

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

JUNE 30, 2024

**WITH
REPORT OF INDEPENDENT AUDITORS**

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
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JUNE 30, 2024

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REPORT OF INDEPENDENT AUDITORS

To the Board of Commissioners
Housing Authority of the County of Santa Cruz:

Opinion

We have audited the accompanying financial statements of the Housing Authority of the County of Santa Cruz (the "Authority") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, as listed in the accompanying table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net position of the Authority as of June 30, 2024, and the changes in its net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority 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 opinion.

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 the Authority'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.

Auditors' 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 auditors' report that includes our opinion. 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 the Authority'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 the Authority'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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required pension and other post-employment benefit information 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.

Other Matters (continued)

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The schedule of expenditures of federal awards is presented for the purpose of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* and is not a required part of the basic financial statements. The accompanying financial data schedule is also not a required part of the financial statements and is presented for the purposes of additional analysis as required by the U.S. Department of Housing and Urban Development.

The schedule of expenditures of federal awards and the financial data schedule are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such 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 schedule of expenditures of federal awards and financial data schedule are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2025 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Novogradac & Company LLP

February 12, 2025
Toms River, New Jersey

MANAGEMENT'S DISCUSSION AND ANALYSIS

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

The Housing Authority of the County of Santa Cruz (the "Authority") management's discussion and analysis is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges), and (d) identify individual fund issues or concerns.

Since the Management's Discussion and Analysis ("MD&A") is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's financial statements (beginning on page 14 of the Audit Report).

FINANCIAL CONTACT

The individual to be contacted regarding this report is the Finance Director of the Authority, at (831)454-9455. Specific requests may be submitted to the Finance Director, Housing Authority of the County of Santa Cruz, 2160 41st Avenue, Capitola, California, 95010.

FINANCIAL HIGHLIGHTS

- The Authority's net position increased by \$16.9 million or 45% during fiscal year ended June 30, 2024. Net Position was \$54.5 million in 2024 and \$37.6 million in 2023, respectively.
- Operating revenues increased by approximately \$26.5 million or 20.7% from \$128.2 million in 2023 to \$153.5 million in 2024. The increase in operating revenues is attributed mainly to the Authority being awarded a Moving to Work Demonstration grant during FY24 in the amount of \$124.4 million.
- Operating expenses for all Authority programs increased by approximately \$16.1 million or 13.2%. Total operating expenses were \$137.8 million in 2024 and \$121.7 million in 2023.

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

USING THIS ANNUAL REPORT

The Report includes three major sections, the MD&A, Financial Statements, and Other Required Supplementary Information:

MD&A

~ Management's Discussion
and Analysis ~

Financial Statements

~ Authority-wide Financial Statements – pages 14 - 18
~ Notes to Financial Statements (expanded/restructured) – pages 19 - 50

Other Required Supplementary Information

~ Required Supplementary Information pages 56 - 80
(other than MD&A)

Authority-Wide Financial Statements

The Authority-wide financial statements are designed to be corporate-like in that all business type activities are consolidated into a total for the entire Authority.

These Statements include a Statement of Net Position which is similar to a Balance Sheet. The statement is presented in the format where assets plus deferred outflows of resources, minus liabilities plus deferred inflows of resources, equal, "Net Position", formerly known as equity. Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year), and "Non-current".

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024

Authority-Wide Financial Statements (continued)

The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to represent the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net Position (formerly equity) is reported in three broad categories:

Net Investment in Capital Assets: This component of Net Position consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position: This component of Net Position consists of resources, when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Position: Consists of resources that do not meet the definition of "Net Investment in Capital Assets" or "Restricted Net Position".

The Authority-wide financial statements also include a Statement of Revenues, Expenses and Changes in Net Position (similar to an Income Statement). This Statement includes operating revenues, such as rental income, operating expenses, such as administrative, utilities, and maintenance, and depreciation, and non-operating revenue and expenses, such as grant revenue, investment income and interest expense. The focus of the Statement of Revenues, Expenses and Changes in Net Position is similar to Net Income or Loss.

Finally, a Statement of Cash Flows is included which discloses net cash provided by, or used for operating activities, non-capital financing activities, and from capital and related financing activities.

Financial Statements

Traditional users of governmental financial statements will find the Financial Statements presentation more familiar.

Many of the grants maintained by the Authority are required by the Department of Housing and Urban Development ("HUD"). Others are segregated to enhance accountability and control.

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

The Authority's Programs

Section 8 Housing Choice Vouchers Program

Under the Housing Choice Voucher Program, commonly referred to as Section 8 tenant-based assistance, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment (HAP) made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent between 30% and 40% of household income. HUD provides the Authority with two separate funding amounts; one for housing assistance payments and the other for administrative expenses to operate the program.

Business Activities

Represents a variety of activities and accumulated unrestricted reserves with miscellaneous revenues and expenses that are not related to specific funds or projects. This includes the Housing Authority owned office buildings. These funds collect rents in the form of an occupancy expense that is tracked and allocated to programs based on payroll dollars. The occupancy expense comprises the interest portion of debt service, taxes, insurance and the cost of repairs, building services, utilities and either the principal portion of debt service or depreciation.

Moving to Work Demonstration Program

The purpose of this Moving to Work Demonstration Program is to give the Authority and HUD the flexibility to design and test various approaches for providing and administering housing assistance that: reduce cost and achieve greater cost effectiveness; give incentives to families to obtain employment and become economically self-sufficient; and increase housing choices for low-income families to obtain employment and become economically self-sufficient, and increase housing choices for low-income families.

Other Funds

In addition to the funds described above, the Authority also maintains the following programs.

Section 8 Moderate Rehabilitation
Rehabilitation Program - SRO
Mainstream Voucher
Continuum of Care
*HOME Investment Partnerships

Section 8 Moderate
USDA Farm Labor Housing
Emergency Housing Voucher
Other State and Local Programs
FSS Escrow Forfeitures

*The HOME program is a sub-recipient grants from local jurisdictions

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

AUTHORITY-WIDE STATEMENT

The following table reflects the condensed Statements of Net Position compared to prior year.

**TABLE 1
STATEMENTS OF NET POSITION**

| | 2024 | 2023 | Increase (Decrease) | Percent Variance |
|--|----------------------|----------------------|------------------------|---------------------|
| Assets: | | | | |
| Cash & other current assets | \$ 42,982,705 | \$ 32,420,806 | \$ 10,561,899 | 32.58% |
| Capital assets, net | 23,418,220 | 14,811,692 | 8,606,528 | 58.11% |
| Other assets | 5,833,425 | 6,815,382 | (981,957) | -14.41% |
| Deferred outflows of resources | 4,991,517 | 4,908,345 | 83,172 | 1.69% |
| Total assets and deferred outflows of resources | <u>77,225,867</u> | <u>58,956,225</u> | <u>18,269,642</u> | 30.99% |
| Liabilities: | | | | |
| Current liabilities | 3,135,676 | 1,997,659 | 1,138,017 | 56.97% |
| Noncurrent liabilities | 17,144,638 | 16,399,785 | 744,853 | 4.54% |
| Deferred inflows of resources | 2,408,214 | 2,934,286 | (526,072) | -17.93% |
| Total liabilities and deferred inflows of resources | <u>22,688,528</u> | <u>21,331,730</u> | <u>1,356,798</u> | 6.36% |
| Net position: | | | | |
| Invested in capital assets | 20,211,637 | 11,564,788 | 8,646,849 | 74.77% |
| Restricted net position | 3,030,333 | 3,524,141 | (493,808) | -14.01% |
| Unrestricted net position | <u>31,295,369</u> | <u>22,535,566</u> | <u>8,759,803</u> | 38.87% |
| Total net position | <u>\$ 54,537,339</u> | <u>\$ 37,624,495</u> | <u>\$ 16,912,844</u> | 44.95% |

Major Factors Affecting the Statements of Net Position:

- During 2024, total net position increased by \$16.9 million, primarily due to an increase in unrestricted net position in the amount of \$8.8 million and an increase in invested in capital assets in the amount of \$8.6 million, which was partially offset by a decrease in restricted net position in the amount \$.5 million.
- Cash and other current assets increased \$10.6 million from FY 2023 to FY 2024, primarily due to the Authority increasing its cash position by \$9.6 million.

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

AUTHORITY-WIDE STATEMENT (continued)

- Other assets decreased \$1 million from FY 2023 to FY 2024, primarily due to the Authority amortizing annually the lease receivable and right-of-use asset and a decrease in restricted cash.
- Current liabilities increased \$1.1 million from \$2 million in FY 2023 to \$3.1 million in FY 2024. The increase is primarily due to an increase in accounts payable related to construction progress in the Authority's blended component units.

