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**The Governing Body of
Housing Authority of the City of Santa Barbara**

Auditors' Communication with Those Charged with Governance

We have audited the financial statements of Housing Authority of the City of Santa Barbara (the Authority) as of and for the year ended March 31, 2023, and have issued our report thereon dated August 30, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Authority solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.



Significant Risks Identified

In planning and performing the audit we obtained an understanding of the entity and its environment for the purpose of identifying and assessing the risks of material misstatement as a basis for designing and performing further audit procedures. Certain risks are considered inherent and significant to performing the audit. Those risks and a description of the risk are as follows:

- The risk that management will override internal controls.
 - Because management is primarily responsible for the design, implementation, and maintenance of internal control, the entity is always exposed to the danger of management override of controls, whether the entity is publicly held, private, not-for-profit, or governmental. When the opportunity to override internal control is combined with powerful incentives to meet accounting objectives, senior management may engage in fraudulent financial reporting. Thus, otherwise effective internal control cannot be relied upon to prevent, detect, or deter fraudulent financial reporting perpetrated by senior management.

- The risk that management will recognize revenue that has not been earned in accordance with GAAP.
 - Because management is responsible for meeting financial goals and the consequences to management for failing to meet financial goals can be significant, incentives or pressure to commit fraudulent financial reporting may exist when management is under pressure, from sources outside or inside the entity.

- The risk that management will not properly implement new accounting standard GASB 87 Leases.
 - GASB 87 fundamentally change how government entities must account for lease transactions. The risk of failing to implement or management implementation not meeting the GASB standards.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Authority is included in the notes to the financial statements. As described in the Notes to the Financial Statements, during the year, the entity changed its method of accounting for leases by adopting Governmental Accounting Standards Board (GASB) Statement No. 87 Lease. Accordingly, the cumulative effect of the accounting change as of the beginning of the year has been reported in the Statement of Activities. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.



Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are described below:

- Management's estimate of the useful lives of capital assets is based on industry benchmarks and grant guidance. We evaluated the key factors and assumptions used to develop the useful lives of capital assets and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.
- Management's estimate of the net OPEB liability and the related deferred inflow of resources and deferred outflow of resources is based on an actuarial study and report. We evaluated the key factors and assumptions used to develop the net OPEB liability and the related deferred inflow of resources and deferred outflow of resources and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Authority's financial statements relate to:

- Capital Assets.
- Net OPEB Liability.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. The following significant unusual transactions identified as a result of our audit procedures were brought to the attention of management:

- We noted no transactions involving complex accounting treatments and regulations, unusually large discounts or returns, circular arrangements, that occurred under contracts whose terms changed before expiration or involved a purpose outside the normal course of business.

Identified or Suspected Fraud

We have identified or have obtained information that indicates that the following fraud may have occurred:

- No events or conditions were identified or communicated to us that fraud may have occurred.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.



Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. Management has corrected all identified misstatements. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion units.

- See Adjusting Journal Entry Report.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Authority's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report:

- None

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated August 30, 2023.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.



Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Authority, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Authority's auditors.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the individuals charged with governance, and management of the Authority and is not intended to be and should not be used by anyone other than these specified parties.

August 30, 2023

HOUSING AUTHORITY OF THE CITY OF SANTA BARBARA

MANAGEMENT REPRESENTATION LETTER

Smith Marion & Co.

4068 Rural Plains Circle STE 180
Franklin, TN. 37064

Ladies and Gentlemen,

This representation letter is provided in connection with your audit of the financial statements of Housing Authority of the City of Santa Barbara, which comprise the statement of financial position as of March 31, 2023, and the related statements of operations and cash flows for the year then ended, and the related notes to financial statements, for the purpose of expressing an opinion on whether the financial statements of the various opinion units are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement FYE 2023, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
2. The financial statements referred to above have been fairly presented in accordance with U.S. GAAP and include all properly classified funds, required supplementary information, and notes to the basic financial statements.
3. We acknowledge our responsibility for 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.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. With regard to non-audit services performed by you, we acknowledge and our responsibility to:
 - a. Assume all management responsibilities;
 - b. Oversee the services by designating an individual who possesses suitable skill, knowledge, or experience;
 - c. Evaluate the adequacy and results of the services performed; and
 - d. Accept responsibility for the results of the services.
6. Significant assumptions used by us in making accounting estimates are reasonable.
7. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
8. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.

9. The effects of uncorrected misstatements aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
10. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
11. With regard to items reported at fair value:
 - a. The underlying assumptions are reasonable, and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - b. The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - c. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
 - d. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
12. All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
13. All funds and activities are properly classified.
14. All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
15. All net position components and fund balance classifications have been properly reported.
16. All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
17. All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
18. All interfund and intra-entity transactions and balances have been properly classified and reported.
19. Special items and extraordinary items have been properly classified and reported.
20. Deposit and investment risks have been properly and fully disclosed.
21. Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
22. All required supplementary information is measured and presented within the prescribed guidelines.
23. Nonexchange and exchange financial guarantees, either written or oral, under which it is more likely than not that a liability exists have been properly recorded, or if we are obligated in any manner, are disclosed.
24. We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* which codifies FASB Accounting Standards Codification™ (ASC) 450, *Contingencies*, and we have not consulted a lawyer concerning litigation, claims, or assessments.
25. With regard to pensions and OPEB, if any:
 - a. We believe that the actuarial assumptions and methods used to measure pension and OPEB liabilities and costs for financial accounting purposes are appropriate in the circumstances.
 - b. We are unable to determine the possibility of a withdrawal liability from the Pension Plan of which we are a sponsor and are not currently contemplating withdrawing from the Pension Plan
 - c. Increases in benefits, elimination of benefits and all similar amendments have been disclosed in accordance with U.S. GAAP and are included in the most recent actuarial valuation or disclosed as a subsequent event.

Information Provided

26. We have provided you with:
 - a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit; and
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
27. All transactions have been recorded in the accounting records and are reflected in the financial statements.
28. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
29. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - a. Management;
 - b. Employees who have significant roles in internal control; or
 - c. Others where the fraud could have a material effect on the financial statements.
30. We have no knowledge of any instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance, whether communicated by employees, former employees, vendors (contractors), regulators, or others.
31. We have no knowledge of any instances that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that has a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
32. We have no knowledge of any instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
33. We have taken timely and appropriate steps to remedy fraud, noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that you have reported to us.
34. We have a process to track the status of audit findings and recommendations.
35. We have identified for you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
36. We have provided views on your reported audit findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
37. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial.
38. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
39. There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
40. Housing Authority of the City of Santa Barbara has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
41. We have disclosed to you all guarantees, whether written or oral, under which Housing Authority of the City of Santa Barbara is contingently liable.
42. We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.

43. There are no:
 - a. Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - b. Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62.
44. Housing Authority of the City of Santa Barbara has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
45. We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
46. We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB-62. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.

Single Audit

47. With respect to federal awards, we represent the following to you:
 - a. We are responsible for understanding and complying with and have complied with the requirements of 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), as applicable.
 - b. We are responsible for the preparation and presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance.
 - c. We believe the schedule of expenditures of federal awards, including its form and content, is fairly presented in accordance with the Uniform Guidance.
 - d. The methods of measurement or presentation have not changed from those used in the prior period.
 - e. We are responsible for including the auditor's report on the schedule of expenditures of federal awards in any document that contains the schedule and that indicates that the auditor has reported on such information.
 - f. We have notified you of federal awards and funding increments that were received before December 26, 2014 and differentiated those awards from awards and funding increments received on or after December 26, 2014, and subject to the audit requirements of the Uniform Guidance.
 - g. When the schedule of expenditures of federal awards is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the schedule of expenditures of federal awards no later than the date of issuance by the entity of the schedule of expenditures of federal awards and the auditor's report thereon.
 - h. We have, in accordance with the Uniform Guidance¹⁰, identified in the schedule of expenditures of federal awards, expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, food commodities, direct appropriations, and other assistance.

- i. We are responsible for complying with the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major federal program; and we have complied, in all material respects, with these requirements.
- j. We have provided to you our interpretations of any compliance requirements that have varying interpretations.
- k. We are responsible for establishing and maintaining effective internal control over compliance requirements applicable to federal programs that provide reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. Also, no changes have been made in the internal control system to the date of this letter that might significantly affect internal control, including any corrective action taken with regard to significant deficiencies, including material weaknesses, reported in the schedule of findings and questioned costs.
- l. We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relating to federal programs.
- m. We have received no requests from a federal agency to audit one or more specific programs as a major program.
- n. We have identified and disclosed to you all amounts questioned and any known noncompliance with the requirements of federal awards, including the results of other audits or program reviews. We also know of no instances of noncompliance occurring subsequent to the end of the period audited.
- o. We have charged costs to federal awards in accordance with applicable cost principles, including amounts claimed or used for matching determined in accordance with relevant guidelines in the Uniform Guidance (for grant awards and funding increments received before December 26, 2014).
- p. We have made available to you all documentation related to the compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- q. Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the basic financial statements have been prepared (and are prepared on a basis consistent with the schedule of expenditures of federal awards).
- r. The copies of federal program financial reports provided to you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- s. We have properly classified amounts claimed or used for matching in accordance with related guidelines in the Uniform Guidance (for grant awards and funding increments received before December 26, 2014).
- t. We have charged costs to federal awards in accordance with the provisions of the Uniform Guidance (for grant awards and funding increments received before December 26, 2014), as applicable.
- u. We are responsible for and have accurately prepared the summary schedule of prior audit findings, and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- v. We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- w. We are responsible for and have accurately completed the appropriate sections of the Data Collection Form as required by the Uniform Guidance, and we are responsible for preparing and implementing a correction action plan for each audit finding.
- x. We have disclosed all contracts or other agreements with service organizations and disclosed to you all communications from these service organizations relating to noncompliance at the organizations.

- y. We have reviewed, approved, and taken responsibility for the financial statements and related notes and an acknowledgment of the auditor's role in the preparation of this information. (This representation is required by footnote 28 to paragraph 3.18 of *Government Auditing Standards* when the auditor has a role in preparing the trial balance and draft financial statements and related notes.)
- z. We have reviewed, approved, and taken responsibility for accrual adjustments and an acknowledgment of the auditor's role in the preparation of the adjustments. (This representation is required by footnote 28 to paragraph 3.18 of *Government Auditing Standards* when the auditor has a role in converting cash-basis financial statements to accrual-based financial statements.)
- aa. We have disclosed to you the nature of any subsequent events that provide additional evidence with respect to conditions that existed at the end of the reporting period that affect noncompliance during the reporting period.

Supplementary Information in Relation to the Financial Statements as a Whole

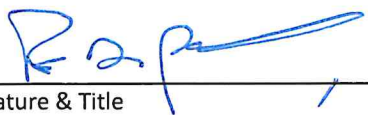
With respect to the supplementary information accompanying the financial statements (as listed in the table of contents):

- a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America, U.S. GASB, and other Federal and State regulatory standards.
- b. We believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America, U.S. GASB, and other Federal and State regulatory standards.
- c. The methods of measurement or presentation have not changed from those used in the prior period.
- d. When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

Required Supplementary Information

With respect to the required supplementary information accompanying the financial statements (as listed in the table of contents):

- a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with U.S. GAAP, U.S. GASB, and other Federal and State regulatory standards.
- b. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with U.S. GAAP, U.S. GASB, and other Federal and State regulatory standards.

 Finance Director

Signature & Title

08/30/2023

Date



HOUSING AUTHORITY OF THE CITY OF SANTA BARBARA

Financial Statements & Independent Auditors' Report

For the Year Ended March 31, 2023



smithmarion

Housing Authority of the City of Santa Barbara

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For the Year Ended March 31, 2023

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Board of Commissioners
Housing Authority of the City of Santa Barbara
Santa Barbara, CA

Independent Auditors' Report

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of business-type activities and the aggregated discretely presented component units of business-type activities of the Housing Authority of the City of Santa Barbara as of and for the year ended March 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, discretely presented component units and combining schedule of business-type activities of the Housing Authority of the City of Santa Barbara, as of March 31, 2023, and the respective change in financial position and cash flows thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Villa Santa Fe, L.P., Santa Barbara Housing Partnership IV, 813 East Carrillo Street, L.P., 251 South Hope Associates, L.P., or Grace Village Apartments, L.P., which represent 100% percent, 100% percent, and 100% percent, respectively, of the assets, net position, and revenues of the discretely presented component units. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component units, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. The financial statements of the aggregate discretely presented component unit were not audited in accordance with *Government Auditing Standards*.

We are required to be independent of Housing Authority of the City of Santa Barbara and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Housing Authority of the City of Santa Barbara's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Housing Authority of the City of Santa Barbara's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Housing Authority of the City of Santa Barbara's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages i-vi and schedule of net OPEB liability on page 32 be 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the City of Santa Barbara's basic financial statements. The supplemental information, as described in The Table of Contents, and the schedule of expenditures of federal awards, which is required by *Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the financial statements.

The supplementary information is 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 supplementary information is 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 August 30, 2023, on our consideration of the Housing Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of Housing Authority of the City of Santa Barbara's 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 Housing Authority of the City of Santa Barbara's internal control over financial reporting and compliance.

August 30, 2023

HOUSING AUTHORITY OF THE CITY OF SANTA BARBARA
Santa Barbara, California

Management's Discussion and Analysis

March 31, 2023

As management of the Housing Authority of the City of Santa Barbara, we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended March 31, 2023.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* issued in June, 1999. Certain comparative information between the current year and the prior year is required to be presented in the MD&A.

Financial Highlights

- Total operating revenue for all programs, net of interfund eliminations, was approximately \$61.6 million. Tenant rental revenue generated approximately \$9.8 million, and HUD operating grants provided approximately \$47.9 million.
- Total operating expenses for all programs, net of interfund eliminations, was approximately \$55.5 million. Housing assistance payments to landlords on behalf of tenants represented approximately \$34.8 million. Administrative expenses (\$6.5 million), maintenance (\$4.7 million) and tenant services (\$2.0 million) were other significant expense categories.
- The assets of the Housing Authority exceeded its liabilities at the close of the year by \$201.6 million. Of that amount, \$67.5 million was considered unrestricted net position and \$12.4 million was restricted net position. The remaining balance of \$121.6 million was net investment in capital assets.
- The Housing Authority's total net position increased by \$6.8 million (3.5%) from the prior fiscal year (Table 1).

Overview of the Basic Financial Statements

This discussion and analysis are intended to serve as an introduction to the Housing Authority's basic financial statements, which are comprised of the Combined Statement of Net Position, the Combined Statement of Revenues, Expenses and Changes in Fund Net Position and the Statement of Cash Flows. This report also includes notes to the financial statements and supplementary information.

The financial statements report information on the Authority net of interfund activity.

The *Combined Statement of Net Position* presents information on the Authority's assets, including deferred outflows of resources, and liabilities, including deferred inflows of resources, with the difference between the two reported as "net position." Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The *Combined Statement of Revenues, Expenses and Changes in Net Position* presents information showing how the Authority's net position changed during the fiscal 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. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The *Combined Statement of Cash Flows* presents the change in the Authority's cash and cash equivalents during the most recent fiscal year.

HOUSING AUTHORITY OF THE CITY OF SANTA BARBARA
Santa Barbara, California

Management's Discussion and Analysis

March 31, 2023

Fund Accounting. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Some funds are required to be established by the United States Department of Housing and Urban Development (HUD). However, the Authority has established other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other moneys. All funds of the Authority are categorized as Enterprise Funds.

Enterprise Funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the statement of net position. The focus of enterprise funds is on income measurement which, together with the maintenance of equity, is an important financial indication.

Notes to the Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements.

Supplemental Information. Certain information is required to be included in this report by various federal agencies. This information is included after the notes to the financial statements, under the title "Supplementary Information."

Financial Analysis

As noted earlier, the Authority uses funds to help it control and manage money for particular purposes. The analysis below focuses on the net position (Table 1) and the changes in the net position (Table 3) of the Authority as a whole. The Authority's net investment in capital assets (e.g. land, buildings and improvements, furniture, equipment, and machinery) represents approximately 60.3% of total net position. The Authority uses these capital assets to provide services to clients; consequently, these assets are not available for future spending.

Table 1, on the next page, presents a summary of changes in the Authority's statement of net position from the fiscal year ended March 31, 2022 to the fiscal year ended March 31, 2023. The following is an explanation of some of the changes between fiscal years, as shown in Table 1.

- **Current assets** increased approximately \$5.3 million (13%). Of that amount, combined cash and investments, both restricted and unrestricted, increased approximately \$4.8 million (11.8%) which accounts for the majority of the increase in current assets. The increase was due to the results of operating activity for the year.
- **Non-Current assets** (excluding capital assets) increased slightly from the prior fiscal year-end, with an increase of \$1.6 million (3.6%).
- **Capital assets** (net of depreciation) increased slightly from the prior fiscal year-end with an increase of approximately \$4.1 million (2.6%). Table 2, on the next page, summarizes the changes in capital assets.

