTEMBER 30, 2020

	Primary Government	Component Unit
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	69,656	1,866
Accrued liabilities	375,745	3,228
Intergovernmental payables	318,762	-
Tenant security deposits	95,528	17,920
Unearned revenue	672,878	-
Compensated absences, current portion	27,747	430
Loan liability, current portion	246,077	-
Notes payable, current portion	16,244	52,251
Total current liabilities	<u>1,822,637</u>	<u>75,695</u>
Noncurrent Liabilities:		
Compensated absences, net of current portion	249,717	3,866
Loan liability, net of current	828,236	-
Notes payable, net of current portion	3,563,988	1,935,556
Net pension liability	8,740,049	-
FSS escrowed liability	381,287	-
Total noncurrent liabilities	<u>13,763,277</u>	<u>1,939,422</u>
Total liabilities	<u>15,585,914</u>	<u>2,015,117</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension plan changes in assumptions	62,338	-
Pension plan changes in employer's proportion	23,784	-
Differences between employer's contributions and proportionate share of contributions	144,774	-
Total deferred inflows of resources	<u>230,896</u>	<u>-</u>
<b>NET POSITION</b>		
Net investment in capital assets	6,286,045	(429,355)
Restricted	61,462	-
Unrestricted	86,966,617	1,583,037
Total net position	<u>\$ 93,314,124</u>	<u>\$ 1,153,682</u>

*The accompanying notes are an integral part of these financial statements.*

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION  
ENTERPRISE FUNDS  
FOR YEAR ENDED SEPTEMBER 30, 2020

	Primary Government	Component Unit
<b>OPERATING REVENUES</b>		
Rental income	\$ 1,860,343	\$ 495,014
Federal and other government grants	19,672,458	-
Other	<u>4,228,771</u>	<u>109,307</u>
Total operating revenues	<u>25,761,572</u>	<u>604,321</u>
<b>OPERATING EXPENSES</b>		
Administration	4,752,580	128,828
Tenant services	125,411	1,508
Utilities	301,820	34,772
Maintenance	919,902	67,227
Protective services	72,508	37,573
General	717,086	55,718
Housing assistance payments	17,615,778	-
Depreciation	<u>1,024,719</u>	<u>62,363</u>
Total operating expenses	<u>25,529,804</u>	<u>387,989</u>
Operating income (loss)	231,768	216,332
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Interest revenue	368,596	9
Gain (Loss) on sale of capital assets	4,906,172	-
Interest expense	<u>(57,896)</u>	<u>(12,254)</u>
Income (loss) before contributions and transfers	5,448,640	204,087
Capital contributions	212,674	-
Transfers in (out)	<u>25,000</u>	<u>(25,000)</u>
Change in net position	5,686,314	179,087
Total net position - beginning of the year	<u>87,627,810</u>	<u>974,595</u>
Total net position - end of the year	<u><u>\$ 93,314,124</u></u>	<u><u>\$ 1,153,682</u></u>

*The accompanying notes are an integral part of these financial statements.*

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
STATEMENT OF CASH FLOWS  
ENTERPRISE FUNDS  
FOR YEAR ENDED SEPTEMBER 30, 2020

	Primary Government	Component Unit
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from tenants	\$ 1,840,918	\$ 486,673
Federal & other government grants	20,299,937	-
Other receipts	4,630,753	109,307
Payments to suppliers and Section 8 landlords	(19,628,928)	(287,059)
Payments to or on behalf of employees	<u>(4,377,800)</u>	<u>(63,728)</u>
Net cash provided (used) by operating activities	<u>2,764,880</u>	<u>245,193</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from sale of capital assets	4,585,262	2,820,990
Purchase of capital assets	(2,111,401)	(611,752)
Capital contributions	286,564	-
Proceeds from issuance of capital debt	750,000	-
Principal payments of capital debt	(1,415,397)	(2,851,903)
Interest payments on capital debt	<u>(57,872)</u>	<u>(12,254)</u>
Net cash provided (used) by capital financing activities	<u>2,037,156</u>	<u>(654,919)</u>
<b>CASH FLOWS FROM NON-CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Loan liability principal payments	(724,436)	-
Proceeds from line of credit loan disbursements	<u>175,579</u>	<u>-</u>
Net cash provided (used) by non-capital financing activities	<u>(548,857)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest revenue	273,578	9
Proceeds from collection of notes, loans and mortgages receivable	46,500	-
Reimbursable advances to affiliated organization	(595,681)	(104,319)
Issuance of notes, loans and mortgages receivable	<u>(1,287,683)</u>	<u>(50,000)</u>
Net cash provided (used) by investing activities	<u>(1,563,286)</u>	<u>(154,310)</u>
Net increase (decrease) in cash and cash equivalents	2,689,893	(564,036)
Balances - beginning of the year	<u>9,833,850</u>	<u>1,219,738</u>
Balances - end of the year	<u><u>\$ 12,523,743</u></u>	<u><u>\$ 655,702</u></u>

*The accompanying notes are an integral part of these financial statements.*

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
STATEMENT OF CASH FLOWS  
ENTERPRISE FUNDS  
FOR YEAR ENDED SEPTEMBER 30, 2020

	Primary Government	Component Unit
<b>RECONCILIATION OF INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$ 231,768	\$ 216,332
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Pension expense	982,965	-
Depreciation expense	1,024,719	62,363
Change in assets and liabilities:		
Receivables, net	358,887	3,331
Prepays and other assets	(501)	2,941
Deferred outflows of resources	(669,664)	-
Other assets	23,327	-
Accounts payable	32,902	(27,314)
Intergovernmental payables	148,204	-
Unearned revenue	667,224	(703)
Other liabilities	(52,031)	-
Accrued liabilities	1,923	276
Compensated absences	27,503	(1,064)
Tenant security deposits	(12,346)	(10,969)
Net cash provided (used) by operating activities	<u>\$ 2,764,880</u>	<u>\$ 245,193</u>
<b>SUPPLEMENTAL INFORMATION</b>		
Non-cash capital and related financing activities:		
Issuance of notes and mortgages receivable as financing for properties sold to affiliated organizations	<u>\$ 6,379,630</u>	<u>\$ -</u>

*The accompanying notes are an integral part of these financial statements.*



HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED SEPTEMBER 30, 2020

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Housing Authority of the City of San Buenaventura (the “Authority”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Authority has previously implemented GASB Statement 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*. Certain significant changes in the statements are as follows: The financial statements will include a Management’s Discussion and Analysis (MD&A) section providing an analysis of the Authority’s overall financial position and results of operations.

The Authority is a special-purpose government engaged only in business-type activities and therefore, presents only the financial statements required for enterprise funds, in accordance with GASB Statement 34, paragraph 138. For these governments, basic financial statements and required supplemental information consist of:

- Management Discussion and Analysis (MD&A)
- Enterprise fund financial statements consisting of –
  - Statement of Net Position
  - Statement of Revenues, Expenses, and Changes in Fund Net Position
  - Statement of Cash Flows
- Notes to financial statements
- Required supplemental information other than MD&A

The Authority has multiple programs that are accounted for in one enterprise fund, which is presented as the “primary government” in the basic financial statements. Significant Authority policies are described below.

**A. The Reporting Entity**

The Authority was established as a tax-exempt quasi-governmental entity under the United States Housing Act of 1937 for the purpose of providing affordable housing to low and moderate income families in Ventura County, California. The governing body of the Authority is composed of a 7 member appointed Board of Commissioners (the “Board”). The Mayor appoints the Board, who in turn hires the Chief Executive Officer. The Authority is governed by its charter and by-laws, state and local laws and federal regulations. The Board is responsible for the establishment and adoption of policy. The execution of such policy is the responsibility of the Authority’s management.

For financial reporting purposes, the financial reporting entity consists of (1) the primary government (the “Authority”), (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationships with the primary government are such that exclusion would cause the primary government’s financial statements to be misleading or incomplete. The Authority is financially accountable if it appoints a voting majority of an organization’s governing body and (a) it is able to impose its will on the organization or, (b) there is potential for that organization to provide specific financial benefits to, or impose specific financial burdens on the Authority. The Authority may be financially accountable if an organization is fiscally dependent on the Authority. Based on these criteria; the following entities have been identified as component units of the Authority.

*Triad Properties*

Triad Properties (“Triad”) is a California nonprofit public benefit corporation, which was formed to promote and develop affordable housing and related services for low to moderate income households in the County of Ventura, California and may be eligible to apply for specific HUD funding: HOME Program as a Community Housing Development Corporation (CHDO) set-aside funding. Triad is a tax exempt entity under section 501(c)(3) of the Internal Revenue Code (IRC). Triad owns and operates twenty-six low-income housing units in the City of Ventura. Triad was developing additional low-income housing known as El Portal but has sold this property to El Portal Ventura, L.P., a separate legal entity, this year.

The relationship between the Authority and Triad is supportive in nature as Triad often carries out its stated purpose of providing decent, safe and affordable housing by supporting the operational goals and objectives of the Authority. In addition, the Authority’s Board also acted as the original governing body for Triad. In March 2010, Triad’s bylaws were amended and the Board appointed a new Board of Directors who is now substantially different from that of the Authority’s Board. The amended bylaws state that the Triad Board of Directors will serve four year terms and is now empowered to appoint any new director(s). Therefore, Triad is discretely presented in the current year financial statements as its own “component unit” column with separate “component unit” disclosures in the notes to the financial statements. All inter-program balances and transactions between the primary government and the discretely presented component unit will be disclosed in the notes to the financial statements (*see Note 12 – Transactions with Discretely Presented Component Unit*). Separately issued financial statements of Triad Properties may be obtained by contacting Joe Nocella, Chief Financial Officer, Housing Authority of the City of San Buenaventura, 995 Riverside Street, Ventura, CA 93001.

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED SEPTEMBER 30, 2020

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**A. The Reporting Entity (Continued)**

*Homecomings, Inc*

Homecomings, Inc (Homecomings) is a California nonprofit public benefit corporation, which was formed to promote and develop affordable housing for low to moderate income households in the County of Ventura. It can also form partnerships and currently acts as the special limited partner in Snapdragon Place II, L.P., a 9% tax credit project with 22 units (4 for homeless veterans and 5 for other homeless families) in which it has a .01% ownership interest, and acts as the general partner in each of the following tax credit partnerships in which it has a .01% ownership interest.

- Chapel Lane, L.P. – 4% tax credit project with 38-senior units; in operation since September 2005.
- Soho Associates, L.P. – 9% tax credit project with 12-family units; full occupancy was reached in September 2011.
- Encanto Del Mar Apartments, L.P. – 9% tax credit project with 37-family units; full occupancy was reached in August 2012.
- Vista Del Mar Commons L.P. – 9% tax credit Rental Assistance Demonstration (RAD) project with 140 units in operation since April 2015.
- Johnson Gardens, L.P. – 4% tax credit Rental Assistance Demonstration (RAD) project with 101 units (99 for elderly/disabled persons); construction completed in February 2016 with full occupancy occurring in March 2016.
- Castillo del Sol, L.P. – 9% tax credit project with 40 units (39 for people with special needs); construction completed and operations began in January 2016.
- Buena Vida, L.P. – 4% tax credit Rental Assistance Demonstration (RAD) project with 95 units (75 for elderly persons); construction completed and operations began in October 2017.
- Villages at Westview I, L.P. – 4% tax credit Rental Assistance Demonstration (RAD) project with 131 units; construction began in early 2017 and project completed April 2019.
- Rancho Verde Ventura, L.P. – 9% tax credit project with 24 units, construction began in March 2018 and project completed June 2019.
- Willet Ranch, L.P. – 4% tax credit project with 50 units dedicated for senior residents. Project commenced construction in February 2020 and is scheduled to be completed by April 2021.
- El Portal Ventura, L.P. – 9% tax credit project involving the rehabilitation of an existing mixed-use facility that currently has 6 commercial spaces and 33 dwelling units. After rehabilitation, there will be 4 commercial units and 29 dwelling units, with 14 of those units reserved for special needs residents. Project commenced in July 2020 with rehabilitation completed by February 2021.

Homecomings accounts for its ownership interest in these tax credit partnerships using the equity method. Separately issued financial statements for the aforementioned tax credit partnerships may be obtained by contacting Joe Nocella, Chief Financial Officer, Housing Authority of the City of San Buenaventura, 995 Riverside Street, Ventura, CA 93001. The Authority both directly and indirectly controls the operations of Homecomings, and the Authority's Board also acts as the governing body for the organization. Therefore, Homecomings is presented as a blended component unit included in the balances of the primary government, thus all significant inter-program balances and transactions between Homecomings and the Authority have been eliminated. No separate financial statements are issued for the Corporation. However, condensed financial statements have been included in Note 14- Blended Component Units.

*Cocina Sin Fronteras*

Cocina Sin Fronteras is a California nonprofit public benefit corporation, which was formed to provide support to low-income families served by the Authority in the areas of education, careers, and entrepreneurship to attain self-sufficiency. The Authority both directly and indirectly controls the operations of Cocina Sin Fronteras, and the Authority's Board also acts as the governing body for the organization. Therefore, Cocina Sin Fronteras is presented as a blended component unit included in the balances of the primary government, thus all significant inter-program balances and transactions between Cocina Sin Fronteras and the Authority have been eliminated. No separate financial statements are issued for the Corporation. However, condensed financial statements have been included in Note 14 - Blended Component Units.

**B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The Authority's financial statements are accounted for on the flow of economic resources management focus using the accrual basis of accounting. The accounting objectives are a determination of net income, financial position, and changes in cash flow.

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED SEPTEMBER 30, 2020

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

All assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with a proprietary fund's activities are included on the Statement of Net Position. Proprietary fund net position is segregated into Net Investment in Capital Assets, Restricted Net Position, and Unrestricted Net Position. Revenues are recognized when they are earned and expenses are recognized when incurred. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are rental charges to tenants and operating subsidy grants from HUD. Operating expenses for proprietary funds include the cost of administrative expenses, maintenance expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The Authority applies restricted resources to fund restricted costs and unrestricted resources to fund unrestricted costs. All material inter-program accounts and transactions are eliminated in the preparation of the basic financial statements.

The Authority has previously adopted GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. In accordance with this statement, the Authority accounted for all grants that qualify as non-exchange transactions, recognizing receivables and revenues when all applicable eligibility requirements are met. In addition, capital contributions are recorded on the Statement of Revenues, Expenses, and Changes in Fund Net Position after income before contributions and before changes in net position.

Generally accepted accounting principles for state and local governments requires that resources be classified for accounting and reporting purposes into the following three net position categories:

- *Net investment in capital assets* – Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.
- The *restricted* component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.
- The *unrestricted* component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component on net position.

**C. Cash, Cash Equivalents, and Investments**

Cash and cash equivalents include cash on hand, demand deposits and money market accounts. For purposes of the statement of cash flows, the Authority considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents. The carrying amounts reported on the balance sheet approximate fair values because of the short maturities of those investments.

**D. Accounts Receivables**

Save for accrued interest receivable, which is related to the Authority's notes, loans & mortgages receivables and is not expected to be collected within the next 12 months, all accounts receivables are current and due within one year. Receivables are reported net of an allowance for uncollectible accounts. Allowances are reported when accounts are proven to be uncollectible. The only accounts receivables that reported an allowance for uncollectible accounts were tenants receivable. The allowance for uncollectible tenants receivable amount to \$4,170.

**E. Notes, Loans & Mortgages Receivables**

Notes receivables relate to affordable housing construction activities where the Authority has loaned funds to be used as an investment in affordable housing developments. The notes receivables are collectable as defined in the various loan agreements. Any portions of the notes receivable that are deemed due and collectable within the next twelve months are reported as current assets. The remaining notes receivables that are deemed collectible beyond the next twelve months are reported as non-current assets. All but \$46,500 of the note receivables are considered non-current assets as of September 30, 2020 as only \$46,500 of the notes receivables are currently due within the next twelve months. No allowance account has been set up as the Authority has determined that the notes are fully collectible as of September 30, 2020.

**F. Restricted Assets and Liabilities**

Debt covenants, HUD regulations, and inter-local agreements restrict the use of certain assets. Restricted assets are offset by related liabilities in accordance with their liquidity.

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED SEPTEMBER 30, 2020

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. Inventories**

Inventories are accounted for under the consumption method and recorded at the lower of cost or market. Materials and supplies are recorded as inventories when purchased and as expenditures when used.

**H. Prepaid Items**

Prepaid items consist of payments made to vendors for services that will benefit future periods.

**I. Capital Assets**

Capital assets include property, furniture, equipment and machinery. Capital assets with initial, individual costs that equal or exceed \$5,000 and estimated useful lives of over one year are recorded as capital assets. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is included as part of the capitalized value of the assets constructed. Construction in progress consists of capital improvements funded by modernization grant programs. Capital assets are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	7-40
Improvements other than buildings	7-30
Furniture, equipment, and machinery	3-7

**J. Compensated Absences**

The Authority's policy allows each employee to accumulate up to 240 vacation hours and be paid for them upon separation. The Authority has no maximum accrual for sick leave. If an employee has completed 5 years of service, they shall be paid for 20% of accumulated sick leave at their current hourly rate upon separation. Time accrued beyond that is forfeited unless exception is granted by the Board. The majority of employees utilize their annual accrual of vacation and sick leave during the year accrued. The Authority records compensated absences expense in the period earned and uses a systematic allocation process to allocate between short-term and long-term liability classification.

**K. Unearned Revenue**

The Authority recognizes revenues as it is earned. An amount received in advance of the period in which it is earned is recorded as a liability under unearned revenue.

**L. Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**M. Deferred Outflows/Inflows of Resources**

In addition to assets and liabilities, the statement of financial position will sometimes report separate sections for deferred outflows/inflows of resources. These separate financial statement elements represent a consumption or acquisition of net position that apply to future period(s) and so will not be recognized as an outflow of resources (expenses/expenditure) or an inflow of resources (revenue) until then.

**N. Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Local Government of Example's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED SEPTEMBER 30, 2020

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**O. Recent Accounting Pronouncements**

The Authority has adopted GASB Statement No.83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (“AROs”). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The adoption of GASB Statement No. 83 had no material effect on the Authority’s September 30, 2020 financial statements.