TABLE 2

CHANGE IN NET POSITION

| | 2024 | 2023 | Increase (Decrease) | Percent Variance |
|-----------------------------------|----------------|----------------|------------------------|---------------------|
| Operating revenue & expense | | | | |
| Operating revenue | \$ 153,481,680 | \$ 128,191,634 | \$ 25,290,046 | 19.73% |
| Operating expenses | 137,845,813 | 121,749,779 | 16,096,034 | 13.22% |
| Operating gain | 15,635,867 | 6,441,855 | 9,194,012 | 142.72% |
| Non-operating revenues & expenses | 1,276,977 | 187,458 | 1,089,519 | 581.21% |
| Increase in net position | 16,912,844 | 6,629,313 | 10,283,531 | 155.12% |
| Net position, beginning of year | 37,624,495 | 30,995,182 | 6,629,313 | 21.39% |
| Net position, end of year | \$ 54,537,339 | \$ 37,624,495 | \$ 16,912,844 | 44.95% |

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

AUTHORITY-WIDE STATEMENT (continued)

TABLE 3 REVENUES BY SOURCE

| | 2024 | 2023 | Increase (Decrease) | Percent Variance |
|-----------------------------------|--------------------------|---------------------------|--------------------------|---------------------|
| Operating revenue | | | | |
| Tenant revenue | \$ 3,093,807 | \$ 3,039,950 | \$ 53,857 | 1.77% |
| HUD and Other Governmental grants | 149,758,089 | 124,635,136 | 25,122,953 | 20.16% |
| Other income | 629,784 | 516,548 | 113,236 | 21.92% |
| Total operating revenue | <u>153,481,680</u> | <u>128,191,634</u> | <u>25,290,046</u> | <u>19.73%</u> |
| Non-operating revenues | | | | |
| Investment income | 1,336,262 | 114,890 | 1,221,372 | 1063.08% |
| Total non-operating revenues | <u>1,336,262</u> | <u>114,890</u> | <u>1,221,372</u> | <u>1063.08%</u> |
| Total revenues | <u>\$154,817,942</u> | <u>\$ 128,306,524</u> | <u>\$ 26,511,418</u> | <u>20.66%</u> |

Total Revenue increased by approximately \$26.5 million or 20.66% in 2024 in comparison to 2023. This is primarily attributed to the following:

- An increase of \$25.1 million in HUD and Other Governmental grants from \$124.6 million in 2023 to \$149.8 million in 2024. The increase in operating grants was primarily due to the Authority entering to a Moving to Work Demonstration annual contributions contract which resulted in additional grant income in the amount of \$23.2 million.

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

AUTHORITY-WIDE STATEMENT (continued)

TABLE 4

OPERATING EXPENSES

| | 2024 | 2023 | Increase (Decrease) | Percent Variance |
|-------------------------------|--------------------|--------------------|------------------------|---------------------|
| Administrative | \$ 9,694,379 | \$ 6,757,887 | \$ 2,936,492 | 43.45% |
| Tenant services | 1,419,815 | 1,394,148 | 25,667 | 1.84% |
| Utilities | 615,012 | 478,842 | 136,170 | 28.44% |
| Maintenance | 1,371,456 | 1,358,293 | 13,163 | 0.97% |
| General expense | 844,909 | 1,250,747 | (405,838) | -32.45% |
| Depreciation and amortization | 298,946 | 614,068 | (315,122) | -51.32% |
| Housing assistance payments | 123,601,296 | 109,895,794 | 13,705,502 | 12.47% |
| Total expenses | \$ 137,845,813 | \$ 121,749,779 | \$ 16,096,034 | 13.22% |

Operating expenses increased by 13.2% during 2024 in comparison to 2023.

Major factors affecting expenses is as follows:

- Administrative expense increased by \$2.9 million primarily due to an increase in administrative salaries and employee benefits expense related to the Authority's pension and OPEB plans during 2024.
- Housing assistance payments expense increased \$13.7 million primarily due to the Authority entering into a Moving to Work Demonstration annual contributions contract, increasing its unit months leased by approximately 170 from 2023 to 2024.

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

CAPITAL ASSETS AND DEBT ADMINISTRATION

As of June 30, 2024, the Authority had \$23.4 million invested in a variety of capital assets as reflected in the following schedule, which represents a net increase over the previous fiscal year (additions, deductions and depreciation) of \$8.6 million or 58%.

| | 2024 | 2023 | Increase (Decrease) | Percent Variance |
|--------------------------------|----------------------|----------------------|------------------------|---------------------|
| Land | \$ 8,130,533 | \$ 8,130,533 | \$ - | 0.00% |
| Buildings | 18,713,755 | 18,216,735 | 497,020 | 2.73% |
| Equipment | 345,657 | 339,734 | 5,923 | 1.74% |
| Construction in progress | 9,662,379 | 1,259,848 | 8,402,531 | 666.95% |
| | <u>36,852,324</u> | <u>27,946,850</u> | <u>8,905,474</u> | <u>31.87%</u> |
| Less: accumulated depreciation | <u>(13,434,104)</u> | <u>(13,135,158)</u> | <u>(298,946)</u> | <u>2.28%</u> |
| Capital assets, net | <u>\$ 23,418,220</u> | <u>\$ 14,811,692</u> | <u>\$ 8,606,528</u> | <u>58.11%</u> |

This year's major additions are primarily capital expenditures related to modernizing the Authority's housing developments.

Depreciation expense for the year ended June 30, 2024 amounted to \$.3 million.

The Authority had capital purchases of \$8.9 million for the year ended June 30, 2024.

DEBT ADMINISTRATION

As of the year-ended June 30, 2024, the Authority had \$3,096,398 in debt (bonds, notes, etc.) outstanding, compared to \$3,246,904 in fiscal year-ended 2023, representing a \$150,506 decrease, or 4.6%. A more detailed presentation of the Authority's debt, summarized below, can be found in Note 10 to the basic financial statements.

| | 2024 | 2023 | Increase (Decrease) | Percent Variance |
|--|------------------|------------------|------------------------|---------------------|
| USDA Farm Worker Housing | \$ - | \$ 12,789 | \$ (12,789) | -100.00% |
| State of California HCD Loan (Brommer) | 18,557 | 210,000 | (191,443) | -91.16% |
| State of California HCD Loan (Merrill Road Associates) | 1,195,167 | 1,195,167 | - | 0.00% |
| State of California HCD Loan (Merrill Road Associates) | 300,000 | 300,000 | | 0.00% |
| Affordable Housing Preservation Revolving Loan | 1,582,674 | 1,528,948 | 53,726 | 3.51% |
| | <u>3,096,398</u> | <u>3,246,904</u> | <u>(150,506)</u> | <u>-4.64%</u> |

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2024**

ECONOMIC FACTORS

Significant economic factors affecting the Authority are as follows:

- Federal funding of the Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income
- Inflationary pressure on utility rates, supplies and other costs.

OTHER MATTERS

The following events are expected to have a significant effect on the financial position of the Authority.

- (1) In recent years, the Section 8 Housing Choice Vouchers Program has received a flat fee for administrative expenses determined by HUD based on program size, historical lease up numbers, and available appropriations. As of January 1, 2009, HUD changed the method for calculating administrative fees for the Voucher Program back to a per unit leased fee. The rates are published by HUD, and subject to pro-rations based on available funding levels. These admin fee proration levels have a significant impact on the Authority's primary source of funding for administrative expenses in the largest program area.

FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
STATEMENT OF NET POSITION
AS OF JUNE 30, 2024

ASSETS

| | |
|---|-------------------|
| Current assets: | |
| Cash and cash equivalents | \$ 41,462,802 |
| Tenant security deposits | 276,212 |
| Accounts receivable, net | 631,549 |
| Prepaid expenses | 249,117 |
| Current portion of lease receivable | <u>363,025</u> |
| Total current assets | <u>42,982,705</u> |
| Non-current assets: | |
| Restricted cash | 3,318,090 |
| Notes receivable | 61,504 |
| Accrued interest on notes receivable, net | 14,119 |
| Capital assets, net | 23,418,220 |
| Lease receivable, net of current portion | 1,889,687 |
| Right-of-use asset - leases | <u>550,025</u> |
| Total non-current assets | <u>29,251,645</u> |
| Total assets | <u>72,234,350</u> |

DEFERRED OUTFLOWS OF RESOURCES

| | |
|---|----------------------|
| Pension plan | 4,664,029 |
| OPEB Plan | <u>327,488</u> |
| Total deferred outflows of resources | <u>4,991,517</u> |
| Total assets and deferred outflows of resources | <u>\$ 77,225,867</u> |

See accompanying notes to financial statements.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
STATEMENT OF NET POSITION (continued)
AS OF JUNE 30, 2024

LIABILITIES

| | |
|--|-------------------|
| Current liabilities: | |
| Accounts payable | \$ 1,870,300 |
| Accrued expenses | 264,833 |
| Accrued compensated absences, current portion | 65,725 |
| Tenant security deposits | 276,212 |
| Current portion of lease liability | 173,615 |
| Unearned revenue | <u>484,991</u> |
| Total current liabilities | <u>3,135,676</u> |
| Non-current liabilities: | |
| Accrued compensated absences, net of current portion | 601,088 |
| Long-term portion of loans and notes payable | 3,096,398 |
| Accrued pension liability | 11,477,028 |
| Accrued OPEB liability | 294,393 |
| Lease liability, net of current portion | 486,595 |
| Other non-current liabilities | <u>1,189,136</u> |
| Total non-current liabilities | <u>17,144,638</u> |
| Total liabilities | <u>20,280,314</u> |

DEFERRED INFLOWS OF RESOURCES

| | |
|-------------------------------------|------------------|
| Pension plan | 422,526 |
| OPEB plan | 183,437 |
| Leased asset | <u>1,802,251</u> |
| Total deferred inflows of resources | <u>2,408,214</u> |