HOUSING AUTHORITY OF THE CITY OF SANTA BARBARA
Santa Barbara, California

Management's Discussion and Analysis

March 31, 2023

Table 1
STATEMENT OF NET POSITION

	<u>3/31/2022</u>	<u>3/31/2023</u>	<u>Change</u>	<u>% Change</u>
Current Assets	\$ 40,992,776	\$ 46,331,923	\$ 5,339,147	13.0%
Capital Assets, Net of Depreciation	156,018,364	160,111,645	4,093,281	2.6%
Non-Current Assets	43,339,441	44,911,708	1,572,267	3.6%
Deferred Outflow of Resources	206,342	171,396	(34,946)	-16.9%
Total Assets and Deferred Outflows of Resources	<u>\$ 240,556,923</u>	<u>\$ 251,526,672</u>	<u>\$ 10,969,749</u>	4.6%
Current Liabilities	\$ 2,696,068	\$ 3,312,786	\$ 616,718	22.9%
Non-Current Liabilities	40,008,614	41,652,502	1,643,888	4.1%
Total Liabilities	<u>\$ 42,704,682</u>	<u>\$ 44,965,288</u>	<u>\$ 2,260,606</u>	5.3%
Deferred Inflows of Resources	3,125,498	5,002,208	1,876,710	60.0%
Net Position				
Net Investment in Capital	\$ 119,116,261	\$ 121,591,042	\$ 2,474,781	2.1%
Restricted Net Position	10,420,187	12,425,997	2,005,810	19.2%
Unrestricted Net Position	65,190,295	67,542,137	2,351,842	3.6%
Net Position	<u>\$ 194,726,743</u>	<u>\$ 201,559,176</u>	<u>\$ 6,832,433</u>	3.5%
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 240,556,923</u>	<u>\$ 251,526,672</u>	<u>\$ 9,093,039</u>	3.8%

- **Total liabilities** increased approximately \$2.3 million (5.3%). Of that amount, \$616,718 (22.9%) was an increase in current liabilities and approximately \$1.6 million (4.1%) was an increase in non-current liabilities.
- **Total net position** increased approximately \$6.8 million (3.5%).

Table 2
FIXED ASSETS

	<u>3/31/2022</u>	<u>3/31/2023</u>	<u>Change</u>	<u>% Change</u>
Land	\$ 78,627,743	\$ 82,216,743	\$ 3,589,000	4.6%
Depreciable Capital Assets	111,817,053	116,403,767	4,586,714	4.1%
Less Accumulated Depreciation	(34,426,432)	(38,508,865)	(4,082,433)	11.9%
Net Capital Assets	<u>\$ 156,018,364</u>	<u>\$ 160,111,645</u>	<u>\$ 4,093,281</u>	2.6%

HOUSING AUTHORITY OF THE CITY OF SANTA BARBARA
Santa Barbara, California

Management's Discussion and Analysis

March 31, 2023

Table 3, below, presents a comparison of the Authority's Combined Statement of Revenues, Expenses and Change in Net Position for the fiscal years ended March 31, 2022 and 2023. The following are some of the changes between fiscal years as shown in the table.

Table 3
CHANGE IN NET POSITION

Operating Revenues	3/31/2022	3/31/2023	Change	% Change
Tenant Revenue	\$ 8,969,437	\$ 9,788,026	\$ 818,589	9.1%
HUD Operating Grants	45,557,480	47,924,963	2,367,483	5.2%
Other Operating Income	7,180,384	3,841,344	(3,339,040)	-46.5%
Total Operating Revenue	\$ 61,707,301	\$ 61,554,333	\$ (152,968)	-0.2%
Operating Expenses				
Administration	\$ 5,344,911	\$ 6,473,007	\$ 1,128,096	21.1%
Utilities	1,494,490	1,634,499	140,009	9.4%
Maintenance & Operations	3,901,303	4,689,307	788,004	20.2%
Insurance	547,507	549,188	1,681	0.3%
General	1,250,532	1,264,395	13,863	1.1%
Depreciation	3,986,405	4,201,996	215,591	5.4%
Housing Assistance Payments	32,263,357	34,766,747	2,503,390	7.8%
Tenant Services	2,605,791	1,966,478	(639,313)	-24.5%
Total Operating Expenses	\$ 51,394,296	\$ 55,545,617	\$ 4,151,321	8.1%
Net operating income	\$ 10,313,005	\$ 6,008,716	\$ (4,304,289)	-41.7%
Non-Operating Revenue (Expenses)				
Investment income	\$ 1,000,179	\$ 2,086,053	\$ 1,085,874	108.6%
Interest Expense	(1,214,190)	(1,262,336)	(48,146)	4.0%
Total Non-Operating Revenue (Expenses)	\$ (214,011)	\$ 823,717	\$ 1,037,728	-484.9%
Net income	\$ 10,098,994	\$ 6,832,433	\$ (3,266,561)	-32.3%
Prior period adjustment	-	-	\$ -	
Change in net position	\$ 10,098,994	\$ 6,832,433	\$ (3,266,561)	-32.3%

Operating Revenue: Total operating revenue was virtually unchanged from the prior year with an overall decrease of \$152,968 (-0.2%). Increases in tenant rent (\$818,589 or 9.1%) and HUD operating grants (\$2.4 million or 5.2%) were offset by a decrease in other operating income (\$3.3 million or 46.5%). The Authority's HUD Section 8 HCV grant increased by approximately \$2.5 million, allowing a corresponding increase in housing assistance payments to landlords on behalf of the Authority's voucher holders. The decrease in other operating income was the result of an operating grant in the prior year.

HOUSING AUTHORITY OF THE CITY OF SANTA BARBARA
Santa Barbara, California

Management's Discussion and Analysis

March 31, 2023

Operating Expenses: Operating expenses increased approximately \$4.2 million (8.5%). Well more than half of the increase was in the line item for Section 8 housing assistance payments to landlords, which increased \$2.5 million (7.8%) in line with the increased HUD Section 8 HCV operating grant, mentioned above. Administrative expenses increased approximately \$1.1 million (21%) primarily as a result of cost-of-living wage, benefit cost increases and market adjustments to staff compensation.

Non-Operating Revenue / (Expenses): Within this category, investment income increased by over \$1.1 million (21.1%) from the prior fiscal year due to the substantial increase market interest rates that the Authority was well positioned to take advantage of.

Fund Net Position Analysis

Table 4 shows a summary of the beginning net position, net income or loss, and the resulting fiscal year-end net position for the individual funds making up the agency-wide "primary government" financial statements.

Table 4

	Net Position by Fund					SBAHG Component Unit (blended)	Total
	Business Activities	Central Office Cost Center	Section 8, ROSS, Mainstream & EHV	Shelter Plus Care			
Net position, beginning of year	\$ 196,073,798	\$ 841,816	\$ 4,473,560	\$ -		\$ (6,662,431)	\$194,726,743
Net income (loss)	7,969,005	359,953	1,188,729	3,393		(2,688,647)	6,832,433
Equity Transfers	-	-	-			-	-
Net position, end of year	<u>\$ 204,042,803</u>	<u>\$ 1,201,769</u>	<u>\$ 5,662,289</u>	<u>\$ 3,393</u>		<u>\$ (9,351,078)</u>	<u>\$201,559,176</u>

The following is an explanation of some of the notable changes in fund net position as shown in Table 4.

Business Activities: Net position increased a total of approximately \$8 million entirely because of net income for the fiscal year.

Central Office Cost Center (COCC): The COCC ended the fiscal year with a net position of approximately \$1.2 million, an increase of \$359,953 from the prior fiscal year-end.

Section 8, ROSS, Mainstream AND Emergency Housing Vouchers: Fund net position increased during the fiscal year by approximately \$1.2 million and ended the fiscal year with a net position of approximately \$5.7 million.

Shelter Plus Care: The fund ended the fiscal year with a net income of and net position of \$3,393.

Santa Barbara Affordable Housing Group (SBAHG). The SBAHG is a 501(c)(3) corporation and an instrumentality of the Authority. It is reported as a blended component unit of the Authority. SBAHG had a net loss of approximately \$2.7 million for the fiscal year resulting in a negative year-end net position of approximately \$9.4 million. SBAHG had interest expense of approximately \$3.4 million. Virtually all the interest expense is on residual receipt loans owed to the Authority. As residual receipt loans, payments are required and made only to the extent that sufficient surplus funds are available at the close of the fiscal year.

HOUSING AUTHORITY OF THE CITY OF SANTA BARBARA
Santa Barbara, California

Management's Discussion and Analysis

March 31, 2023

Debt. The Agency's long-term debt consists of mortgage loans and notes payable. Additional detail about the long-term liabilities can be found in the notes to the financial statements.

Economic Factors and Outlook. The Authority is primarily dependent upon the federal Department of Housing and Urban Development (HUD) for the funding of operations; therefore, the federal budget more directly affects the Authority than do state or local budgets or local economic conditions. One way in which the local economy does affect the Authority and its clients is the continuing tight rental market in Santa Barbara. With rental housing vacancy rates under one percent, local rents, already very expensive, continue to rise. Higher rents mean that Section 8 voucher holders continue to have an extremely difficult time finding available apartments within the rent levels allowed under the Section 8 HCV program. It also means that the average rent subsidy per voucher is increasing as well, putting further pressure on the Authority's federal voucher funding. Fortunately, as mentioned above, the Authority's Section 8 HCV grant from HUD increased in 2023.

Given the possibility of continued pressure on federal spending levels, including housing programs funded by HUD, the Authority, like all housing authorities, faces the possibility of further constraints on federal funding. In one respect, the Authority's exposure to federal funding risk has been substantially reduced as it has taken advantage of the Rental Assistance Demonstration (RAD) program to remove all 316 units from the Public Housing program. The Authority no longer has any Public Housing units directly dependent on federal funding. However, any federal funding reductions would affect the Authority's Section 8 voucher program. It will continue to be a challenge adjusting to limits on Section 8 HCV funding while still administering the voucher program in an expensive and tight rental market.

Requests for Information. This financial report is designed to provide citizens, taxpayers, and creditors with a general overview of the Authority's finances and to show the Authority's accountability for resources it receives. Questions concerning any of the information provided in this report or request for additional financial information should be addressed to the Finance Department at the Housing Authority of the City of Santa Barbara, 808 Laguna Street, Santa Barbara, CA 93101.

Housing Authority of the City of Santa Barbara

Statement of Net Position

March 31, 2023

	Primary Government	Discretely Presented Component Units
ASSETS		
Current Assets		
Cash and cash equivalents		
Unrestricted	\$ 7,733,961	\$ 3,439,717
Restricted	5,340,426	4,017,041
Subtotal	13,074,387	7,456,758
Investments	31,938,860	119,855
Accounts receivable, net	358,155	178,369
Inventory, net	94,243	-
Prepaid expenses	207,739	1,346,329
Notes and lease receivable current	658,539	-
Total Current Assets	46,331,923	9,101,311
Non-Current Assets		
Notes and lease receivable	44,911,708	-
Intangibles, net	-	11,057,575
Capital assets, net	160,111,645	88,860,907
Total Non-Current Assets	205,023,353	99,918,482
TOTAL ASSETS	251,355,276	109,019,793
DEFERRED OUTFLOWS OF RESOURCES	171,396	-
LIABILITIES		
Current Liabilities		
Accounts payable	928,815	180,523
Accrued liabilities	259,042	-
Deposits held in trust	778,753	221,428
Compensated absences current	76,652	947
Unearned revenue	340,202	48,563
Other liabilities current	74,657	3,083,820
Debt current	844,758	385,386
Lease payable current	9,907	-
Total Current Liabilities	3,312,786	3,920,667
Non-Current Liabilities		
Compensated absences	382,663	2,840
Funds held in trust	1,291,038	331,519
Other employee benefit (OPEB) liability	2,312,863	-
Debt payable	37,637,416	68,846,297
Leases payable	28,522	-
Total Non-Current Liabilities	41,652,502	69,180,656
TOTAL LIABILITIES	44,965,288	73,101,323
DEFERRED INFLOWS OF RESOURCES	5,002,208	-
Net Position		
Net investment in capital assets	121,591,042	19,629,224
Restricted	12,425,997	3,464,094
Unrestricted	67,542,137	12,825,152
TOTAL NET POSITION	\$ 201,559,176	\$ 35,918,470

Housing Authority of the City of Santa Barbara
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended March 31, 2023

	Primary Government	Discretely Presented Component Units
<u>Operating Revenues</u>		
Rental revenues, net	\$ 9,788,026	\$ 7,130,733
Government grants	47,924,963	-
Other income	3,841,344	6,253
Total Operating Revenues	61,554,333	7,136,986
<u>Operating Expenses</u>		
Administration	6,473,007	1,224,714
Tenant services	1,966,478	203,370
Utilities	1,634,499	510,200
Maintenance and operations	4,689,307	970,940
Insurance expense	549,188	346,344
General expense	1,264,395	136,340
Housing Assistance Payments	34,766,747	-
Depreciation and amortization	4,201,996	2,900,738
Total Operating Expenses	55,545,617	6,292,646
 NET OPERATING INCOME (LOSS)	 6,008,716	 844,340
<u>Non-Operating Revenues (Expenses)</u>		
Interest income	2,086,053	813
Interest expense	(1,262,336)	(2,655,635)
Total Non-Operating Revenues (Expenses)	823,717	(2,654,822)
 INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	 6,832,433	 (1,810,482)
 CHANGE IN NET POSITION	 6,832,433	 (1,810,482)
BEGINNING NET POSITION	194,726,743	37,728,952
ENDING NET POSITION	\$ 201,559,176	\$ 35,918,470

Housing Authority of the City of Santa Barbara

Statement of Cash Flows
For the Year Ended March 31, 2023

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	
Receipts from tenants and users	\$ 16,178,905
Receipts from operating grants	45,676,924
Payments for goods and services	(10,148,227)
Payments for Housing Assistance Payments	(34,463,998)
Payments to employees for services	<u>(4,396,943)</u>
NET CASH FLOW PROVIDED (USED) BY OPERATING ACTIVITIES	<u>12,846,661</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>	
Capital asset purchases	(8,248,032)
Principle payments on leases and loans	(2,159,299)
Interest payments on leases and loans	(1,262,336)
Proceeds from new loans	<u>2,885,926</u>
NET CASH FLOW PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(8,783,741)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>	
Proceeds from investment activities	2,086,053
Proceeds from collection on notes receivable	(1,386,178)
(Purchase) or redemption of investments	<u>(5,227,279)</u>
NET CASH FLOW PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(4,527,404)</u>
NET INCREASE (DECREASE) IN CASH	(464,484)
BEGINNING CASH	<u>13,538,871</u>
ENDING CASH	<u>\$ 13,074,387</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>	
Operating income (loss)	\$ 6,008,716
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:	
Depreciation	4,201,996
Other employee benefits program (OPEB)	1,649,915
Change in Assets and Liabilities	
(Increase) decrease in accounts receivable	129,508
(Increase) decrease in inventory and prepaid	(47,321)
Increase (decrease) in accounts payable	489,261
Increase (decrease) in accrued liabilities	282,482
Increase (decrease) in unearned revenue	95,592
Increase (decrease) in deposits held in trust	<u>36,512</u>
Total Adjustments	<u>6,837,945</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 12,846,661</u>
Interest Paid	<u>\$ 1,016,932</u>

NOTE 01 – SUMMARY OF ORGANIZATION, SIGNIFICANT ACCOUNTING POLICIES AND REPORTING ENTITY

Introduction

The financial statements of the Housing Authority of the City of Santa Barbara (the Authority) have been prepared in accordance with Generally Accepted Accounting Principles (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). 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. 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 Net Position
 - Statement of Cash Flows
- Notes to Financial Statements
- Required supplemental information other than MD&A and supplemental information

Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low-income housing programs in the United States. Accordingly, HUD has contracted with the Authority to administer certain HUD funds.

Reporting Entity

The Authority is a public body organized in October 1969, under laws of the State of California's Health and Safety Code. The Authority was created for the purpose of providing safe and sanitary housing for qualified economically disadvantaged and elderly individuals in areas where a shortage of such housing exists. The Board of Commissioners of the Authority is composed of seven members and is appointed to four-year terms (except for tenant commissioners who serve two-year terms) by the Santa Barbara City Council (the City Council), but the Authority designates its own management. The City Council provides no financial support to the Authority and is not responsible for the debts or entitled to the surpluses of the Authority. The Authority has the power to approve its own budget and maintains its own accounting system. Although the Board is appointed by the City Council, no other criteria established by Section 2100 and 2600 of the Codification of Governmental Accounting Standards Board, the Financial Accounting Standards Board, and Governmental Accounting Standards Board Statement No. 39 for inclusion of the Authority in the City of Santa Barbara's financial statements are met. Therefore, a separate financial report is prepared for the Authority. All of the operations of the Authority are included in the audited financial statements and there are no operations or activities which have been excluded. Additionally, the Authority has entered into annual contribution contracts with the U.S. Department of Housing and Urban Development (HUD) to be administrator of the housing and housing related programs described herein. The Authority is not subject to Federal or State income taxes and is not required to file Federal or State income tax returns.

Housing Authority of the City of Santa Barbara

Notes to Financial Statements
For the Year Ended March 31, 2023

GASB Statement No. 14 established criteria for determining the governmental reporting entity. Under provisions of this statement, the Authority is considered a primary government, since it is a special-purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state and local governments. As used in GASB 14, fiscally independent means that the Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, control collection and disbursements of funds, maintain responsibility for funding deficits and operating deficiencies, and issue bonded debt.

The Authority's primary operations comprise a number of housing and grant programs as follows:

- Authority Owned Housing
- Housing Assistance Payment Program
- Property Management Program
- Non-HUD Program
- Shelter Plus Care

In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity was made by applying the criteria set forth in Section 2100 and 2600 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards* and Statement No. 14 and No. 61 of the *Government Accounting Standards Board, the Financial Reporting Entity*.

- The organization is legally separate (can sue and be sued in their own name).
- The Authority holds the corporate powers of the organization.
- The Authority appoints a voting majority.
- The Authority is able to impose its will on the organization.
- The organization has the potential to impose a financial benefit/burden on the Authority.
- There is fiscal dependency by the organization on the Authority.

Based on the aforementioned criteria, and the control and relationship between the Authority and the component units, the Authority has determined that the following entities are considered component units of the Authority and are required to be blended within the Authority's financial statements:

Blended Component Units

Blended component units are separate legal entities that meet the component unit criteria described above and whose governing body is the same or substantially the same as the Authority's Board of Commissioners or the component units provide services entirely to the Authority. These component units' funds are blended into those of the Authority's by appropriate activity type to compose the primary government presentation.