The Authority has adopted GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The adoption of GASB Statement No. 88 had no material effect on the Authority’s September 30, 2020 financial statements.

**NOTE 2 – CASH DEPOSITS AND INVESTMENTS**

Cash and investments may be invested in the following HUD-approved vehicles:

- Direct obligations of the federal government backed by the full faith and credit of the United States;
- Obligations of government agencies;
- Securities of government sponsored agencies;
- Demand and savings deposits; and,
- Time deposits and repurchase agreements.

At September 30, 2020, cash was in bank deposits or money market accounts. Neither the Authority nor Triad had any investments. All of the Authority’s federal funds were insured or collateralized with securities held by the Authority or by its agent in the Authority’s name. A portion of the Authority’s Business Activities funds’ non-federal deposits in the amount of \$2,329,776, and \$413,293 of Triad’s deposits were not insured or collateralized at year-end. Neither the Authority nor Triad incurred any loss of funds as a result of this excess of cash over insured or collateralized deposits. The Authority’s cash balances at September 30, 2020 totaled \$12,523,743. Triad’s cash balances at September 30, 2020 totaled \$655,702.

*Interest Rate Risk* – The Authority’s formal investment policy does not specifically address the exposure to this risk.

*Credit Risk* – The Authority’s formal investment policy does not specifically address credit risk. Credit risk is generally evaluated based on the credit ratings issued by nationally recognized statistical rating organizations.

*Custodial Credit Risk* – The Authority’s policy is to limit credit risk by adherence to the list of HUD permitted investments, which are backed by the full faith and credit of or a guarantee of principal and interest by the U.S. Government.

*Concentration of Credit Risk* – The Authority’s investment policy does not restrict the amount that the Authority may invest in any one issuer.

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED SEPTEMBER 30, 2020

**NOTE 3 – CAPITAL ASSETS**

**A. Changes in Capital Assets**

Capital asset activity for the year ended September 30, 2020 was as follows:

	<b>Primary Government</b>				<b>Ending Balance</b>
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Reclassifications</b>	
Capital assets not being depreciated					
Land	\$ 2,855,342	\$ -	\$ (1,452,929)	\$ -	\$ 1,402,413
Construction in progress	2,482,882	2,103,423	(3,185,262)	-	1,401,043
Total capital assets not depreciated	<u>5,338,224</u>	<u>2,103,423</u>	<u>(4,638,191)</u>	<u>-</u>	<u>2,803,456</u>
Capital assets being depreciated					
Buildings and improvements	28,027,786	7,978	(6,196,838)	-	21,838,926
Equipment	709,433	-	(250,427)	-	459,006
Total capital assets being depreciated	<u>28,737,219</u>	<u>7,978</u>	<u>(6,447,265)</u>	<u>-</u>	<u>22,297,932</u>
Less accumulated depreciation for:					
Buildings and improvements	(18,570,967)	(1,010,444)	4,776,309	-	(14,805,102)
Equipment	(666,161)	(14,275)	250,427	-	(430,009)
Total accumulated depreciation	<u>(19,237,128)</u>	<u>(1,024,719)</u>	<u>5,026,736</u>	<u>-</u>	<u>(15,235,111)</u>
Capital assets, net	<u>\$ 14,838,315</u>	<u>\$ 1,086,682</u>	<u>\$ (6,058,720)</u>	<u>\$ -</u>	<u>\$ 9,866,277</u>
<b>Component Unit</b>					
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Reclassifications</b>	<b>Ending Balance</b>
Capital assets not being depreciated					
Land	\$ 673,701	\$ -	\$ -	\$ -	\$ 673,701
Construction in progress	3,009,238	611,752	(3,620,990)	-	-
Total capital assets not depreciated	<u>3,682,939</u>	<u>611,752</u>	<u>(3,620,990)</u>	<u>-</u>	<u>673,701</u>
Capital assets being depreciated					
Buildings and improvements	1,594,005	-	-	-	1,594,005
Total capital assets being depreciated	<u>1,594,005</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,594,005</u>
Less accumulated depreciation for:					
Buildings and improvements	(646,891)	(62,363)	-	-	(709,254)
Total accumulated depreciation	<u>(646,891)</u>	<u>(62,363)</u>	<u>-</u>	<u>-</u>	<u>(709,254)</u>
Capital assets, net	<u>\$ 4,630,053</u>	<u>\$ 549,389</u>	<u>\$ (3,620,990)</u>	<u>\$ -</u>	<u>\$ 1,558,452</u>

**B. Capital Contributions**

The Authority receives capital grants from HUD. The Authority recognized \$212,674 in capital contributions for the fiscal year ended September 30, 2020.

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED SEPTEMBER 30, 2020

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**NOTE 3 – CAPITAL ASSETS (Continued)**

**C. Disposition of public housing properties**

During the fiscal year ended September 30, 2020, the Authority completed disposition of 73 public housing units in Project CA035000001 located on that certain real property at 247-358 W. Barnett Street, 302-342 W. Flint Street, 1051-1072 Riverside Street, and 229-356 W. Warner Street by selling each of these properties as part of the Rental Assistance Demonstration Program. The properties were sold at fair market value for a combined total of \$6,379,630. At the date of disposition, these public housing properties had a combined book value of \$1,473,458. These properties were acquired in exchange for a seller carry-back loan totaling \$6,379,630 that is evidenced by a promissory note issued by Villages at Westview III, L.P. As a result of this disposition of public housing property, the Authority recognized a gain on the disposition of the properties in the amount of \$4,906,172.

During the fiscal year ended September 30, 2020, the Authority completed disposition of the Willett Ranch land and building improvements located on that certain real property at 54 & 55 Willett Street to Willett Ranch, L.P., an affiliate of the Authority. The land and building improvements were sold at fair market value for a combined total of \$2,568,475. At the date of disposition, this property had a book value of \$2,568,475. This property was acquired in exchange for cash totaling \$1,168,475 and Willett Ranch, L.P.'s payoff of an Authority note payable of \$1,400,000. As a result of this disposition of property, the Authority recognized no gain on the disposition of the property.

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED SEPTEMBER 30, 2020

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**NOTE 4 – NOTES AND MORTGAGES RECEIVABLE**

Notes and mortgages receivable consist of the following at September 30, 2020:

***Primary Government:***

Note receivable due from Triad Properties (the Authority's discretely-presented component unit) originally for \$2,551,766, secured by a deed of trust, bearing no interest, annual payments are based on residual receipts of the project as defined in the loan agreement, maturing October 2057. \$46,500 in principal payments was collected on this note receivable during the current fiscal year. Another \$46,500 in principal payments are expected to be collected within the next twelve months. \$ 1,150,641

Seller carry-back note receivable due from Vista Del Mar Commons, L.P. originally for \$15,088,087, secured by a deed of trust, bearing simple interest at 3.49% per annum, compounded annually, maturing April 2070. Annual payments of outstanding principal and accrued interest shall commence April 1, 2015 and on April 1 of each year thereafter until maturity and are based on residual receipts of the project as defined in the loan agreement. No interest or principal payments are expected to be collected within the next twelve months. 15,088,087

Development note receivable due from Soho Associates, L.P. originally for \$1,314,073, secured by a deed of trust, bearing simple interest at 4.47% per annum, compounded annually, maturing May 2065. The loan agreement called for a special prepayment provision to occur at a specified date in the amount of \$800,000 which was paid in January 2013. Post construction annual payments are based on residual receipts of the project as defined in the loan agreement. Accrued interest receivable at September 30, 2020 on this note receivable amounted to \$165,805. No interest or principal payments are expected to be collected within the next twelve months. 514,073

Seller note receivable due from Soho Associates, L.P. originally for \$672,651, secured by a deed of trust, bearing no interest, maturing May 2065. Post construction annual payments are based on residual receipts of the project as defined in the loan agreement. No interest or principal payments are expected to be collected within the next twelve months. 672,651

Seller carry-back note receivable due from Castillo del Sol, L.P. originally for \$600,000, secured by a deed of trust, bearing interest at 3.50% per annum, compounded annually, maturing December 2069. Annual payments of outstanding principal and accrued interest shall commence April 1, 2015 and on April 1 of each year thereafter until maturity and are based on 75% of residual receipts of the project as defined in the loan agreement, with repayments first being credited to interest, then to principal. Accrued interest receivable at September 30, 2020 on this note receivable amounted to \$15,750 and is expected to be collected within the next twelve months. No principal payments are expected to be collected within the next twelve months. 600,000



HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED SEPTEMBER 30, 2020

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**NOTE 4 – NOTES AND MORTGAGES RECEIVABLE (Continued)**

Authority note receivable due from Castillo del Sol, L.P. originally for \$600,000, secured by a deed of trust, bearing simple interest at 3.50% per annum, maturing December 2069. Annual payments of outstanding principal and accrued interest shall commence April 1, 2015 and on April 1 of each year thereafter until maturity and are based on 25% of residual receipts of the project as defined in the loan agreement, with repayments first being credited to interest, then to principal. Accrued interest receivable at September 30, 2020 on this note receivable amounted to \$5,250 and is expected to be collected within the next twelve months. No principal payments are expected to be collected within the next twelve months.	600,000
Seller carry-back note receivable due from Johnson Gardens, L.P. originally for \$12,100,000, secured by a deed of trust, bearing interest at 2.50% per annum, compounded annually, maturing June 2070. Annual payments of outstanding principal and accrued interest commenced June 1, 2016 and on June 1 of each year thereafter until maturity and are based on residual receipts of the project as defined in the loan agreement, with repayments first being credited to interest, then to principal. Accrued interest receivable at September 30, 2020 on this note receivable amounted to \$310,936, with \$91,960 of this accrued interest receivable expected to be collected within the next twelve months. No principal payments are expected to be collected within the next twelve months.	11,900,000
Permanent note receivable due from Johnson Gardens, L.P. originally for \$7,350,000, unsecured, bearing interest at 2.50% per annum, compounded annually, maturing June 2070. Annual payments of outstanding principal and accrued interest shall commence May 1 of the year following the final repayment of the seller carry-back note receivable due from Johnson Gardens, L.P., and on May 1 of each year thereafter until maturity and are based on residual receipts of the project as defined in the loan agreement, with repayments first being credited to interest, then to principal. No interest or principal payments are expected to be collected within the next twelve months.	7,350,000
Seller carry-back note receivable due from Buena Vida, L.P. originally for \$14,150,000, secured by a deed of trust, bearing interest at 2.33% per annum, compounded annually, maturing June 2073. Annual payments of outstanding principal and accrued interest shall commence June 1, 2018 and on June 1 of each year thereafter until maturity, and are based on residual receipts of the project as defined in the loan agreement, with repayments first being credited to interest, then to principal. No interest or principal payments are expected to be collected within the next twelve months.	14,150,000
Permanent note receivable due from Buena Vida, L.P. originally for \$9,839,993, secured by a deed of trust, bearing interest at 2.33% per annum, compounded annually, maturing June 2073. Annual payments of outstanding principal and accrued interest shall commence June 1 of the year following the final repayment of the seller carry-back note receivable due from Buena Vida, L.P., and on June 1 of each year thereafter until maturity and are based on residual receipts of the project as defined in the loan agreement, with repayments first being credited to interest, then to principal. No interest or principal payments are expected to be collected within the next twelve months.	9,839,993

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED SEPTEMBER 30, 2020

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**NOTE 4 – NOTES AND MORTGAGES RECEIVABLE (Continued)**

Development note receivable due from Villages at Westview I, L.P. originally for \$4,700,000, issued on December 1, 2016, secured by a deed of trust, bearing interest at 8.00% per annum, compounded annually, maturing no later than the date that is the fifty fifth anniversary of the date a final certificate of occupancy, or equivalent document is issued by the City of San Buenaventura to certify that the Villages at Westview I development may be legally occupied (the "Completion Date"); provided, however, if a record of the Completion Date cannot be located or established, maturity will be the fifty-seventh anniversary of the date of the note. Annual payments of outstanding principal and accrued interest shall commence June 1, 2019, and on June 1 of each year thereafter until maturity in an amount equal to the Authority prorata percentage of the Authority's share of residual receipts to which the Authority is entitled, with repayments first being credited to interest, then to principal. No interest or principal payments are expected to be collected within the next twelve months.

4,700,000

Seller carry-back note receivable due from Villages at Westview I, L.P. originally for \$5,773,596, issued on December 1, 2016, secured by a deed of trust, bearing interest at 2.26% per annum, compounded annually, maturing no later than the date that is the fifty fifth anniversary of the date a final certificate of occupancy, or equivalent document is issued by the City of San Buenaventura to certify that the Villages at Westview I development may be legally occupied (the "Completion Date"); provided, however, if a record of the Completion Date cannot be located or established, maturity will be the fifty-seventh anniversary of the date of the note. Annual payments of outstanding principal and accrued interest shall commence June 1, 2019, and on June 1 of each year thereafter until maturity in an amount equal to the Authority's share of residual receipts, with repayments first being credited to interest, then to principal.

5,773,596

Development note receivable due from Rancho Verde, L.P. originally for \$840,000, issued on March 1, 2018, secured by a deed of trust, bearing interest at 4.00% per annum, compounded annually, maturing no later than the date that is the fifty fifth anniversary of the date a final certificate of occupancy, or equivalent document is issued by the City of San Buenaventura to certify that the Rancho Verde development may be legally occupied (the "Completion Date"); provided, however, if a record of the Completion Date cannot be located or established, maturity will be the fifty-seventh anniversary of the date of the note. Annual payments of outstanding principal and accrued interest shall commence June 1, 2020, and on June 1 of each year thereafter until maturity in an amount equal to the Authority prorata percentage of the Authority's share of residual receipts to which the Authority is entitled, with repayments first being credited to interest, then to principal. No interest or principal payments are expected to be collected within the next twelve months. As of September 30, 2020, a total of \$840,000 of this loan has been disbursed, \$286,654 has been collected to date with \$240,000 of this loan being collected during the current fiscal year.

553,346

Seller carry-back note receivable due from Rancho Verde, L.P. originally for \$1,600,000, issued on March 1, 2018, secured by a deed of trust, bearing interest at 4.00% per annum, compounded annually, maturing no later than the date that is the fifty fifth anniversary of the date a final certificate of occupancy, or equivalent document is issued by the City of San Buenaventura to certify that the Villages at Westview I development may be legally occupied (the "Completion Date"); provided, however, if a record of the Completion Date cannot be located or established, maturity will be the fifty-seventh anniversary of the date of the note. Annual payments of outstanding principal and accrued interest shall commence June 1, 2020, and on June 1 of each year thereafter until maturity in an amount equal to the Authority's prorata percentage share of the Authority's share of residual receipts, with repayments first being credited to interest, then to principal. No interest or principal payments are expected to be collected within the next twelve months.

1,600,000

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**NOTE 4 – NOTES AND MORTGAGES RECEIVABLE (Continued)**

Promissory note receivable due from Villages at Westview I, L.P. on August 15, 2018 in exchange for AHP funds that the Authority loaned to assist the development of Villages at Westview Phase I apartments. The loan bears no interest and the maturity date of this loan is the 55th anniversary of the final certificate of occupancy or equivalent document is issued by the City of San Buenaventura. The Loan will not amortize. The principal of the loan is due and payable upon the earlier to occur of: (1) the date of any Default, (ii) the expiration of the Term, and (iii) any repayment event defined in Section 6 of the Authority Note. The loan is secured by a Deed of Trust, Security Agreement, and Fixture Filing, with Rider to Deed of Trust, and it is evidenced by a promissory note executed by the Authority for the benefit of the AHP Member Bank (the "Authority Note") and an Affordable Housing Program Direct Subsidy Agreement. The indebtedness evidenced by the Note is and shall be subordinate in right of payment to the prior payment in full of all amounts then due and payables with respect to the indebtedness evidence by the Authority Note, and that certain Multifamily Note in the original maximum principal amount of \$39,700,000, executed by VWI and held by Citibank, N.A., as assignee. As of September 30, 2020, a total of \$1,300,000 of this loan has been disbursed.

1,300,000

Promissory note receivable from Rancho Verde Ventura, LP ("Rancho Verde") on April 1, 2019 in exchange for AHP funds that the Authority loaned to Rancho Verde to assist in the development of the Rancho Verde apartments. The loan bears no interest and the maturity date of this loan is the 55th anniversary of the date of final certificate of occupancy or equivalent document is issued by the City of San Buenaventura. The Loan will not amortize. The principal of the loan is due and payable upon the earlier to occur of: (1) the date of any Default, (ii) the expiration of the Term, and (iii) any repayment event defined in Section 6 of the Authority Note. The loan is secured by a Deed of Trust, Security Agreement, and Fixture Filing, with Rider to Deed of Trust, and it is evidenced by a promissory note executed by the Authority for the benefit of the AHP Member Bank (the "Authority Note") and an Affordable Housing Program Direct Subsidy Agreement. The indebtedness evidenced by the Note is and shall be subordinate in right of payment to the prior payment in full of all amounts then due and payables with respect to the indebtedness evidence by the Authority Note, and that certain Multifamily Note in the original maximum principal amount of \$9,254,551, executed by Rancho Verde and held by Wells Fargo Bank, N.A., as assignee. As of September 30, 2020, a total of \$276,000 of this loan has been disbursed.

276,000

Permanent note receivable due from El Portal Ventura, L.P. originally for \$867,314, secured by a deed of trust, bearing interest at 3.00% per annum, compounded annually, maturing April 2075. Annual payments of outstanding principal and accrued interest shall commence June 1, 2021 and on June 1 of each year thereafter until maturity and are based on residual receipts of the project as defined in the laon agreement, with repayment first being credited to interest, then to pricipal. No interest or principa payments are expected to be collected within the next twelve months.

420,000

Seller carry-back note receivable due from Villages at Westview III, L.P. originally for \$6,379,630, issued on September 1, 2020, secured by a deed of trust, bearing interest at 3.00% per annum, compounded annually, maturing no later than the date that is the fifty fifth anniversary of the date a final certificate of occupancy, or equivalent document is issued by the City of San Buenaventura to certify that the Villages at Westview I development may be legally occupied (the "Completion Date"); provided, however, if a record of the Completion Date cannot be located or established, maturity will be the fifty-seventh anniversary of the date of the note. Annual payments of outstanding principal and accrued interest shall commence June 1, 2023, and on June 1 of each year thereafter until maturity in an amount equal to the Authority's prorata percentage share of the Authority's share of residual receipts, with repayments first being credited to interest, then to principal. No interest or principal payments are expected to be collected within the next twelve months.