NET POSITION

| | |
|---|----------------------|
| Net position: | |
| Net investment in capital assets | 20,211,637 |
| Restricted | 3,030,333 |
| Unrestricted | <u>31,295,369</u> |
| Total net position | <u>54,537,339</u> |
| Total liabilities, deferred inflows of resources, and net position | \$ <u>77,225,867</u> |

See accompanying notes to financial statements.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED JUNE 30, 2024

| | |
|------------------------------------|----------------------|
| Operating revenues: | |
| Tenant revenue | \$ 3,093,807 |
| HUD operating grants | 148,755,778 |
| Other government grants | 1,002,311 |
| Fraud recovery revenue | 22,531 |
| Other revenues | <u>607,253</u> |
| Total operating revenues | <u>153,481,680</u> |
| Operating expenses: | |
| Administrative | 9,694,379 |
| Tenant services | 1,419,815 |
| Utilities | 615,012 |
| Ordinary repairs and maintenance | 1,371,456 |
| Insurance | 487,980 |
| General | 356,929 |
| Housing assistance payments | 123,601,296 |
| Depreciation | <u>298,946</u> |
| Total operating expenses | <u>137,845,813</u> |
| Operating income | <u>15,635,867</u> |
| Non-operating revenues (expenses): | |
| Investment income | 1,336,262 |
| Interest expense | <u>(59,285)</u> |
| Net non-operating revenues | <u>1,276,977</u> |
| Change in net position | 16,912,844 |
| Net position, beginning of year | <u>37,624,495</u> |
| Net position, end of year | <u>\$ 54,537,339</u> |

See accompanying notes to financial statements.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2024

| | |
|---|----------------------|
| Cash Flows from Operating Activities: | |
| Cash received from tenants and other | \$ 3,543,783 |
| Cash received from grantors | 149,625,534 |
| Cash paid to suppliers and vendors | (126,179,228) |
| Cash paid to employees | <u>(9,730,687)</u> |
| Net cash provided by operating activities | <u>17,259,402</u> |
| Cash Flows from Capital and Related Financing Activities: | |
| Purchase of capital assets | (8,905,474) |
| Proceeds from loans and notes payable | 53,726 |
| Principal payments on loans and notes payable | (204,232) |
| Interest paid on loans and notes payable | <u>(59,285)</u> |
| Net cash used in capital and related financing activities | <u>(9,115,265)</u> |
| Cash Flows from Investing Activities: | |
| Issuance of notes receivable | (42,000) |
| Interest received on investments | <u>1,469,340</u> |
| Net cash provided by investing activities | <u>1,427,340</u> |
| Net increase in cash, cash equivalents, and restricted cash | 9,571,477 |
| Cash, cash equivalents, and restricted cash, beginning of year | <u>35,485,627</u> |
| Cash, cash equivalents, and restricted cash, end of year | <u>\$ 45,057,104</u> |
| Reconciliation of cash, cash equivalents, and restricted cash to the Statement of Net Position is as follows: | |
| Cash and cash equivalents | \$ 41,462,802 |
| Tenant security deposits | 276,212 |
| Restricted cash | <u>3,318,090</u> |
| Cash, cash equivalents, and restricted cash | <u>\$ 45,057,104</u> |

See accompanying notes to financial statements.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
STATEMENT OF CASH FLOWS (continued)
FOR THE YEAR ENDED JUNE 30, 2024

Reconciliation of operating income to net cash provided by
operating activities:

| | | |
|------------------|----|------------|
| Operating income | \$ | 15,635,867 |
|------------------|----|------------|

Adjustments to reconcile operating income to net cash
provided by operating activities:

| | | |
|--------------|--|---------|
| Depreciation | | 298,946 |
| Bad debts | | 18,506 |

Changes in assets, deferred outflows of resources, liabilities, and
deferred inflows of resources:

| | | |
|--------------------------------|--|------------------|
| Accounts receivable, net | | (225,204) |
| Prepaid expenses | | (35,521) |
| Other assets | | 91,002 |
| Lease receivable | | 321,828 |
| Right-of-use asset | | (270,154) |
| Deferred outflows of resources | | (152,639) |
| Accounts payable | | 1,241,302 |
| Accrued compensated absences | | 111,521 |
| Accrued expenses | | (36,308) |
| Tenant security deposits | | 11,814 |
| Unearned revenue | | (118,021) |
| Lease liability | | 48,851 |
| Deferred inflows of resources | | (456,605) |
| Accrued pension liability | | 997,954 |
| Accrued OPEB liability | | (35,025) |
| Other non-current liabilities | | <u>(188,712)</u> |

| | | |
|---|----|-------------------|
| Net cash provided by operating activities | \$ | <u>17,259,402</u> |
|---|----|-------------------|

See accompanying notes to financial statements.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Housing Authority of the County of Santa Cruz (the "Authority") is a governmental, public corporation, established in 1969, by a resolution of the Santa Cruz County Board of Supervisors. The Authority is governed by a seven member Board of Commissioners. At-large commissioners are appointed for terms of four years and tenant commissioners are appointed for terms of two years by the Santa Cruz County Board of Supervisors. The Authority is responsible for operating certain low-rent housing programs in the County of Santa Cruz under programs administered by the U.S. Department of Housing and Urban Development ("HUD"). These programs provide housing for eligible families under the United States Housing Act of 1937, as amended.

B. Basis of Accounting / Financial Statements Presentation

The Authority's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The programs of the Authority are organized as separate accounting entities. Each program is accounted for by a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position (program equity), revenues, and expenses. The individual programs account for the governmental resources allocated to them for the purpose of carrying on specific programs in accordance with laws, regulations, or other restrictions, including those imposed by HUD. The programs of the Authority are combined and considered an enterprise fund. An enterprise fund is used to account for activities that are operated in a manner similar to those found in the private sector.

The Authority's enterprise fund is accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, and losses from assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

The Authority's financial statements are prepared in accordance with GASB 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, as amended ("GASB 34"). GASB 34 requires the basic financial statements to be prepared using the economic resources measurement focus and the accrual basis of accounting and requires the presentation of a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows. GASB 34 also requires the Authority to include Management's Discussion and Analysis as part of the Required Supplementary Information.

The Authority's primary source of non-exchange revenue relates to grants and subsidies. In accordance with GASB 33, *Accounting and Financial Reporting for Non-exchange Transactions* ("GASB 33"), grant and subsidy revenue are recognized at the time eligible program expenditures occur and/or the Authority has complied with the grant and subsidy requirements.

On January 30, 2008, HUD issued PIH Notice 2008-9 which requires that unused housing assistance payments ("HAP") under proprietary fund reporting should be reported as restricted net position, with the associated cash and investments also being reported as restricted. Any unused administrative fees should be reported as unrestricted net position, with the associated assets being reported on the financial data schedule as unrestricted.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Accounting / Financial Statements Presentation (continued)

Both administrative fee and HAP revenue continue to be recognized under the guidelines set forth in GASB 33. Accordingly, both the time and purpose restrictions as defined by GASB 33 are met when these funds are available and measurable, not when these funds are expended. The Section 8 Housing Choice Vouchers program is no longer a cost reimbursement grant; therefore, the Authority recognizes unspent administrative fee and HAP revenue in the reporting period as revenue for financial statement reporting.

In accordance with 2 CFR 200.305(b)(9), any investment income earned up to \$500 on these funds may be retained by the Authority. Amounts in excess of \$500 must be remitted annually to the Department of Health and Human Services, Payment Management System.

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 proprietary funds' principal ongoing operations. The principal operating revenues of the Authority's funds are rent and maintenance charges to residents, operating grants and subsidies, and administration fees earned.

Operating expenses for proprietary funds include the administrative costs of providing services to residents and the housing assistance payments to residents. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

C. Reporting Entity

In accordance with GASB 61, *The Financial Reporting Entity Omnibus - An Amendment of GASB Statements No. 14 and No. 34*, the Authority's financial statements include those of the Authority and any component units. Component units are legally separate organizations whose majority of officials are appointed by the primary government or the organization is fiscally dependent on the primary government and there is a potential for those organizations either to provide specific financial benefits to, or impose specific financial burdens on, the primary government. An organization has a financial benefit or burden relationship with the primary government if any one of the following conditions exist:

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Reporting Entity (continued)

1. The primary government (Authority) is legally entitled to or can otherwise access the organization's resources.
2. The primary government is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization.
3. The primary government is obligated in some manner for the debt of the organization.

Based on the above criteria, the financial statements include the following blended component units:

Blended Component Units:

Merrill Road Associates, A California Limited Partnership

Merrill Road Associates (the "Partnership") was formed as a limited partnership on September 19, 1995, for the purpose of developing and operating a 15-unit affordable housing complex located in the unincorporated area in Santa Cruz County known as Aptos, California. The Partnership qualified for federal low-income tax credits under Section 42 of the Internal Revenue Code. Such projects are regulated under terms of a regulatory agreement including rent charges, operating methods and other matters.

The managing general partner of the Partnership is Merrill Road Housing Corporation. The officers and directors of Merrill Road Housing Corporation are the same as the members of the Authority's Board of Commissioners.

As of September 30, 2011, Edison Housing Investment withdrew as the Limited Partner of the Partnership. Upon their withdrawal, the Authority was admitted as the new, and sole, Limited Partner. The Partnership has hired and executed a management agreement with the Authority to manage the property. Since the governing body of the Partnership is essentially the same as that of the Authority and since a financial benefit or burden relationship exists between Merrill Road Associates and the Authority, the Partnership has been included in the Authority's financial statements as a blended component unit.