Currently, the Authority has one component unit that meets the criteria for blending.

Santa Barbara Affordable Housing Group (SBAHG) is a legally separate non-profit organization. The Board of Directors of SBAHG consists of the same members as the Board of Commissioners of the Authority. The SBAHG is an instrumentality of the Authority and is fiscally dependent on the Authority. Based on the above, it has been determined that the SBAHG is a component unit of the Housing Authority and should be included in the Housing Authority's financial statements through a blended presentation. SBAHG operates on the same fiscal year as the Housing Authority March 31, 2023.

Discretely Presented Component Units

Discretely presented component units are separate legal entities that meet the component unit criteria described above but do not meet the criteria for blending.

As of March 31, 2023, the Authority, along with its blended component unit, is the manager and operator of five low-income residential real estate developments organized as real estate limited partnerships. Under a Management Agreement and a Guarantee Agreement with each of the limited partnerships, the Authority is financially accountable for the limited partnerships as the Authority is legally obligated to fund operating deficits in accordance with the terms of the partnership, management, and guarantee agreements. The Authority also holds the right to purchase the properties from the limited partnerships under a Purchase Option/Right of First Refusal at the end of the 15-year tax compliance period. The Authority has outstanding loans and advances to the limited partnerships amounting to \$45,566,950 at March 31, 2023. The limited partnerships do not serve the primary government exclusively, or almost exclusively, and therefore are shown as discretely presented component units. Balances presented for discretely presented component units on the accompanying Statement of Net Position and Statement of Revenues, Expenses, and Other Changes in Net Position are as of December 31, 2022.

The Authority has five discretely presented component units as follows:

Villa Santa Fe, L.P., a legally separate entity, was formed as a limited partnership under the laws of the State of California in 2012, for the purpose of purchasing, rehabilitating, and operating two separate properties in Santa Barbara totaling 167 units. The Authority manages the two properties under a contractual management agreement with the limited partnership.

Santa Barbara Housing Partnership IV, a legally separate entity, was formed as a limited partnership under the laws of the State of California in 2014, for the purpose of purchasing, rehabilitating, and operating two separate properties in Santa Barbara totaling 35 units. The Authority manages the two properties under a contractual management agreement with the limited partnership.

813 East Carrillo Street, L.P., a legally separate entity, was formed as a limited partnership under the laws of the State of California in 2018, for the purpose of purchasing, rehabilitating, and operating 17 units of multifamily rental housing. The Authority manages property under a contractual management agreement with the limited partnership.

251 South Hope Associates, L.P., a legally separate entity, was formed as a limited partnership under the laws of the State of California in 2018, for the purpose of purchasing, rehabilitating, and operating 90 units of multifamily rental housing. The Authority manages property under a contractual management agreement with the limited partnership.

Grace Village Apartments, L.P., a legally separate entity, was formed as a limited partnership under the laws of the State of California in 2015, for the purpose of purchasing, rehabilitating, and operating 58 units of multifamily rental housing.

Complete financial statements for each of the individual discretely presented component may be obtained at the Authority's administrative office. There are no separate financial statements issued for the blended component units.

Housing Authority of the City of Santa Barbara, 808 Laguna Street, Santa Barbara, CA 93101.

Budgetary Data

The Authority adopts budgets on the basis of accounting consistent with the basis of accounting for the fund to which the budget applies. The Authority prepares annual operating budgets that are formally adopted by its Governing Board of Commissioners. The budgets for programs funded by HUD form the basis of the Federal Financial Assistance received through HUD. These budgets are adopted using a HUD outline that is not consistent with Generally Accepted Accounting Principles and are used for HUD purposes only.

Housing Authority of the City of Santa Barbara

Notes to Financial Statements
For the Year Ended March 31, 2023

Basis of Presentation, Basis of Accounting and Measurement Focus

Basis of Accounting - The Authority uses the accrual basis of accounting in the proprietary funds. Under this method, revenues are recorded when earned, and expenses are recorded when liabilities are incurred, regardless of when the related cash flow takes place.

Basis of Presentation - The financial statements of the Authority are presented from a fund perspective. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain Authority functions. The fund is a separate accounting entity with a self-balancing set of accounts. The accounting and financial reporting method applied by a fund is determined by the fund's measurement focus. The accounting objectives are determination of net income, financial position, and cash flows. All assets and liabilities associated with the Proprietary Fund's activities are included on the statement of net position. In the Statement of Net Position, equity is classified as net position and displayed in three components:

- a) *Net investment in capital assets* – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balance of any notes or other borrowings attributable to those capital assets.
- b) *Restricted net position* – Consists of assets with constraints placed on the use either by external groups, such as grantors or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.
- c) *Unrestricted net position* – All other assets that do not meet the definition of “restricted” or “net investment in capital assets”.

Proprietary Fund. Enterprise Fund - This type of fund is reported using an economic resources measurement focus. Additionally, it is used to account for operations that are financed and operated in a manner similar to private businesses where a fee is charged to external users for services provided. When both restricted and unrestricted net positions are available for use, generally it is the Authority's policy to use restricted resources first.

Name	Position	Term
Patricia Wheatley	Chairperson	July 2025
Steven Faulstich	Vice-Chairperson	July 2025
Lisa Carlos	Director	June 2026
David Rowell	Director	August 2023
Mary Fenger	Director	June 2024
Esvin Almengor	Director	June 2024
Rose Munoz	Director	September 2024

In addition to the above Commissioners, the Administrator of the Housing Authority is Rob Fredericks, who serves as CEO and is the Executive Director.

Revenues and Expenses

Revenues and expenses are recognized in essentially the same manner as used in commercial accounting. Revenues relating to the Authority are operating activities including rental related income, interest income and other sources of revenues are recognized in the accounting period in which they are earned. Other major sources of revenues include the operating subsidy from HUD and other HUD funding for operating expenses.

In accordance with GASB standards dwelling income has been netted with bad debt expense of \$98,307. Collection losses on accounts receivable are expensed, in the appropriate Fund, on the specific write-off method.

Operating Revenue

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for rents. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Subsidies received from HUD or other grantor agencies, for operating purposes, are recorded as operating revenue in the operating statement while capital grant funds are added to the net position below the non-operating revenue and expense.

Cash and Investments

All deposits of the Authority are made in Board-designated official depositories and are secured as required by HUD regulations and the California Government Code. Also, the Authority may establish time deposit accounts such as NOW and Super NOW accounts, money accounts and Certificates of Deposit. Section 401(e) of the annual contribution contract authorizes the Authority to invest in the following types of securities:

1. Obligations of the Federal Government which are backed by the full faith and credit of the Federal Government.
2. Obligations of any agency or instrumentality of the Federal Government if the payment of interest and principal on such obligations is fully guaranteed by the Federal Government.
3. Obligations of the Federal Intermediate Credit Banks, the Federal Home Loan Banks, the Federal National Mortgage Association, the Banks for Cooperatives, and the Federal Land Banks which mature no later than 18 months after the date of purchase.

As required by the annual contributions contract, the Authority prepares cash forecasts for each program to determine the amount of funds available for investment and to maximize investment earnings. The deposits and the above-described investments with an original maturity of ninety days or less are considered cash and cash equivalents for the Statement of Cash Flows.

Accounts Receivable

Accounts receivable consists of all amounts earned at year end and not yet received. Allowances for uncollectible accounts are based upon historical trends and periodic aging of accounts receivable.

Accounts for which no possibility of collection is anticipated are charged to bad debts expense which is netted against dwelling rent revenues on the Statement of Revenues, Expenses, and Changes in Net Position.

Inventories

Inventories are recorded at cost with cost being determined on the first-in, first-out basis. The consumption method is used to account for inventories. Under the consumption method, inventories are charged to expense when consumed. Management has deemed no allowance for obsolete inventory is necessary.

Capital Assets, Right of Use (ROU) Assets, Depreciation, and Amortization

Capital assets are stated at historical cost. Donated capital assets are stated at their fair value on the date donated. This includes site acquisition and improvement, structures, and equipment. Right-of-use assets are recognized at the present value of future lease payments. Depreciation of exhaustible capital assets used by proprietary funds is charged as an expense against operations, and accumulated depreciation is reported on the statement of net position. If the initial cost of a piece of equipment and/or other personal property is five thousand dollars (\$5,000) or more and the anticipated life or useful value of said equipment or property is more than one (1) year, the purchased property/equipment will be capitalized and recorded as non-expendable equipment and charged as a capital expenditure.

Housing Authority of the City of Santa Barbara

Notes to Financial Statements
For the Year Ended March 31, 2023

The estimated useful lives for each major class of depreciable capital assets are as follows:

Buildings	30 years
Site improvements, modernization, and rehabilitation	10 years
Furniture, equipment, and vehicles (including ROU)	5 - 7 years

Leases (GASB 87)

A lessor is required to recognize a lease receivable and a deferred inflow of resources. A lease receivable is recognized at the net present value of the leased asset at a borrowing rate either explicitly described in the agreement or implicitly determined by the Authority and is reduced by principal payments received. The deferred inflow of resources is recognized in an amount equal to the sum of the lease receivable and any payments relating to a future period which were received prior to the lease commencement. These deferred inflows of resources are amortized equal to the amount of the annual payments.

A lessee is required to recognize a lease payable and a right-to-use asset. A lease payable is recognized at the net present value of future lease payments and is adjusted over time by interest and payments. Future lease payments include fixed payments, variable payments based on index or rate, reasonably certain residual guarantees. The right to use asset is initially recorded at the amount of the lease liability plus prepayments less any lease incentives received prior to lease commencement and is subsequently amortized over the life of the lease.

All existing and newly acquired leases during the current fiscal year were analyzed and classified as either qualified or non-qualified leases, for both lessor and lessee positions.

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Authority had deferred outflows of resources consisting of a change in assumption on the OPEB liability of \$171,396.

Also, in addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then. The Authority deferred inflows of resources as of March 31, 2023, was \$5,002,208. There are two components; the OPEB liability plan expense of \$1,962,729 and unearned lease payments \$1,143,467.

Compensated Absences

Compensated absences are absences for which employees will be paid, i.e., vacation, and other approved leaves. The Authority accrues the liability for those absences that the employee has earned the rights to the benefits. Upon separation from the Authority, an employee shall be paid for all accumulated annual leave and a percentage of their sick leave based on tenure with the Authority, as of their final date of employment. Leave accrued, but not yet paid as of March 31, 2023, is shown as a liability allocated between current and noncurrent.

Insurance

The primary technique used for risk financing is the purchase of insurance policies from commercial insurers that include a large deductible amount. The use of a large deductible clause reduces the cost of insurance, but should losses occur, the portion of the uninsured loss is not expected to be significant with respect to the financial position of the Authority. As of the date of the report, the Authority had necessary insurance coverage in force.

Unearned Revenues

Unearned revenues (included in other current liabilities) consist of \$340,202 in rental payments made by tenants in advance of their due date.

Housing Authority of the City of Santa Barbara

Notes to Financial Statements
For the Year Ended March 31, 2023

Subsequent Events

Events that occur after the statement of net position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. Management evaluated the activity of the Authority through August 30, 2023,(the date the financial statements were available to be issued) and concluded that nothing should be disclosed to the reader of the financial statements.

NOTE 02 – CASH AND CASH EQUIVALENTS

All the deposits of the Authority are either insured or collateralized by using the Dedicated Method whereby all deposits that exceed the Federal Depository Insurance Coverage level are collateralized with securities held by the Authority's agents in these units' names.

All deposits of the Authority are with financial institutions meeting State and Federal deposit requirements. The Authority's cash and investments consist of checking, Money Market, commercial paper, mutual funds, and corporate bonds. The Authority's checking and Money Market bank accounts are short-term highly liquid investments that are considered cash and cash equivalents.

Changes in fair value that occur during a fiscal year are recognized as investment income for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon liquidation, maturity, or sale of investments. The Authority categorizes its fair value measurements within the fair value hierarchy established by Generally Accepted Accounting Principles. The three levels of the fair value hierarchy are as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs (other than quoted prices included within Level 1) that are observable for the asset or liability - either directly or indirectly.

Level 3: Unobservable inputs - market data are not available and are developed using the best information available about the assumptions that market participants would use when pricing an asset or liability.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The Authority considers all the investments as Level 1.

Cash and investments are stated at fair value and consist of the following:

Unrestricted:

Checking & Money Market accounts	\$ 7,733,961
Subtotal	<u>7,733,961</u>

Restricted:

Restricted - Tenant SD	778,753
Restricted - HAP	549,782
Restricted - debt service	2,913,646
Restricted-other	<u>1,098,245</u>
Subtotal	<u>5,340,426</u>
Total Cash & Equivalents	<u>\$ 13,074,387</u>

Housing Authority of the City of Santa Barbara

Notes to Financial Statements
For the Year Ended March 31, 2023

Unrestricted investments:

Cal Trust liquidity fund	\$ 16,554,702
Cash sweeps	161,818
Corporate bonds	5,084,732
US treasury bonds	<u>936,118</u>
Subtotal	22,737,370

Restricted investments:

Cal Trust liquidity fund	<u>9,201,490</u>
Total Investments	<u><u>\$ 31,938,860</u></u>

Interest rate risk - Interest rate risk is the risk that changes in interest rates of debt investments will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity its fair value will be to changes in market interest rates. In accordance with the Authority's Investment Policy, the Authority manages its exposure to interest rate risks by purchasing a combination of shorter-term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide cash flow and liquidity needed for operations.

Credit risk - Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

The Authority's debt investments ratings at March 31, 2023, are presented below (excludes CDs, Money Market funds and mutual funds):

	Fair Value		AA		A		BBB
Corporate bonds	\$ 5,084,732	\$	288,877	\$	4,310,871	\$	484,984

Custodial credit risk - For an investment, the custodial risk is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Authority has no policy on custodial credit risk.

Authorized security for deposits enumerated under law includes direct obligations of or obligations guaranteed by the United States of America having a market value not less than the amount of such monies. The Authority does not have a custodial credit risk policy that is more restrictive than state statutes.

Concentration of credit risk - More than 5 percent of the Authority's investments are in the following investments:

Cal TRUST	\$ 25,756,192	81%
Union Bank	<u>6,182,668</u>	19%
	<u><u>\$ 31,938,860</u></u>	

Housing Authority of the City of Santa Barbara

Notes to Financial Statements
For the Year Ended March 31, 2023

NOTE 03 – ACCOUNTS RECEIVABLE

Accounts receivable at March 31, 2023, consisted of the following:

Tenant rent receivables, gross	\$	136,156	
Allowance for doubtful accounts		(5,400)	
Tenant rent receivables, net			130,756
Due from other Gov'ts			159,937
Miscellaneous		67,462	
Allowance for doubtful accounts		-	
Miscellaneous, net			67,462
Accounts receivable, net			\$ 358,155

NOTE 04 – NOTES RECEIVABLE AND LEASE RECEIVABLE

Notes and Lease receivable at March 31, 2023, consisted of the following:

Interest Rate	Description	Maturity Date	Principal	Interest Accrued	Total Due
2.33%	SBHP IV RAD 4 Pearl Gardens	3/23/2071	\$ 3,751,779	\$ 581,308	\$ 4,333,087
2.33%	SBHP IV RAD 4 Sycamore Gardens	3/23/2071	4,662,111	662,254	5,324,365
0.00%	SBHP IV RAD 4 Pearl Gardens	3/23/2071	1,313,863	-	1,313,863
0.00%	SBHP IV RAD 4 Sycamore Gardens	3/23/2071	1,532,767	-	1,532,767
3.90%	Villa Santa Fe Apt	4/1/2049	11,771,065	420,816	12,191,881
3.06%	251 South Hope Assoc	12/31/2073	7,250,000	1,044,547	8,294,547
4.00%	Grace Village Apt., L.P.	12/1/2071	1,710,000	419,198	2,129,198
4.00%	Grace Village Apt., L.P.	12/1/2071	5,395,000	1,366,733	6,761,733
3.00%	Predevelopment costs	NA	548,081	18,618	566,699
4.00%	Predevelopment costs	NA	900,000	-	900,000
2.00%	2nd Story Mobile Homes L.L.C.	6/1/2024	75,000	1,360	76,360
3.00%	821 State L.L.C. Pre Dev Advances	3/5/2020	178,114	80	178,194
8.50%	Various Lease Receivables	Various	1,964,256	-	1,964,256
			\$ 41,052,036	\$ 4,514,914	\$ 45,566,950

The above does not include various notes receivable between the Authority and SBAHG (blended component unit) which have been eliminated in the consolidation process.

Housing Authority of the City of Santa Barbara

Notes to Financial Statements
For the Year Ended March 31, 2023

NOTE 05 – INTER-PROGRAM

At March 31, 2023, inter-program receivables and payables consisted of the following:

	Receivables	Payables
COCC	\$ -	\$ -
SBAHG (blended unit)	-	-
Section 8	-	-
Business activities	-	-
Shelter Plus Care	-	-
	\$ -	\$ -

These inter-program transactions have been eliminated in preparing the basic financial statements.

In addition, in June 2013, 180 Public Housing AMP3 units were disposed and sold to SBAHG (blended component unit) for \$34,590,000, as approved by HUD. The Authority (Non-HUD program) financed the entire sales proceeds with a 30-year loan at an interest rate of 3% per annum, payable only from surplus cash and at the end of the 30-year term, which is secured by a deed of trust recorded on the Property.

Also, during the years ended March 31, 2016, and 2017, the Authority converted certain public housing units to RAD and sold certain public housing units to SBAHG (blended component unit). The Authority (Non-HUD program) financed the entire sales proceeds with five 99-year loans at an interest rate of 3% per annum, payable only from surplus cash commencing on the dates below and each July 1st thereafter until paid in full.