6,379,630

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
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**NOTE 4 – NOTES AND MORTGAGES RECEIVABLE (Continued)**

Promissory note receivable from Willett Ranch, LP on December 1, 2019 in exchange for AHP funds that the Authority loaned to Willett Ranch to assist in the development of Willett Ranch apartments. The loan bears no interest and the maturity date of this loan is the 55th anniversary of the date of final certificate of occupancy or equivalent document is issued by the City of San Buenaventura. The Loan will not amortize. The principal of the loan is due and payable upon the earlier to occur of: (1) the date of any Default, (ii) the expiration of the Term, and (iii) any repayment event defined in Section 6 of the Authority Note. The loan is secured by a Deed of Trust, Security Agreement, and Fixture Filing, with Rider to Deed of Trust, and it is evidenced by a promissory note executed by the Authority for the benefit of the AHP Member Bank (the "Authority Note") and an Affordable Housing Program Direct Subsidy Agreement. The indebtedness evidenced by the Note is and shall be subordinate in right of payment to the prior payment in full of all amounts then due and payables with respect to the indebtedness evidence by the Authority Note, and that certain Multifamily Note in the original maximum principal amount of \$20,922,000, executed by Willett Ranch and held by Wells Fargo Bank, N.A., as assignee. As of September 30, 2020, a total of \$750,000 of this loan has been disbursed.

	<u>750,000</u>
Total notes receivable	83,618,017
Less current portion of notes receivable	<u>(46,500)</u>
Noncurrent portion of notes receivable	<u><u>\$ 83,571,517</u></u>

***Component Unit:***

Seller note receivable due from El Portal Ventura, LP to Traid Properties on April 1, 2020, for \$850,000, secured by a deed of trust, bearing interest at 1.44% per annum, compounded annually, maturing no later than the date that is the fifty-fifth anniversary of the date of the final certificate of occupancy, or equivalent document is issued by the City of San Buenaventura to certify the El Portal development t may be legally occupied (the "Completion Date"); provided, however, if a record of the Completion Date cannot be located or established, maturity will be the fifty-seventh anniversary of the date of the note. Annual payments of outstanding principal and accrued interest shall commence June 1 of each year after repayment of the Authority Loan in full for the term, El Portal shall make repayments of outstanding principal and accrued interest on the Loan in an amount equal to the Triad Prorata Percentage of Lenders' Share of Residual Receipts plus one hundred percent of El Portal's share of Residual Receipts. All annual payments shall apply to accrued interest first and second to principal. No interest or principal payments are expected to be collected within the next twelve months. As of September 30, 2020, a total of \$850,000 of this loan has been disbursed.

	<u>\$ 850,000</u>
Total notes receivable	850,000
Less current portion of notes receivable	<u>-</u>
Noncurrent portion of notes receivable	<u><u>\$ 850,000</u></u>

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 5 – LOAN LIABILITY**

The Authority has loan liability in the form of lines of credit accounts as well as a recoverable grant.

The Authority obtained a line of credit account with Montecito Bank & Trust in a previous year that is valued at up to \$1,000,000, accruing interest at 4% per annum through July 31, 2017 and 4.25% thereafter, using the 365/360 interest method, is unsecured, and has a maturity date of August 5, 2019, with plans to extend the line of credit through past fiscal year ending September 30, 2019. Interest is payable monthly, and all principal is payable at maturity, with early repayment of principal being allowed at the Authority's convenience before maturity. During the fiscal year ended September 30, 2020, the Authority disbursed \$1,419 from this line of credit account and repaid no principal. As only \$144,077 in principal is expected to be repaid within the next 12 months, the remainder of the outstanding loan liability amounting to \$828,236 is thus classified as noncurrent liabilities. Interest payments on this line of credit loan liability amounted to \$53,587 for the year ended September 30, 2020. At September 30, 2020, the outstanding loan liability for this line of credit account amounted to \$972,313.

The Authority obtained a line of credit account with Pacific Western Bank in a previous year that is valued at up to \$1,000,000, accruing interest at a variable rate, using the 365/360 interest method, is unsecured, and has a maturity date of January 3, 2020. The interest rate at September 30, 2020 was 6.25% per annum. Interest is payable monthly, and all principal is payable at maturity, with early repayment of principal being allowed at the Authority's convenience before maturity. Prior to the current fiscal year, \$550,276 in disbursements had been made from this line of credit account. During the current fiscal year, the Authority disbursed an additional \$174,160, with the total disbursements to-date of \$724,436 in principal being repaid this year. As of September 30, 2020, this line of credit loan liability was paid in full.

The Authority received a recoverable grant totaling \$102,000 from the Ventura County Community Foundation ("VCCF") in a previous year for the development of the Hansen Trust Farmworker Apartments project. The recoverable grant bears no interest. Per the initial terms of the grant agreement, the recoverable grant was initially going to be repaid to the VCCF by July 31, 2012. However, due to the economic climate in the state and the nation, the development project had been put on hold until this year when the Authority was able to find a buyer, Rancho Verde Ventura, L.P., to purchase the property. As the Authority has now sold this project, they expect to repay this recoverable grant in the next twelve months. As a result, this loan liability is classified as a current liability.

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 6 – NOTES PAYABLE**

Notes payable consists of the following at September 30, 2020:

***Primary Government:***

Note payable to Montecito Bank & Trust originally for \$750,000, accruing simple interest at 3.5% per annum, secured by certain real property located in Ventura, California, maturing June 2043. Principal and interest payments totaling \$3,949.48 are payable monthly. \$16,244 of the remaining outstanding principal is due and payable within the next fiscal year. Interest expense on this note amounted to \$31,997 for the year ended September 30, 2020.	\$ 654,232
Note payable to Montecito Bank & Trust, bearing no interest and has a maturity date of August 2033. Secured by a deed of trust for property located in Ventura County, California. Principal balance is forgivable if the Authority ensures compliance with the terms of the loan agreement and the AHP regulations are maintained. Therefore, this note payable is excluded from the following anticipated aggregated amortization schedule.	1,300,000
Note payable to Montecito Bank & Trust, bearing no interest and has a maturity date of November 2033. Secured by a deed of trust for property located in Ventura County, California. Principal balance is forgivable if the Authority ensures compliance with the terms of the loan agreement and the AHP regulations are maintained. Therefore, this note payable is excluded from the following anticipated aggregated amortization schedule.	276,000
Note payable to Montecito Bank & Trust, bearing no interest and has a maturity date of December 2034. Secured by a deed of trust for property located in Ventura County, California. Principal balance is forgivable if the Authority ensures compliance with the terms of the loan agreement and the AHP regulations are maintained. Therefore, this note payable is excluded from the following anticipated aggregated amortization schedule.	750,000
Note payable to Bandar Properties originally for \$600,000, accruing simple interest from date of disbursement at 5.5% compounded annually, unsecured, maturing October 2044. No principal payments are expected to be made within the next twelve months. Interest expense on this note amounted to \$25,899 for the year ended September 30, 2020.	600,000
	3,580,232
Less current portion	(16,244)
Long-term portion	<u>\$ 3,563,988</u>

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 6 – NOTES PAYABLE (Continued)**

*Component Unit:*

Note payable to the City of San Buenaventura originally for \$184,000, bearing no interest, secured by certain real property located in Ventura, California, due and payable upon the sale of said real property. No payments are expected to be made within the next twelve months.

\$ 184,000

Note payable to Montecito Bank & Trust originally for \$232,500, 6.25% interest rate for the first 120 months with a variable interest rate based on the Federal Reserve H.15 Selected Interest Rates Report plus 2.75% beginning October 2019, secured by certain real property located in Ventura, California, maturing September 2039. Principal and interest payments totaling \$1,445.71 are payable monthly. \$5,751 of the remaining outstanding principal is due and payable within the next fiscal year. Interest expense on this note amounted to \$12,254 for the year ended September 30, 2020.

188,166

Note payable to the City of San Buenaventura originally for \$150,119, bearing no interest or principal payments as long as there is no default on the terms of the loan through the loan maturity date, which is October 30, 2028. If there is a default on the terms of the loan, interest will begin accruing as of the date of default and continue until such time as the loan funds are repaid in full or the default is cured, at the default rate of the lesser of 10%, compounded annually, or the highest rate permitted by law. Also, all outstanding principal will be due immediately upon default. The loan is secured by certain real property located in Ventura, California. No payments are expected to be

150,119

Note payable to the City of San Buenaventura originally for \$164,881, bearing no interest or principal payments as long as there is no default on the terms of the loan through the loan maturity date, which is December 2, 2028. If there is a default on the terms of the loan, interest will begin accruing as of the date of default and continue until such time as the loan funds are repaid in full or the default is cured, at the default rate of the lesser of 10%, compounded annually, or the highest rate permitted by law. Also, all outstanding principal will be due immediately upon default. The loan is secured by certain real property located in Ventura, California. No payments are expected to be

164,881

Note payable to the City of San Buenaventura originally for \$150,000, bearing no interest or principal payments as long as there is no default on the terms of the loan through the loan maturity date, which is June 25, 2029. If there is a default on the terms of the loan, interest will begin accruing as of the date of default and continue until such time as the loan funds are repaid in full or the default is cured, at the default rate of the lesser of 10%, compounded annually, or the highest rate permitted by law. Also, all outstanding principal will be due immediately upon default. The loan is secured by certain real property located in Ventura, California. No payments are expected to be made within the next twelve months.

150,000

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
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**NOTE 6 – NOTES PAYABLE (Continued)**

Note payable to the primary government, Housing Authority of the City of San Buenaventura, originally for \$2,551,766, bearing no interest, secured by certain real property located in the Ventura, California, annual payments based on residual receipts of the project as defined in the loan agreement, maturing October 2057. \$46,500 of the remaining outstanding principal is due and payable within the next fiscal year.

	1,150,641
	1,987,807
Less current portion	(52,251)
Noncurrent portion	<u>\$ 1,935,556</u>

The anticipated aggregated maturities of these notes payable for the years subsequent to September 30, 2020, excluding the three previously mentioned primary government forgivable AHP notes totaling \$2,326,000, are as follows:

	Primary Government			Component Unit		
	Principal	Interest	Total	Principal	Interest	Total
2021	16,244	57,071	73,315	52,251	11,598	63,849
2022	17,044	56,248	73,292	52,621	11,228	63,849
2023	17,884	55,311	73,195	53,015	10,834	63,849
2024	18,684	54,335	73,019	53,434	10,415	63,849
2025	19,684	53,077	72,761	53,880	9,969	63,849
2026-2030	612,053	348,052	960,105	742,160	42,083	784,243
2031-2035	242,429	199,940	442,369	293,493	25,751	319,244
2036-2040	185,370	58,986	244,356	282,314	5,231	287,545
2041-2045	124,840	9,556	134,396	220,639	-	220,639
2046 and thereafter	-	-	-	184,000	-	184,000
Total	<u>\$ 1,254,232</u>	<u>\$ 892,576</u>	<u>\$ 2,146,808</u>	<u>\$ 1,987,807</u>	<u>\$ 127,109</u>	<u>\$ 2,114,916</u>

**NOTE 7 – NONCURRENT LIABILITIES**

Noncurrent liabilities at September 30, 2020 consisted of the following:

	Primary Government				
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	\$ 249,961	\$ 232,231	\$ 204,728	\$ 277,464	\$ 27,747
Notes payable	4,245,629	750,000	1,415,397	3,580,232	16,244
Loan liability	1,623,170	175,579	724,436	1,074,313	246,077
Net pension liability	8,137,079	1,863,878	1,260,908	8,740,049	-
FSS escrowed liability	433,318	23,533	75,564	381,287	-
Total long-term liabilities	<u>\$ 14,689,157</u>	<u>\$ 3,045,221</u>	<u>\$ 3,681,033</u>	<u>\$ 14,053,345</u>	<u>\$ 290,068</u>

	Component Unit				
	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	\$ 5,360	\$ 2,388	\$ 3,452	\$ 4,296	\$ 430
Notes payable	4,839,710	-	2,851,903	1,987,807	52,251
Total long-term liabilities	<u>\$ 4,845,070</u>	<u>\$ 2,388</u>	<u>\$ 2,855,355</u>	<u>\$ 1,992,103</u>	<u>\$ 52,681</u>



HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 8 – PENSION PLANS**

**CalPERS Defined Benefit Plan**

**A. General Information about the Pension Plans**

**Plan Descriptions** – All qualified permanent and probationary employees are eligible to participate in the Authority’s Miscellaneous Employee Pension Plan, a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and Authority resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**Benefits Provided** – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1959 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

The Plan’s provisions and benefits in effect at September 30, 2020, are summarized as follows:

	Miscellaneous Rate Plan		
	Prior to April 5, 2008	On or after April 5, 2008 but prior to January 1, 2013	On or after January 1, 2013
Hire date			
Benefit tier	Tier 1	Tier 2	Tier 3
Benefit formula	2.7% @ 55	2.0% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50 - 55	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.00% to 2.700%	1.092% to 2.418%	1.000% to 2.500%
Required employee contribution rates	8.00%	7.00%	6.25%
Required employer contribution rates	15.202%	8.794%	7.732%

**Contributions** – Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer (the Authority) is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. For the year ended September 30, 2020, employer contributions to the Plan were \$928,986, which included a lump-sum payment of \$562,351 on top of the required employer contributions of \$366,635. Employee contributions to the Plan for the year ended September 30, 2020 were \$281,243. The Authority’s required contribution rates at September 30, 2020 were determined as part of the actuarial valuation as of June 30, 2018.

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 8 – PENSION PLANS (Continued)**

***B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions***

As of September 30, 2020, the Authority reported \$8,740,049 in net pension liability for its proportionate share of the net pension liability of the Plan.

The Authority's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2020, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Authority's proportionate share of the net pension liability for the Plan as of June 30, 2019 and 2020 was 0.2032% and 0.2072%, respectively. This constitutes a year-over-year increase of 0.0040%.

The Plan had changes in benefit terms that affected measurement of the total pension liability since the prior measurement date. These changes in benefit terms increased net pension liability by \$602,970.

For the year ended September 30, 2020, the Authority recognized pension expense of \$982,965. At September 30, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 450,401	\$ -
Changes of assumptions	-	62,338
Net difference between projected and actual earnings on pension plan investments	259,637	-
Changes in proportion	170,875	23,784
Differences between Authority contributions and proportionate share of contributions	-	144,774
Authority contributions subsequent to the measurement date	669,664	-
Total	<u>\$ 1,550,577</u>	<u>\$ 230,896</u>

\$450,401 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<b>Year ended September 30:</b>	
2021	67,779
2022	255,904
2023	201,805
2024	124,529
2025	-
Thereafter	-

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 8 – PENSION PLANS (Continued)**

**Actuarial Assumptions** – The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous Rate Plan
Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.15%
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

(1) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2019 valuation were based on the results of a December 2017 experience study for the period from June 30, 1997 through June 30, 2015, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study report can found on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov) under Forms and Publications.

**Discount Rate** – The discount rate used to measure the total pension liability was 7.15 percent. This discount rate is not adjusted for administrative expenses. Fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return for the pension plan investments were applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the Public Employees Retirement Funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set to equal the single equivalent rate and adjusted to account for assumed administrative expenses.

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
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**NOTE 8 – PENSION PLANS (Continued)**

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate.

<u>Asset Class (1)</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 - 10 (2)</u>	<u>Real Return Years 11+ (3)</u>
Global Equity	50%	4.80%	5.98%
Fixed Income	28%	1.00%	2.62%
Inflation Assets	0%	0.77%	1.81%
Private Equity	8%	6.30%	7.23%
Real Estate	13%	3.75%	4.93%
Liquidity	1%	0.00%	-0.92%
Total	100%		

(1) In the CalPERS' CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities & Global Debt Securities

(2) An expected inflation of 2.00% used for this period.

(3) An expected inflation of 2.92% used for this period.

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** – The following presents the Authority's proportionate share of the net pension liability for the Miscellaneous Rate Plan, calculated using the discount rate for this Plan, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>1% Decrease (6.15%)</u>	<u>Discount Rate (7.15%)</u>	<u>1% Increase (8.15%)</u>
Authority's proportionate share of the net pension liability	\$ 12,678,468	\$ 8,740,049	\$ 5,485,857

**Pension Plan Fiduciary Net Position** – Detailed information about the Miscellaneous Rate Pension Plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**CalPERS/VOYA Deferred Compensation 457(b) Benefit Plan**

The Authority has a Deferred Compensation 457(b) benefit plan with CalPERS/VOYA, Inc. for its employees, which are administered by CalPERS. The plan was adopted by the Board of Commissioners on June 15, 1977. This plan has since been converted to the CalPERS/VOYA Deferred Compensation plan on July 31, 2009. Only the Board has the authority to approve any amendments to the plan. In a deferred compensation plan, benefits depend solely on amounts contributed to the plan by the individual employee. Employees are eligible for the plan on their date of hire and are not required to participate in the plan. The Authority does not contribute to this plan. During the past year, the total contributions made by the Authority's employees to the plan were approximately \$250,000. Employees, through salary deductions, can contribute up to the IRC 402(g) limit, which has been determined to be \$18,500 for 2018. Employees age 50 and over may contribute \$24,500 and participants eligible for the Special Catch-Up provision may contribute \$37,000.

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**NOTE 9 – OPERATING LEASES**

The Authority leases office space for its Housing Choice Voucher program from Chapel Lane, LP. The lease is for a period of 30 years, commencing December 1, 2005, with two subsequent 20-year renewal options and requires annual lease payments of \$83,000. The required future minimum lease payments for the years ending September 30 are as follows:

2021	\$ 83,000
2022	83,000
2023	83,000
2024	83,000
2025	83,000
2026-2030	415,000
2031-2034	311,251
Total	<u>\$ 1,141,251</u>

**NOTE 10 – RISK MANAGEMENT**

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Authority has mitigated this risk by obtaining insurance coverage from commercial insurance companies. Premiums paid for insurance coverage are recorded as expenses of the funds affected. The various insurance policies are subject to deductible amounts and maximum coverages. If the deductibles and maximums are exceeded, this could cause the Authority to suffer losses if a loss is incurred from any such incidents. The ultimate outcome of uninsured losses cannot presently be determined, and no provision for any liability that may result, if any, has been made in the financial statements. During the current year and the prior three years, settled claims have not exceeded coverage levels, and insurance coverage, by major categories of risk, is consistent with prior year.