New Horizons Affordable Housing and Development, Inc.

New Horizons Affordable Housing and Development, Inc. (the "Corporation") is a California nonprofit public benefit corporation. The Corporation was created as an instrumentality of the Authority, to aid in the Authority's mission of acquiring, providing, developing, financing, rehabilitating, owning, and operating decent, safe and sanitary housing affordable to persons and households of low- income; lessening the burdens of government by assisting the Authority in development, ownership, and management of housing targeted to low-income households; assisting the Authority in the administration of affordable housing programs and the provision of related services to low-income households who are seeking or receiving such affordable housing programs; providing benefits, services, or incentives to landlords, owners, or property managers who rent to low-income households; working to eliminate housing discrimination and prejudice; promoting social welfare through community-based activities and services targeted for low-income households; and carrying out such other activities as the board of directors of this Corporation determines will benefit and support the Authority and its programs. Since the governing body of the Corporation is essentially the same as that of the Authority, and since a financial benefit or burden relationship exists between the Corporation and the Authority, the Corporation has been included in the Authority's financial statements as a blended component unit.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Reporting Entity (continued)

Separate audited financial statements are issued for the aforementioned component units and may be obtained by writing the Finance Director at the Housing Authority of the County of Santa Cruz, 41st Avenue, Capitola, CA 95010.

D. Description of Programs

The Authority maintains its accounting records by program. A summary of the significant programs operated by the Authority is as follows:

Section 8 Housing Choice Vouchers Program

The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income families under Section 8 of the Housing and Urban Development Act of 1974. The program provides payments covering the difference between the maximum rent on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating household.

Mainstream Vouchers Program

The Authority administers a program of rental assistance payments to private owners on behalf of eligible low-income families whose head of household has a disability. The program provides payments covering the difference between the maximum rent on a dwelling unit, as approved by HUD, and the amount of rent contribution by a participating household.

Section 8 Moderate Rehabilitation Program - Single Room Occupancy

Provides for the rehabilitation of housing units, which then must be rented to low-income individuals for a contracted period of time. Both for profit and not-for-profit developers may participate in this program. Under this program, developers must obtain their own rehabilitation financing and HUD subsidizes rents once the units are occupied in such amounts sufficient to cover the developers' debt service payments on the financing.

Moving to Work Demonstration Program

The purpose of this Moving to Work Demonstration Program is to give the Authority and HUD the flexibility to design and test various approaches for providing and administering housing assistance that: reduce cost and achieve greater cost effectiveness; give incentives to families to obtain employment and become economically self-sufficient; and increase housing choices for low-income families to obtain employment and become economically self-sufficient, and increase housing choices for low-income families.

Continuum of Care Program

The Continuum of Care Program is designed to promote community-wide commitment to the goal of ending homelessness; provide funding for efforts by nonprofit providers, and State and local governments to quickly re-house homeless individuals and families while minimizing the trauma and dislocation caused to homeless individuals, families, and communities by homelessness; promote access to and effect utilization of mainstream programs by homeless individuals and families; and optimize self-sufficiency among individuals and families experiencing homelessness.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Description of Programs (continued)

Business Activities

The Authority owns non-federal housing units and various interests in low income housing tax credit partnerships. Revenues earned from these activities are recorded in the Business Activities fund.

State and Local Programs

Periodically, the Authority administers various grants from the State of California and/or the County of Santa Cruz. These activities as well as the Authority's internal service funds are reported in this fund.

PIH Family Self Sufficiency Program

The purpose of the Family Self-Sufficiency Program is to promote the development of local strategies to coordinate the use of assistance under the Section 8 Housing Choice Vouchers and Public Housing programs with public and private resources to enable participating families to increase earned income and financial literacy, reduce or eliminate the need for welfare assistance, and make progress toward economic independence and self-sufficiency.

Home Investment Partnership Program

The purpose of the Home Investment Partnership Program is to expand the supply of affordable housing, particularly rental housing, for low and very low income Americans; to strengthen the abilities of State and local governments to design and implement strategies for achieving adequate supplies of decent, affordable housing; and to extend and strengthen partnerships among all levels of government and the private sector, including for-profit and nonprofit organizations, in the production and operation of affordable housing.

Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation

To aid very low income families in obtaining decent, safe and sanitary rental housing.

Rural Rental Assistance Program

The United States Department of Agriculture ("USDA") provides homeownership opportunities to rural Americans, and home renovation and repair programs. USDA also provides financing to elderly, disabled, or low income rural residents in multi-unit housing complexes to ensure that they are able to make rent payments.

Emergency Housing Vouchers

The purpose of Emergency Housing Vouchers is to assist individuals and families who are experiencing homelessness; at risk of experiencing homelessness; fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking, or human trafficking; or were recently homeless and for whom providing rental assistance will prevent the family's homelessness or having high risk of housing instability.

FSS Forfeiture Program

During the year ended June 30, 2024, the Authority was awarded FSS forfeiture funding as part of the FSS Program. These funds are to be used to support participants in good standing, to train FSS program coordinators or other eligible activities.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Use of Management Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates include the allowance for doubtful accounts, accrued expenses and other liabilities, depreciable lives of properties and equipment, and contingencies. Actual results could differ significantly from these estimates.

F. Cash and Cash Equivalents

HUD requires housing authorities to invest excess funds in obligations of the United States, Certificates of Deposit or any other federally insured investment.

HUD also requires that deposits be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Pursuant to HUD restrictions, obligations of the United States are allowed as security for deposits. Obligations furnished as security must be held by the Authority or with an unaffiliated bank or trust company for the account of the Authority.

For the statement of cash flows, cash and cash equivalents include all cash balances and highly liquid investments with a maturity of three months or less at time of purchase. It is the Authority's policy to maintain collateralization in accordance with HUD requirements.

G. Accounts Receivable, Net

Rents are due from tenants on the first day of each month. As a result, tenants receivable balances primarily consist of rents past due and vacated units. An allowance for doubtful accounts is established to provide for accounts, which may not be collected in the future for any reason. Collection losses on accounts receivable are charged against the allowance for doubtful accounts. Also included in accounts receivable are those amounts that tenants owe the Authority as payment for committing fraud or misrepresentation. These charges usually consist of retroactive rent and other amounts that may be determined by a formal written agreement or by a court order.

The Authority recognizes a receivable from HUD and other governmental agencies for amounts billed but not received and for amounts unbilled, but earned as of year-end.

H. Allowance for Doubtful Accounts

The Authority periodically reviews all accounts receivable to determine the amount, if any, that may be uncollectable. If it is determined that an account or accounts may be uncollectable, the Authority prepares an analysis of such accounts and records an appropriate allowance against such amounts.

I. Prepaid Expenses

Prepaid expenses represent amounts paid as of year-end that will benefit future operations.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Notes Receivable

The Authority has utilized development funds in accordance with HUD guidelines to assist low and moderate income first-time homebuyers with the purchase of a home through the issuance of mortgage notes. When preparing financial statements in accordance with GAAP, management is required to make estimates as to the collectability of such mortgage notes. When estimating collectability, management analyzes the value of the underlying mortgaged property, the property's ability to generate positive cash flow, and current economic trends and conditions. Management utilizes these estimates and judgments in connection with establishing an allowance for uncollectable amounts during an accounting period.

K. Lease Receivable

Lease receivables are recognized at the net present value of the leased assets at a borrowing rate either explicitly described in the lease agreement or implicitly determined by the Authority.

L. Right-of-Use Assets and Liabilities

Lessees are required to recognize a lease liability and an intangible right-of-use lease asset. The lease liability is the present value of future payments expected to be made over the course of the lease, and the right-of-use lease assets are measured as the initial amount of lease liability, plus any payments made to the lessor at or before the time of commencement of the lease and minus any lease incentives received from the lessor.

The Authority uses its risk-free rate at the commencement date in determining the present value of lease payments. Amortization of the right-of-use asset is recognized on a straight-line basis over the lease term.

M. Capital Assets, Net

Capital assets are stated at cost. Expenditures for repairs and maintenance are charged directly to expense as they are incurred. Expenditures determined to represent additions or betterments are capitalized. Upon the sale or retirement of capital assets, the cost and related accumulated depreciation are eliminated from the accounts and any related gain or loss is reflected in the Statement of Revenues, Expenses and Changes in Net Position. Depreciation is calculated using the straight-line method based on the estimated useful lives of the following asset groups:

- | | |
|---------------------------|---------------|
| • Buildings | 25 - 30 Years |
| • Site improvements | 10 - 19 Years |
| • Furniture and equipment | 5 - 10 Years |

The Authority has established a capitalization threshold of \$5,000.

N. Impairment of Long Lived Assets

The Authority evaluates events or changes in circumstances affecting long-lived assets to determine whether an impairment of its assets has occurred. If the Authority determines that a capital asset is impaired, and that the impairment is significant and other-than-temporary, then an impairment loss will be recorded in the Authority's financial statements. During the year ended June 30, 2024, there were no impairment losses incurred.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

O. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources until that time.

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 represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources until that time.

P. Taxes

The Authority is exempt from Federal Income and California Franchise Taxes.