The loan balances and accrued interest as of March 31, 2023, are as follows:

	Payments		Interest	
	Commencing	Principal	Accrued	Total Due
RAD Promissory Note 1	July 1, 2015	\$ 1,090,000	\$ 70,828	\$ 1,160,828
RAD Promissory Note 2	July 1, 2015	9,760,000	634,203	10,394,203
RAD Promissory Note 3	July 1, 2015	7,400,000	503,600	7,903,600
RAD Promissory Note 5	July 1, 2017	42,890,000	2,663,560	45,553,560
RAD Promissory Note 6	July 1, 2017	10,145,000	653,518	10,798,518
		\$ 71,285,000	\$ 4,525,709	\$ 75,810,709

These inter-program transactions have been in eliminated in preparing the basic financial statements.

NOTE 06 – PENSION PLAN

The Authority provides a defined contribution pension plan (The Plan) for eligible employees. The plan is administered by Empower Retirement (which is owned by Great-West Life & Annuity Insurance Company). The Plan is managed by a committee of trustees comprised of senior management of the Authority (specifically, the Executive Director/CEO; the Deputy Executive Director/Chief Operating Officer; the Finance Director and the Director of Property Development and Administration). Plan changes are allowed. All plan changes must be approved by the Authority's governing body (the Commission). The Commission authorized the Authority's participation in the retirement plan. Employees who work full or part-time are eligible for participation in the Plan. Participants who reach age 55 are entitled to a benefit which can be paid in a single payment or in equal monthly payments under various payment plans available to participants. Employer contributed retirement benefits fully vest after 5 years of employment. The Authority contributes (on a monthly basis) an amount equal to 12% of each employee's annual compensation to the plan. The Authority also matches up to 5% of any employee deferred compensation. Employer contributions totaled \$795,273 on \$5,044,538 covered payroll for the year ended March 31, 2023.

Housing Authority of the City of Santa Barbara

Notes to Financial Statements
For the Year Ended March 31, 2023

NOTE 07 – CAPITAL ASSETS

A summary of changes in capital assets were as follows:

	<u>Balance at 04/01/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at 03/31/23</u>
Nondepreciable Capital Assets				
Land	\$ 78,627,743	\$ 3,589,000	\$ -	\$ 82,216,743
Subtotal	78,627,743	3,589,000	-	82,216,743
Depreciable Capital Assets				
Buildings & improvements	110,553,125	4,659,032	-	115,212,157
Furniture & equipment	1,263,928	-	(119,563)	1,144,365
Leased equipment	-	47,245	-	47,245
Subtotal	111,817,053	4,706,277	(119,563)	116,403,767
Accumulated depreciation	(34,426,432)	(4,191,253)	119,563	(38,498,122)
Accumulated amortization	-	(10,743)	-	(10,743)
Net depreciable capital assets	77,390,621	504,281	-	77,894,902
Capital Assets, Net	\$ 156,018,364	\$ 4,093,281	\$ -	\$ 160,111,645

For the year ended March 31, 2023, the Authority reported depreciation expense of \$4,201,996 and reported amortization expense of \$10,743. During the fiscal year ended March 31, 2023, the Authority experienced no losses or material impairments.

NOTE 08 – NON-CURRENT LIABILITIES CHANGES

The following is a summary of the activity for non-current liabilities for the year ended March 31, 2023:

	<u>Balance at 04/01/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at 03/31/23</u>
Compensated absences	\$ 375,703	\$ 125,233	\$ (118,273)	\$ 382,663
OPEB payable	2,574,604	154,546	(416,287)	2,312,863
Debt and lease payable	36,106,192	2,647,245	(1,087,499)	37,665,938
Accrued liabilities	952,115	340,995	(2,072)	1,291,038
Total	\$ 40,008,614	\$ 3,268,019	\$ (1,624,131)	\$ 41,652,502

The majority of the long-term debt on the discretely presented component units is related to the Notes Receivable. For further details about discretely presented component units' debt see those separately issue financial statements.

NOTE 09 – COMMITMENTS AND CONTINGENCIES

Legal: At March 31, 2023, the Authority was not a defendant to any material lawsuit. No provision was made in the financial statements for any contingent liabilities. In the opinion of management, there are no legal matters that would have a materially adverse effect on the Authority's financial position.

Grants and Contracts: The Authority participates in various federally assisted grant programs that are subject to review and audit by the grantor agencies. Entitlement to these resources is generally conditional based upon compliance with terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal audit may become a liability of the Authority. There were no such liabilities recorded as of March 31, 2023.

The Section 8 Housing Choice Voucher Program (the Program) under the implementation of the Consolidated Appropriations Act 2005, Funding Provisions for the Housing Choice Voucher Program, changed the funding methodology, and in addition the Authority is no longer required to complete a settlement statement. As a result, in accordance with GASB Statement No. 33 and PIH Notice 2009-9, the cumulative amount of unspent Housing Assistance Payment subsidy as of March 31, 2023, is being reflected in restricted net position in the basic financial statements.

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Housing Authority of the City of Santa Barbara

Notes to Financial Statements
For the Year Ended March 31, 2023

NOTE 10 – NOTES PAYABLE

All loans are direct borrowing as listed below:

<u>Non-HUD Programs</u>	<u>Note Balance</u>	<u>Accrued Interest</u>	<u>Total Due</u>
<p>Loan agreement, secured by a deed of trust on the property known as Bradley Studios at 512-518 Bath St., payable to the Redevelopment Agency of the City of Santa Barbara, interest at 0% through June 2011 (thereafter 3%). Beginning with the project year beginning with January 1, 2015 and ending December 31, 2015, and any subsequent year that the project has annual net cash flows that exceed annual costs, the note requires monthly payments in an amount equal to one-twelfth of the annual cash flow. All unpaid principal and interest is due and payable July 1, 2066. Secured by real property.</p>	\$ 4,679,705	\$ -	\$ 4,679,705
<p>Mortgage revenue secured note payable to Santa Barbara Bank & Trust (Union Bank), dated July 11, 2003, with an interest rate of 4.375% (through September 2013). Interest rate adjusted to 2.72% in September 2013 and in September 2023 to 95% of ten-year Constant Maturity Treasury Index. Due in monthly principal and interest payments of \$41,690 until September 2013 when it changed to \$16,699. All unpaid principal and interest is due and payable September 1, 2033. Secured by real property.</p>	1,815,908	-	1,815,908
<p>Mortgage revenue secured note payable to Santa Barbara Bank & Trust (Union Bank), dated October 1, 2008, with an initial interest rate of 4.0% (through November, 2018). Interest rate adjusted in November, 2018 to 2.977%, based on 95% of the ten-year Constant Maturity Treasury index. Interest rate will adjust again in November, 2028 to 95% of the then-current ten-year Constant Maturity Treasury Index. Due in monthly principal and interest payments of \$7,639 until December, 2018 when it changed with the interest rate reset to \$7,032.88. All unpaid principal and interest is due and payable November 1, 2038. Secured by real property.</p>	1,042,460	-	1,042,460
<p>Mortgage revenue secured note payable to Santa Barbara Bank & Trust (Union Bank), dated October 28, 2003, with an interest rate of 4.375% (through November 2013). Interest rate adjusted to 2.875% in November 2013 and in November 2023 to 95% of ten-year Constant Maturity Treasury Index. Due in monthly principal and interest payments of \$25,464 until November 2013 when it changed to \$22,307. All unpaid principal and interest is due and payable November 1, 2033. Secured by real property.</p>	2,440,089	-	2,440,089

Housing Authority of the City of Santa Barbara

Notes to Financial Statements
For the Year Ended March 31, 2023

<p>Mortgage revenue secured note payable to Wilcox Family Trust, dated November 7, 2007, with an interest rate of 5%, monthly interest only payments of \$4,000 until Nov. 1, 2017, thereafter monthly interest and principal payments of \$7,592. All unpaid principal and interest is due and payable on November 1, 2027. Secured by real property. ☐</p>	692,508	-	692,508
<p>Loan agreement, secured by a deed of trust on the property known as Casa de Las Fuentes, payable to the Redevelopment Agency of the City of Santa Barbara, dated May 21, 2001, interest at 3%. Beginning with the first month following a project year in which the project has positive annual net cash flow, the note requires monthly payments in an amount equal to one-twelfth of the annual cash flow. All unpaid principal and interest is due and payable June 1, 2030.</p>	1,267,067	-	1,267,067
<p>Note payable to City of Santa Barbara, dated April 1, 2000, interest at 3%. Beginning with the first month following a project year in which the project has positive annual net cash flow, the note requires monthly payments in an amount equal to one-twelfth of the annual cash flow. Unpaid principal and interest is due and payable June 1, 2030. Secured by a deed of trust against the property known as Villa La Cumbre.</p>	805,621	-	805,621
<p>Loan agreement, secured by a deed of trust against the property known as El Carrillo, payable to the City of Santa Barbara, dated July 26, 2002, interest at 3%. Beginning with the first month following a project year in which the project has positive annual net cash flow, the note requires monthly payments in an amount equal to one-twelfth of the annual cash flow. All unpaid principal and interest is due and payable August 1, 2032.</p>	1,241,018	-	1,241,018
<p>Loan agreement, secured by a deed of trust against the property known as Paseo Voluntario, payable to the Redevelopment Agency of the City of Santa Barbara, dated December 20, 2002, interest at 3%. Beginning with the first month following a project year in which the project has positive annual net cash flow, the note requires monthly payments in an amount equal to one-twelfth of the annual cash flow. All unpaid principal and interest is due and payable January 1, 2033. Secured by real property.</p>	980,000	315,734	1,295,734
<p>Loan agreement, secured by a deed of trust against the property known as Artisan Court, payable to the Redevelopment Agency of the City of Santa Barbara, dated December 17, 2009, interest at 3%. Beginning with the project year beginning with January 1, 2028 and ending December 31, 2028, and any subsequent year that the project has annual net cash flows that exceed annual costs, the note requires monthly payments in an amount equal to one-twelfth of the annual cash flow. All unpaid principal and interest is due and payable January 1, 2065. ☐</p>	4,000,000	1,593,205	5,593,205

Housing Authority of the City of Santa Barbara

Notes to Financial Statements
For the Year Ended March 31, 2023

Loan agreement, secured by a deed of trust against property located at 2941 State Street, payable to the Redevelopment Agency of the City of Santa Barbara, dated October 13, 2010, interest at 3%. Beginning with the first month following a project year in which the project has positive annual net cash flow, the note requires monthly payments in an amount equal to one-twelfth of the annual cash flow. All unpaid principal and interest is due and payable December 1, 2065.

360,000 43,713 403,713

Loan agreement, secured by a deed of trust against property located at 518 East Canon Perdido, payable to the City of Santa Barbara, dated October 13, 2016, interest at 3%. Beginning with the first month following a project year in which the project has positive annual net cash flow, the note requires monthly payments in an amount equal to one-twelfth of the annual cash flow. All unpaid principal and interest is due and payable October 13, 2046.

633,000 122,749 755,749

Mortgage revenue secured note payable to Angela Beguhl and Philip Beguhl, dated December 22, 2015, with an interest rate of 4.50% through January 1, 2021. On January 1, 2021, January 1, 2026, January 1, 2031 and January 1, 2036, the interest rate will be adjusted to the ten-year Constant Maturity Treasury Index plus 2.00%; provided that the change in interest rate is not in excess of 2.00%, the interest rate shall never exceed 8.50%, and shall never be less than 4.50%. Due in monthly principal and interest payments commencing on February 1, 2016 in an amount based upon a 25-year amortization. All unpaid principal and interest is due and payable January 1, 2041. Secured by real property.

525,279 - 525,279

Mortgage revenue secured note payable to Richard Borgaro, dated December 22, 2015, with an interest rate of 4.50% through January 1, 2021. On January 1, 2021, January 1, 2026, January 1, 2031 and January 1, 2036, the interest rate will be adjusted to the ten-year Constant Maturity Treasury Index plus 2.00%; provided that the change in interest rate is not in excess of 2.00%, the interest rate shall never exceed 8.50%, and shall never be less than 4.50%. Due in monthly principal and interest payments commencing on February 1, 2016 in an amount based upon a 25-year amortization. All unpaid principal and interest is due and payable January 1, 2041. Secured by real property.☐

525,279 - 525,279

Mortgage revenue secured note payable to Jayni Louise Borgaro, dated December 22, 2015, with an interest rate of 4.50% through January 1, 2021. On January 1, 2021, January 1, 2026, January 1, 2031 and January 1, 2036, the interest rate will be adjusted to the ten-year Constant Maturity Treasury Index plus 2.00%; provided that the change in interest rate is not in excess of 2.00%, the interest rate shall never exceed 8.50%, and shall never be less than 4.50%. Due in monthly principal and interest payments commencing on February 1, 2016 in an amount based upon a 25-year amortization. All unpaid principal and interest is due and payable January 1, 2041. Secured by real property.

226,399 - 226,399

Housing Authority of the City of Santa Barbara

Notes to Financial Statements
For the Year Ended March 31, 2023

Mortgage revenue secured note payable to Scott Chambers and Nancy Chambers, dated December 22, 2015, with an interest rate of 4.50% through January 1, 2021. On January 1, 2021, January 1, 2026, January 1, 2031 and January 1, 2036, the interest rate will be adjusted to the ten-year Constant Maturity Treasury Index plus 2.00%; provided that the change in interest rate is not in excess of 2.00%, the interest rate shall never exceed 8.50%, and shall never be less than 4.50%. Due in monthly principal and interest payments commencing on February 1, 2016 in an amount based upon a 25-year amortization. All unpaid principal and interest is due and payable January 1, 2041. Secured by real property.

226,399 - 226,399

Mortgage revenue secured note payable to Mary Borgaro, dated December 22, 2015, with an interest rate of 4.50% through January 1, 2021. On January 1, 2021, January 1, 2026, January 1, 2031 and January 1, 2036, the interest rate will be adjusted to the ten-year Constant Maturity Treasury Index plus 2.00%; provided that the change in interest rate is not in excess of 2.00%, the interest rate shall never exceed 8.50%, and shall never be less than 4.50%. Due in monthly principal and interest payments commencing on February 1, 2016 in an amount based upon a 25-year amortization. All unpaid principal and interest is due and payable January 1, 2041. Secured by real property.

226,399 - 226,399

Mortgage revenue secured note payable to Susan Kathleen Abair, dated December 22, 2015, with an interest rate of 4.50% through January 1, 2021. On January 1, 2021, January 1, 2026, January 1, 2031 and January 1, 2036, the interest rate will be adjusted to the ten-year Constant Maturity Treasury Index plus 2.00%; provided that the change in interest rate is not in excess of 2.00%, the interest rate shall never exceed 8.50%, and shall never be less than 4.50%. Due in monthly principal and interest payments commencing on February 1, 2016 in an amount based upon a 25-year amortization. All unpaid principal and interest is due and payable January 1, 2041. Secured by real property.

226,399 - 226,399

Mortgage secured note payable to Deborah Ann Saucedo Revocable Trust, dated November 29, 2017, with an interest rate of 4.50% per annum from the date of the note until December 1, 2037, on which date any unpaid interest and principal of this note shall be paid in full. Principal and interest shall be payable on the first day of each month with principal payable on the basis of a thirty year amortization with level monthly payments of principal and interest during such period. Secured by real property.

1,968,262 - 1,968,262

Housing Authority of the City of Santa Barbara

Notes to Financial Statements
For the Year Ended March 31, 2023

<p>Mortgage secured note payable to Allen Family Trust, dated January 23, 2018, with an interest rate of 2.75% per annum from the date of the note until January 1, 2038, on which date any unpaid interest and principal of this note shall be paid in full. Principal and interest shall be payable on the first day of each month with principal payable on the basis of a twenty year amortization with level monthly payments of principal and interest during such period. Secured by real property.</p>	456,456	-	456,456
<p>Mortgage secured note payable to Atsatt Family 1999 Revocable Trust, dated January 23, 2018, with an interest rate of 2.75% per annum from the date of the note until January 1, 2038, on which date any unpaid interest and principal of this note shall be paid in full. Principal and interest shall be payable on the first day of each month with principal payable on the basis of a twenty year amortization with level monthly payments of principal and interest during such period. Secured by real property.</p>	294,726	-	294,726
<p>Mortgage secured note payable to Richard C. Atsatt and Susana Atsatt, dated January 23, 2018, with an interest rate of 2.75% per annum from the date of the note until January 1, 2048, on which date any unpaid interest and principal of this note shall be paid in full. Principal and interest shall be payable on the first day of each month with principal payable on the basis of a thirty year amortization with level monthly payments of principal and interest during such period. Secured by real property.</p>	328,627	-	328,627
<p>Mortgage secured note payable to Cortney F. Atsatt and Lia Atsatt, dated January 23, 2018, with an interest rate of 2.75% per annum from the date of the note until January 1, 2048, on which date any unpaid interest and principal of this note shall be paid in full. Principal and interest shall be payable on the first day of each month with principal payable on the basis of a thirty year amortization with level monthly payments of principal and interest during such period. Secured by real property.☐</p>	328,627	-	328,627
<p>Mortgage secured note payable to Karyn A. Jackson, dated January 23, 2018, with an interest rate of 2.75% per annum from the date of the note until January 1, 2048, on which date any unpaid interest and principal of this note shall be paid in full. Principal and interest shall be payable on the first day of each month with principal payable on the basis of a thirty year amortization with level monthly payments of principal and interest during such period. Secured by real property.☐</p>	328,627	-	328,627

Housing Authority of the City of Santa Barbara

Notes to Financial Statements
For the Year Ended March 31, 2023

Mortgage revenue secured note payable to Montecito Bank & Trust, dated October 10, 2018, with an initial interest rate of 4.57%. Interest rate will be adjusted in November, 2028 and again in November, 2038 to the then-current ten-year Constant Maturity Treasury Index, plus a margin of 1.75%. In no case shall the loan interest rate be less than 4.57%. Due in initial monthly principal and interest payments of \$28,886. All unpaid principal and interest is due and payable October 25, 2048. Secured by real property.