**NOTE 11 – CONCENTRATION OF RISK**

The Authority receives most of its funding from HUD. These funds and grants are subject to modification by HUD depending on availability of funding.

**NOTE 12 – TRANSACTIONS WITH DISCRETELY PRESENTED COMPONENT UNIT**

The Authority acts as the managing agent for housing units owned by Triad Properties (“Triad”). All receipts and disbursements of the entity are administered by the Authority. The Authority charges Triad certain agreed upon management fees for time and services rendered by the Authority while managing Triad’s operations. Total management fees charged to Triad by the Authority for the fiscal year ended September 30, 2020 amounted to approximately \$18,600. The Authority also incurs certain direct costs on behalf of Triad and is later reimbursed by Triad. The total amount of such costs incurred by the Authority on behalf of Triad for the fiscal year ended September 30, 2020 amounted to approximately \$83,341. These management fees and costs incurred by the Authority on behalf of Triad are included in expenses on the face of the Statement of Revenues, Expenses, and Changes in Fund Net Position. At fiscal year ended September 30, 2020, Triad did not owe the Authority for any unpaid management fees and/or unreimbursed costs incurred by the Authority on behalf of Triad.

Triad also receives Housing Assistance Payments (HAP) from the Authority’s Housing Choice Voucher program. During the year ended September 30, 2020, Triad recognized approximately \$277,646 in HAP from the Authority. This Authority cost is included in the Authority’s housing assistance payments and the Triad benefit is included in Triad’s rental income on the face of the Statement of Revenues, Expenses, and Changes in Fund Net Position.

Triad also holds a note payable due to the Authority in the amount of \$1,150,641 (*see Note 6 – Notes Payable*) at September 30, 2020 for the acquisition of affordable housing property in a prior year. This Authority receivable is included in the Authority’s current and noncurrent notes and mortgages receivable and the Triad payable is included in Triad’s current and noncurrent notes payable on the face of the Statement of Net Position. This Triad note payable was \$1,197,141 at September 30, 2019, but Triad repaid \$46,500 in debt principal this year, and plans to pay another \$46,500 next year.

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
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**NOTE 13 – AFFILIATED ORGANIZATIONS**

The affiliations mentioned below do not meet the criteria under GASB 61, for the inclusion in the reporting entity of the Authority.

*Chapel Lane, L.P. (Chapel Lane)*

The Authority provides services to Chapel Lane, L.P., a California Limited Partnership who owns and operates a 38-unit senior housing complex. The Authority has an agreement with Chapel Lane to provide management and accounting services for an annual fee and the Authority's blended component unit, Homecomings Inc., is the general partner with a .01% ownership interest. In addition, the Authority makes certain advances for operating expenses incurred by Chapel Lane. For the fiscal year ended September 30, 2020, the Authority and Homecomings, Inc. recognized approximately \$65,000 in partnership management fees and approximately \$5,000 in community service payroll fees, all of which is included in other revenues on the face of the Statement of Revenues, Expenses and Changes in Fund Net Position. As of September 30, 2020, Chapel Lane owes the Authority and Homecomings, Inc. approximately \$25,000 in outstanding partnership management fees and unreimbursed expenses incurred by the Authority on its behalf. These receivables are included in due from other governments and miscellaneous receivable on the face of the Statement of Net Position.

Other transactions between the Authority and Chapel Lane include the Authority leasing office space from Chapel Lane. The Authority leases this office space for their Housing Choice Voucher program operations (*see Note 9 - Operating Leases*). This expense, amounting to \$83,000 for the fiscal year ended September 30, 2020 is included in administration expense on the face of the Statement of Revenues, Expenses, and Changes in Fund Net Position.

Chapel Lane also receives Housing Assistance Payments (HAP) from the Authority's Housing Choice Voucher program. During the year ended September 30, 2020, Chapel Lane recognized approximately \$463,400 in HAP from the Authority, which is included in housing assistance payments on the face of the Statement of Revenues, Expenses, and Changes in Fund Net Position.

Lastly, Chapel Lane, in accordance with the terms of the Limited Partnership Agreement, is required to transfer to the Authority's Hansen Trust Fund Account 66.67% of any available residual receipts. During the fiscal year ended September 30, 2020, Chapel Lane transferred approximately \$153,000 2019 residual receipts to the Authority's Hansen Trust Fund Account, which is included in other revenues on the face of the Statement of Revenues, Expenses and Changes in Fund Net Position.

*Soho Associates, L.P. (Soho)*

The Authority is the developer and management agent for Soho Associates, L.P., a California Limited Partnership formed for the purpose of developing, operating and managing a rental housing project. The project consists of a 12-unit residential rental property consisting of multifamily affordable housing located in Ventura, California. Homecomings, Inc. is the sole member of Soho Housing, LLC who is the general partner with a .01% ownership interest in the limited partnership. The project was completed and full occupancy was reached in September 2011. During the year, the Authority and Homecomings, Inc. recognized approximately \$22,000 in partnership management fees, which is included in other revenues on the face of the Statement of Revenues, Expenses and Changes in Fund Net Position. At September 30, 2020, Soho owes the Authority and Homecomings, Inc. approximately \$33,000 in outstanding partnership management fees and unreimbursed expenses incurred by the Authority on its behalf, which is included in due from other governments and miscellaneous receivable on the face of the Statement of Net Position.

As of the year-ended September 30, 2020, Soho owes the Authority \$1,186,724 in the form of two notes payable and accrued interest in the amount of \$165,805 (*see Note 4 – Notes and Mortgages Receivable*), which is included in notes and mortgages receivable, net of current on the face of the Statement of Net Position.

Soho also receives Housing Assistance Payments (HAP) from the Authority's Housing Choice Voucher program. During the year ended September 30, 2020, Soho recognized approximately \$172,000 in HAP from the Authority, which is included in housing assistance payments on the face of the Statement of Revenues, Expenses, and Changes in Fund Net Position.

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
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**NOTE 13 – AFFILIATED ORGANIZATIONS (Continued)**

*Encanto Del Mar Apartments, L.P. (Encanto)*

The Authority is the developer and management agent for Encanto Del Mar Apartments, L.P., a California Limited Partnership formed for the purpose of developing, operating and managing a rental housing project. The project consists of a 37-unit 9% tax credit, affordable housing development located in Ventura, California. Homecomings, Inc is the sole member of Encanto Del Mar Apartments, LLC who is the general partner with a .01% ownership interest in the limited partnership. The project construction was finalized in December 2012. During the year, the Authority recognized approximately \$39,000 in developer fees and approximately \$10,000 in community service payroll fees, and the Authority and Homecomings, Inc. recognized approximately \$45,000 in partnership management fees, all of which is included in other revenues on the face of the Statement of Revenues, Expenses, and Changes in Fund Net Position. At September 30, 2020, Encanto owes the Authority and Homecomings Inc. approximately \$37,000 in outstanding partnership management fees and unreimbursed expenses incurred by the Authority on its behalf, which is included in due from other governments and miscellaneous receivable on the face of the Statement of Net Position. The Authority also has certain compliance monitoring responsibilities as it relates to this development (*see Note 15(B) – Commitments and Contingencies*).

Encanto also receives Housing Assistance Payments (HAP) from the Authority's Housing Choice Voucher program. During the year ended September 30, 2020, Encanto recognized approximately \$80,000 in HAP from the Authority, which is included in housing assistance payments on the face of the Statement of Revenues, Expenses, and Changes in Fund Net Position.

*Vista Del Mar Commons, L.P. (Vista Del Mar)*

The Authority is the developer and management agent for Vista Del Mar Commons, L.P., a California Limited Partnership formed for the purpose of developing, operating and managing a rental housing project. The project consists of a 140-unit 9% tax credit, Rental Assistance Demonstration (RAD) project located in Ventura, California. The project also includes 2 program/office units. Homecomings, Inc. is the sole member of Vista Del Mar Commons, LLC who is the general partner with a .01% ownership interest in the limited partnership. The construction loan closed January 2014. Construction began February 2014, was fully leased as of December 31, 2014, and construction was completed in April 2015. During the year, the Authority recognized approximately \$10,000 in community service payroll fees, and the Authority and Homecomings, Inc. recognized approximately \$126,000 in partnership management fees, all of which are included in other revenues on the face of the Statement of Revenues, Expenses, and Changes in Fund Net Position. At September 30, 2020, Vista Del Mar owes the Authority and Homecomings, Inc. approximately \$34,000 for outstanding partnership management fees and unreimbursed expenses incurred by the Authority on its behalf, which is included in due from other governments and miscellaneous receivable on the face of the Statement of Net Position.

As of the year-ended September 30, 2020, Vista Del Mar owes the Authority \$15,088,087 in the form of a note payable (*see Note 4 – Notes and Mortgages Receivable*), which is included in notes and mortgages receivable, net of current and accrued interest receivable, noncurrent, respectively, on the face of the Statement of Net Position. This note payable, along with \$700,000 in cash, was given to the Authority in a prior year as consideration for the affordable housing property that the Authority sold to Vista Del Mar.

Vista Del Mar also receives Housing Assistance Payments (HAP) from the Authority's Housing Choice Voucher program. During the year ended September 30, 2020, Vista Del Mar recognized approximately \$603,000 in HAP from the Authority, which is included in housing assistance payments on the face of the Statement of Revenues, Expenses, and Changes in Fund Net Position.

*Johnson Gardens, L.P. (Johnson Gardens)*

The Authority is the developer and management agent for Johnson Gardens, L.P., a California Limited Partnership formed for the purpose of developing, operating and managing a rental housing project. The project consists of a 99-unit 4% tax credit, Rental Assistance Demonstration (RAD) senior/disabled project located in Ventura, California. The project also includes two management units. Homecomings, Inc. is the sole member of Johnson Gardens, LLC who is the general partner with a .01% ownership interest in the limited partnership. The construction loan closed June 2015 and construction began shortly thereafter. Construction was completed on March 28, 2016 and the units are fully occupied. During the year, the Authority recognized approximately \$8,000 in community service payroll fees, and the Authority and Homecomings, Inc. recognized approximately \$81,000 in partnership management fees, all of which are included in other revenues on the face of the Statement of Revenues, Expenses, and Changes in Fund Net Position. At September 30, 2020, Johnson Garden owes the Authority and Homecomings, Inc. approximately \$23,000 for outstanding partnership management fees and unreimbursed expenses incurred by the Authority on its behalf, which is included in due from other governments and miscellaneous receivable on the face of the Statement of Net Position.

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
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**NOTE 13 – AFFILIATED ORGANIZATIONS (Continued)**

As of the year-ended September 30, 2020, Johnson Gardens owes the Authority \$19,250,000 in the form of two notes payable and accrued interest in the amount of \$338,353 (*see Note 4 – Notes and Mortgages Receivable*), which is included in notes and mortgages receivable, net of current and accrued interest receivable, current and noncurrent, respectively, on the face of the Statement of Net Position. These notes payables, along with \$300,000 in cash, were given to the Authority in a prior year as consideration for the affordable housing property that the Authority sold to Johnson Gardens.

Johnson Gardens also receives Housing Assistance Payments (HAP) from the Authority's Housing Choice Voucher program. During the year ended September 30, 2020, Johnson Gardens recognized approximately \$333,000 in HAP from the Authority, which is included in housing assistance payments on the face of the Statement of Revenues, Expenses, and Changes in Fund Net Position.

*Castillo del Sol Apartments, L.P. (Castillo del Sol)*

The Authority is the developer and management agent for Castillo del Sol Apartments, L.P., a California Limited Partnership formed for the purpose of developing, operating and managing a rental housing project. The project consists of a 39-unit 9% tax credit, affordable housing project for people with special needs located in Ventura, California. The project also includes one 2-bedroom Manager apartment. Homecomings, Inc. is the sole member of Castillo del Sol, LLC who is the managing general partner with a .01% ownership interest in the limited partnership. The construction loan closed in December 2014. Construction on the project also began in December 2014. Construction was completed in January 2016 with full occupancy by January 31, 2016. During the year, the Authority recognized approximately \$3,000 in community service payroll fees, and the Authority and Homecomings, Inc. recognized approximately \$73,000 in partnership management fees, all of which are included in other revenues on the face of the Statement of Revenues, Expenses, and Changes in Fund Net Position. At September 30, 2020, Castillo del Sol owes the Authority and Homecomings, Inc. approximately \$14,000 for outstanding partnership management fees and unreimbursed expenses incurred by the Authority on its behalf, which is included in due from other governments and miscellaneous receivable on the face of the Statement of Net Position.

As of the year-ended September 30, 2020, Castillo del Sol owes the Authority \$1,200,000 in the form of two notes payable and accrued interest in the amount of \$69,323 (*see Note 4 – Notes and Mortgages Receivable*), which is included in notes and mortgages receivable, net of current and accrued interest receivable, current, respectively, on the face of the Statement of Net Position. These notes payables were issued to the Authority in a prior year as consideration for the affordable housing property that the Authority sold to Castillo del Sol.

Castillo del Sol also receives Housing Assistance Payments (HAP) from the Authority's Housing Choice Voucher program. During the year ended September 30, 2020, Castillo del Sol recognized approximately \$410,000 in HAP from the Authority, which is included in housing assistance payments on the face of the Statement of Revenues, Expenses, and Changes in Fund Net Position.

*Buena Vida, L.P. (Buena Vida)*

The Authority is the developer and management agent for Buena Vida, L.P., a California Limited Partnership formed for the purpose of developing, operating and managing a rental housing project. The project consists of a 95-unit 4% tax credit, Rental Assistance Demonstration (RAD) project, of which 75 units are designated for elderly persons, located in Ventura, California. Homecomings, Inc. is the sole member of Buena Vida, LLC who is the managing general partner with a .01% ownership interest in the limited partnership. The construction loan closed in August 2016 by and between Buena Vida and Citibank, N.A. in the amount of \$20,000,000. Construction on the project began in September 2016 and was completed in September 2017 with full occupancy by September 30, 2017. This loan is guaranteed by the Authority (*see Note 15(C) – Commitments and Contingencies*). During the year, the Authority recognized approximately \$642,000 in developer fees and \$8,000 in community service payroll fees, and the Authority and Homecomings, Inc. recognized approximately \$93,000 in partnership management fees, all of which are included in other revenues on the face of the Statement of Revenues, Expenses, and Changes in Fund Net Position. At September 30, 2020, Buena Vida owes the Authority and Homecomings, Inc. approximately \$46,000 for unreimbursed pre-development expenses incurred by the Authority on its behalf and for outstanding partnership management fees. These balances are included in due from other governments and miscellaneous receivable on the face of the Statement of Net Position.

As of the year-ended September 30, 2020, Buena Vida owes the Authority \$23,989,993 in the form of two notes payable (*see Note 4 – Notes and Mortgages Receivable*), which is included in notes and mortgages receivable, net of current on the face of the Statement of Net Position. These notes payables, along with \$910,007 in cash and a transfer of \$66,648 in liabilities from the Authority to Buena Vida, were given to the Authority in a prior year as consideration for the affordable housing property that the Authority sold to Buena Vida.



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**NOTE 13 – AFFILIATED ORGANIZATIONS (Continued)**

Buena Vida also receives Housing Assistance Payments (HAP) from the Authority's Housing Choice Voucher program. During the year ended September 30, 2020, Buena Vida recognized approximately \$378,000 in HAP from the Authority, which is included in housing assistance payments on the face of the Statement of Revenues, Expenses, and Changes in Fund Net Position.

*Villages at Westview I, L.P. (Villages at Westview I)*

The Authority is the developer and management agent for Villages at Westview I, L.P., a California Limited Partnership formed for the purpose of developing, operating and managing a rental housing project. The project consists of a 130-unit 4% tax credit, Rental Assistance Demonstration (RAD) project, located in Ventura, California. The project also includes one additional 2-bedroom Manager apartment. Homecomings, Inc. is the sole member of Villages at Westview I, LLC who is the managing general partner with a .01% ownership interest in the limited partnership. The construction loan closed in December 2016 by and between Villages at Westview I and Citibank, N.A. in the amount of \$39,700,000. Demolition and subsequent construction on the project began in early 2017 and is currently ongoing. This loan is guaranteed by the Authority (*see Note 15(D) – Commitments and Contingencies*).

As of the year-ended September 30, 2020, Villages at Westview I owes the Authority \$11,773,596 in the form of three notes payable (*see Note 4 – Notes and Mortgages Receivable*), which is included in notes and mortgages receivable, net of current on the face of the Statement of Net Position. These notes payables, along with \$1,334,073 in cash received as reimbursement of pre-development expenses previously paid for by the Authority on behalf of Villages at Westview I, were given to the Authority in consideration for the affordable housing property that the Authority sold to Villages at Westview I in a prior year.

Villages at Westview I also receive Housing Assistance Payments (HAP) from the Authority's Housing Choice Voucher Program. During the year ended September 30, 2020, Villages at Westview I recognized approximately \$1,553,000 in HAP from the Authority, which is included in housing assistance payments on the face of the Statement of Revenues, Expenses, and Changes in Fund Net Position.

*Rancho Verde Ventura, L.P. (Rancho Verde)*

The Authority is the developer for Rancho Verde Ventura, L.P., a California Limited Partnership formed for the purpose of developing, operating and managing a rental housing project. The project consists of a 24-unit 9% tax credit, farm worker housing project, located in Ventura, California. Homecomings, Inc. is the sole member of Rancho Verde, LLC who is the managing general partner with a .01% ownership interest in the limited partnership. The construction loan closed in March 2018 by and between Rancho Verde and Wells Fargo Bank, National Association in the amount of \$9,254,551. The project is currently in construction and is expected to be completed in May 2019. This loan is guaranteed by the Authority and Homecomings, Inc. (*see Note 15(E) – Commitments and Contingencies*).