Q. Inter-Program Receivables and Payables

Inter-program receivables and payables are all classified as either current assets or current liabilities, and are the result of the use of a concentrated account depository as the common paymaster for most of the programs of the Authority. Cash settlements are made monthly. All inter-program balances are reconciled, and inter-program receivables and payables balances net to zero. In accordance with GASB 34, inter-program receivables and payables are eliminated for financial statement purposes. Detail balances by program are found in the Financial Data Schedule of this report.

R. Accounts Payable and Accrued Liabilities

The Authority recognizes a liability for goods and services received but not paid for as of year-end. It also recognizes a liability for wages and fringe benefits related to services performed at year-end but not yet paid to employees or taxing authorities.

S. Unearned Revenue

The Authority's unearned revenue primarily consist of the prepayment of rent by residents and the receipt of HUD and other grant funding applicable to future periods prior to incurring the corresponding expense.

T. Accrued Compensated Absences

Compensated absences are those absences for which employees will be paid in accordance with the Authority's Personnel Policy. A liability for compensated absences that is attributable to services already rendered and that are not contingent on a specific event that is outside the control of the Authority and its employees, is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the Authority and its employees are accounted for in the period in which such services are rendered or in which such event takes place.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

U. Pension Plan

The Authority participates in a cost-sharing multi-employer defined benefit retirement plan ("the Plan") that is administered by the California Public Employees Retirement System ("CalPERS"). Contributions to CalPERS are made on a current basis as required by the Plan and are charged to expenditures. The Authority used actuarial reports supplied by CalPERS for the purpose of measuring the net pension liability, deferred outflows of resources, and deferred inflows of resources and expenses related to the Plan. The valuation date of the latest actuarial report was June 30, 2022.

V. Other Post Employment Benefits ("OPEB")

The Authority provides a defined benefit health care program to its retired employees and their dependents. The Authority has established a trust account to administer the funding of the OPEB plan. The OPEB trust fund is presented as a fiduciary fund of the Authority. The Authority used actuarial valuation reports supplied by OPEB consultants for the purpose of measuring the net OPEB liability, deferred outflows and inflows of resources, and expenses related to the plan in accordance with GASB 75 *Accounting and Financial Reporting for Postemployment Benefits Other than Pension*. The valuation date of the latest actuarial report was June 30, 2022.

W. Net Position Classifications

Net position is displayed in three components:

Net investment in capital assets - Consists of resources including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted net position - Consists of resources with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.

Unrestricted net position - All other net position that do not meet the definition of "restricted" or "net investment in capital assets."

X. Use of Restricted Assets

When both restricted and unrestricted resources are available for a particular restricted use, it is the Authority's policy to use restricted resources first, and then unrestricted resources as needed.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2024

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Y. Operating Revenues and Expenses

The Authority defines its operating revenues as income derived from charges to residents and others for services provided as well as government subsidies and grants used for operating purposes. The Authority receives annual operating subsidies from HUD, subject to limitations prescribed by HUD. Operating subsidies from HUD are recorded when received and are accounted for as revenue. Other contributions from HUD that are for development and modernization of capital assets are reflected separately in the accompanying financial statements as capital grants. Operating expenses are costs incurred in the operation of its program activities to provide services to residents and others. The Authority classifies all other revenues and expenses as non-operating.

Z. Regulated Leases

The Authority is a lessor of residential dwelling units under regulated leases as defined by GASB 87 and as such recognizes rental revenue in accordance with the terms of the lease contract. The leases which are twelve months in length are regulated by HUD as to rent, unit size, household composition and tenant income. For the year ended June 30, 2024, rental revenue earned under the aforementioned leases totaled \$2,894,296.

AA. Budgets and Budgetary Accounting

The Authority adopts annual, appropriated operating budgets for all its programs receiving federal expenditure awards and are used as a management tool throughout the accounting cycle. All budgets are prepared on a HUD basis, which differs with accounting principles generally accepted in the United States of America. All appropriations lapse at HUD's program year end or at the end of grant periods.

BB. Economic Dependency

The Section 8 Housing Choice Vouchers and Public and Indian Housing programs of the Authority are economically dependent on operating grants and subsidies from HUD. The programs operate at a loss prior to receiving the grants.

CC. Risk Management

The Authority is exposed to various risks related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs and there have been no significant reductions in insurance coverage. Claims expenditures and liabilities are reported when it is probable that a loss has occurred, the amount of the loss can be reasonably estimated, and said amount exceeds insurance coverage. Settlement amounts have not exceeded insurance coverage for the last three years.

NOTE 2. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

As of June 30, 2024, the Authority had funds on deposit in checking, savings and money market accounts. The carrying amount of the primary government's cash and cash equivalents (including restricted cash) was \$45,057,104, and the bank balances were \$45,427,864.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2024

NOTE 2. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH (continued)

| <u>Cash Category</u> | <u>Amount</u> |
|---|--------------------------|
| Unrestricted | \$ 41,462,802 |
| Tenant security deposits | 276,212 |
| Restricted | <u>3,318,090</u> |
| Total cash, cash equivalents, and restricted cash | \$ <u>45,057,104</u> |

Of the Authority's bank balances, \$500,000 was covered by federal depository insurance and the remaining \$44,927,864 was collateralized with the pledging financial institution as of June 30, 2024.

Custodial credit risk is the risk that, in the event of a bank failure, the government's deposits may not be returned to it. As of June 30, 2024, the Authority's bank balances were not exposed to custodial credit risk.

Investments in State Investment Pool

The Authority is a voluntary participant in the Local Agency Investment Fund ("LAIF") that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The LAIF is a special fund of the California State Treasury through which local governments may pool investments. Each government agency may invest up to \$30,000,000 in each account in the fund. Investments in LAIF are highly liquid, as deposits can be converted to cash within twenty-four hours without loss of interest or principal. The full faith and credit of the State of California secure investments in LAIF.

At June 30, 2024, an account was maintained in the name of the Authority for \$2,022,627. The total cost value of investment in LAIF was \$2,022,627. The total fair value of investments in LAIF was \$2,016,161. For the year ended June 30, 2024, the Authority recognized an unrealized loss of \$7,455. The loss was based on a fair value adjustment factor of 0.996316042 that was calculated by the State of California Treasurer's Office.

LAIF is a part of the State of California Pooled Money Investment Account (PMIA). At June 30, 2024, the fair value of the PMIA, including accrued interest, was \$179,046,993,600.

The PMIA portfolio had securities in the form of structured notes totaling \$2,900 million and asset-backed securities totaling \$1,670,585 million. The PMIA has policies, goals and objectives for the portfolio to make certain that the goals of safety, liquidity, and yield are not jeopardized. These policies are formulated by investment staff and reviewed by both the PMIA and LAIF Advisory Boards on an annual basis.

During 2002, California Government code was added to the LAIF's enabling legislation stating that "the right of a city, county...special district...to withdraw its deposited money from the LAIF upon demand may not be altered, impaired, or denied in any way by any state official or state agency based upon the State's failure to adopt a State Budget by July 1 of each new fiscal year." In addition, it has been determined that the State of California cannot declare bankruptcy under Federal regulations. This allows other government code stating that "money placed with the state treasurer for deposit in the LAIF shall not be subject to ...transfer or loan...or impound or seizure by any state official or state agency" to stand.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2024

NOTE 3. ACCOUNTS RECEIVABLE, NET

Accounts receivable, net consists of the following as of June 30, 2024:

| <u>Description</u> | <u>Amount</u> |
|--|------------------------------|
| Accounts receivable - HUD | \$ 116,693 |
| Accounts receivable - PHA Projects | 6,269 |
| Accounts receivable - other government | 289,375 |
| Accounts receivable - tenants, net | 77,113 |
| Accounts receivable - miscellaneous | <u>142,099</u> |
| Total accounts receivable, net | \$ <u><u>631,549</u></u> |

Accounts Receivable - HUD

As of June 30, 2024, Accounts receivable - HUD consisted of amounts due to the Authority for amounts expended under grant agreements that have not yet been reimbursed. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

Accounts Receivable - PHA Projects

Accounts receivable - PHA Projects represents amounts owed to the Authority by other Public Housing Authorities for administrative fees and Port-in HAP expense under the portability provisions of the Section 8 Housing Choice Vouchers program. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

Accounts Receivable - Other Government

Accounts receivable - other government represents amounts owed to the Authority by other federal agencies and state and local governments. Management estimates the amounts to be fully collectible and therefore no allowance for doubtful accounts has been established.

Accounts Receivable - Tenants, Net

Tenant accounts receivable represents amounts owed to the Authority by tenants for outstanding rent. The balance is shown net of an allowance for doubtful accounts of \$446.