5,176,461 - 5,176,461

Mortgage revenue secured note payable to Montecito Bank & Trust, dated October 9, 2019, with an initial interest rate of 3.875%. Interest rate will be adjusted in November, 2029 and again in November, 2038 to the then-current ten-year Constant Maturity Treasury Index, plus a margin of 1.75%. Due in initial monthly principal and interest payments of \$6,403. All unpaid principal and interest is due and payable October 25, 2049. Secured by real property.

1,265,793 - 1,265,793

Mortgage secured note payable to Gonzales Trust, dated November 8, 2022, with an interest rate of 5.0% per annum from the date of the note until December 1, 2037, on which date any unpaid interest and principal of this note shall be paid in full. Principal and interest shall be payable on the first day of each month with principal payable on the basis of a forty year amortization with level monthly payments of principal and interest during such period. Secured by real property.

2,593,143 - 2,593,143

Mortgage revenue secured note payable to Pacific Western Bank, dated October 19, 2021, with an interest rate of 3.75%. Due in monthly principal and interest payments of \$8,403. All unpaid principal and interest is due and payable October 2031. Secured by real property.

1,752,521 - 1,752,521

Total debt	36,406,773	2,075,401	38,482,174
Less current maturities	<u>(844,758)</u>	-	<u>(844,758)</u>
Long term debt	<u>\$ 35,562,015</u>	<u>\$ 2,075,401</u>	<u>\$ 37,637,416</u>

Housing Authority of the City of Santa Barbara

Notes to Financial Statements
For the Year Ended March 31, 2023

As of March 31, 2023, the annual requirements for debt retirement are:

<u>March 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 844,758	\$ 882,979	\$ 1,727,737
2025	876,378	851,357	2,579,092
2026	908,271	819,465	2,547,201
2027	941,398	786,338	2,514,074
2028	1,347,401	744,661	2,836,723
2029 to 2033	14,799,262	4,176,840	23,152,942
2034 to 2038	5,686,152	1,270,082	8,226,316
2039 to 2043	947,361	205,552	1,358,465
2044 to 2048	1,333,254	649,037	2,631,328
2049 to 2053	121,315	4,417	130,149
2054 to 2063	-	-	-
2064 to 2068	10,676,624	14,079,395	24,756,019
	<u>\$ 38,482,174</u>	<u>\$ 24,470,123</u>	<u>\$ 72,460,045</u>

NOTE 11 – LEASE PAYABLE

	<u>Balance</u> <u>03/31/22</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>03/31/23</u>
Lease payable	\$ -	\$ 47,245	\$ (8,816)	\$ 38,429
Total	<u>\$ -</u>	<u>\$ 47,245</u>	<u>\$ (8,816)</u>	<u>\$ 38,429</u>

Leases Payable

The Authority has leased a Kyocera TASKalfa 6053ci copier on a 60 month lease with an interest rate of 8.5% and \$199 monthly payment. The lease began January 2020 and will end December 2024.

\$ 3,870

The Authority has leased three Kyocera TASKalfa copiers on a 60 month lease with an interest rate of 8.5% and \$670 monthly payment. The lease began January 2022 and will end December 2026.

25,740

The Authority has leased a postage machine on a 60 month lease with an interest rate of 8.5% and \$595.50 quarterly payment. The lease began November 2022 and will end October 2027.

8,819

Subtotal

38,429

Less current portion

(9,907)

Long-term lease

\$ 28,522

Housing Authority of the City of Santa Barbara

Notes to Financial Statements
For the Year Ended March 31, 2023

Aggregate annual maturities of the lease payable over each of the next five years and five year increments thereafter are as follows:

<u>Year Ending March 31,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 9,907	\$ 2,903
2025	10,181	2,032
2026	9,199	1,223
2027	7,988	424
2028	1,154	37
2029-2033	-	-
	<u>\$ 38,429</u>	<u>\$ 6,619</u>

NOTE 12 – UNEARNED GROUND LEASE

During the year ended March 31, 2016, the Authority leased land to Santa Barbara Housing Partnership IV, L.P. (a tax credit entity) – related to the RAD 4 sale. The leases were for a term of 75 years. As of March 31, 2016, Santa Barbara Housing Partnership IV, L.P. paid the Authority \$1,280,000 for the two ground leases (\$520,000 for the Pearl Gardens property and \$760,000 for the Sycamore Gardens property). This prepayment of lease income was recorded as deferred inflow of resources and will be recognized as revenue over the period to which the lease applies. As of March 31, 2023, the current portion of the unearned ground lease income is \$17,066 (which is included in “Other current liabilities”) and the long-term portion is \$1,228,800 (which is included in “Other non-current liabilities”). The Authority will recognize the remaining lease income during the 75-year life of the leases as follows:

<u>Year Ended March 31,</u>	<u>Amount</u>	<u>Year Ended March 31,</u>	<u>Amount</u>
2024	\$ 17,067	2049 to 2053	\$ 85,333
2025	17,067	2054 to 2058	85,333
2026	17,067	2059 to 2063	85,333
2027	17,067	2064 to 2068	85,333
2028	17,067	2069 to 2073	85,333
2029 to 2033	85,334	2074 to 2078	85,333
2034 to 2038	85,334	2079 to 2083	85,333
2039 to 2043	85,334	2084 to 2088	85,333
2044 to 2048	85,334	2089 to 2090	34,132
Subtotal	<u>\$ 426,671</u>	Subtotal	<u>716,796</u>
		Total	<u>\$ 1,143,467</u>

NOTE 13 – RISK MANAGEMENT

The Authority carries commercial insurance against all risks of loss, including property and general liability, auto, workers’ compensation, fidelity, and public officials’ liability insurance. There have been no significant reductions in insurance coverage in the prior year and settled claims from these risks have not exceeded commercial insurance coverage in any of the last three fiscal years.

Housing Authority of the City of Santa Barbara

Notes to Financial Statements
For the Year Ended March 31, 2023

The Authority participates in two joint ventures under joint powers agreements as follows:

CHWCA (California Housing Workers' Compensation Authority) – The California Housing Workers' Compensation Authority (CHWCA) is a California joint powers insurance authority established in 1991 for the purpose of providing workers' compensation coverage to California public housing authority members. CHWCA is a special district in the State of California providing its members with a comprehensive workers' compensation coverage program for the sharing of risk for self-insured losses, as well as jointly purchasing claims adjusting services, actuarial services, risk control services, and legal services connected with the program. CHWCA provides coverage for both workers' compensation and employer's liability for its Members from dollar one up to \$500,000 per occurrence. CHWCA is also a member of the Safety National Casualty Corporation for commercial excess coverage. When losses exceed the \$500,000 per occurrence limit, Safety National will provide coverage up to Statutory limits.

CHWCA is governed by a seven (7) member Executive Committee which is elected by the 33-member Board of Directors. Each of CHWCA's 33 member agencies appoint one primary and one alternate member to serve on the Board of Directors. In 2005, CHWCA formed a six (6) member Risk Management Committee, which expanded to nine (9) members, whose responsibilities include reviewing and developing risk control policies and drafting an annual Risk Control Work Plan. The relationship between the Authority and CHWCA is such that CHWCA is not a component unit of the Authority for financial reporting purposes.

HARRP (Housing Authorities Risk Retention Pool) – HARRP was formed to provide property and liability insurance coverage for member housing authorities. HARRP members fully self-insure their exposures without recourse to reinsurance on excess insurance.

The coverage limits are \$2 million per occurrence and in the aggregate for auto liability and \$2 million per occurrence and in the aggregate for general liability, errors and omissions liability and employment practices liability. Through the act of self-insuring its exposures, HARRP and its members maintain direct control over the adjustment, defense, and settlement of the claims. HARRP purchases excess property coverage for losses exceeding \$2,000,000. As of March 31, 2018, the limit of such excess property coverage is \$45 million above the self-insured coverage. There is no coverage for flood or earthquake damage. As of March 31, 2023, there were approximately 90 members. The relationship between the Authority and HARRP is such that HARRP is not a component unit of the Authority for financial reporting purposes.

NOTE 14 – OTHER POST -EMPLOYMENT BENEFIT PLAN LIABILITY

Plan Description

For employees hired prior to April 1, 2009, the Authority provides medical coverage for employees who retire with the Authority at the age of 55 or older with 5 or more years of service or who become permanently disabled after 5 or more years of service. For employees hired after April 1, 2009, the Authority provides medical coverage for employees who retire with the Authority at the age of 55 or older with 15 or more years of service or who become permanently disabled after 15 or more years of service.

The required contribution is based on projected pay-as-you-go financing requirements. Covered employees are required to contribute premiums in excess of the \$340 per month provided by the Authority.

Active employees	56
Inactive employees	15
Total	71

Housing Authority of the City of Santa Barbara

Notes to Financial Statements
For the Year Ended March 31, 2023

Net OPEB Liability

The Authority's net OPEB liability was measured as of March 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated March 31, 2023, based on the following actuarial methods and assumptions.

Actuarial Assumptions:	
Valuation date:	March 31, 2023
Funding method:	Entry Age Normal Cost, level percent of pay
Discount rate:	2.83% as of March 31, 2022 3.78% as of March 31, 2023
Participants valued:	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in this valuation.
Salary increase:	3.00% per year, since benefits do not depend on salary, this is used only to allocate the cost of benefits between service years.
Assumed wage inflation:	3.00% per year; a component of assumed salary increases
General inflation rate:	2.50% per year
Mortality improvement:	MacLeod Watts Scale 2022
Healthcare trend rate:	Medical plan premiums and claims costs by are assumed to increase once each year.

The Authority does not presently fund an OPEB trust. Therefore, the net OPEB liability is equal to the total OPEB liability.

Discount Rate

The discount rate used to measure the total OPEB liability was 2.83%. The discount rate depends on the nature of underlying assets for funded plans. For an unfunded plan, the discount rate is based on the Fidelity 20 Year AA General Obligation Municipal Bond Index. As of the beginning and end of the Measurement Period, use of this index results in discount rates of 2.27% as of March 31, 2022, and 2.83% as of March 31, 2023.

Change in the OPEB Liability

The changes in the net OPEB liability for the OPEB Plan are as follows:

	(a)	(b)	(a) - (b) = (c)
	Total OPEB	Plan Fiduciary Net	Net OPEB Liability
Balance at March 31, 2022	\$ 2,574,606	\$ -	\$ 2,574,606
<i>Changes recognized for measurement period:</i>			
Service cost	80,922	-	80,922
Interest	73,624	-	73,624
Changes of assumptions	(308,316)	-	(308,316)
Contributions – employer	-	107,973	(107,973)
Benefit payments	(107,973)	(107,973)	-
Plan experience	-	-	-
Net changes	<u>(261,743)</u>	<u>-</u>	<u>(261,743)</u>
Balance at March 31, 2022	<u>\$ 2,312,863</u>	<u>\$ -</u>	<u>\$ 2,312,863</u>

Housing Authority of the City of Santa Barbara

Notes to Financial Statements
For the Year Ended March 31, 2023

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Authority if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended March 31, 2023.

	Valuation		
	Discount Rate	Discount Rate	Discount Rate
	-1% (2.78%)	(3.78%)	+1% (4.78%)
Net OPEB liability	\$ 2,639,139	\$ 2,312,863	\$ 2,046,527

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the net OPEB liability of the Authority if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended March 31, 2023.

	Current Trend		Current Trend	
	-1%	Current Trend	Current Trend	+1%
	Net OPEB liability	\$ 2,103,354	\$ 2,312,863	\$ 2,639,470

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	171,396	519,196
Net difference between projected and actual earnings on plan investments	-	1,443,533
Contributions subsequent to the measurement date	-	-
Totals	\$ 171,396	\$ 1,962,729

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

For the Fiscal Year Ending March 31,

2024	\$ (258,539)
2025	(258,539)
2026	(258,539)
2027	(258,539)
2028	(238,234)
Thereafter	(518,943)
	\$ (1,791,333)

OPEB Expense

For the fiscal year ended March 31, 2023, the Authority recognized OPEB expense of \$5,948.

Housing Authority of the City of Santa Barbara

Notes to Financial Statements
For the Year Ended March 31, 2023

NOTE 15 – NET POSITION

The net position on the Statement of Net Position has been calculated as follows:

Capital assets, net	\$ 160,111,645
Less capital debt and interest	<u>(38,520,603)</u>
Net Investment in Capital Assets	<u>\$ 121,591,042</u>
Restricted cash and investments	\$ 14,541,916
Less FSS escrow	(1,291,038)
Less security deposits	(778,753)
Less restricted escrows and unearned revenue	<u>(46,128)</u>
Restricted Net Assets	<u>\$ 12,425,997</u>

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Housing Authority of the City of Santa Barbara

Notes to Financial Statements
For the Year Ended March 31, 2023

Note 16 - Condensed Financial Statements

As required by GASB the condensed financial statements with elimination, for additional information see the detail supplementary information schedules.

	Housing Authority	Total Blended Component Units	Eliminations	Primary Government Totals
Condensed Statement of Net Position				
Current assets	\$ 39,932,993	\$ 6,398,930	\$ -	\$ 46,331,923
Capital assets	59,001,191	101,110,454	-	160,111,645
Other assets	154,309,292	3,297	(109,400,881)	44,911,708
Total Assets	253,243,476	107,512,681	(109,400,881)	251,355,276
Deferred outflow of resources	120,325	51,071	-	171,396
Current liabilities	2,224,885	1,087,901	-	3,312,786
Noncurrent liabilities	35,815,432	115,237,951	(109,400,881)	41,652,502
Total Liabilities	38,040,317	116,325,852	(109,400,881)	44,965,288
Deferred inflow of resources	4,413,230	588,978	-	5,002,208
Net investment in capital assets	25,657,049	95,933,993	-	121,591,042
Restricted net position	9,245,730	3,180,267	-	12,425,997
Unrestricted net position	176,007,475	(108,465,338)	-	67,542,137
Net Position	\$ 210,910,254	\$ (9,351,078)	\$ -	\$ 201,559,176

Condensed Statement of Revenues, Expenses and Change in Net Position

Operating revenues	\$ 61,606,553	\$ 10,950,944	\$ (11,003,164)	\$ 61,554,333
Depreciation expense	(1,615,876)	(2,586,120)	-	(4,201,996)
Other operating expenses	(54,564,620)	(7,782,165)	11,003,164	(51,343,621)
Operating Income (Loss)	5,426,057	582,659	-	6,008,716
Nonoperating revenues	5,111,955	90,325	(3,116,227)	2,086,053
Nonoperating expenses	(1,016,932)	(3,361,631)	3,116,227	(1,262,336)
Nonoperating Revenue (Expense)	4,095,023	(3,271,306)	-	823,717
Income (Loss) Before Transfers and Capital Contributions	9,521,080	(2,688,647)	-	6,832,433
Transfers	-	-	-	-
Capital contributions	-	-	-	-
Change in Net Position	9,521,080	(2,688,647)	-	6,832,433
Net position, beginning of year	201,389,174	(6,662,431)	-	194,726,743
Prior Period Adjustment	-	-	-	-
Net position, end of year	\$ 210,910,254	\$ (9,351,078)	\$ -	\$ 201,559,176

Condensed Statement of Cash Flows

Net cash flows provided/(used) by operating activities	\$ 9,571,447	\$ 3,275,214	\$ -	\$ 12,846,661
Net cash flows provided/(used) by capital and related financing activities	(6,946,086)	(4,953,882)	3,116,227	(8,783,741)
Net cash flows provided/(used) by investing activities	(1,861,054)	449,877	(3,116,227)	(4,527,404)
Net increase/(decrease) in cash and cash equivalents	764,307	(1,228,791)	-	(464,484)
Cash, beginning of year	9,702,866	3,836,005	-	13,538,871
Cash, end of year	\$ 10,467,173	\$ 2,607,214	\$ -	\$ 13,074,387

Housing Authority of the City of Santa Barbara

RSI 10-Year History of Changes in Net OPEB Liability

For the Year Ended March 31, 2023

Fiscal Year Ending	2023	2022	2021	2020	2019
Measurement date	3/31/2023	3/31/2022	3/31/2021	3/31/2020	3/31/2019
Discount rate on measurement date	3.78%	2.83%	2.27%	2.48%	3.42%
Total OPEB Liability					
Service costs	\$ 80,922	\$ 143,220	\$ 131,520	\$ 134,881	\$ 123,673
Interest	73,624	89,934	92,631	155,095	153,171
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	-	(1,110,135)	-	(1,032,792)	-
Change in assumptions	(308,316)	(304,001)	115,344	66,383	130,330
Benefit payments	(107,973)	(126,041)	(122,910)	(117,165)	(135,644)
Net Change in Total OPEB Liability	(261,743)	(1,307,023)	216,585	(793,598)	271,530
Total OPEB Liability - Beginning	2,574,606	3,881,629	3,665,044	4,458,642	4,187,112
Total OPEB Liability - Ending (a)	\$ 2,312,863	\$ 2,574,606	\$ 3,881,629	\$ 3,665,044	\$ 4,458,642
Plan Fiduciary Net Position - Beginning	\$ -	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position - Ending (b)	\$ -	\$ -	\$ -	\$ -	\$ -
Net OPEB Liability - Ending (a) - (b)	\$ 2,312,863	\$ 2,574,606	\$ 3,881,629	\$ 3,665,044	\$ 4,458,642
Covered-Employee Payroll	\$ 5,044,538	\$ 4,808,871	\$ 4,542,425	\$ 4,637,642	\$ 4,427,154
Net OPEB Liability as a % of Covered-Employee Payroll	45.85%	53.54%	85.45%	79.03%	100.71%