The Authority has to date incurred \$1,271,555 in pre-development expenses for costs paid by the Authority on behalf of Rancho Verde. A portion of these pre-development expenses were paid for by the Authority via a \$102,000 loan that was received from the Ventura County Community Foundation in a prior year. This loan is included in loan liability, current portion on the face of the Statement of Net Position. These predevelopment costs, along with land donated by the University of California to the Authority for use in the construction of this project with a fair market value of \$1,600,000, were sold to Rancho Verde Ventura, L.P. in March 2018. In return, Rancho Verde Ventura, L.P. paid the Authority \$431,555 in cash and owes the Authority \$2,393,346 in the form of three notes payable (*see Note 4 – Notes and Mortgages Receivable*), which is included in notes and mortgages receivable, net of current on the face of the Statement of Net Position.

*Snapdragon II, L.P. (Snapdragon II)*

As of September 30, 2020, the Authority is the 99.98% initial limited partner, co-developer and management agent for Snapdragon II, L.P., a California Limited Partnership formed for the purpose of developing, operating and managing Phase 2 of Snapdragon Place, a Cabrillo Economic Development Corporation rental housing project. Phase 2 of this project consists of a 22-unit affordable housing project for people located in Ventura County, California, and has a joint use agreement with Phase 1 to use the community center and parking on that site. The Authority is also effectively a .01% Special Limited Partner in the limited partnership as the sole member of Homecomings, Inc. Project funding includes City of Ventura HOME funds and California Department of Housing and Community Development (HCD) Supportive Housing Multifamily Housing Program (SHMHP) funds. The project received a 9% tax credit allocation in the second round of 2017. Construction began in March 2018 and was completed in October 2019. The project includes four apartments for homeless veterans and seven apartments for other homeless households, with the Authority committing 4 VASH vouchers and 17 other Section 8 vouchers to the project. The agreement for the Authority to provide management and professional services on behalf of Snapdragon II was subsequently terminated in November 2020. The Authority does not expect to remain the limited partner as it is expected that they will assign their interests to another investor entity once the tax credits have been allocated.

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**NOTE 13 – AFFILIATED ORGANIZATIONS (Continued)**

During the year, the Authority recognized approximately \$46,000 in partnership management fees, all of which are included in other revenues on the face of the Statement of Revenues, Expenses, and Changes in Fund Net Position. At September 30, 2020, Snapdragon II owes the Authority and Homecomings, Inc. approximately \$15,000 for outstanding partnership management fees and unreimbursed expenses incurred by the Authority on its behalf, which is included in due from other governments and miscellaneous receivable on the face of the Statement of Net Position.

Snapdragon II also receives Housing Assistance Payments (HAP) from the Authority's Housing Choice Voucher program. During the year ended September 30, 2020, Snapdragon recognized approximately 387,000 in HAP from the Authority, which is included in housing assistance payments on the face of the Statement of Revenues, Expenses, and Changes in Fund Net Position.

*Willett Ranch, L.P. (Willett Ranch)*

The Authority is the developer and management agent for Willett Ranch, L.P., a California Limited Partnership formed for the purpose of developing, operating and managing a rental housing project. The project consists of a 50-unit 4% tax credit, affordable housing project for people located in Ventura County, California. Homecomings, Inc. is the sole member of Willett Ranch, LLC, who is the managing general partner with a .01% ownership interest in the limited partnership. Construction is being financed via a loan of \$8,370,651 from the California Department of Housing and Community Development (HCD) National Housing Trust Fund (NHTF), tax-exempt bonds and 4% tax credit financing. The construction loan closed in January 2020 by and between Willett Ranch and Wells Fargo, N.A. in the amount of \$20,922,000. This loan is guaranteed by the Authority (*see Note 15(G) – Commitments and Contingencies*). Construction on the project began in January 2020 and is on schedule. During the year, the Authority recognized \$700,000 in developer fees which are included in other revenues on the face of the Statement of Revenues, Expenses, and Changes in Fund Net Position.

During the year-ended September 30, 2020, the Authority sold the project's land and building improvements to Willett Ranch in exchange for \$1,168,475 in cash proceeds and Willett Ranch's payoff of an Authority note payable of \$1,400,000.

As of the year-ended September 30, 2020, Willett Ranch owes the Authority \$750,000 in the form of a note payable (*see Note 4 – Notes and Mortgages Receivable*), which is included in notes and mortgages receivable, net of current on the face of the Statement of Net Position.

*El Portal Ventura, L.P. (El Portal)*

The Authority is the developer and management agent for El Portal Ventura, L.P., a California Limited Partnership formed for the purpose of developing, operating and managing a rental housing project. The project consists of a 28-unit and one manager's unit 9% tax credit located in Ventura County, California. Homecomings, Inc. is the sole member of El Portal Ventura, LLC, who is the managing general partner with a .01% ownership interest in the limited partnership. The construction loan closed in April 2020 by and between El Portal and Montecito Bank & Trust in the amount of \$10,728,000. Construction on the project began in April 2020 and was completed in February 2021 with full occupancy expected by May 2021. During the year, the Authority recognized approximately \$8,000 in partnership management fees, all of which are included in other revenues on the face of the Statement of Revenues, Expenses, and Changes in Fund Net Position. At September 30, 2020, El Portal owes the Authority and Homecomings, Inc. approximately \$55,000 for unreimbursed pre-development expenses incurred by the Authority on its behalf and for outstanding partnership management fees. These balances are included in due from other governments and miscellaneous receivable on the face of the Statement of Net Position.

During the year-ended September 30, 2020, Triad Properties sold the project's building improvements to El Portal in exchange for \$800,000 in cash proceeds, the taking on of \$20,990 in remaining Triad liabilities related to the El Portal property development, and El Portal's payoff of Triad's \$700,000 note payable owed to Ventura County Housing Trust Fund and their \$2,100,000 note payable owed to Montecito Bank & Trust.

As of the year-ended September 30, 2020, El Portal owes the Authority \$420,000 and Triad \$850,000 in the form of two notes payable (*see Note 4 – Notes and Mortgages Receivable*), which are included in notes and mortgages receivable, net of current on the face of the Statement of Net Position for the Authority and Triad, respectively.

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
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**NOTE 13 – AFFILIATED ORGANIZATIONS (Continued)**

*Villages at Westview III, L.P. (Villages at Westview III)*

The Authority is the developer and management agent for Villages at Westview III, L.P., a California Limited Partnership formed for the purpose of developing, operating and managing a rental housing project. The project consists of a 105-unit 4% tax credit, Rental Assistance Demonstration (RAD) multifamily affordable housing project, as well as a community center, all located in Ventura, California. Homecomings, Inc. is the sole member of Villages at Westview III, LLC, who is the managing general partner with a .01% ownership interest in the limited partnership. The project is funded with 4% tax credits, tax-exempt bond financing, deferred developer fees, and grants and loans from the California Affordable Housing and Sustainable Communities (AHSC) Program, the Housing Authority, and Homecomings, Inc. The construction loans closed in September 2020 by and between Villages at Westview III and JPMorgan Chase Bank, N.A. and CIT Bank, N.A. in the aggregate amount of \$48,625,069. Demolition and subsequent construction on the project began in September 2020 with a target completion date of September 2022. The construction loan is guaranteed by the Authority (*see Note 15(F) – Commitments and Contingencies*). During the year, the Authority recognized approximately \$508,000 in developer fees all of which are included in other revenues on the face of the Statement of Revenues, Expenses, and Changes in Fund Net Position.

At September 30, 2020, Villages at Westview III owes the Authority \$100,000 for a performance deposit paid by the Authority on Villages at Westview III's behalf. This balance is included in due from other governments and miscellaneous receivable on the face of the Statement of Net Position.

During the year-ended September 30, 2020, the Authority sold the project's land and building improvements to Villages at Westview III in exchange for a \$6,379,630 loan in the form of a note payable (*see Note 4 – Notes and Mortgages Receivable*), which is included in notes and mortgages receivable, net of current on the face of the Statement of Net Position, as well as \$2,016,787 in cash proceeds for reimbursement of building improvement costs incurred previously by the Authority.

**NOTE 14 – BLENDED COMPONENT UNITS**

Condensed combining information for the Authority's blended component units, Homecomings, Inc. and Cocina Sin Fronteras, for the year ended September 30, 2020 is presented as follows:

**CONDENSED STATEMENT OF NET POSITION**  
**September 30, 2020**

	Homecomings, Inc.	Cocina Sin Fronteras
<b>ASSETS</b>		
Current assets	\$ 198,936	\$ 101,408
Noncurrent assets	-	-
Total assets	198,936	101,408
<b>LIABILITIES</b>		
Current liabilities	-	8,048
Noncurrent liabilities	-	-
Total liabilities	-	8,048
<b>NET POSITION</b>		
Unrestricted	198,936	93,360
Total net position	\$ 198,936	\$ 93,360

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED SEPTEMBER 30, 2020

**NOTE 14 – BLENDED COMPONENT UNITS (Continued)**

**CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**September 30, 2020**

	Homecomings, Inc.	Cocina Sin Fronteras
<b>OPERATING REVENUES (EXPENSES)</b>		
Operating revenues	\$ 145,880	\$ 6,732
Operating expenses	<u>(71,528)</u>	<u>(46,547)</u>
Operating income (loss)	74,352	(39,815)
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Nonoperating revenues	-	106
Nonoperating expenses	<u>-</u>	<u>-</u>
Income (loss) before transfers	74,352	(39,709)
Operating transfers from primary government	<u>-</u>	<u>20,747</u>
Change in net position	74,352	(18,962)
Total net position - beginning of the year	<u>124,584</u>	<u>112,322</u>
Total net position - end of the year	<u><u>\$ 198,936</u></u>	<u><u>\$ 93,360</u></u>

**CONDENSED STATEMENT OF CASH FLOWS**  
**September 30, 2020**

	Homecomings, Inc.	Cocina Sin Fronteras
<b>NET CASH PROVIDED (USED) BY:</b>		
Operating activities	\$ (88)	\$ (11,020)
Capital and related financing activities	-	-
Non-capital and related financing activities	-	-
Investing activities	<u>-</u>	<u>106</u>
Net increase (decrease) in cash and cash equivalents	(88)	(10,914)
Cash balances - beginning of the year	<u>19,171</u>	<u>112,322</u>
Cash balances - end of the year	<u><u>\$ 19,083</u></u>	<u><u>\$ 101,408</u></u>

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED SEPTEMBER 30, 2020

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**NOTE 15 – COMMITMENTS AND CONTINGENCIES**

**A. Grants**

Amounts received or receivable from HUD are subject to audit and adjustment by grantor agencies. If expenses are disallowed as a result of these audits, the claims for reimbursement to the grantor agency would become a liability of the Authority. In the opinion of management, any such adjustments would not be significant.

**B. NSP-R Program Loan Guarantee**

In connection with the development of the Encanto Del Mar Apartments affordable housing project, permanent financing was obtained from various sources, including a \$9.4 million Neighborhood Stabilization Program (NSP-R) loan from the Department of Housing and Community Development of the State of California (the “Department”) and an NSP 1 grant award from the County of Ventura in the amount of \$443,636. The loans are the obligation of the Encanto Del Mar Apartments, L.P. (the “Borrower”). However, for the NSP-R loan, the Authority is listed as the sponsor organization – as defined in the loan agreements – and has ultimate responsibility to ensure compliance with the terms and conditions of the program for the life of this loan. As the sponsoring organization, the Authority is subject to the same liability as the Borrower if it fails to ensure compliance. Therefore, the outstanding balance of the NSP-R loan is included in the Authority’s Schedule of Expenditures of Federal Awards (SEFA) (*see SEFA Note 3 – NSP-R Program Loan*). The outstanding loan balance and related transactions are included in the financial statements of the Borrower.

**C. Multifamily Housing Revenue Note (Buena Vida Apartments) 2016 Series A Loan Guarantee**

In connection with the development of the Buena Vida Apartments affordable housing project, a loan (the Funding Loan) with a maximum amount of \$20,000,000 was obtained by the Authority (the Governmental Lender) from Citibank, N.A. (the Funding Lender) under which the Funding Lender will advance funds to or for the account of the Governmental Lender, and apply the proceeds of the funding loan to make a loan (the Borrower Loan) to Buena Vida, L.P. (the Borrower) to finance the acquisition and rehabilitation of the Buena Vida Apartments affordable housing project. The Governmental Lender then turned around and provided a loan (the Borrower Loan) to the Borrower for the same maximum amount of \$20,000,000. The Governmental Lender executed and delivered to the Funding Lender its Housing Authority of the City of San Buenaventura Multifamily Housing Revenue Note (Buena Vida Apartments) 2016 Series A (the Governmental Lender Note), evidencing its obligation to make the payments due to the Funding Lender under the Funding Loan as provided in the Funding Loan agreement. The Borrower then executed and delivered to the Governmental Lender its promissory note (the Borrower Note) evidencing its obligation to make the payments due to the Governmental Lender directly to the Funding Lender on behalf of the Governmental Lender as provided in the Borrower Loan agreement. The Funding Loan was never received by the Governmental Lender as the Funding Loan proceeds were provided directly to the Borrower from the Funding Lender. Also, no repayments of debt principal or interest will be made by the Governmental Lender to the Funding Lender as the Borrower will make all repayments directly to the Funding Lender. The Governmental Lender thus is acting as a pass-through entity in these transactions. Therefore, the loans are ultimately the obligation of the Borrower.

However, as the terms of these loan agreements state that the Governmental Lender is to act as the guarantor for completion and repayment by the Borrower of the debt principal and interest back to the Funding Lender, the Governmental Lender is subject to the same liability as the Borrower if it fails to ensure compliance with the terms of the loan agreements. Therefore, this note disclosure regarding this loan guarantee is included in the footnotes to the Authority’s financial statements, but the outstanding loan balance and related transactions are included in the financial statements of the Borrower.

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED SEPTEMBER 30, 2020

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**NOTE 15 – COMMITMENTS AND CONTINGENCIES (Continued)**

**D. Multifamily Housing Revenue Note (Villages at Westview I Apartments) 2016 Series A Loan Guarantee**

In connection with the development of the Villages at Westview I Apartments affordable housing project, a loan (the Funding Loan) with a maximum amount of \$39,700,000 was obtained by the Authority (the Governmental Lender) from Citibank, N.A. (the Funding Lender) under which the Funding Lender will advance funds to or for the account of the Governmental Lender, and apply the proceeds of the funding loan to make a loan (the Borrower Loan) to Villages at Westview I, L.P. (the Borrower) to finance the acquisition and rehabilitation of the Villages at Westview I Apartments affordable housing project. The Governmental Lender then turned around and provided a loan (the Borrower Loan) to the Borrower for the same maximum amount of \$39,700,000. The Governmental Lender executed and delivered to the Funding Lender its Housing Authority of the City of San Buenaventura Multifamily Housing Revenue Note (Villages at Westview I Apartments) 2016 Series A (the Governmental Lender Note), evidencing its obligation to make the payments due to the Funding Lender under the Funding Loan as provided in the Funding Loan agreement. The Borrower then executed and delivered to the Governmental Lender its promissory note (the Borrower Note) evidencing its obligation to make the payments due to the Governmental Lender directly to the Funding Lender on behalf of the Governmental Lender as provided in the Borrower Loan agreement. The Funding Loan was never received by the Governmental Lender as the Funding Loan proceeds were provided directly to the Borrower from the Funding Lender. Also, no repayments of debt principal or interest will be made by the Governmental Lender to the Funding Lender as the Borrower will make all repayments directly to the Funding Lender. The Governmental Lender thus is acting as a pass-through entity in these transactions. Therefore, the loans are ultimately the obligation of the Borrower.

However, as the terms of these loan agreements state that the Governmental Lender is to act as the guarantor for completion and repayment by the Borrower of the debt principal and interest back to the Funding Lender, the Governmental Lender is subject to the same liability as the Borrower if it fails to ensure compliance with the terms of the loan agreements. Therefore, this note disclosure regarding this loan guarantee is included in the footnotes to the Authority's financial statements, but the outstanding loan balance and related transactions are included in the financial statements of the Borrower.

**E. Promissory Note (Rancho Verde Ventura Apartments) Loan Guarantee**

In connection with the development of the Rancho Verde Ventura Apartments affordable housing project, a loan with a maximum amount of \$9,254,551 was obtained by Rancho Verde Ventura, L.P. (the Borrower) from Wells Fargo Bank, National Association (the Lender) under which the Lender will advance funds to or for the account of the Borrower, and apply the proceeds of the funding loan to make a loan to the Borrower to finance the acquisition and construction of a multifamily housing development project. The Borrower then executed and delivered to the Lender its promissory note (the Borrower Note) evidencing its obligation to make the payments due to the Lender as provided in the Borrower Loan agreement. As part of the loan agreement, the Authority and Homecomings, Inc. entered into a Repayment Guaranty agreement with the Lender on behalf of the Borrower. As guarantors of this loan, the loan liability is not a liability of the Authority or Homecomings, Inc. Therefore, the loan is ultimately the obligation of the Borrower.

However, as the terms of these loan agreements state that the Authority and Homecomings, Inc. are to act as the guarantors for completion and repayment by the Borrower of the debt principal and interest back to the Lender, the Authority and Homecomings, Inc. are subject to the same liability as the Borrower if it fails to ensure compliance with the terms of the loan agreement. Therefore, this note disclosure regarding this loan guarantee is included in the footnotes to the Authority's financial statements, but the outstanding loan balance and related transactions are included in the financial statements of the Borrower.