Accounts Receivable - Miscellaneous

Accounts receivable - miscellaneous consists of amounts owed from managed properties and other miscellaneous sources from normal ongoing operations. The balance is shown net of an allowance for doubtful accounts of \$60,204.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2024

NOTE 4. CAPITAL ASSETS, NET

The following is a summary of the Authority's changes in capital assets for the year ended June 30, 2024:

| Description | June 30, 2023 | Additions | Dispositions | June 30, 2024 |
|--|----------------------|---------------------|--------------|----------------------|
| <u>Non-depreciable capital assets:</u> | | | | |
| Land | \$ 8,130,533 | \$ - | \$ - | \$ 8,130,533 |
| Construction in progress | <u>1,259,848</u> | <u>8,402,531</u> | <u>-</u> | <u>9,662,379</u> |
| Total | <u>9,390,381</u> | <u>8,402,531</u> | <u>-</u> | <u>17,792,912</u> |
| <u>Depreciable capital assets:</u> | | | | |
| Buildings | 18,216,735 | 497,020 | - | 18,713,755 |
| Furniture and equipment | <u>339,734</u> | <u>5,923</u> | <u>-</u> | <u>345,657</u> |
| Total | <u>18,556,469</u> | <u>502,943</u> | <u>-</u> | <u>19,059,412</u> |
| Less: accumulated depreciation | <u>13,135,158</u> | <u>298,946</u> | <u>-</u> | <u>13,434,104</u> |
| Net capital assets | \$ <u>14,811,692</u> | \$ <u>8,606,528</u> | \$ <u>-</u> | \$ <u>23,418,220</u> |

Depreciation expense for the year ended June 30, 2024, amounted to \$298,946.

NOTE 5. RESTRICTED DEPOSITS

Restricted deposits consist of the following as of June 30, 2024:

| <u>Cash Category</u> | <u>Amount</u> |
|---|---------------------|
| Section 8 Housing Choice Vouchers housing assistance payment reserves | \$ 265,898 |
| USDA project replacement | 875,322 |
| Merrill Road Associates replacement and operating reserves | 190,705 |
| Brommer Street replacement reserve | 16,890 |
| Emergency housing voucher reserves | 82,984 |
| FSS escrow forfeitures | 98,844 |
| Affordable housing preservation reserves | 1,582,674 |
| Family self-sufficiency escrows | 204,773 |
| Tenant security deposits | <u>276,212</u> |
| Total restricted deposits | \$ <u>3,594,302</u> |

Housing assistance payment reserves are restricted for use only in the Section 8 Housing Choice Vouchers Program for future housing assistance payments.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2024

NOTE 5. RESTRICTED DEPOSITS (continued)

Replacement and operating reserves of the USDA, Brommer Street and Merrill Road Associates properties cannot be disbursed without the prior written approval of either the USDA, Rural Economic and Community Development Department or the State of California, Department of Housing and Community Development.

Emergency housing vouchers reserves are restricted for use only in the Emergency Housing Vouchers program for future program expenditures.

FSS escrows forfeitures are used to fund eligible expenses of FSS participants in good standing.

Affordable housing preservation reserves are restricted for the purchase of at risk properties, which will then be re-sold to low income families. The funds from the sale of the properties will go back into the program to help preserve additional units in the future.

Family Self Sufficiency ("FSS") program escrows represent amounts held by the Authority on behalf of FSS program participants. Upon graduation from the program, the participant is due amounts deposited plus interest earned.

Tenant security deposits represent amounts held by the Authority on behalf of tenants. Upon termination, the tenant is due amounts deposited plus interest earned less any amounts charged for damage to the unit.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2024

NOTE 6. NOTES RECEIVABLE

Outstanding notes receivable consisted of the following as of June 30, 2024:

| <u>Description</u> | <u>Amount</u> |
|--|-------------------------|
| Loans have been made by the Authority to moderate and lower income, first-time homebuyers, qualified to purchase homes in the Arroyo Verde housing development. These loans are secured by deeds of trust. Payment on the loans are deferred until the property is sold or transferred, the borrower defaults on the note, or the first and second liens are refinanced. Interest on each loan is based on the appreciation of the property at the time of the payoff. | \$ 19,504 |
| The Authority entered into a preservation loan agreement with a borrower on June 11, 2024 in the amount of \$42,000. The loan does not accrue interest and is secured by a deed of trust on the property. Payment on the loans are deferred until the property is sold or transferred, the borrower defaults on the note, or the first and second liens are refinanced. | <u>42,000</u> |
| Total notes receivable | \$ <u><u>61,504</u></u> |

NOTE 7. LEASE RECEIVABLE

On February 4, 2019, the Authority entered into a lease agreement (the “commercial lease”) as a lessor to rent office space. The term of the commercial lease was for ten years, commencing on August 1, 2019 and terminating on July 31, 2029. The commercial lease was amended on October 1, 2021. An initial lease receivable was recorded in the amount of \$3,106,337. As of June 30, 2024, the value of the lease receivable was \$2,252,712. At commencement of the commercial lease, base rent in the amount of \$30,073 was due on the first of each month. Beginning January 1, 2022, an additional \$418 was due on the first of each month, due to under payment of rent during 2020 and 2021. The implicit interest rate on the commercial lease was 3%. The value of the deferred inflows of resources as of June 30, 2024 was \$1,802,251. For the year ended June 30, 2024, the Authority recognized lease revenue of \$349,728 and interest revenue in the amount of \$72,412.

Annual lease payments for principal and interest for the next five years and thereafter is as follows:

| | <u>Principal</u> | <u>Interest</u> | <u>Total Payment</u> |
|------------|---------------------|-------------------|--------------------------|
| 2025 \$ | 363,025 | \$ 61,702 | \$ 424,727 |
| 2026 | 406,837 | 50,253 | 457,090 |
| 2027 | 422,335 | 37,797 | 460,132 |
| 2028 | 460,563 | 24,637 | 485,200 |
| 2029 | 476,923 | 10,565 | 487,488 |
| Thereafter | <u>123,029</u> | <u>232</u> | <u>123,261</u> |
| | <u>\$ 2,252,712</u> | <u>\$ 185,186</u> | <u>\$ 2,437,898</u> |

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2024

NOTE 8. RIGHT-OF-USE ASSETS AND LIABILITIES

On October 30, 2017, the Authority entered into a lease agreement (the “administrative lease”) as a lessee to rent administrative office space. The term of the administrative lease was for ten years, commencing on January 1, 2018 and terminating on December 31, 2027. At commencement of the administrative lease, base rent in the amount of \$9,796 was due on the first of each month, and the lease had an implicit interest rate of 3%. As of June 30, 2024, the value of the right-of-use asset was \$1,089,267, which is shown net of accumulated amortization in the amount of \$708,024. Amortization expense for the year ended June 30, 2024 totaled \$108,927. Rent and interest expense for the year ended June 30, 2024 amounted to \$112,709 and \$16,693, respectively.

The lease liability as of June 30, 2024 was \$489,750.

On November 29, 2023, the Authority entered into a lease agreement (the “office lease”) as a lessee to rent office space. The term of the office lease was for three years, commencing on January 1, 2018 and terminating on February 15, 2024. At commencement of the office lease, base rent in the amount of \$3,087 was due on the first of each month, and the lease had an implicit interest rate of 3%. As of June 30, 2024, the value of the right-of-use asset was \$184,856, which is shown net of accumulated amortization in the amount of \$16,074. Amortization expense for the year ended June 30, 2024 totaled \$16,074. Rent and interest expense for the year ended June 30, 2024 amounted to \$14,396 and \$2,598, respectively.

The lease liability as of June 30, 2024 was \$170,460.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2024

NOTE 8. RIGHT-OF-USE ASSETS AND LIABILITIES (continued)

The following is a summary of the Authority's changes in right-of-use asset for the year ended June 30, 2024:

| Description | June 30, 2023 | Additions | Dispositions | June 30, 2024 |
|--------------------------------|-------------------|------------------|--------------|-------------------|
| Right-of-use asset | \$ 1,089,267 | \$ 184,856 | \$ - | \$ 1,274,123 |
| Less: accumulated amortization | <u>599,097</u> | <u>125,001</u> | <u>-</u> | <u>724,098</u> |
| Net right-of-use asset | <u>\$ 490,170</u> | <u>\$ 59,855</u> | <u>\$ -</u> | <u>\$ 550,025</u> |

Annual lease payments for principal and interest for the next four years is as follows:

| | <u>Principal</u> | <u>Interest</u> | <u>Total Payment</u> |
|------|-------------------|------------------|--------------------------|
| 2025 | \$ 173,615 | \$ 20,466 | \$ 194,081 |
| 2026 | 185,492 | 14,182 | 199,674 |
| 2027 | 197,983 | 11,710 | 209,693 |
| 2028 | <u>103,120</u> | <u>1,063</u> | <u>104,183</u> |
| | <u>\$ 660,210</u> | <u>\$ 47,421</u> | <u>\$ 707,631</u> |

NOTE 9. COMPENSATED ABSENCES

It is the Authority's policy to permit employees to accumulate earned but unused vacation leave, which will be paid to employees upon separation from the Authority's service or used in future periods. The Authority permits employees to accumulate earned but unused sick leave. This leave will either be used in future periods or paid to employees upon separation from the Authority in the amount of 50%, after five years of service; 75%, after ten years of service; and 100%, after fifteen years of service, of the value of the unused sick leave. Accrued vacation and vested sick leave have been valued by the Authority; allocated to all the programs, including Merrill Road Associates; and recorded as "Compensated Absences". As of June 30, 2024, accrued vacation and vested sick leave were valued at \$666,813. Of this amount, \$601,088 is considered by management to be a long-term liability.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2024

NOTE 10. LOANS AND NOTES PAYABLE

Debt activity for the year ended June 30, 2024 consisted of the following:

| Description | June 30, 2023 | Advances | Principal Reductions | June 30, 2024 |
|-------------------------|---------------------|------------------|-------------------------|---------------------|
| Loans and notes payable | \$ <u>3,246,904</u> | \$ <u>53,726</u> | \$ <u>(204,232)</u> | \$ <u>3,096,398</u> |