Housing Authority of the City of Santa Barbara

RSI 10-Year History of Changes in Net OPEB Liability

For the Year Ended March 31, 2023

Notes to Schedules

Fiscal Year Ending	2023	2022	2021	2020	2019
Measurement date:	3/31/2023	3/31/2022	3/31/2021	3/31/2020	3/31/2019
Discount rate on measurement date:	3.78%	2.83%	2.27%	2.48%	3.42%
Valuation date:	3/31/2022		3/31/2020		3/31/2018
Actuarial cost method:	Entry Age Normal, Level % of Pay		Entry Age Normal, Level % of Pay		Entry Age Normal, Level % of Pay
Inflation:	2.50%		2.50%		2.75%
Healthcare cost trend rates:	5.8% in 2023 fluctuating down to 3.9% by 2076		4.9% in 2021 fluctuating down to 4.0% by 2075		8.0% in 2019 decreasing by 0.5% to 5.0% by 2025
Salary increase:	3.00%		3.00%		3.25%
Retirement age:	from 50 to 75		from 50 to 75		from 50 to 75
Mortality:	2021 CalPERS Experience Study		2017 CalPERS Experience Study		2014 CalPERS Experience Study
Mortality improvement:	MW Scale 2022		MW Scale 2020		MW Scale 2017

*This is a 10-year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

Housing Authority of the City of Santa Barbara

Schedule of Expenditures of Federal Awards

For the Year Ended March 31, 2023

	Assistance Listing Number(s)	Award Type	Expenditures
<u>U.S. Department of HUD</u>			
Housing Choice Vouchers			\$ 41,186,973
Emergency Housing Vouchers			1,566,486
	14.871	Direct	<u>42,753,459</u>
Mainstream Vouchers	14.879	Direct	4,812,891
Total Housing Voucher Center Cluster			<u>47,566,350</u>
Resident Opportunity and Supportive Services	14.870	Direct	166,439
Shelter Plus Care	14.238	Direct	114,677
Totals U.S. Department of HUD			<u>47,847,466</u>
Total Expenditures of Federal Awards			<u>\$ 47,847,466</u>
<u>Award Type</u>			
Direct			\$ 47,847,466
Indirect			-
			<u>\$ 47,847,466</u>

Housing Authority of the City of Santa Barbara

Notes to Schedule of Expenditures of Federal Awards

For the Year Ended March 31, 2023

(1) Summary of Significant Accounting Policies Applicable to the Schedule of Expenditures of Federal Awards

Scope of Presentation

The accompanying schedule presents the expenditures incurred (and related awards received) by the Housing Authority of the City of Santa Barbara (the Authority) that are reimbursable under federal programs of federal agencies providing financial assistance and state awards. For the purposes of this schedule, only the portion of program expenditures reimbursable with such federal or state funds is reported in the accompanying schedule. Program expenditures in excess of the maximum federal or state reimbursement authorized or the portion of the program expenditures that were funded with local or other nonfederal funds are excluded from the accompanying schedule.

Basis of Accounting

The expenditures included in the accompanying schedule were reported on the accrual basis of accounting. Expenditures are recognized in the accounting period in which the related liability is incurred. Expenditures reported included any property or equipment acquisitions incurred under the federal program. The information in this schedule is presented in accordance with the requirements of *Uniform Guidance, Audit of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in or used in the preparation of the basic financial statements.

Indirect Cost Rate

The Authority elected not to use the 10% de minimis indirect cost rate as allowed in the Uniform Guidance, Section 414.

Housing Authority of the City of Santa Barbara

Combining Statement of Net Position - Discretely Presented Component Unit

March 31, 2023

ASSETS	SB Housing Partnership IV	Villa Sante Fe, L.P.	813 East Carrillo Street, L.P.	South Hope Associates, L.P.	Grace Village Apartments, L.P.	DPCU Total
Current Assets						
Cash and cash equivalents						
Unrestricted	\$ 216,032	\$ 1,865,801	\$ 139,419	\$ 419,962	\$ 798,503	\$ 3,439,717
Restricted	200,747	1,242,469	508,879	948,986	1,115,960	4,017,041
Subtotal	416,779	3,108,270	648,298	1,368,948	1,914,463	7,456,758
Investments	86,539	33,316	-	-	-	119,855
Accounts receivable, net	7,547	5,218	4,858	137,376	23,370	178,369
Inventory, net	-	-	-	-	-	-
Prepaid expenses	1,185,146	105,960	9,983	36,017	9,223	1,346,329
Notes and lease receivable current	-	-	-	-	-	-
Interfund due from	-	-	-	-	-	-
Total Current Assets	1,696,011	3,252,764	663,139	1,542,341	1,947,056	9,101,311
Non-Current Assets						
Notes and lease receivable	-	-	-	-	-	-
Intangibles, net	14,657	10,874,281	34,868	83,639	50,130	11,057,575
Capital assets, net	14,996,107	19,967,799	7,666,805	25,860,629	20,369,567	88,860,907
Total Non-Current Assets	15,010,764	30,842,080	7,701,673	25,944,268	20,419,697	99,918,482
TOTAL ASSETS	16,706,775	34,094,844	8,364,812	27,486,609	22,366,753	109,019,793
DEFERRED OUTFLOWS OF RESOURCES	-	-	-	-	-	-

Housing Authority of the City of Santa Barbara

Combining Statement of Net Position - Discretely Presented Component Unit

March 31, 2023

	SB Housing Partnership IV	Villa Sante Fe, L.P.	813 East Carrillo Street, L.P.	South Hope Associates, L.P.	Grace Village Apartments, L.P.	DPCU Total
LIABILITIES						
Current Liabilities						
Accounts payable	796	11,444	1,589	154,465	12,229	180,523
Accrued liabilities	-	-	-	-	-	-
Deposits held in trust	37,820	117,878	9,400	23,561	32,769	221,428
Compensated absences current	-	947	-	-	-	947
Unearned revenue	11,336	36,244	983	-	-	48,563
Other liabilities current	30,556	136,639	35,385	1,002,979	1,878,261	3,083,820
Debt current	-	385,386	-	-	-	385,386
Lease payable current	-	-	-	-	-	-
Total Current Liabilities	80,508	688,538	47,357	1,181,005	1,923,259	3,920,667
Non-Current Liabilities						
Compensated absences	-	2,840	-	-	-	2,840
Funds held in trust	-	-	331,519	-	-	331,519
Other employee benefit (OPEB) liability	-	-	-	-	-	-
Debt payable	14,229,265	26,329,000	3,860,895	13,540,516	10,886,621	68,846,297
Leases payable	-	-	-	-	-	-
Total Non-Current Liabilities	14,229,265	26,331,840	4,192,414	13,540,516	10,886,621	69,180,656
TOTAL LIABILITIES	14,309,773	27,020,378	4,239,771	14,721,521	12,809,880	73,101,323
DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-
Net Position						
Net investment in capital assets	766,842	(6,746,587)	3,805,910	12,320,113	9,482,946	19,629,224
Restricted	162,927	1,124,591	167,960	925,425	1,083,191	3,464,094
Unrestricted	1,467,233	12,696,462	151,171	(480,450)	(1,009,264)	12,825,152
TOTAL NET POSITION	\$ 2,397,002	\$ 7,074,466	\$ 4,125,041	\$ 12,765,088	\$ 9,556,873	\$ 35,918,470

Housing Authority of the City of Santa Barbara

Combining Statement of Revenues, Expenses, and Changes in Net Position - Discretely Present Component Unit
For the Year Ended March 31, 2023

	SB Housing Partnership IV	Villa Sante Fe, L.P.	813 East Carrillo Street, L.P.	South Hope Associates, L.P.	Grace Village Apartments, L.P.	DPCU Total
Operating Revenues						
Rental revenues, net	\$ 490,315	\$ 3,598,127	\$ 310,106	\$ 1,703,257	\$ 1,028,928	\$ 7,130,733
Government grants	-	-	-	-	-	-
Other income	1,200	4,999	-	-	54	6,253
Total Operating Revenues	491,515	3,603,126	310,106	1,703,257	1,028,982	7,136,986
Operating Expenses						
Administration	66,723	393,422	44,105	551,844	168,620	1,224,714
Tenant services	-	15,834	15,075	172,461	-	203,370
Utilities	40,560	213,477	34,320	139,715	82,128	510,200
Maintenance and operations	123,987	521,301	33,333	136,928	155,391	970,940
Insurance expense	19,641	127,499	8,874	165,878	24,452	346,344
General expense	23,530	18,444	8,355	38,868	47,143	136,340
Housing Assistance Payments	-	-	-	-	-	-
Depreciation and amortization	710,687	677,847	288,457	704,507	519,240	2,900,738
Total Operating Expenses	985,128	1,967,824	432,519	1,910,201	996,974	6,292,646
OPERATING INCOME (LOSS)	(493,613)	1,635,302	(122,413)	(206,944)	32,008	844,340
Non-Operating Revenues (Expenses)						
Interest income	658	(742)	82	-	815	813
Interest expense	(280,035)	(1,126,599)	(145,432)	(621,304)	(482,265)	(2,655,635)
Total Non-Operating Revenues (Expenses)	(279,377)	(1,127,341)	(145,350)	(621,304)	(481,450)	(2,654,822)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	(772,990)	507,961	(267,763)	(828,248)	(449,442)	(1,810,482)
CHANGE IN NET POSITION	(772,990)	507,961	(267,763)	(828,248)	(449,442)	(1,810,482)
BEGINNING NET POSITION	3,169,992	6,566,505	4,392,804	13,593,336	10,006,315	37,728,952
ENDING NET POSITION	\$ 2,397,002	\$ 7,074,466	\$ 4,125,041	\$ 12,765,088	\$ 9,556,873	\$ 35,918,470

Housing Authority of the City of Santa Barbara
Combining Statement of Net Position - Business Activities
March 31, 2023

	<u>BCU</u>			Primary Government Total
	<u>Housing Authority</u>	<u>SBAHG</u>	<u>Eliminations</u>	
ASSETS				
Current Assets				
Cash and cash equivalents				
Unrestricted	\$ 5,933,870	\$ 1,800,091	\$ -	\$ 7,733,961
Restricted	4,533,303	807,123	-	5,340,426
Subtotal	10,467,173	2,607,214	-	13,074,387
Investments	28,281,718	3,657,142	-	31,938,860
Accounts receivable, net	281,825	76,330	-	358,155
Inventory, net	86,435	7,808	-	94,243
Prepaid expenses	157,303	50,436	-	207,739
Notes and lease receivable current	658,539	-	-	658,539
Interfund due from	-	-	-	-
Total Current Assets	39,932,993	6,398,930	-	46,331,923
Non-Current Assets				
Notes and lease receivable	154,309,292	3,297	(109,400,881)	44,911,708
Intangibles, net	-	-	-	-
Capital assets, net	59,001,191	101,110,454	-	160,111,645
Total Non-Current Assets	213,310,483	101,113,751	(109,400,881)	205,023,353
TOTAL ASSETS	253,243,476	107,512,681	(109,400,881)	251,355,276
DEFERRED OUTFLOWS OF RESOURCES	120,325	51,071	-	171,396

Housing Authority of the City of Santa Barbara
Combining Statement of Net Position - Business Activities
March 31, 2023

	<u>BCU</u>			Primary Government Total
	<u>Housing Authority</u>	<u>SBAHG</u>	<u>Eliminations</u>	
LIABILITIES				
Current Liabilities				
Accounts payable	589,766	339,049	-	928,815
Accrued liabilities	202,077	56,965	-	259,042
Deposits held in trust	367,108	411,645	-	778,753
Compensated absences current	64,771	11,881	-	76,652
Unearned revenue	196,738	143,464	-	340,202
Other liabilities current	58,152	16,505	-	74,657
Debt current	736,366	108,392	-	844,758
Lease payable current	9,907	-	-	9,907
Total Current Liabilities	2,224,885	1,087,901	-	3,312,786
Non-Current Liabilities				
Compensated absences	315,578	67,085	-	382,663
Funds held in trust	1,291,038	-	-	1,291,038
Other employee benefit (OPEB) liability	1,610,947	701,916	-	2,312,863
Debt payable	32,569,347	114,468,950	(109,400,881)	37,637,416
Leases payable	28,522	-	-	28,522
Total Non-Current Liabilities	35,815,432	115,237,951	(109,400,881)	41,652,502
TOTAL LIABILITIES	38,040,317	116,325,852	(109,400,881)	44,965,288
DEFERRED INFLOWS OF RESOURCES	4,413,230	588,978	-	5,002,208
Net Position				
Net investment in capital assets	25,657,049	95,933,993	-	121,591,042
Restricted	9,245,730	3,180,267	-	12,425,997
Unrestricted	176,007,475	(108,465,338)	-	67,542,137
TOTAL NET POSITION	\$ 210,910,254	\$ (9,351,078)	\$ -	\$ 201,559,176

Housing Authority of the City of Santa Barbara
Combining Statement of Revenues, Expenses, and Changes in Net Position - Business Activities
For the Year Ended March 31, 2023

	<u>BCU</u>			Primary Government Total
	<u>Housing Authority</u>	<u>SBAHG</u>	<u>Eliminations</u>	
<u>Operating Revenues</u>				
Rental revenues, net	\$ 7,785,741	\$ 10,321,309	\$ (8,319,024)	\$ 9,788,026
Government grants	47,870,621	54,342	-	47,924,963
Other income	5,950,191	575,293	(2,684,140)	3,841,344
Total Operating Revenues	61,606,553	10,950,944	(11,003,164)	61,554,333
<u>Operating Expenses</u>				
Administration	6,493,013	1,941,929	(1,961,935)	6,473,007
Tenant services	1,161,118	805,360	-	1,966,478
Utilities	805,941	828,558	-	1,634,499
Maintenance and operations	1,816,392	3,595,120	(722,205)	4,689,307
Insurance expense	196,485	352,703	-	549,188
General expense	1,005,900	258,495	-	1,264,395
Housing Assistance Payments	43,085,771	-	(8,319,024)	34,766,747
Depreciation and amortization	1,615,876	2,586,120	-	4,201,996
Total Operating Expenses	56,180,496	10,368,285	(11,003,164)	55,545,617
OPERATING INCOME (LOSS)	5,426,057	582,659	-	6,008,716
<u>Non-Operating Revenues (Expenses)</u>				
Interest income	5,111,955	90,325	(3,116,227)	2,086,053
Interest expense	(1,016,932)	(3,361,631)	3,116,227	(1,262,336)
Total Non-Operating Revenues (Expenses)	4,095,023	(3,271,306)	-	823,717
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	9,521,080	(2,688,647)	-	6,832,433
CHANGE IN NET POSITION	9,521,080	(2,688,647)	-	6,832,433
BEGINNING NET POSITION	201,389,174	(6,662,431)	-	194,726,743
ENDING NET POSITION	\$ 210,910,254	\$ (9,351,078)	\$ -	\$ 201,559,176

Housing Authority of the City of Santa Barbara
Combining Statement of Cash Flows - Business Activities
For the Year Ended March 31, 2023

	<u>BCU</u>			Primary Government Total
	<u>Housing Authority</u>	<u>SBAHG</u>	<u>Eliminations</u>	
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Receipts from tenants and users	\$ 7,935,995	\$ 10,927,050	\$ (2,684,140)	\$ 16,178,905
Receipts from operating grants	53,941,606	54,342	(8,319,024)	45,676,924
Payments for goods and services	(6,250,087)	(5,004,245)	1,106,105	(10,148,227)
Payments for Housing Assistance Payments	(42,783,022)	-	8,319,024	(34,463,998)
Payments to employees for services	(3,273,045)	(2,701,933)	1,578,035	(4,396,943)
NET CASH FLOW PROVIDED (USED) BY OPERATING ACTIVITIES	<u>9,571,447</u>	<u>3,275,214</u>	<u>-</u>	<u>12,846,661</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>				
Capital asset purchases	(7,604,515)	(643,517)	-	(8,248,032)
Principle payments on leases and loans	(1,210,565)	(948,734)	-	(2,159,299)
Interest payments on leases and loans	(1,016,932)	(3,361,631)	3,116,227	(1,262,336)
Proceeds from new loans	2,885,926	-	-	2,885,926
NET CASH FLOW PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(6,946,086)</u>	<u>(4,953,882)</u>	<u>3,116,227</u>	<u>(8,783,741)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Proceeds from investment activities	5,111,955	90,325	(3,116,227)	2,086,053
Proceeds from collection on notes receivable	(1,386,178)	-	-	(1,386,178)
(Purchase) or redemption of investments	(5,586,831)	359,552	-	(5,227,279)
NET CASH FLOW PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(1,861,054)</u>	<u>449,877</u>	<u>(3,116,227)</u>	<u>(4,527,404)</u>
NET INCREASE (DECREASE) IN CASH	764,307	(1,228,791)	-	(464,484)
BEGINNING CASH	9,702,866	3,836,005	-	13,538,871
ENDING CASH	<u>\$ 10,467,173</u>	<u>\$ 2,607,214</u>	<u>\$ -</u>	<u>\$ 13,074,387</u>

Housing Authority of the City of Santa Barbara
Combining Statement of Cash Flows - Business Activities
For the Year Ended March 31, 2023

	<u>BCU</u>			Primary Government Total
	<u>Housing Authority</u>	<u>SBAHG</u>	<u>Eliminations</u>	
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>				
Operating income (loss)	\$ 5,426,057	\$ 582,659	\$ -	\$ 6,008,716
Non-Cash Adjustments:				
Depreciation	1,615,876	2,586,120	-	4,201,996
Other employee benefits program (OPEB)	1,715,626	(65,711)	-	1,649,915
Change in Asset and Liabilities				
(Increase) decrease in accounts receivable	169,392	(39,884)	-	129,508
(Increase) decrease in inventory and prepaid	(75,615)	28,294	-	(47,321)
Increase (decrease) in accounts payable	322,556	166,705	-	489,261
Increase (decrease) in accrued liabilities	295,899	(13,417)	-	282,482
Increase (decrease) in unearned revenue	80,321	15,271	-	95,592
Increase (decrease) in deposits held in trust	21,335	15,177	-	36,512
Net interfunds	-	-	-	-
Total Adjustments	4,145,390	2,692,555	-	6,837,945
Net Cash Provided (Used) by Operating Activities	\$ 9,571,447	\$ 3,275,214	\$ -	\$ 12,846,661

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Board of Commissioners
Housing Authority of the City of Santa Barbara
Santa Barbara, CA

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 Auditors' Report

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 financial statements of the business-type activities, the aggregated discretely presented component units and the combining schedules of business-type activities of Housing Authority of the City of Santa Barbara as of and for the year ended March 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated August 30, 2023. The financial statements of the aggregated discretely presented component units were not audited in accordance with *Government Auditing Standards*.