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED SEPTEMBER 30, 2020

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**NOTE 15 – COMMITMENTS AND CONTINGENCIES (Continued)**

**F. Multifamily Housing Revenue Note (Villages at Westview III Apartments) 2020 Series A & B Loan Guarantees**

In connection with the development of the Villages at Westview III affordable housing project, a loan (the Funding Loan) with a maximum amount of \$48,625,069 was obtained by the Authority (the Governmental Lender) from JPMorgan Chase Bank, N.A., in its capacity as initial funding lender (the "Initial Funding Lender"), CIT Bank, N.A., in its capacity as Additional Construction Phase Funding Lender (the "Additional Construction Phase Funding Lender"), and U.S. Bank National Association (the "Fiscal Agent"), under which the Initial Funding Lender and the Additional Construction Phase Funding Lender will advance funds to or for the account of the Governmental Lender (the "Governmental Lender Notes"), and apply the proceeds of the funding loan to make a loan (the "Borrower Loan") to Villages at Westview III, L.P. (the "Borrower") to finance the development of a 105-unit affordable rental housing development known as the Villages at Westview, Phase III. The Funding Loan is evidenced by the tax-exempt Multifamily Housing Revenue Note (Westview Village Phase III) 2020 Series A (the "Governmental Note-1") dated September 9, 2020 in the original principal amount of \$37,888,778 delivered by the Governmental Lender to the Initial Funding Lender, and the taxable Multifamily Housing Revenue Note (Westview Village Phase III) 2020 Series B (Taxable) (the "Governmental Note-2") dated September 9, 2020 in the original principal amount of \$10,736,291 delivered by the Governmental Lender to the Additional Construction Phase Funding Lender (collectively, the "Governmental Notes"). The Borrower then executed and delivered to the Governmental Lender its promissory note (the "Borrower Note") evidencing its obligation to make the payments due to the Governmental Lender directly to the Initial Funding Lender and Additional Construction Phase Funding Lender on behalf of the Governmental Lender as provided in the Borrower Loan agreement. The Funding Loan was never received by the Governmental Lender as the Funding Loan proceeds were provided directly to the Borrower from the Initial Funding Lender and Additional Construction Phase Funding Lender on a draw-down basis, with the Initial Funding Lender administering the Loans during the Construction Phase in accordance with the Co-Lender Agreement and the other Financing Documents. Also, no repayments of debt principal or interest will be made by the Governmental Lender to the Funding Lender as the Borrower will make all repayments directly to the Funding Lender. The Governmental Lender thus is acting as a pass-through entity in these transactions. Therefore, the loans are ultimately the obligation of the Borrower.

However, as the terms of these loan agreements state that the Governmental Lender is to act as the guarantor for completion and repayment by the Borrower of the debt principal and interest back to the Funding Lender, the Governmental Lender is subject to the same liability as the Borrower if it fails to ensure compliance with the terms of the loan agreements. Therefore, this note disclosure regarding this loan guarantee is included in the footnotes to the Authority's financial statements, but the outstanding loan balance and related transactions are included in the financial statements of the Borrower.

**G. Multifamily Housing Revenue Note (Willett Ranch) 2020 Series A Guarantee**

In connection with the development of the Willett Ranch affordable housing project, a loan (the Funding Loan) with a maximum amount of \$20,922,000 was obtained by the Authority (the Governmental Lender) from Wells Fargo, N.A. (the Funding Lender) under which the Funding Lender will advance funds to or for the account of the Governmental Lender, and apply the proceeds of the funding loan to make a loan (the Borrower Loan) to Willett Ranch, L.P. (the Borrower) to finance the acquisition and rehabilitation of the Willett Ranch affordable housing project. The Governmental Lender then turned around and provided a loan (the Borrower Loan) to the Borrower for the same maximum amount of \$20,922,000. The Governmental Lender executed and delivered to the Funding Lender its Housing Authority of the City of San Buenaventura Multifamily Housing Revenue Note (Willett Ranch) 2020 Series A (the Governmental Lender Note), evidencing its obligation to make the payments due to the Funding Lender under the Funding Loan as provided in the Funding Loan agreement. The Borrower then executed and delivered to the Governmental Lender its promissory note (the Borrower Note) evidencing its obligation to make the payments due to the Governmental Lender directly to the Funding Lender on behalf of the Governmental Lender as provided in the Borrower Loan agreement. The Funding Loan was never received by the Governmental Lender as the Funding Loan proceeds were provided directly to the Borrower from the Funding Lender. Also, no repayments of debt principal or interest will be made by the Governmental Lender to the Funding Lender as the Borrower will make all repayments directly to the Funding Lender. The Governmental Lender thus is acting as a pass-through entity in these transactions. Therefore, the loans are ultimately the obligation of the Borrower.

However, as the terms of these loan agreements state that the Governmental Lender is to act as the guarantor for completion and repayment by the Borrower of the debt principal and interest back to the Funding Lender, the Governmental Lender is subject to the same liability as the Borrower if it fails to ensure compliance with the terms of the loan agreements. Therefore, this note disclosure regarding this loan guarantee is included in the footnotes to the Authority's financial statements, but the outstanding loan balance and related transactions are included in the financial statements of the Borrower.

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
NOTES TO FINANCIAL STATEMENTS  
FOR YEAR ENDED SEPTEMBER 30, 2020

**NOTE 15 – COMMITMENTS AND CONTINGENCIES (Continued)**

**H. Pending Litigation**

The Authority is involved in a pending lawsuit as of September 30, 2020 where a tenant had slipped and fallen on Authority property. The Authority intends to vigorously defend itself in these matters. COVID-19 has delayed this matter but the Authority expects a settlement. This anticipated settlement is a limited sum of money (\$10-\$20k), all of which is fully covered by insurance with no deductible to be paid.

**NOTE 16 – INTER-PROGRAM BALANCES**

Inter-program balances at September 30, 2020 consisted of the following:

	Interprogram Due From	Interprogram Due To
Central Office Cost Center	\$ 5,528	\$ -
Resident Opportunity and Supportive Services	-	5,528
Total	<u>\$ 5,528</u>	<u>\$ 5,528</u>

These inter-program balances exist because in the normal course of operations, certain programs may pay for common costs or advance funds to meet the operational needs of other programs, which create inter-program receivables or payables. These balances are expected to be repaid within one year from the balance sheet date. In addition, these inter-program balances have been eliminated in the preparation of the basic financial statements.

**NOTE 17 – RESTRICTED NET POSITION**

Restricted net position consists of excess Housing Assistance Payment (HAP) funds available to the Authority under the Section 8 Housing Choice Vouchers program. These funds are to be used only for current and future HAP expenditures for the program. Total restricted net position related to these excess HAP funds at September 30, 2020 were \$61,462.

**NOTE 18 – SUBSEQUENT EVENTS**

Events that occur after the balance sheet date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about the conditions that existed at the balance sheet date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the balance sheet date require disclosure in the accompanying notes. Management evaluated the activity of the Authority through June 3, 2021 (the date the financial statements were available to be issued) and concluded that the following subsequent events have occurred that require recognition in the financial statements or disclosure in the notes to the financial statements.

In December of 2019, COVID-19 emerged and has subsequently spread throughout the world. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the United States have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been no immediate impact to the Authority's operations. Future potential impacts may include disruptions or restrictions on our employees' ability to work or the tenant's ability to pay the required monthly rent. Operating functions that may be changed include intake, recertifications and maintenance. Changes to the operating environment may increase operating costs. Additional impacts may include the ability of tenants to continue making rental payments as a result of job loss or other pandemic related issues. The future effects of these issues are unknown. The Authority has subsequently received authorization for additional operating subsidy from HUD to prepare for, prevent, and respond to COVID-19. The period of performance for when these additional subsidies can be expended ends December 31, 2021.

**NOTE 19 – FINANCIAL DATA SCHEDULE**

The Authority prepares its financial data schedule in accordance with HUD requirements in a prescribed format. The schedule's format excludes housing assistance payments expense and depreciation expense from operating activities, and includes investment revenue, gain/(loss) on sale of capital assets, interest expense (related to capital debt), and capital contributions in operating activities, which differs from the presentation of the basic financial statements.



HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – DEFINED BENEFIT PENSION PLAN  
FOR YEAR ENDED SEPTEMBER 30, 2020

	2020	2019	2018	2017	2016	2015
Authority's proportion of the net pension liability	0.207205%	0.203198%	0.199301%	0.193320%	0.190450%	0.136242%
Authority's proportionate share of the net pension liability	\$ 8,740,049	\$ 8,137,079	\$ 7,511,096	\$ 7,620,810	\$ 5,601,974	\$ 3,737,754
Authority's covered payroll	\$ 3,478,442	\$ 3,258,509	\$ 3,149,476	\$ 3,343,136	\$ 3,402,963	\$ 3,222,432
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	251.26%	249.72%	238.49%	227.95%	164.62%	115.99%
Plan's fiduciary net position	\$ 20,855,299	\$ 20,621,437	\$ 20,659,970	\$ 19,829,951	\$ 18,544,786	\$ 18,534,593
Plan fiduciary net position as a percentage of the total pension liability	70.5%	71.7%	73.3%	72.2%	73.7%	78.30%

**Notes to Schedule:**

**Benefit changes:** There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees by granting Two Years Additional Service Credit to members retiring during a specified time period (a.k.a. Golden Handshakes). Employers that have done so may need to report this information as a separate liability in their financial statement as CalPERS considers such amounts to be separately financed employer-specific liabilities. Additionally, the figures above do not include any liability impact that may have resulted from Golden Handshakes that occurred after the June 30, 2019 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool. The Authority has provided no such Golden Handshakes in regards to their Pension Plan.

**Changes of assumptions:** None

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CONTRIBUTIONS – DEFINED BENEFIT PENSION PLAN  
FOR YEAR ENDED SEPTEMBER 30, 2020

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions (actuarially determined)	\$ 366,635	\$ 331,940	\$ 312,939	\$ 319,421	\$ 307,324	\$ 378,442
Contributions in relation to the actuarially determined contribution	<u>\$ (928,986)</u>	<u>\$ (829,015)</u>	<u>\$ (727,298)</u>	<u>\$ (657,754)</u>	<u>\$ (307,324)</u>	<u>\$ (623,384)</u>
Contribution deficiency (excess)	<u>\$ (562,351)</u>	<u>\$ (497,075)</u>	<u>\$ (414,359)</u>	<u>\$ (338,333)</u>	<u>\$ -</u>	<u>\$ (244,942)</u>
Authority's covered payroll	\$ 3,567,163	\$ 3,294,245	\$ 3,195,977	\$ 3,273,534	\$ 3,233,474	\$ 3,273,819
Contributions as a percentage of covered payroll	26.04%	25.17%	22.76%	20.09%	9.50%	19.04%

**Notes to Schedule**

Valuation dates 6/30/2019

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Individual entry age normal
Amortization method	Level percentage of payroll and direct rate smoothing
Remaining amortization period	Differs by employer rate plan but no more than 30 years
Asset valuation method	Fair value
Inflation	2.50%
Salary increases	Varies, based on entry age and service.
Investment rate of return	7.15%
Mortality Rate Table <sup>1</sup>	Derived using CalPERS' membership data for all Funds
Post-retirement benefit increase	Protection Allowance Floor on Purchasing Power applies

<sup>1</sup> The mortality table was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90 percent of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report that can be found on the CalPERS website.

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COSTS  
FOR YEAR ENDED SEPTEMBER 30, 2020

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	<u>CA16P035501-16</u>
Funds Approved	\$ 633,316
Funds Expended	<u>\$ 633,316</u>
Excess of Funds Approved	<u>\$ -</u>
Funds Advanced (HUD Grants)	\$ 633,316
Funds Expended	<u>\$ 633,316</u>
Excess of Funds Advanced	<u>\$ -</u>

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1. The distribution of costs by project as shown on the Final Statement of Modernization Cost dated April 7, 2020, accompanying the Actual Modernization Cost Certificate submitted to HUD for approval is in agreement with the Authority's records.
2. All Modernization costs have been paid and all related liabilities have been discharged through payment.

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
STATEMENT AND CERTIFICATION OF ACTUAL RESIDENT OPPORTUNITY AND SELF-SUFFICIENCY  
GRANT COSTS  
FOR YEAR ENDED SEPTEMBER 30, 2020

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	<u>ROSS181130-01-00</u>
Funds Approved	\$ 246,000
Funds Expended	<u>\$ 175,974</u>
Excess of Funds Approved	<u>\$ 70,026</u>
Funds Advanced (HUD Grants)	\$ 173,168
Funds Expended	<u>\$ 175,974</u>
Excess of Funds Advanced	<u>\$ (2,806)</u>

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1. The distribution of costs by project as shown on the Resident Opportunity and Self-Sufficiency Program's final Federal Financial Report submitted to HUD for approval on October 13, 2020, is in agreement with the Authority's records.
2. All Resident Opportunity and Self-Sufficiency Program costs have been paid and all related liabilities have been discharged through payment.

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
STATEMENT AND CERTIFICATION OF ACTUAL FSS PROGRAM COORDINATOR GRANT COSTS  
FOR YEAR ENDED SEPTEMBER 30, 2020

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		<u>FR-6000-N-04</u>	
Funds Approved		\$ 65,243	
Funds Expended		<u>\$ 65,243</u>	
Excess of Funds Approved		<u>\$ -</u>	
Funds Advanced (HUD Grants)		\$ 65,243	
Funds Expended		<u>\$ 65,243</u>	
Excess of Funds Advanced		<u>\$ -</u>	

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1. The distribution of costs by project as shown on the FSS Program Coordinator's final Federal Financial Report submitted to HUD for approval on January 29, 2020, is in agreement with the Authority's records.
2. All FSS Program Coordinator's costs have been paid and all related liabilities have been discharged through payment.

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR YEAR ENDED SEPTEMBER 30, 2020

<u>Federal Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Primary Government Federal Expenditures</u>
U.S. Department of Housing and Urban Development Direct Programs:			
Shelter Plus Care	14.238		\$ 53,941
Low Rent Public Housing Program	14.850		474,366
Public Housing CARES Act Funding	14.850		12,612
Resident Opportunity and Supportive Services	14.870		83,959
Housing Voucher Cluster			
Section 8 Housing Choice Vouchers	14.871		19,224,672
Mainstream Vouchers	14.879		48,044
HCV CARES Act Funding	14.871		146,330
Housing Voucher Cluster Total			<u>19,419,046</u>
Public Housing Capital Fund Program	14.872		302,078
PIH Family Self Sufficiency	14.896		<u>69,682</u>
Total U.S. Department of Housing and Urban Development Direct Programs			<u>20,415,684</u>
U.S. Department of Housing and Urban Development Pass-Through Programs From:			
Department of Community Development Grants and Housing of the City of San Buena Ventura - Mobile Home Rehabilitation Grant Program - CDBG Funds	14.218		21,431
Department of Housing and Community Development of the State of California - NSP-R Program Loan - CDBG Funds	14.228	09-NSP-R-6555	<u>9,414,507</u>
Total U.S. Department of Housing and Urban Development Pass-Through Programs			<u>9,435,938</u>
Total U.S. Department of Housing and Urban Development			<u>\$ 29,851,622</u>

*The accompanying notes are an integral part of this schedule.*

**Note 1 – Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Authority under programs of the federal government for the year ended September 30, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Authority.

**Note 2 – Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Authority has elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**Note 3 – NSP-R Program Loan**

The Authority is the sponsor organization – as defined in the NSP-R Loan Agreements (the "Agreements") between the Department of Housing and Community Development of the State of California (the "Department") and Encanto Del Mar Apartments, L.P. (the "Borrower") – and has ultimate responsibility to ensure compliance with the terms and conditions of the Agreements for the life of the loan. As the sponsoring organization, the Authority is subject to the same liability as the Borrower if it fails to ensure compliance. The outstanding loan balance and related transactions are included in the financial statements of the Borrower.

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR YEAR ENDED SEPTEMBER 30, 2020

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2019-001                      Significant Deficiency in Internal Controls over Low Rent Eligibility

*Condition and Criteria:*                      During our audit, it was determined that significant deficiencies in internal controls existed over the Authority's low rent eligibility process being compliant with HUD regulatory requirements.

Per 24 CFR § 5, subpart F, § 960.259, and § 960.201 a Public Housing Agency (PHA) must obtain and document in the family tenant file various third party verification including reported family annual income, expenses related to deductions from annual income, the value of assets, and other factors affecting the determination of adjusted income or income-based rent for both family income examinations and reexaminations. As a condition of admission to or continued assistance the PHA must obtain a consent form authorizing any depository or private source of income, or any Federal, State or local agency, to furnish or release to the PHA such information necessary. The PHA must then accurately determine income eligibility and calculate tenants' rent payments using this documentation. In order to monitor compliance with income eligibility the PHA must comply with HUD-prescribed reporting requirements that permit HUD to maintain the data.

*Context and Cause:*                      The Authority failed to properly prepare reexaminations form HUD-50058 and verify annual income and deduction amounts with third party documentation. The Authority failed to follow HUD's timely reporting requirements of form HUD-50058. The Authority did not obtain adequate third-party verification of reported family annual income and expenses related to deductions from annual income and perform eligibility reexaminations on an annual basis for 4 out of the 10 tenant files tested or EIV reports obtained for 3 out of the 10 tenant files tested on an annual basis or within 120 days on initial eligibility determination. Additionally, the Authority did not ensure form HUD-9886 was completed on an annual basis for 2 out of 10 tenant files tested. Lastly, for 1 out of the 10 tenant files tested, the Authority did not ensure the rent choice form was completed properly by the tenant. The Authority's implemented quality controls over the recertification processes failed to monitor these processes to ensure these processes were following HUD eligibility rules and regulations.

The Authority's internal controls over the Low Rent eligibility determination process that were in place lacked the necessary controls over information and communication of HUD regulatory requirements. The Authority lacked a clear understanding of HUD Low Rent eligibility requirements as determined by 24 CFR.

*Effect:*                      When the Authority improperly performed annual reexaminations, this caused some of the tenants to pay an incorrect amount of rent in accordance with HUD eligibility rules and regulations.

*Auditor's Recommendation:*                      The Authority is in the process of correcting errors and noncompliance instances. We recommend the Authority staff to continue to obtain training through related training seminars and classes and to monitor HUD news and notices for any new guidance or changes to the public housing industry. We also recommend that a periodic review of the family income examinations and reexaminations be performed to ensure that the Authority is following HUD eligibility rules and regulations and, if any errors have been made, that the Authority can identify these quickly and take the necessary corrective action.

*Grantee Response:*                      The Authority's management acknowledges the finding, and the Authority will follow the Auditor's recommendation.

*Current Year Status:*                      The Authority's management has effectively implemented the necessary changes to remediate these noncompliance issues, therefore the finding will not be repeated.

HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
SUMMARY SCHEDULE OF PRIOR YEAR FINDINGS  
FOR YEAR ENDED SEPTEMBER 30, 2020

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2019-002                      CFDA 14.871 – Housing Choice Vouchers Program – Reporting

*Condition and Criteria:*                      During our audit, it was determined that noncompliance in internal controls existed over the Authority's housing choice voucher VMS reporting process containing materially correct information and being compliant with HUD financial reporting requirements.

The Authority must adequately prepare the VMS Data Collection Report on a monthly basis to reflect the month's vouchers, HAP totals, net position balances, and other housing choice voucher specific attributes. The Authority must properly prepare this and retain corresponding documentation for the calculation of the data reported.

*Amount of Questioned Costs:*              None

*Context:*    As part of our Single Audit testing of Housing Choice Vouchers Program Reporting, we tested the monthly Data Collection Reporting within the Voucher Management System (VMS) online within HUD's Real Estate Assessment Center (REAC) website. Testing revolved around the accuracy and completeness of reporting within the Total Vouchers, HAP Total, Unrestricted Net Position (UNP) as of the Last Day of the Month, and Restricted Net Position (RNP) as of the Last Day of the Month Data Collection Report lines for the entire fiscal year ended September 30, 2019. Amounts reported on these lines were tested against the Authority's financial reports including the general ledger reports and Unaudited Financial Data Schedule (FDS). Amounts were also tested against the Authority's internally prepared VMS reconciliation Excel tool. During testing, we identified variances in the Data Collection Report lines for UNP and RNP when compared against the general ledger reports and Unaudited FDS.

*Cause:*    The Authority's VMS reconciliation Excel spreadsheets used to determine the amounts to be reported in VMS did not adequately reflect monthly ending balances reported for HAP subsidy and HAP expense, which directly affects Restricted Net Position and Unrestricted Net Position. Therefore, amounts reported on the current year VMS were not materially correct.

*Effect:*    Amounts reported in the Data Collection Reports in VMS were not materially correct, which may have an impact on the Authority's monthly Housing Choice Vouchers program funding.

*Auditor's Recommendation:*                      Management is updating their internal VMS reconciliation to properly reflect the correct General Ledger accounts that tie into the reconciliation and VMS report. We recommend the Authority compare the General Ledger, internally prepared reconciliation, and VMS report monthly to ensure all amounts are correctly reported and reflected.

*Grantee Response:*                                The Authority's management acknowledges the finding, and the Authority will follow the Auditor's recommendation.

*Current Year Status:*                            The Authority's management has effectively implemented the necessary changes to remediate these noncompliance issues, therefore the finding will not be repeated.



HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR YEAR ENDED SEPTEMBER 30, 2020

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**Section I - Summary of Auditor's Results**

***Financial Statements***

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Are any material weaknesses identified?        Yes   x   No

Are any significant deficiencies identified?        Yes   x   None Reported

Is any noncompliance material to financial statements noted?        Yes   x   No

***Federal Awards***

Internal control over major federal programs:

Are any material weaknesses identified?        Yes   x   No

Are any significant deficiencies identified?        Yes   x   None Reported

Type of auditor's report issued on compliance for major federal programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?        Yes   x   No

Identification of major federal programs or clusters:

CFDA #14.228 - NSP-R Program Loan - CDBG Funds  
Housing Voucher Cluster:  
CFDA #14.871 - Section 8 Housing Choice Vouchers  
CFDA #14.879 - Mainstream Vouchers  
CFDA #14.871 - HCV CARES Act Funding

Dollar threshold used to distinguish between type A and type B programs: \$895,549

Auditee qualified as low-risk auditee?   x   Yes        No

**Section II - Financial Statement Findings**

None Noted

**Section III - Federal Award Findings**

None Noted

To the Board of Commissioners  
Housing Authority of the City of San Buenaventura

Independent Accountant's Report on Applying Agreed-Upon Procedure

We have performed the procedure enumerated in the second paragraph, which was agreed to by the Housing Authority of the City of San Buenaventura (the Housing Authority) and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), on whether the electronic submission of certain information agrees with related hard copy documents included within the Single Audit reporting package. The Housing Authority is responsible for the accuracy and completeness of the electronic submission. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

We compared the electronic submission of the items listed in the chart below under "UFRS Rule Information" column with the corresponding printed documents listed in the chart under the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of electronically submitted information and hard copy documents as shown in the chart below.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the electronic submission of the items listed in the "UFRS Rule Information" column in the chart below. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

We were engaged to perform an audit in accordance with 2 CFR 200 Subpart F, Audit Requirements, for the Housing Authority as of and for the year ended September 30, 2020, and have issued our reports thereon dated June 3, 2021. The information in the "Hard Copy Documents" column was included within the scope, or was a by-product, of that audit. Further, our opinion on the fair presentation of the Housing Authority's Financial Data Schedule (FDS) dated June 3, 2021, was expressed in relation to the basic financial statements of the Housing Authority taken as a whole.

A copy of the reporting package required by OMB, which includes the auditor's reports, is available in its entirety from the Housing Authority. We have not performed any additional auditing procedures since the date of the aforementioned audit reports.

This report is intended solely for the information and use of the Housing Authority and the U.S. Department of Housing and Urban Development, REAC, and is not intended to be and should not be used by anyone other than these specified parties.

Procedure	UFRS Rule Information	Hard Copy Documents	Agrees	Does Not Agree
1	Balance Sheet and Revenue and Expense	Financial Data Schedule, all CFDA's, If applicable	X	
2	Footnotes	Footnotes to audited basic financial statements	X	
3	Type of opinion on FDS	Auditor's supplemental report on FDS	X	
4	Audit findings narrative	Schedule of Findings and Questioned Costs	X	
5	General Information	OMB Data Collection Form	X	
6	Financial Statement report information	Schedule of Findings and Questioned Costs, Part 1 and OMB Data Collection Form	X	
7	Federal program report information	Schedule of Findings and Questioned Costs, Part 1 and OMB Data Collection Form	X	
8	Type of Compliance Requirement	OMB Data Collection Form	X	
9	Basic financial statements and auditor reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	X	

*Henderson & Pilleteri, LLC*

Birmingham, AL  
June 3, 2021

**HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA**  
**FINANCIAL DATA SCHEDULE – BALANCE SHEET**  
**SEPTEMBER 30, 2020**

	Project Total	14.879 Mainstream Vouchers	14.PHC Public Housing CARES Act Funding	1 Business Activities	14.MSC Mainstream CARES Act Funding	14.238 Shelter Plus Care	14.896 PH Family Self- Sufficiency Program	14.CCC Central Office Cost Center CARES Act Funding	6.1 Component Unit - Discretely Presented	14.870 Resident Opportunity and Supportive Services	6.2 Component Unit - Blended	14.HCC HCV/ CARES Act Funding	14.871 Housing Choice Vouchers	14.218 Community Development Block Grants/Entitle- ment Grants	14.228 Community Development Block Grants/State's Program	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$1,623,507	\$192,386	\$0	\$7,589,608	\$0	\$0	\$0	\$0	\$608,173	\$0	\$120,491	\$0	\$948,299			\$848,923	\$11,931,387		\$11,931,387
112 Cash - Restricted - Modernization and Development	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
113 Cash - Other Restricted	\$86,659	\$0	\$0	\$20,625	\$5,722	\$0	\$0	\$0	\$29,609	\$0	\$0	\$635,905	\$356,090			\$0	\$1,134,610		\$1,134,610
114 Cash - Tenant Security Deposits	\$91,178	\$0	\$0	\$4,350	\$0	\$0	\$0	\$0	\$17,920	\$0	\$0	\$0	\$0			\$0	\$113,448		\$113,448
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
100 Total Cash	\$1,801,344	\$192,386	\$0	\$7,614,583	\$5,722	\$0	\$0	\$0	\$655,702	\$0	\$120,491	\$635,905	\$1,304,389	\$0	\$0	\$848,923	\$13,179,445	\$0	\$13,179,445
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$25,824			\$0	\$25,824		\$25,824
122 Accounts Receivable - HUD Other Projects	\$20,873	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,528	\$0	\$0	\$0			\$0	\$26,401		\$26,401
124 Accounts Receivable - Other Government	\$0	\$0	\$0	\$13,553	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$13,553		\$13,553
125 Accounts Receivable - Miscellaneous	\$0	\$0	\$0	\$224,622	\$0	\$0	\$0	\$0	\$104,319	\$0	\$179,853	\$0	\$25,951			\$208,807	\$743,552		\$743,552
126 Accounts Receivable - Tenants	\$13,900	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$13,900		\$13,900
126.1 Allowance for Doubtful Accounts - Tenants	-\$4,170	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	-\$4,170		-\$4,170
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$46,500	\$46,500		\$46,500
128 Fraud Recovery	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
129 Accrued Interest Receivable	\$0	\$0	\$0	\$159,483	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$159,483		\$159,483
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$30,603	\$0	\$0	\$397,658	\$0	\$0	\$0	\$0	\$104,319	\$5,528	\$179,853	\$0	\$51,775	\$0	\$0	\$255,307	\$1,025,043	\$0	\$1,025,043
131 Investments - Unrestricted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
132 Investments - Restricted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
135 Investments - Restricted for Payment of Current Liability	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
142 Prepaid Expenses and Other Assets	\$1,327	\$0	\$0	\$516	\$0	\$0	\$0	\$0	\$326	\$0	\$0	\$0	\$1,805			\$4,372	\$8,346		\$8,346
143 Inventories	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
143.1 Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
144 Inter Program Due From	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$5,528	\$5,528	-\$5,528	\$0
145 Assets Held for Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
150 Total Current Assets	\$1,833,274	\$192,386	\$0	\$8,012,757	\$5,722	\$0	\$0	\$0	\$760,347	\$5,528	\$300,344	\$635,905	\$1,357,969	\$0	\$0	\$1,114,130	\$14,218,362	-\$5,528	\$14,212,834
161 Land	\$1,402,413	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$673,701	\$0	\$0	\$0	\$0			\$0	\$2,076,114		\$2,076,114
162 Buildings	\$19,658,773	\$0	\$0	\$990,671	\$0	\$0	\$0	\$0	\$1,317,144	\$0	\$0	\$0	\$0			\$989,482	\$22,956,070		\$22,956,070
163 Furniture, Equipment & Machinery - Dwellings	\$217,790	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$105,354			\$0	\$323,144		\$323,144
164 Furniture, Equipment & Machinery - Administration	\$126,280	\$0	\$0	\$6,112	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$3,470	\$135,862		\$135,862
165 Leasehold Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$276,861	\$0	\$0	\$0	\$200,000			\$0	\$476,861		\$476,861
166 Accumulated Depreciation	-\$14,642,797	\$0	\$0	-\$255,372	\$0	\$0	\$0	\$0	-\$709,254	\$0	\$0	\$0	-\$230,652			-\$106,290	-\$15,944,365		-\$15,944,365
167 Construction in Progress	\$781,689	\$0	\$0	\$619,354	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$1,401,043		\$1,401,043
168 Infrastructure	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$7,544,148	\$0	\$0	\$1,360,765	\$0	\$0	\$0	\$0	\$1,558,452	\$0	\$0	\$0	\$74,702	\$0	\$0	\$886,662	\$11,424,729	\$0	\$11,424,729
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0	\$0	\$82,467,376	\$0	\$0	\$0	\$0	\$850,000	\$0	\$0	\$0	\$0			\$1,104,141	\$84,421,517		\$84,421,517
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
173 Grants Receivable - Non Current	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
174 Other Assets	\$0	\$0	\$0	\$690,076	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$690,076		\$690,076
176 Investments in Joint Ventures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
180 Total Non-Current Assets	\$7,544,148	\$0	\$0	\$84,518,217	\$0	\$0	\$0	\$0	\$2,408,452	\$0	\$0	\$0	\$74,702	\$0	\$0	\$1,990,803	\$86,536,322	\$0	\$86,536,322

**HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA**  
**FINANCIAL DATA SCHEDULE – BALANCE SHEET**  
**SEPTEMBER 30, 2020**

	Project Total	14.879 Mainstream Vouchers	14.PHC Public Housing CARES Act Funding	1 Business Activities	14.MSC Mainstream CARES Act Funding	14.238 Shelter Plus Care	14.896 PH Family Self- Sufficiency Program	14.CCC Central Office Cost Center CARES Act Funding	6.1 Component Unit - Discretely Presented	14.870 Resident Opportunity and Supportive Services	6.2 Component Unit - Blended	14.HCC HCV/ CARES Act Funding	14.871 Housing Choice Vouchers	14.218 Community Development Block Grants/Entitlem- ent Grants	14.228 Community Development Block Grants/State's Program	COCC	Subtotal	ELM	Total
200 Deferred Outflow of Resources	\$388,885	\$0	\$0	\$267,784	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$276,003			\$617,905	\$1,550,577	\$0	\$1,550,577
290 Total Assets and Deferred Outflow of Resources	\$9,766,307	\$192,386	\$0	\$92,798,758	\$5,722	\$0	\$0	\$0	\$3,168,799	\$5,528	\$300,344	\$635,905	\$1,708,674	\$0	\$0	\$3,722,838	\$112,305,261	-\$5,528	\$112,299,733
311 Bank Overdraft	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
312 Accounts Payable <= 90 Days	\$4,154	\$30	\$0	\$646	\$0	\$0	\$0	\$0	\$1,866	\$0	\$8,048	\$0	\$47,905			\$8,873	\$71,522		\$71,522
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
321 Accrued Wage/Payroll Taxes Payable	\$25,154	\$0	\$0	\$48,600	\$0	\$0	\$0	\$0	\$3,228	\$0	\$0	\$0	\$35,383			\$99,410	\$211,775		\$211,775
322 Accrued Compensated Absences - Current Portion	\$4,132	\$0	\$0	\$4,424	\$0	\$0	\$0	\$0	\$430	\$0	\$0	\$0	\$6,180			\$13,011	\$28,177		\$28,177
324 Accrued Contingency Liability	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
325 Accrued Interest Payable	\$0	\$0	\$0	\$15,108	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$15,108		\$15,108
331 Accounts Payable - HUD PHA Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
332 Account Payable - PHA Projects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
333 Accounts Payable - Other Government	\$318,762	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$318,762		\$318,762
341 Tenant Security Deposits	\$91,178	\$0	\$0	\$4,350	\$0	\$0	\$0	\$0	\$17,920	\$0	\$0	\$0	\$0			\$0	\$113,448		\$113,448
342 Unearned Revenue	\$31,233	\$0	\$0	\$18	\$5,722	\$0	\$0	\$0	\$0	\$0	\$0	\$635,905	\$0			\$0	\$672,878		\$672,878
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$16,244	\$0	\$0	\$0	\$0	\$52,251	\$0	\$0	\$0	\$0			\$0	\$68,495		\$68,495
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
345 Other Current Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
346 Accrued Liabilities - Other	\$13,808	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$138,282	\$152,090		\$152,090
347 Inter Program - Due To	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$5,528	\$0	\$0	\$0			\$0	\$5,528	-\$5,528	\$0
348 Loan Liability - Current	\$0	\$0	\$0	\$102,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$144,077	\$246,077		\$246,077
310 Total Current Liabilities	\$488,421	\$30	\$0	\$191,390	\$5,722	\$0	\$0	\$0	\$75,695	\$5,528	\$8,048	\$635,905	\$89,468	\$0	\$0	\$403,653	\$1,903,860	-\$5,528	\$1,898,332
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue	\$0	\$0	\$0	\$3,563,988	\$0	\$0	\$0	\$0	\$1,935,556	\$0	\$0	\$0	\$0			\$0	\$5,499,544		\$5,499,544
352 Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
353 Non-current Liabilities - Other	\$86,659	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$294,628			\$0	\$381,287		\$381,287
354 Accrued Compensated Absences - Non Current	\$37,184	\$0	\$0	\$39,813	\$0	\$0	\$0	\$0	\$3,866	\$0	\$0	\$0	\$55,623			\$117,097	\$253,583		\$253,583
355 Loan Liability - Non Current	\$0	\$0	\$0	\$828,236	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$828,236		\$828,236
356 FASB 5 Liabilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
357 Accrued Pension and OPEB Liabilities	\$2,192,004	\$0	\$0	\$1,509,407	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,555,729			\$3,482,909	\$8,740,049		\$8,740,049
350 Total Non-Current Liabilities	\$2,315,847	\$0	\$0	\$5,941,444	\$0	\$0	\$0	\$0	\$1,939,422	\$0	\$0	\$0	\$1,905,980	\$0	\$0	\$3,600,006	\$15,702,699	\$0	\$15,702,699
300 Total Liabilities	\$2,804,268	\$30	\$0	\$6,132,834	\$5,722	\$0	\$0	\$0	\$2,015,117	\$5,528	\$8,048	\$635,905	\$1,995,448	\$0	\$0	\$4,003,659	\$17,606,559	-\$5,528	\$17,601,031
400 Deferred Inflow of Resources	\$57,909	\$0	\$0	\$39,876	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$41,099			\$82,012	\$230,896	\$0	\$230,896
508.4 Net Investment in Capital Assets	\$7,544,148	\$0	\$0	-\$2,219,467	\$0	\$0	\$0	\$0	-\$429,355	\$0	\$0	\$0	\$74,702			\$886,662	\$5,856,690		\$5,856,690
511.4 Restricted Net Position	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$61,462			\$0	\$61,462		\$61,462
512.4 Unrestricted Net Position	-\$640,018	\$192,356	\$0	\$88,845,515	\$0	\$0	\$0	\$0	\$1,583,037	\$0	\$292,296	\$0	-\$464,037	\$0	\$0	-\$1,259,495	\$88,549,654		\$88,549,654
513 Total Equity - Net Assets / Position	\$6,904,130	\$192,356	\$0	\$86,626,048	\$0	\$0	\$0	\$0	\$1,153,682	\$0	\$292,296	\$0	-\$327,873	\$0	\$0	-\$372,833	\$94,467,806	\$0	\$94,467,806
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$9,766,307	\$192,386	\$0	\$92,798,758	\$5,722	\$0	\$0	\$0	\$3,168,799	\$5,528	\$300,344	\$635,905	\$1,708,674	\$0	\$0	\$3,722,838	\$112,305,261	-\$5,528	\$112,299,733

**HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA**  
**FINANCIAL DATA SCHEDULE – INCOME STATEMENT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Project Total	14.879 Mainstream Vouchers	14.879 Public Housing CARES Act Funding	1 Business Activities	14.879 Mainstream CARES Act Funding	14.238 Shelter Plus Care	14.896 PH Family Self- Sufficiency Program	14.896 Central Office Cost Center CARES Act Funding	6.1 Component Unit - Discretely Presented	14.870 Resident Opportunity and Supportive Services	6.2 Component Unit - Blended	14.870 HCV/ CARES Act Funding	14.871 Housing Choice Vouchers	14.218 Community Development Block Grants/Entitle- ment Grants	14.228 Community Development Block Grants/State's Program	COCC	Subtotal	ELM	Total
70300 Net Tenant Rental Revenue	\$1,763,694	\$0	\$0	\$79,404	\$0	\$0	\$0	\$0	\$493,836	\$0	\$0	\$0	\$0			\$0	\$2,336,934		\$2,336,934
70400 Tenant Revenue - Other	\$16,488	\$0	\$0	\$157	\$0	\$0	\$0	\$0	\$1,178	\$0	\$0	\$0	\$0			\$0	\$18,423		\$18,423
70500 Total Tenant Revenue	\$1,780,182	\$0	\$0	\$80,161	\$0	\$0	\$0	\$0	\$495,014	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$2,355,357	\$0	\$2,355,357
70600 HUD PHA Operating Grants	\$563,770	\$48,044	\$12,612	\$0	\$0	\$53,941	\$69,682	\$0	\$0	\$83,959	\$0	\$146,330	\$18,536,668			\$0	\$19,515,006		\$19,515,006
70610 Capital Grants	\$212,674												\$0			\$0	\$212,674		\$212,674
70710 Management Fee																\$600,782	\$600,782	-\$582,133	\$18,649
70720 Asset Management Fee																\$35,160	\$35,160	-\$35,160	\$0
70730 Book Keeping Fee																\$156,780	\$156,780	-\$156,780	\$0
70740 Front Line Service Fee																\$271,701	\$271,701	-\$271,701	\$0
70750 Other Fees				\$0												\$668,649	\$668,649		\$668,649
70700 Total Fee Revenue																\$1,733,072	\$1,733,072	-\$1,045,774	\$687,298
70800 Other Government Grants	\$0	\$0	\$0	\$157,452	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$157,452		\$157,452
71100 Investment Income - Unrestricted	\$446	\$0	\$0	\$6,746	\$0	\$0	\$0	\$0	\$9	\$0	\$106	\$0	\$257			\$2,176	\$9,740		\$9,740
71200 Mortgage Interest Income	\$0	\$0	\$0	\$358,865	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$358,865		\$358,865
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
71310 Cost of Sale of Assets	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
71400 Fraud Recovery	\$3,413	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$10,922			\$0	\$14,335		\$14,335
71500 Other Revenue	\$22,337	\$0	\$0	\$2,504,444	\$0	\$0	\$0	\$9,134	\$109,307	\$0	\$152,612	\$0	\$760,546			\$178,013	\$3,736,393	-\$99,948	\$3,636,445
71600 Gain or Loss on Sale of Capital Assets	\$4,906,172	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$4,906,172		\$4,906,172
72000 Investment Income - Restricted	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
70000 Total Revenue	\$7,488,994	\$48,044	\$12,612	\$3,107,668	\$0	\$53,941	\$69,682	\$9,134	\$604,330	\$83,959	\$152,718	\$146,330	\$19,308,393	\$0	\$0	\$1,913,261	\$32,999,066	-\$1,145,722	\$31,853,344
91100 Administrative Salaries	\$181,906	\$0	\$0	\$713,345	\$0	\$3,086	\$0	\$0	\$39,781	\$46,991	\$0	\$7,716	\$505,668			\$1,205,390	\$2,703,883		\$2,703,883
91200 Auditing Fees	\$5,750	\$0	\$0	\$4,140	\$0	\$0	\$0	\$0	\$3,910	\$0	\$2,710	\$0	\$8,050			\$2,300	\$26,860		\$26,860
91300 Management Fee	\$311,767	\$0	\$9,134	\$3,180	\$0	\$0	\$0	\$0	\$18,649	\$0	\$49,458	\$0	\$217,728			\$609,916	-\$591,267		\$18,649
91310 Book-keeping Fee	\$20,700	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$136,080			\$156,780	-\$156,780		\$0
91400 Advertising and Marketing	\$451	\$0	\$0	\$1	\$0	\$0	\$0	\$0	\$3	\$0	\$0	\$0	\$999			\$1,399	\$2,753		\$2,753
91500 Employee Benefit contributions - Administrative	\$141,682	\$0	\$0	\$317,433	\$0	\$1,322	\$0	\$0	\$11,957	\$24,167	\$0	\$0	\$310,754			\$499,043	\$1,306,378		\$1,306,378
91600 Office Expenses	\$156,644	\$0	\$2,262	\$110,106	\$0	\$0	\$3,514	\$6,997	\$42,607	\$11,177	\$39,888	\$51,474	\$245,569			\$189,549	\$859,787	-\$103,454	\$756,333
91700 Legal Expense	\$5,314	\$0	\$0	\$306	\$0	\$0	\$0	\$0	\$11,741	\$0	\$4,015	\$0	\$5,555			\$11,902	\$38,833	-\$18,580	\$20,253
91800 Travel	\$1,450	\$0	\$0	\$4,896	\$0	\$0	\$0	\$0	\$180	\$1,399	\$0	\$0	\$797			\$19,955	\$28,677		\$28,677
91810 Allocated Overhead	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
91900 Other	\$0	\$0	\$0	\$15,935	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$16,446			\$0	\$32,381	-\$14,759	\$17,622
91000 Total Operating - Administrative	\$825,664	\$0	\$11,396	\$1,169,342	\$0	\$4,408	\$3,514	\$6,997	\$128,828	\$83,754	\$96,071	\$58,190	\$1,447,546	\$0	\$0	\$1,929,538	\$5,766,248	-\$884,840	\$4,881,408
92000 Asset Management Fee	\$35,160	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0				\$35,160	-\$35,160	\$0
92100 Tenant Services - Salaries	\$0	\$0	\$0	\$0	\$0	\$0	\$45,595	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$45,595		\$45,595
92200 Relocation Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
92300 Employee Benefit Contributions - Tenant Services	\$0	\$0	\$0	\$0	\$0	\$0	\$20,368	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$20,368		\$20,368
92400 Tenant Services - Other	\$101,608	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,508	\$0	\$21,735	\$0	\$0			\$1,880	\$126,731	-\$65,775	\$60,956
92500 Total Tenant Services	\$101,608	\$0	\$0	\$0	\$0	\$0	\$65,963	\$0	\$1,508	\$0	\$21,735	\$0	\$0	\$0	\$0	\$1,880	\$192,694	-\$65,775	\$126,919
93100 Water	\$231,419	\$0	\$0	\$3,506	\$0	\$0	\$0	\$0	\$18,314	\$0	\$0	\$0	\$0			\$0	\$253,239		\$253,239
93200 Electricity	\$40,407	\$0	\$0	\$551	\$0	\$0	\$0	\$0	\$13,297	\$0	\$0	\$0	\$15,661			\$0	\$69,916		\$69,916
93300 Gas	\$9,808	\$0	\$0	\$204	\$0	\$0	\$0	\$0	\$3,161	\$0	\$0	\$0	\$0			\$0	\$13,173		\$13,173

**HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA**  
**FINANCIAL DATA SCHEDULE – INCOME STATEMENT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Project Total	14.879 Mainstream Vouchers	14.PHC Public Housing CARES Act Funding	1 Business Activities	14.MSC Mainstream CARES Act Funding	14.238 Shelter Plus Care	14.896 PH Family Self- Sufficiency Program	14.CCC Central Office Cost Center CARES Act Funding	6.1 Component Unit - Discretely Presented	14.870 Resident Opportunity and Supportive Services	6.2 Component Unit - Blended	14.HCC HCV/ CARES Act Funding	14.871 Housing Choice Vouchers	14.218 Community Development Block Grants/Entitle- ment Grants	14.228 Community Development Block Grants/State's Program	COCC	Subtotal	ELM	Total
93400 Fuel	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
93500 Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
93600 Sewer	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
93800 Other Utilities Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$264	\$264		\$264
93000 Total Utilities	\$281,634	\$0	\$0	\$4,261	\$0	\$0	\$0	\$0	\$34,772	\$0	\$0	\$0	\$15,661	\$0	\$0	\$264	\$336,592	\$0	\$336,592
94100 Ordinary Maintenance and Operations - Labor	\$141,954	\$0	\$0	\$17,730	\$0	\$0	\$0	\$0	\$4,731	\$0	\$0	\$675	\$15,802			\$138,917	\$319,809		\$319,809
94200 Ordinary Maintenance and Operations - Materials and Other	\$61,168	\$0	\$750	\$1,749	\$0	\$0	\$0	\$1,816	\$1,886	\$0	\$0	\$747	\$337			\$20,659	\$89,112		\$89,112
94300 Ordinary Maintenance and Operations Contracts	\$404,467	\$0	\$466	\$6,775	\$0	\$0	\$0	\$321	\$56,527	\$0	\$0	\$13,210	\$68,149			\$21,054	\$560,969	-\$159,947	\$401,022
94500 Employee Benefit Contributions - Ordinary Maintenance	\$88,820	\$0	\$0	\$6,462	\$0	\$0	\$0	\$0	\$4,083	\$0	\$0	\$0	\$7,890			\$69,931	\$177,186		\$177,186
94000 Total Maintenance	\$696,409	\$0	\$1,216	\$32,716	\$0	\$0	\$0	\$2,137	\$67,227	\$0	\$0	\$14,632	\$82,178	\$0	\$0	\$250,561	\$1,147,076	-\$159,947	\$987,129
95100 Protective Services - Labor	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
95200 Protective Services - Other Contract Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$72,508	\$0			\$0	\$72,508		\$72,508
95300 Protective Services - Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$37,573	\$0	\$0	\$0	\$0			\$0	\$37,573		\$37,573
95500 Employee Benefit Contributions - Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$37,573	\$0	\$0	\$72,508	\$0	\$0	\$0	\$0	\$110,081	\$0	\$110,081
96110 Property Insurance	\$123,574	\$0	\$0	\$2,378	\$0	\$0	\$0	\$0	\$30,807	\$0	\$0	\$0	\$1,126			\$0	\$157,885		\$157,885
96120 Liability Insurance	\$47,156	\$0	\$0	\$347	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$6,715			\$45,144	\$98,362		\$98,362
96130 Workmen's Compensation	\$10,592	\$0	\$0	\$2,931	\$0	\$0	\$205	\$0	\$733	\$205	\$0	\$0	\$2,331			\$9,856	\$26,853		\$26,853
96140 All Other Insurance	\$0	\$0	\$0	\$513	\$0	\$0	\$0	\$0	\$43	\$0	\$0	\$0	\$0			\$0	\$566		\$566
96100 Total Insurance Premiums	\$181,322	\$0	\$0	\$6,169	\$0	\$0	\$205	\$0	\$31,583	\$205	\$0	\$0	\$9,172	\$0	\$0	\$55,000	\$283,656	\$0	\$283,656
96200 Other General Expenses	\$54,284	\$5,302	\$0	\$820	\$0	\$0	\$0	\$0	\$21,747	\$0	\$269	\$0	\$19,736			\$451	\$102,609		\$102,609
96210 Compensated Absences	\$33,747	\$0	\$0	\$40,394	\$0	\$0	\$0	\$0	\$2,368	\$0	\$0	\$0	\$60,644			\$97,446	\$234,619		\$234,619
96300 Payments in Lieu of Taxes	\$148,206	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$148,206		\$148,206
96400 Bad debt - Tenant Rents	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
96500 Bad debt - Mortgages	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
96600 Bad debt - Other	\$3,714	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$3,714		\$3,714
96800 Severance Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
96000 Total Other General Expenses	\$239,951	\$5,302	\$0	\$41,214	\$0	\$0	\$0	\$0	\$24,135	\$0	\$269	\$0	\$80,380	\$0	\$0	\$97,897	\$489,148	\$0	\$489,148
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$0	\$57,896	\$0	\$0	\$0	\$0	\$12,254	\$0	\$0	\$0	\$0			\$0	\$70,150		\$70,150
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
96730 Amortization of Bond Issue Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$57,896	\$0	\$0	\$0	\$0	\$12,254	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$70,150	\$0	\$70,150
96900 Total Operating Expenses	\$2,361,748	\$5,302	\$12,612	\$1,311,598	\$0	\$4,408	\$69,682	\$9,134	\$337,880	\$83,959	\$118,075	\$146,330	\$1,634,937	\$0	\$0	\$2,335,140	\$8,430,805	-\$1,145,722	\$7,285,083
97000 Excess of Operating Revenue over Operating Expenses	\$5,127,246	\$42,742	\$0	\$1,796,070	\$0	\$49,533	\$0	\$0	\$266,450	\$0	\$34,643	\$0	\$17,673,456	\$0	\$0	-\$421,879	\$24,568,261	\$0	\$24,568,261
97100 Extraordinary Maintenance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
97200 Casualty Losses - Non-capitalized	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
97300 Housing Assistance Payments	\$0	\$215,104	\$0	\$0	\$0	\$49,533	\$0	\$0	\$0	\$0	\$0	\$0	\$16,663,137			\$0	\$16,927,774		\$16,927,774
97350 HAP Portability-In	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$688,004			\$0	\$688,004		\$688,004

**HOUSING AUTHORITY OF THE CITY OF SAN BUENAVENTURA**  
**FINANCIAL DATA SCHEDULE – INCOME STATEMENT**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2020**

	Project Total	14.879 Mainstream Vouchers	14.PHC Public Housing CARES Act Funding	1 Business Activities	14.MSC Mainstream CARES Act Funding	14.238 Shelter Plus Care	14.896 PH Family Self- Sufficiency Program	14.CCC Central Office Cost Center CARES Act Funding	6.1 Component Unit - Discretely Presented	14.870 Resident Opportunity and Supportive Services	6.2 Component Unit - Blended	14.HCC HCV/ CARES Act Funding	14.871 Housing Choice Vouchers	14.218 Community Development Block Grants/Entitle- ment Grants	14.228 Community Development Block Grants/State's Program	COCC	Subtotal	ELIM	Total
97400 Depreciation Expense	\$939,378	\$0	\$0	\$36,897	\$0	\$0	\$0	\$0	\$62,363	\$0	\$0	\$0	\$6,695			\$39,749	\$1,087,082		\$1,087,082
97500 Fraud Losses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
97600 Capital Outlays - Governmental Funds																			
97700 Debt Principal Payment - Governmental Funds																			
97800 Dwelling Units Rent Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
90000 Total Expenses	\$3,301,126	\$220,406	\$12,612	\$1,348,495	\$0	\$53,941	\$69,682	\$9,134	\$400,243	\$83,959	\$118,075	\$146,330	\$18,994,773	\$0	\$0	\$2,374,889	\$27,133,665	-\$1,145,722	\$25,987,943
10010 Operating Transfer In	\$23,875	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,747	\$0	\$0			\$554,306	\$598,928	-\$598,928	\$0
10020 Operating transfer Out	-\$23,875	\$0	\$0	-\$575,053	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	-\$598,928	\$598,928	\$0
10030 Operating Transfers from/to Primary Government	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
10040 Operating Transfers from/to Component Unit	\$0	\$0	\$0	\$25,000	\$0	\$0	\$0	\$0	-\$25,000	\$0	\$0	\$0	\$0			\$0	\$0		\$0
10050 Proceeds from Notes, Loans and Bonds																			
10060 Proceeds from Property Sales																			
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
10080 Special Items (Net Gain/Loss)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
10091 Inter Project Excess Cash Transfer In	\$0																\$0		\$0
10092 Inter Project Excess Cash Transfer Out	\$0																\$0		\$0
10093 Transfers between Program and Project - In	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
10094 Transfers between Project and Program - Out	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
10100 Total Other Financing Sources (Uses)	\$0	\$0	\$0	-\$550,053	\$0	\$0	\$0	\$0	-\$25,000	\$0	\$20,747	\$0	\$0	\$0	\$0	\$554,306	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$4,187,868	-\$172,362	\$0	\$1,209,120	\$0	\$0	\$0	\$0	\$179,087	\$0	\$55,390	\$0	\$313,620	\$0	\$0	\$92,678	\$5,865,401	\$0	\$5,865,401
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$51,577	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$51,577		\$51,577
11030 Beginning Equity	\$9,095,692	\$364,718	\$0	\$79,037,298	\$0	\$0	\$0	\$0	\$974,595	\$0	\$236,906	\$0	-\$641,493	\$0	\$0	-\$465,511	\$88,602,405		\$88,602,405
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-\$6,379,630	\$0	\$0	\$6,379,630	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0			\$0	\$0		\$0
11050 Changes in Compensated Absence Balance																			
11060 Changes in Contingent Liability Balance																			
11070 Changes in Unrecognized Pension Transition Liability																			
11080 Changes in Special Term/Severance Benefits Liability																			
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents																			
11100 Changes in Allowance for Doubtful Accounts - Other																			
11170 Administrative Fee Equity													-\$389,335				-\$389,335		-\$389,335
11180 Housing Assistance Payments Equity													\$61,462				\$61,462		\$61,462
11190 Unit Months Available	3540	388	0	20	0	156	0	0	264	0	0	0	18108			0	22476		22476
11210 Number of Unit Months Leased	2760	169	0	20	0	135	0	0	264	0	0	0	18144			0	21492		21492
11270 Excess Cash	\$1,065,516																\$1,065,516		\$1,065,516
11610 Land Purchases	\$0															\$0	\$0		\$0
11620 Building Purchases	\$212,674															\$0	\$212,674		\$212,674
11630 Furniture & Equipment - Dwelling Purchases	\$0															\$0	\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$0															\$0	\$0		\$0
11650 Leasehold Improvements Purchases	\$0															\$0	\$0		\$0
11660 Infrastructure Purchases	\$0															\$0	\$0		\$0
13510 CFFP Debt Service Payments	\$0															\$0	\$0		\$0
13901 Replacement Housing Factor Funds	\$0															\$0	\$0		\$0