Loans and notes payable consisted of the following as of June 30, 2024:

| <u>Description</u> | <u>Amount</u> |
|--|---------------|
| The Authority entered into a loan with the U.S. Department of Agriculture in the amount of \$110,000, which accrues interest at 1% per annum and require monthly payments of \$886. The loan matures on December 15, 2031, and is secured by real property. The loan was determined to be paid in full on June 20, 2024. | \$ - |
| The Authority entered into a loan with the California Department of Housing and Community Development dated October 31, 2001. This \$210,000 note carries a simple interest rate of 3% per annum and is secured by the underlying property. The payment of principal and interest on this note is deferred until November 30, 2056; or until the project generates surplus cash, to the extent of 80% of surplus cash generated, paid first to outstanding interest, then to principal. | 18,557 |
| On September 15, 1995, the Partnership, entered into a promissory note with the State of California, Department of Housing and Community Development, Rental Housing Construction Program ("RHCP"). The note, for \$1,195,167, is secured by a deed of trust on the property owned by the Partnership, bears simple interest at a rate of 3% per annum, and is due 40 years from the anniversary of the Initial Assisted Unit Date, or September 1, 2036. Payments are due annually on this loan only to the extent of surplus cash earned by the project. | 1,195,167 |
| In September 1996, the Partnership received a \$300,000 loan from the Santa Cruz County Redevelopment Agency ("RDA"). This loan is unsecured, bears simple interest at a rate of 8% per annum, and was intended to be forgiven if the Authority exercised the option to purchase the property after 20 years and maintained the units according to the RHCP loan provisions for an additional 20 years. The option to purchase was exercised in 2011. No forgiveness has occurred on this loan to date, and since it is assumed that the loan will be forgiven at some future date due to the Authority exercising the option to purchase, no interest has accrued on this loan. | 300,000 |

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2024

NOTE 10. LOANS AND NOTES PAYABLE (continued)

| <u>Description</u> | <u>Amount</u> |
|--|------------------|
| The Authority entered into an affordable housing preservation loan with the County of Santa Cruz (the "County") on July 3, 2018. The Authority administers this loan on behalf of the County. The County transferred an initial balance of \$1,500,000, which is held by the Authority on behalf of the County. The County identifies potential affordable housing units at risk of losing affordability covenants through foreclosure and that are suitable for preservation through this program. The funds are designed to be used to purchase at risk properties which will then be re-sold to another low income family in order to preserve the affordability covenants. The funds from the sale of the property would go back into the program to help preserve additional units in the future. As a result, there is no maturity date or interest rate associated with the use of the funds. Any interest that is earned during the year from the funds being on deposit in the bank account is credited to the liability account since the funds belong to the County. To date, the funds have not yet been used to preserve any at-risk affordable properties. For the year ended June 30, 2024, the Authority earned \$53,726 of interest on loan proceeds which have been added to the principal amount of the loan. | <u>1,582,674</u> |

Total loans and notes payable \$ 3,096,398

Annual debt service for principal and interest over the next five years and in five-year increments thereafter is as follows:

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------|---------------------|---------------------|---------------------|
| 2025 | \$ - | \$ - | \$ - |
| 2026 | - | - | - |
| 2027 | - | - | - |
| 2028 | - | - | - |
| 2029 | - | - | - |
| 2030-2034 | 1,882,674 | 1,434,200 | 3,316,874 |
| 2035-2039 | 1,195,167 | - | 1,195,167 |
| 2040-2044 | - | - | - |
| 2045-2049 | - | - | - |
| 2050-2054 | - | - | - |
| 2055-2056 | <u>18,557</u> | <u>346,500</u> | <u>365,057</u> |
| | <u>\$ 3,096,398</u> | <u>\$ 1,780,700</u> | <u>\$ 4,877,098</u> |

Accrued interest on these notes and loans totaled \$984,198 as of June 30, 2024.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2024

NOTE 11. OTHER LIABILITIES

As of June 30, 2024, other liabilities totaled \$1,189,136, and consisted of the following activity for the year then ended:

| <u>Description</u> | <u>Balances at June 30, 2023</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balances at June 30, 2024</u> | <u>Amounts due within one Year</u> |
|------------------------------|--------------------------------------|---------------------|---------------------|--------------------------------------|--|
| Accrued compensated absences | \$ 555,292 | \$ 113,471 | \$ (1,950) | \$ 666,813 | \$ 65,725 |
| Accrued interest payable | 1,009,574 | 47,075 | (72,451) | 984,198 | - |
| Loans and notes payable | 3,246,904 | 53,726 | (204,232) | 3,096,398 | - |
| FSS Escrow | 368,274 | (163,336) | - | 204,938 | - |
| Accrued pension liability | 10,581,784 | 1,352,178 | (456,934) | 11,477,028 | - |
| Accrued OPEB liability | 226,711 | 67,682 | - | 294,393 | - |
| Lease liability | <u>611,359</u> | <u>184,856</u> | <u>(136,005)</u> | <u>660,210</u> | <u>173,615</u> |
| Total | \$ <u>16,599,898</u> | \$ <u>1,655,652</u> | \$ <u>(871,572)</u> | \$ <u>17,383,978</u> | \$ <u>239,340</u> |

NOTE 12. RESTRICTED NET POSITION

Restricted net position consists of the following as of June 30, 2024:

| <u>Cash Category</u> | <u>Amount</u> |
|---|---------------------|
| Section 8 Housing Choice Vouchers housing assistance payment reserves | \$ 265,898 |
| USDA project replacement | 875,322 |
| Merrill Road Associates replacement and operating reserves | 190,705 |
| Affordable housing preservation reserves | 1,582,674 |
| EFF FSS escrow reserves | 98,844 |
| Brommer Street replacement reserve | <u>16,890</u> |
| Total restricted net position | \$ <u>3,030,333</u> |

Housing assistance payment reserves are restricted for use only in the Section 8 Housing Choice Vouchers program for future housing assistance payments.

The amounts held for the replacement and operating reserves of the USDA, Brommer Street, and Merrill Road Associates properties are restricted for repairs and replacement of buildings and equipment and operating deficits, and cannot be disbursed without the prior written approval of either the USDA, Rural Economic and Community Development Department or the State of California, Department of Housing and Community Development.

Affordable housing preservation reserves are restricted for the purchase of at risk properties, which will then be re-sold to low income families. The funds from the sale of the properties will go back into the program to help preserve additional units in the future.

EFF FSS reserves are restricted for use only in the EFF FSS program for future program expenditures.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2024

NOTE 13. COMMITMENTS AND CONTINGENCIES

The Authority receives financial assistance from HUD in the form of grants and subsidies. Entitlement to the funds is generally conditional upon compliance with terms and conditions of the grant agreements and applicable regulations, including the expenditure of funds for eligible purposes. Substantially all grants, entitlements and cost reimbursements are subject to financial and compliance audits by HUD. As a result of these audits, costs previously reimbursed could be disallowed and require payments to HUD.

As of June 30, 2024, the Authority estimates that no material liabilities will result from such audits.

NOTE 14. PENSION PLAN

A. Plan Description

The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by CalPERS. A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes and membership information, is listed in the June 30, 2021 Annual Actuarial Valuation Report. This report is a publicly available valuation report that can be obtained at CalPERS' website under "Forms and Publications". All qualified permanent and probationary employees are eligible to participate in the Authority's cost-sharing multiple-employer defined benefit pension plans administered by CalPERS. Benefit provisions under the plans are established by State statute and the Authority's resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

The Authority's plan is made up of 4 tiers. Tier 1, 3% at 60 covers all employees hired before March 5, 2006. Tier 2, 2% at 55 covers all employees hired between March 5, 2006 and July 29, 2012. Tier 3, 2% at 60 covers all employees hired between July 29, 2012 and January 1, 2013. Tier 4, 2% at 62 covers all employees hired after January 1, 2013. The fourth tier is the result of State legislation AB 340, the Public Employees' Pension Reform Act. The number of employees across all four tiers as of the June 30, 2022 valuation date was 26 active and 1 retired.

B. Funding Policy

The total plan contributions are determined through the CalPERS' annual actuarial valuation process. The Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of the employees. Employer contribution rates may change if plan contracts are amended. The contribution requirements of plan members and the Authority are established and may be amended by PERS.