Report on Internal Control over Financial Reporting

In planning and performing our audit, we considered Housing Authority of the City of Santa Barbara's internal control over financial reporting (internal control) a basis for designing 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 Housing Authority of the City of Santa Barbara's internal control. Accordingly, we do not express an opinion on the effectiveness of Housing Authority of the City of Santa Barbara'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 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 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 or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Housing Authority of the City of Santa Barbara's financial statements are free of 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 financial statements. 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 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.

August 30, 2023

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- franklin, tn 37064



Board of Commissioners
Housing Authority of the City of Santa Barbara
Santa Barbara, CA

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

Independent Auditors' Report

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Housing Authority of the City of Santa Barbara's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Housing Authority of the City of Santa Barbara's major federal programs for the year ended March 31, 2023. Housing Authority of the City of Santa Barbara's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Housing Authority of the City of Santa Barbara 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 March 31, 2023.

Management's Responsibility

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

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Housing Authority of the City of Santa Barbara and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Housing Authority of the City of Santa Barbara's compliance with the compliance requirements referred to above.



Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to Housing Authority of the City of Santa Barbara's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Housing Authority of the City of Santa Barbara's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Housing Authority of the City of Santa Barbara's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Housing Authority of the City of Santa Barbara's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Housing Authority of the City of Santa Barbara's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 Housing Authority of the City of Santa Barbara's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

August 30, 2023

Housing Authority of the City of Santa Barbara

Schedule of Findings and Questioned Costs

For the Year Ended March 31, 2023

Section I **Summary of Auditors' Results**

Financial Statements

Type of auditors' report issued	<input type="text" value="Unmodified"/>
Internal controls over financial reporting:	
Material weakness(es) identified	<input type="text" value="No"/>
Significant deficiency(ies) identified	<input type="text" value="None Reported"/>
Noncompliance material to financial statements noted	<input type="text" value="No"/>

Federal Awards

Internal control over major federal programs	
Material weakness(es) identified	<input type="text" value="No"/>
Significant deficiency(ies) identified	<input type="text" value="None Reported"/>
Type of auditors' report issued on compliance for major federal programs	<input type="text" value="Unmodified"/>
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)	<input type="text" value="No"/>
Identification of major federal programs:	

ALN(s)	Name of Federal Program or Cluster
14.871	Housing Choice Vouchers
14.879	Mainstream Vouchers

Dollar threshold used to distinguish between type A and type B programs:	<input type="text" value="\$ 1,435,424"/>
Auditee qualified as a low-risk auditee	<input type="text" value="Yes"/>

Section II **Financial Statement Findings**

No findings

Section III **Federal Awards Findings**

No findings to reported under 2CFR200 Section 516(a) of the Uniform Guidance

Housing Authority of the City of Santa Barbara
Summary Schedule of Prior Year Findings and Questioned Costs
For the Year Ended March 31, 2023

Financial Statement Findings

Prior Year Findings Number	Findings Title	Status/Current Year Finding Number
N/A	There were no prior findings reported	N/A

Federal Award Findings and Questioned Costs

Prior Year Findings Number	Findings Title	Status/Current Year Finding Number
N/A	There were no prior findings reported	N/A

HOUSING AUTHORITY OF THE CITY OF SANTA BARBARA

**Supplementary Information &
Independent Auditors' Report on Supplementary Information**

For the Year Ended March 31, 2023



smithmarion

Housing Authority of the City of Santa Barbara

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For the Year Ended March 31, 2023

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Board of Commissioners
Housing Authority of the City of Santa Barbara
Santa Barbara, CA

Independent Auditors' Report on Supplementary Information

We have audited the basic financial statements of the Housing Authority of the City of Santa Barbara as of and for the year ended March 31, 2023, and have issued our report thereon dated August 30, 2023, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying financial data schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 schedules are fairly stated in all material respects in relation to the financial statements as a whole.

August 30, 2023

Board of Commissioners
Housing Authority of the City of Santa Barbara
Santa Barbara, CA

Independent Accountants' Report on Applying Agreed-Upon Procedures

We have performed the procedure described in the third paragraph of this report, on the electronically submitted information included within the OMB Uniform Guidance reporting package. Housing Authority of the City of Santa Barbara (the Authority) is responsible for the accuracy and completeness of the electronically submitted information.

The Authority and the U.S. Department of Housing and Urban Development (HUD), Real Estate Assessment Center (REAC) have agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of determining whether the electronically submitted information agrees with the related hard copy documents within the OMB Uniform Guidance reporting package. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures are as follows:

We compared the electronically submitted items listed in the "UFRS Rule Information" column of the matrix/chart on the following page of this report with the corresponding printed documents listed in the "Hard Copy Documents" column. The results of the performance of our agreed-upon procedure indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in the attached chart.

We were engaged by the Authority to perform this agreed-upon procedures engagement and conducted our engagement in accordance with the attestation standards established by the AICPA and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. 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 whether the electronically submitted information identified in the "UFRS Rule Information" column of the chart/matrix agrees with the related hard copy documents within the OMB Uniform Guidance reporting package. 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.

We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.



We were engaged to perform an audit in accordance with the OMB Uniform Guidance and with *Government Auditing Standards* by the Authority as of and for the period ending March 31, 2023, and have issued our reports thereon dated August 30, 2023. 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 supplementary information dated August 30, 2023, was expressed in relation to the basic financial statements of the Authority taken as a whole.

A copy of the OMB Uniform Guidance reporting package, required by the Uniform Guidance, which includes the auditor's reports, is available in its entirety from the Authority. We take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, REAC.

This report is intended solely for the information and use of the Authority and HUD and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in blue ink that reads "Smith Marinda G." is positioned below the text.

August 30, 2023

Housing Authority of the City of Santa Barbara

Agreed Upon Procedures
For the Year Ended March 31, 2023

Procedure	UFRS Rule Information	Hard Copy Document(s)	Findings
1	Balance Sheet and Revenue and Expense (data line items 111 to 13901)	Financial Data Schedule, all CFDA's, if applicable	Agrees
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	Agrees
3	Type of opinion on FDS (data element G3100-040)	Auditor's supplemental report on FDS	Agrees
4	Audit findings narrative (data element G5200-010)	Schedule of Findings and Questioned Cost	Agrees
5	General information (data element series G2000, G2100, G2200, G9000, G9100)	OMB Data Collection Form *	Agrees
6	Financial statement report information (data element G3000-010 to G3000-050)	Schedule of Findings and Questioned Cost, Part 1 and OMB Data Collection Form *	Agrees
7	Federal program report information (data element G4000-020 to G4000-040)	Schedule of Findings and Questioned Cost, Part 1 and OMB Data Collection Form *	Agrees
8	Type of Compliance Requirements (G4200-020 & G4000-030)	OMB Data Collection Form *	Agrees
9	Basic financial statements and auditor reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	Agrees

Housing Authority of the City of Santa Barbara
Financial Data Schedule
3/31/2023

		Project Total	14.879 Mainstream	14.871 Housing Choice Vouchers	1 Business Activities	14.238 Shelter Plus Care	14.870 Resident Opportunity and Supportive Services	14.EHV Emergency Housing Voucher
111	Cash - Unrestricted	-	-	4,481,833	520,054	3,393	-	72,987
113	Cash - Other Restricted	-	-	-	2,478,168	-	-	40,000
113	Cash - Other Restricted - HAP Funds	-	64,247	485,535	-	-	-	-
113	Cash - Other Restricted - FSS Escrows	-	-	1,076,038	-	-	-	-
114	Cash - Tenant Security Deposits	-	-	-	367,108	-	-	-
100	Total Cash	-	64,247	6,043,406	3,365,330	3,393	-	112,987
122	Accounts Receivable - HUD Other Projects	-	-	-	-	-	-	38,445
124	Accounts Receivable - Other Government	-	-	-	101,020	-	-	-
125	Accounts Receivable - Miscellaneous	-	-	-	59,893	-	-	-
126	Accounts Receivable - Tenants	-	-	-	62,351	-	-	-
126.1	Allowance for Doubtful Accounts -Tenants	-	-	-	(3,400)	-	-	-
127	Notes, Loans, & Mortgages Receivable - Current	-	-	-	658,539	-	-	-
120	Total Receivables, Net of Allowances for Doubtful Accounts	-	-	-	878,403	-	-	38,445
131	Investments - Unrestricted	-	-	2,035,461	19,044,142	-	-	-
132	Investments - Restricted	-	-	-	6,412,937	-	-	-
142	Prepaid Expenses and Other Assets	-	-	1,650	118,972	-	-	-
143	Inventories	-	-	-	86,435	-	-	-
150	Total Current Assets	-	64,247	8,080,517	29,906,219	3,393	-	151,432
161	Land	-	-	-	34,980,743	-	-	-
162	Buildings	-	-	-	41,841,047	-	-	-
163	Furniture, Equipment & Machinery - Dwellings	-	-	-	116,887	-	-	-
164	Furniture, Equipment & Machinery - Administration	-	-	272,333	399,092	-	-	-
165	Leasehold Improvements	-	-	-	47,245	-	-	-
166	Accumulated Depreciation	-	-	(272,333)	(18,383,823)	-	-	-
160	Total Capital Assets, Net	-	-	-	59,001,191	-	-	-
171	Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	43,601,334	-	-	-
171	Notes, Loans and Mortgages Receivable - Related Party	-	-	-	110,707,958	-	-	-
174	Other Assets	-	-	-	-	-	-	-
180	Total Non-Current Assets	-	-	-	213,310,483	-	-	-
200	Deferred Outflow of Resources	-	-	53,483	66,842	-	-	-
290	Total Assets and Deferred Outflow of Resources	-	64,247	8,134,000	243,283,544	3,393	-	151,432

Housing Authority of the City of Santa Barbara
Financial Data Schedule
3/31/2023

		Project Total	14.879 Mainstream	14.871 Housing Choice Vouchers	1 Business Activities	14.238 Shelter Plus Care	14.870 Resident Opportunity and Supportive Services	14.EHV Emergency Housing Voucher
312	Accounts Payable < = 90 Days	-	-	-	94,852	-	-	-
321	Accrued Wage/Payroll Taxes Payable	-	-	71,546	121,393	-	-	843
322	Accrued Compensated Absences - Current Portion	-	-	17,548	47,223	-	-	-
341	Tenant Security Deposits	-	-	-	367,108	-	-	-
342	Unearned Revenues - Operating Subsidy	-	-	-	-	-	-	40,000
342	Unearned Revenues - Other, Prepaid Rent	-	-	-	156,738	-	-	-
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	-	-	-	746,273	-	-	-
345	Other Current Liabilities - Miscellaneous	-	-	-	55,788	-	-	-
345	Other Current Liabilities - FSS Escrow	-	-	-	2,364	-	-	-
346	Accrued Liabilities - Other	-	-	-	-	-	-	-
310	Total Current Liabilities	-	-	89,094	1,591,739	-	-	40,843
351	Long-Term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	-	32,597,869	-	-	-
352	Long-Term Debt, Net of Current - Operating Borrowings	-	-	-	-	-	-	-
353	Non-current Liabilities - Other	-	-	1,076,038	215,000	-	-	-
354	Accrued Compensated Absences - Non Current	-	-	104,500	211,078	-	-	-
357	Pension Liability	-	-	790,818	820,129	-	-	-
350	Total Non-Current Liabilities	-	-	1,971,356	33,844,076	-	-	-
300	Total Liabilities	-	-	2,060,450	35,435,815	-	-	40,843
400	Deferred Inflow of Resources	-	-	608,304	3,804,926	-	-	-
508.4	Net Investment in Capital Assets	-	-	-	25,657,049	-	-	-
511.4	Restricted Net Position	-	64,247	485,535	8,673,741	-	-	-
512.4	Unrestricted Net Position	-	-	4,979,711	169,712,013	3,393	-	110,589
513	Total Equity - Net Assets / Position	-	64,247	5,465,246	204,042,803	3,393	-	110,589
600	Total Liabilities, Deferred Inflows of Resources and Net Position	-	64,247	8,134,000	243,283,544	3,393	-	151,432

Housing Authority of the City of Santa Barbara
Financial Data Schedule
3/31/2023

		COCC	FSS Forfeitures	6.2 Component Unit - Blended	Subtotal	ELIM	Primary	6.1 Component Unit - Discretely Presented	Total
111	Cash - Unrestricted	855,603	-	1,800,091	7,733,961	-	7,733,961	3,439,717	11,173,678
113	Cash - Other Restricted	-	-	395,478	2,913,646	-	2,913,646	3,795,612	6,709,258
113	Cash - Other Restricted - HAP Funds	-	-	-	549,782	-	549,782	-	549,782
113	Cash - Other Restricted - FSS Escrows	-	22,207	-	1,098,245	-	1,098,245	-	1,098,245
114	Cash - Tenant Security Deposits	-	-	411,645	778,753	-	778,753	221,429	1,000,182
100	Total Cash	855,603	22,207	2,607,214	13,074,387	-	13,074,387	7,456,758	20,531,145
122	Accounts Receivable - HUD Other Projects	-	-	-	38,445	-	38,445	-	38,445
124	Accounts Receivable - Other Government	20,472	-	-	121,492	-	121,492	-	121,492
125	Accounts Receivable - Miscellaneous	3,044	-	4,525	67,462	-	67,462	108,491	175,953
126	Accounts Receivable - Tenants	-	-	73,805	136,156	-	136,156	70,578	206,734
126.1	Allowance for Doubtful Accounts -Tenants	-	-	(2,000)	(5,400)	-	(5,400)	(700)	(6,100)
127	Notes, Loans, & Mortgages Receivable - Current	-	-	-	658,539	-	658,539	-	658,539
120	Total Receivables, Net of Allowances for Doubtful Accounts	23,516	-	76,330	1,016,694	-	1,016,694	178,369	1,195,063
131	Investments - Unrestricted	789,178	-	868,589	22,737,370	-	22,737,370	119,855	22,857,225
132	Investments - Restricted	-	-	2,788,553	9,201,490	-	9,201,490	-	9,201,490
142	Prepaid Expenses and Other Assets	36,681	-	50,436	207,739	-	207,739	1,346,329	1,554,068
143	Inventories	-	-	7,808	94,243	-	94,243	-	94,243
150	Total Current Assets	1,704,978	22,207	6,398,930	46,331,923	-	46,331,923	9,101,311	55,433,234
161	Land	-	-	47,236,000	82,216,743	-	82,216,743	15,327,623	97,544,366
162	Buildings	273,935	-	73,097,175	115,212,157	-	115,212,157	87,069,420	202,281,577
163	Furniture, Equipment & Machinery - Dwellings	-	-	111,893	228,780	-	228,780	873,473	1,102,253
164	Furniture, Equipment & Machinery - Administration	192,577	-	51,583	915,585	-	915,585	2,023,941	2,939,526
165	Leasehold Improvements	-	-	-	47,245	-	47,245	-	47,245
166	Accumulated Depreciation	(466,512)	-	(19,386,197)	(38,508,865)	-	(38,508,865)	(16,433,550)	(54,942,415)
160	Total Capital Assets, Net	-	-	101,110,454	160,111,645	-	160,111,645	88,860,907	248,972,552
171	Notes, Loans and Mortgages Receivable - Non-Current	-	-	3,297	43,604,631	-	43,604,631	-	43,604,631
171	Notes, Loans and Mortgages Receivable - Related Party	-	-	-	110,707,958	(109,400,881)	1,307,077	-	1,307,077
174	Other Assets	-	-	-	-	-	-	11,057,575	11,057,575
180	Total Non-Current Assets	-	-	101,113,751	314,424,234	(109,400,881)	205,023,353	99,918,482	304,941,835
200	Deferred Outflow of Resources	-	-	51,071	171,396	-	171,396	-	171,396
290	Total Assets and Deferred Outflow of Resources	1,704,978	22,207	107,563,752	360,927,553	(109,400,881)	251,526,672	109,019,793	360,546,465

Housing Authority of the City of Santa Barbara
Financial Data Schedule
3/31/2023

		COCC	FSS Forfeitures	6.2 Component Unit - Blended	Subtotal	ELIM	Primary	6.1 Component Unit - Discretely Presented	Total
312	Accounts Payable < = 90 Days	494,914	-	339,049	928,815	-	928,815	180,523	1,109,338
321	Accrued Wage/Payroll Taxes Payable	8,295	-	56,965	259,042	-	259,042	-	259,042
322	Accrued Compensated Absences - Current Portion	-	-	11,881	76,652	-	76,652	947	77,599
341	Tenant Security Deposits	-	-	411,645	778,753	-	778,753	221,428	1,000,181
342	Unearned Revenues - Operating Subsidy	-	-	-	40,000	-	40,000	-	40,000
342	Unearned Revenues - Other, Prepaid Rent	-	-	143,464	300,202	-	300,202	48,563	348,765
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue	-	-	108,392	854,665	-	854,665	385,386	1,240,051
345	Other Current Liabilities - Miscellaneous	-	-	12,741	68,529	-	68,529	188,844	257,373
345	Other Current Liabilities - FSS Escrow	-	-	3,764	6,128	-	6,128	-	6,128
346	Accrued Liabilities - Other	-	-	-	-	-	-	2,894,976	2,894,976
310	Total Current Liabilities	503,209	-	1,087,901	3,312,786	-	3,312,786	3,920,667	7,233,453
351	Long-Term Debt, Net of Current - Capital Projects/Mortgage Revenue	-	-	5,068,069	37,665,938	-	37,665,938	68,846,297	106,512,235
352	Long-Term Debt, Net of Current - Operating Borrowings	-	-	109,400,881	109,400,881	(109,400,881)	-	-	-
353	Non-current Liabilities - Other	-	-	-	1,291,038	-	1,291,038	331,519	1,622,557
354	Accrued Compensated Absences - Non Current	-	-	67,085	382,663	-	382,663	2,840	385,503
357	Pension Liability	-	-	701,916	2,312,863	-	2,312,863	-	2,312,863
350	Total Non-Current Liabilities	-	-	115,237,951	151,053,383	(109,400,881)	41,652,502	69,180,656	110,833,158
300	Total Liabilities	503,209	-	116,325,852	154,366,169	(109,400,881)	44,965,288	73,101,323	118,066,611
400	Deferred Inflow of Resources	-	-	588,978	5,002,208	-	5,002,208	-	5,002,208
508.4	Net Investment in Capital Assets	-	-	95,933,993	121,591,042	-	121,591,042	19,629,224	141,220,266
511.4	Restricted Net Position	-	22,207	3,180,267	12,425,997	-	12,425,997	3,464,094	15,890,091
512.4	Unrestricted Net Position	1,201,769	-	(108,465,338)	67,542,137	-	67,542,137	12,825,152	80,367,289
513	Total Equity - Net Assets / Position	1,201,769	22,207	(9,351,078)	201,559,176	-	201,559,176	35,918,470	237,477,646
600	Total Liabilities, Deferred Inflows of Resources and Net Position	1,704,978	22,207	107,563,752	360,927,553	(109,400,881)	251,526,672	109,019,793	360,546,465

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		Project Total	14.879 Mainstream	14.871 Housing Choice Vouchers	1 Business Activities	14.238 Shelter Plus Care	14.870 Resident Opportunity and Supportive Services	14.EHV Emergency Housing Voucher
70300	Net Tenant Rental Revenue	-	-	-	7,820,270	-	-	-
70400	Tenant Revenue - Other	-	-	-	55,509	-	-	-
70500	Total Tenant Revenue	-	-	-	7,875,779	-	-	-
70600	HUD PHA Operating Grants	-	-	-	-	114,677	166,439	-
70600	Housing Assistance Payments	-	4,347,751	37,309,951	-	-	-	1,409,112
70600	Ongoing Administrative Fees Earned	-	465,140	3,877,022	-	-	-	151,824
70600	Hard to House	-	-	-	-	-	-	3,750
70600	All Other Fees	-	-	-	-	-	-	1,800
70710	Management Fee	-	-	-	-	-	-	-
70730	Book-Keeping Fee	-	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-	-
70800	Other Government Grants	-	-	-	-	-	-	-
71100	Unrestricted Investment Income - Other	-	-	48,034	700,606	114	-	-
71200	Mortgage Interest Income	-	-	-	4,359,915	-	-	-
71500	Other Revenue	-	82	199,833	4,612,767	-	-	1,660
72000	Restricted Investment Income - Other	-	-	-	-	-	-	-
70000	Total Revenue	-	4,812,973	41,434,840	17,549,067	114,791	166,439	1,568,146
91100	Administrative Salaries	-	215,799	776,121	1,518,895	-	-	10,884
91200	Auditing Fees	-	-	27,508	4,783	-	-	-
91300	Management Fees - Outside	-	-	-	-	-	-	-
91300	Management Fees - Internal	-	93,028	765,241	-	2,443	-	-
91310	Book-Keeping Fee	-	24,398	220,380	-	615	-	-
91400	Advertising and Marketing	-	-	3,740	50,413	-	-	-
91500	Employee Benefit Contributions - Administrative	-	87,059	232,266	550,878	940	-	4,006
91600	Office Expenses	-	-	69,876	77,976	2,749	-	-
91700	Legal Expense	-	-	2,251	100,546	-	-	-
91800	Travel	-	-	-	19,418	-	-	-
91900	Other	-	-	221,485	657,856	-	-	34,197
91000	Total Operating - Administrative	-	420,284	2,318,868	2,980,765	6,747	-	49,087
92100	Tenant Services - Salaries	-	56,428	129,769	-	2,285	166,439	-
92300	Employee Benefit Contributions - Tenant Services	-	34,756	77,820	-	-	-	-
92400	Tenant Services - Other	-	107,366	328,554	253,270	-	-	3,750
92500	Total Tenant Services	-	198,550	536,143	253,270	2,285	166,439	3,750
93100	Water	-	-	-	353,410	-	-	-
93200	Electricity	-	-	-	181,670	-	-	-
93300	Gas	-	-	-	69,557	-	-	-
93600	Sewer	-	-	-	-	-	-	-
93800	Other Utilities Expense	-	-	-	201,304	-	-	-
93000	Total Utilities	-	-	-	805,941	-	-	-

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		Project Total	14.879 Mainstream	14.871 Housing Choice Vouchers	1 Business Activities	14.238 Shelter Plus Care	14.870 Resident Opportunity and Supportive Services	14.EHV Emergency Housing Voucher
94100	Ordinary Maintenance and Operations - Labor	-	-	-	397,958	-	-	-
94200	Ordinary Maintenance and Operations - Materials and Other	-	-	-	151,916	-	-	-
94300	Ordinary Maint. & Operations - Garbage & Trash	-	-	-	4,814	-	-	-
94300	Ordinary Maint. & Operations - HVAC	-	-	-	15,864	-	-	-
94300	Ordinary Maint. & Operations - Elevator	-	-	-	18,591	-	-	-
94300	Ordinary Maint. & Operations - Landscape & Grounds	-	-	-	355,966	-	-	-
94300	Ordinary Maint. & Operations - Unit Turnaround	-	-	-	176,670	-	-	-
94300	Ordinary Maint. & Operations - Electrical Contracts	-	-	-	34,231	-	-	-
94300	Ordinary Maint. & Operations - Plumbing Contracts	-	-	-	112,379	-	-	-
94300	Ordinary Maint. & Operations - Extermination	-	-	-	11,069	-	-	-
94300	Ordinary Maint. & Operations - Janitorial Contracts	-	-	-	79,733	-	-	-
94300	Ordinary Maint. & Operations - Routine Maintenance	-	-	-	324,565	-	-	-
94300	Ordinary Maint. & Operations - Misc. Contracts	-	-	-	4,525	-	-	-
94500	Employee Benefit Contributions - Ordinary Maintenance	-	-	-	52,500	-	-	-
94000	Total Ordinary Maint. and Op.	-	-	-	1,740,781	-	-	-
96110	Property Insurance	-	-	-	173,044	-	-	-
96120	Liability Insurance	-	-	4,857	-	-	-	-
96130	Workmen's Compensation	-	-	(7,917)	9,181	-	-	-
96140	All Other Insurance	-	-	1,360	8,896	-	-	-
96100	Total Insurance Premiums	-	-	(1,700)	191,121	-	-	-
96200	Other General Expenses	-	9,148	41,771	631,186	-	-	330
96210	Compensated Absences	-	-	89,801	206,295	-	-	-
96400	Bad debt - Tenant Rents	-	-	-	90,038	-	-	-
96000	Total Other General Expenses	-	9,148	131,572	927,519	-	-	330
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	1,016,932	-	-	-
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-
96700	Total Interest Expense and Amortization Cost	-	-	-	1,016,932	-	-	-
96900	Total Operating Expenses	-	627,982	2,984,883	7,916,329	9,032	166,439	53,167
97000	Excess of Op. Revenue Over Op. Expenses	-	4,184,991	38,449,957	9,632,738	105,759	-	1,514,979
97100	Extraordinary Maintenance	-	-	-	43,643	-	-	-
97300	Housing Assistance Payments	-	4,283,584	37,107,530	-	102,366	-	1,431,719
97350	HAP Portability-In	-	-	160,572	-	-	-	-
97400	Depreciation Expense	-	-	-	1,615,876	-	-	-
97500	Fraud Losses	-	-	-	4,214	-	-	-
90000	Total Expenses	-	4,911,566	40,252,985	9,580,062	111,398	166,439	1,484,886
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-	(98,593)	1,181,855	7,969,005	3,393	-	83,260
11030	Beginning Equity	-	162,840	4,283,391	196,073,798	-	-	27,329
11040	Prior Period Adjustments	-	-	-	-	-	-	-
11040	Equity Transfers	-	-	-	-	-	-	-

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		COCC	FSS Forfeitures	6.2 Component Unit - Blended	Subtotal	ELIM	Primary Government	6.1 Component Unit - Discretely Presented	Total
70300	Net Tenant Rental Revenue	-	-	9,759,857	17,580,127	(8,319,024)	9,261,103	7,090,548	16,351,651
70400	Tenant Revenue - Other	-	-	569,721	625,230	-	625,230	42,356	667,586
70500	Total Tenant Revenue	-	-	10,329,578	18,205,357	(8,319,024)	9,886,333	7,132,904	17,019,237
70600	HUD PHA Operating Grants	-	-	-	281,116	-	281,116	-	281,116
70600	Housing Assistance Payments	-	-	-	43,066,814	-	43,066,814	-	43,066,814
70600	Ongoing Administrative Fees Earned	-	-	-	4,493,986	-	4,493,986	-	4,493,986
70600	Hard to House	-	-	-	3,750	-	3,750	-	3,750
70600	All Other Fees	-	-	-	1,800	-	1,800	-	1,800
70710	Management Fee	860,712	-	-	860,712	(860,712)	-	-	-
70730	Book-Keeping Fee	245,393	-	-	245,393	(245,393)	-	-	-
70700	Total Fee Revenue	1,106,105	-	-	1,106,105	(1,106,105)	-	-	-
70800	Other Government Grants	23,155	-	54,342	77,497	-	77,497	-	77,497
71100	Unrestricted Investment Income - Other	3,286	-	90,325	842,365	-	842,365	396	842,761
71200	Mortgage Interest Income	-	-	-	4,359,915	(3,116,227)	1,243,688	-	1,243,688
71500	Other Revenue	6,856	22,888	575,293	5,419,379	(1,578,035)	3,841,344	6,253	3,847,597
72000	Restricted Investment Income - Other	-	-	-	-	-	-	417	417
70000	Total Revenue	1,139,402	22,888	11,049,538	77,858,084	(14,119,391)	63,738,693	7,139,970	70,878,663
91100	Administrative Salaries	638,836	-	889,836	4,050,371	(49,316)	4,001,055	541,758	4,542,813
91200	Auditing Fees	-	-	6,809	39,100	-	39,100	52,950	92,050
91300	Management Fees - Outside	-	-	-	-	-	-	63,076	63,076
91300	Management Fees - Internal	-	-	-	860,712	(860,712)	-	-	-
91310	Book-Keeping Fee	-	-	-	245,393	(245,393)	-	-	-
91400	Advertising and Marketing	-	-	8,547	62,700	-	62,700	738	63,438
91500	Employee Benefit Contributions - Administrative	193	-	308,780	1,184,122	-	1,184,122	85,836	1,269,958
91600	Office Expenses	-	-	108,824	259,425	-	259,425	80,390	339,815
91700	Legal Expense	-	-	12,864	115,661	-	115,661	22,737	138,398
91800	Travel	-	-	742	20,160	-	20,160	2,326	22,486
91900	Other	78,233	-	605,527	1,597,298	(806,514)	790,784	374,903	1,165,687
91000	Total Operating - Administrative	717,262	-	1,941,929	8,434,942	(1,961,935)	6,473,007	1,224,714	7,697,721
92100	Tenant Services - Salaries	-	-	471,936	826,857	-	826,857	90,406	917,263
92300	Employee Benefit Contributions - Tenant Services	-	-	-	112,576	-	112,576	63	112,639
92400	Tenant Services - Other	-	681	333,424	1,027,045	-	1,027,045	112,901	1,139,946
92500	Total Tenant Services	-	681	805,360	1,966,478	-	1,966,478	203,370	2,169,848
93100	Water	-	-	346,442	699,852	-	699,852	241,217	941,069
93200	Electricity	-	-	106,407	288,077	-	288,077	123,703	411,780
93300	Gas	-	-	49,661	119,218	-	119,218	39,348	158,566
93600	Sewer	-	-	-	-	-	-	22,460	22,460
93800	Other Utilities Expense	-	-	326,048	527,352	-	527,352	83,472	610,824
93000	Total Utilities	-	-	828,558	1,634,499	-	1,634,499	510,200	2,144,699

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		COCC	FSS Forfeitures	6.2 Component Unit - Blended	Subtotal	ELIM	Primary Government	6.1 Component Unit - Discretely Presented	Total
94100	Ordinary Maintenance and Operations - Labor	27,989	-	838,147	1,264,094	(722,205)	541,889	162,261	704,150
94200	Ordinary Maintenance and Operations - Materials and Other	3,979	-	274,306	430,201	-	430,201	44,699	474,900
94300	Ordinary Maint. & Operations - Garbage & Trash	-	-	3,390	8,204	-	8,204	25,143	33,347
94300	Ordinary Maint. & Operations - HVAC	-	-	7,325	23,189	-	23,189	430	23,619
94300	Ordinary Maint. & Operations - Elevator	-	-	15,813	34,404	-	34,404	10,834	45,238
94300	Ordinary Maint. & Operations - Landscape & Grounds	-	-	504,397	860,363	-	860,363	222,194	1,082,557
94300	Ordinary Maint. & Operations - Unit Turnaround	-	-	567,073	743,743	-	743,743	135,017	878,760
94300	Ordinary Maint. & Operations - Electrical Contracts	-	-	1,661	35,892	-	35,892	-	35,892
94300	Ordinary Maint. & Operations - Plumbing Contracts	-	-	130,394	242,773	-	242,773	35,137	277,910
94300	Ordinary Maint. & Operations - Extermination	-	-	17,330	28,399	-	28,399	4,286	32,685
94300	Ordinary Maint. & Operations - Janitorial Contracts	-	-	31,245	110,978	-	110,978	20,967	131,945
94300	Ordinary Maint. & Operations - Routine Maintenance	-	-	712,973	1,037,538	-	1,037,538	209,788	1,247,326
94300	Ordinary Maint. & Operations - Misc. Contracts	-	-	12,129	16,654	-	16,654	100,003	116,657
94500	Employee Benefit Contributions - Ordinary Maintenance	-	-	116,818	169,318	-	169,318	181	169,499
94000	Total Ordinary Maint. and Op.	31,968	-	3,233,001	5,005,750	(722,205)	4,283,545	970,940	5,254,485
96110	Property Insurance	-	-	200,475	373,519	-	373,519	190,095	563,614
96120	Liability Insurance	-	-	36,354	41,211	-	41,211	65,877	107,088
96130	Workmen's Compensation	7,064	-	114,488	122,816	-	122,816	83,377	206,193
96140	All Other Insurance	-	-	1,386	11,642	-	11,642	6,995	18,637
96100	Total Insurance Premiums	7,064	-	352,703	549,188	-	549,188	346,344	895,532
96200	Other General Expenses	23,155	-	79,837	785,427	-	785,427	130,146	915,573
96210	Compensated Absences	-	-	85,035	381,131	-	381,131	6,194	387,325
96400	Bad debt - Tenant Rents	-	-	8,269	98,307	-	98,307	2,171	100,478
96000	Total Other General Expenses	23,155	-	173,141	1,264,865	-	1,264,865	138,511	1,403,376
96710	Interest of Mortgage (or Bonds) Payable	-	-	3,361,631	4,378,563	(3,116,227)	1,262,336	2,469,264	3,731,600
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	186,371	186,371
96700	Total Interest Expense and Amortization Cost	-	-	3,361,631	4,378,563	(3,116,227)	1,262,336	2,655,635	3,917,971
96900	Total Operating Expenses	779,449	681	10,696,323	23,234,285	(5,800,367)	17,433,918	6,049,714	23,483,632
97000	Excess of Op. Revenue Over Op. Expenses	359,953	22,207	353,215	54,623,799	(8,319,024)	46,304,775	1,090,256	47,395,031
97100	Extraordinary Maintenance	-	-	362,119	405,762	-	405,762	-	405,762
97300	Housing Assistance Payments	-	-	-	42,925,199	(8,319,024)	34,606,175	-	34,606,175
97350	HAP Portability-In	-	-	-	160,572	-	160,572	-	160,572
97400	Depreciation Expense	-	-	2,586,120	4,201,996	-	4,201,996	2,900,738	7,102,734
97500	Fraud Losses	-	-	93,623	97,837	-	97,837	-	97,837
90000	Total Expenses	779,449	681	13,738,185	71,025,651	(14,119,391)	56,906,260	8,950,452	65,856,712
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	359,953	22,207	(2,688,647)	6,832,433	-	6,832,433	(1,810,482)	5,021,951
11030	Beginning Equity	841,816	-	(6,662,431)	194,726,743	-	194,726,743	37,728,952	232,455,695
11040	Prior Period Adjustments	-	-	-	-	-	-	-	-
11040	Equity Transfers	-	-	-	-	-	-	-	-