Participants in the Authority's first tier are required to contribute 8% of their annual covered salary, participants in the second and third tiers contribute 7%, while participants in the fourth tier contribute 7.75% during the fiscal year ended June 30, 2024.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2024

NOTE 14. PENSION PLAN (continued)

B. Funding Policy (continued)

Employer rates are as follows:

| | <u>1st Tier</u> | <u>2nd Tier</u> | <u>3rd Tier</u> | <u>4th Tier</u> |
|-----------------------|-----------------|-----------------|-----------------|-----------------|
| 2023/2024 | 18.240 % | 13.260 % | 10.100 % | 7.680 % |
| 2024/2025 | 18.320 % | 13.310 % | 10.150 % | 7.870 % |
| 2025/2026 | 18.390 % | 13.380 % | 10.190 % | 8.000 % |
| 2026/2027 (projected) | 18.400 % | 13.400 % | 10.200 % | 8.000 % |
| 2027/2028 (projected) | 18.400 % | 13.400 % | 10.200 % | 8.000 % |
| 2028/2029 (projected) | 18.400 % | 13.400 % | 10.200 % | 8.000 % |
| 2029/2030 (projected) | 18.400 % | 13.400 % | 10.200 % | 8.000 % |
| 2030/2031 (projected) | 18.400 % | 13.400 % | 10.200 % | 8.000 % |

In addition, CalPERS requires employer contributions toward the Authority's unfunded liability and side fund as a dollar amount paid either in 12 monthly payments or as a lump sum at the beginning of the year. The Authority has historically chosen to pay the lump sum at the beginning of each fiscal year. The dollar amounts of these contributions are projected by CalPERS to be as follows:

| | <u>1st Tier</u> | <u>2nd Tier</u> | <u>3rd Tier</u> | <u>4th Tier</u> |
|-----------------------|-----------------|-----------------|-----------------|-----------------|
| 2023/2024 | \$ 743,024 | \$ 38,721 | \$ - | \$ - |
| 2024/2025 | \$ 859,103 | \$ 52,219 | \$ 4,726 | \$ 12,723 |
| 2025/2026 | \$ 996,533 | \$ 65,480 | \$ 5,790 | \$ 15,506 |
| 2026/2027 (projected) | \$ 1,069,000 | \$ 72,000 | \$ 5,900 | \$ 16,000 |
| 2027/2028 (projected) | \$ 1,128,000 | \$ 77,000 | \$ 6,000 | \$ 16,000 |
| 2028/2029 (projected) | \$ 1,260,000 | \$ 91,000 | \$ 6,100 | \$ 16,000 |
| 2029/2030 (projected) | \$ 1,289,000 | \$ 93,000 | \$ 6,100 | \$ 16,000 |
| 2030/2031 (projected) | \$ 1,313,000 | \$ 94,000 | \$ 6,100 | \$ 16,000 |

The amounts contributed to the pension plan for the fiscal year ended June 30, 2024 are as follows:

| | <u>Employer Contributions</u> | <u>Employee Contributions</u> | <u>Total</u> |
|--------------------------------------|-------------------------------|-------------------------------|---------------------|
| Tier 1 | \$ 1,004,682 | \$ 138,515 | \$ 1,143,197 |
| Tier 2 | 114,473 | 40,651 | 155,124 |
| Tier 3 | 30,425 | 21,087 | 51,512 |
| Tier 4 | <u>202,597</u> | <u>204,440</u> | <u>407,037</u> |
| Total required contributions made | 1,352,177 | 404,693 | 1,756,870 |
| Miscellaneous employee contributions | - | - | - |
| Total payments made to CalPERS | <u>\$ 1,352,177</u> | <u>\$ 404,693</u> | <u>\$ 1,756,870</u> |

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2024

NOTE 14. PENSION PLAN (continued)

C. Actuarial Methods and Assumptions

The collective total pension liability for the June 30, 2023 measurement period was determined using the annual funding valuation as of June 30, 2022, with updated procedures used to roll forward the total pension liability to June 30, 2022. The collective total pension liability was based on the following assumptions:

| | |
|--------------------------|---|
| Discount rate | 6.90% |
| Inflation | 2.30% |
| Salary increase | Varies by entry age and service |
| Mortality rate tables | Derived using CalPERS membership data for all funds |
| Post retirement benefits | Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on purchasing power applies |

The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

D. Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

E. Long-Term Expected Rate of Return

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

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2024

NOTE 14. PENSION PLAN (continued)

E. Long-Term Expected Rate of Return (continued)

The expected real rates of return by asset class are as follows:

| Asset Class | Assumed Asset Allocation | Real Return Year 1 - 10 (a) |
|--------------------------------|-----------------------------|--------------------------------|
| Global equity - cap-weighted | 30.00% | 4.54% |
| Global equity non-cap-weighted | 12.00% | 3.84% |
| Private Equity | 13.00% | 7.28% |
| Treasury | 5.00% | 0.27% |
| Mortgage-backed Securities | 5.00% | 0.50% |
| Investment Grade Corporates | 10.00% | 1.56% |
| High Yield | 5.00% | 2.27% |
| Emerging Market Debt | 5.00% | 2.48% |
| Private Debt | 5.00% | 3.57% |
| Real Assets | 15.00% | 3.21% |
| Leverage | <u>-5.00%</u> | -0.59% |
| | <u>100.00%</u> | |

- a. An expected inflation of 2.30% is used for this period.

F. Net Pension Liability

The following table shows the changes in net pension liability recognized over the measurement period for the Miscellaneous Risk Pool:

| | Total Pension <u>Liability</u> | Fiduciary <u>Net Position</u> | Net Pension <u>Liability</u> |
|---|-----------------------------------|----------------------------------|---------------------------------|
| Balance at June 30, 2022 | \$ <u>21,449,898,398</u> | \$ <u>16,770,671,339</u> | \$ <u>4,679,227,059</u> |
| Changes for the year: | | | |
| Service cost | 525,033,498 | - | 525,033,498 |
| Interest | 1,482,271,223 | - | 1,482,271,223 |
| Change of benefit terms | 172,170 | - | 172,170 |
| Differences between expected and actual experience | 303,271,782 | - | 303,271,782 |
| Net plan to plan resource movement | - | 20,255 | (20,255) |
| Contributions - employer | - | 735,524,264 | (735,524,264) |
| Contributions - employee | - | 230,175,787 | (230,175,787) |
| Net investment income | - | 1,036,096,150 | (1,036,096,150) |
| Benefit payments, including refunds of employee contributions | (1,067,334,918) | (1,067,334,918) | - |
| Administrative expense | <u>-</u> | <u>(12,257,801)</u> | <u>12,257,801</u> |
| Net changes | <u>1,243,413,755</u> | <u>922,223,737</u> | <u>321,190,018</u> |
| Balance at June 30, 2023 | \$ <u>22,693,312,153</u> | \$ <u>17,692,895,076</u> | \$ <u>5,000,417,077</u> |

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2024

NOTE 14. PENSION PLAN (continued)

F. Net Pension Liability (continued)

Participating employers' allocations for the components of net position liability were calculated by BDO USA, LLP and a report issued January 8, 2024. Based on this report, the Authority's proportionate shares of the risk pool's total pension liability, fiduciary net position, and net pension liability were as follows:

| | <u>Total Pension Liability</u> | <u>Fiduciary Net Position</u> | <u>Net Pension Liability</u> |
|-----------------------------|------------------------------------|-----------------------------------|----------------------------------|
| Balance as of June 30, 2024 | \$ <u>44,610,513</u> | \$ <u>33,133,485</u> | \$ <u>11,477,028</u> |
| Percentage of the pool | <u>0.001966</u> % | <u>0.001873</u> % | <u>0.251540</u> % |

G. Sensitivity of the Proportionate Share of the Net Position Liability to Changes in the Discount Rate

The following presents the Authority's proportionate share of the net pension liability, calculated using the discount rate of 6.90%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.90%) or one percentage point higher (7.90%) than the current rate:

| | 1% Decrease <u>(5.90%)</u> | Current Discount Rate <u>(6.90%)</u> | 1% Increase <u>(7.90%)</u> |
|-----------------------------------|-------------------------------|--|-------------------------------|
| Risk pool's net pension liability | \$ <u>8,069,591,033</u> | \$ <u>5,000,417,077</u> | \$ <u>2,474,223,419</u> |
| Authority's net pension liability | \$ <u>17,510,410</u> | \$ <u>11,477,028</u> | \$ <u>6,511,037</u> |

H. Pension Liabilities, Pension Expense, Deferred Outflows of Resources, Deferred Inflows of Resources Related to Pensions

The Authority has recorded pension expense, deferred outflows of resources and deferred inflows of resources based on the GASB 68 Accounting Report and the Schedules of Employer Allocations for Components of Net Pension Liability and Schedule of Collective Pension Amounts prepared by CalPERS. The measurement date of these reports and schedules was June 30, 2023. For the year ended June 30, 2024, the Authority recognized pension expense of \$714,145. As of June 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to the Authority's pension plan from the following sources:

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2024

NOTE 14. PENSION PLAN (continued)

H. Pension Liabilities, Pension Expense, Deferred Outflows of Resources, Deferred Inflows of Resources Related to Pensions (continued)

Risk Pool's Portion

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Changes in Assumptions | \$ 301,897,706 | \$ - |
| Differences between expected and actual experience | 255,448,351 | (39,626,181) |
| Net differences between actual and projected earnings on pension plan investments | <u>809,612,518</u> | <u>-</u> |
| Total | <u>\$ 1,366,958,575</u> | <u>\$ (39,626,181)</u> |

H. Pension Liabilities, Pension Expense, Deferred Outflows of Resources, Deferred Inflows of Resources Related to Pensions (continued)

Authority's Portion

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Changes in Assumptions | \$ 692,920 | \$ - |
| Changes in employer's proportion | 174,388 | - |
| Differences between expected and actual experience | 586,309 | 90,951 |
| Net differences between actual and projected earnings on pension plan investments | 1,858,234 | - |
| Net differences between employer's contributions and the employer's proportionate share of contributions | - | 331,575 |
| Contribution subsequent to the measurement date | <u>1,352,178</u> | <u>-</u> |
| Total | <u>\$ 4,664,029</u> | <u>\$ 422,526</u> |

Amounts reported as deferred outflows and deferred inflows of resources, other than the contributions made after the measurement date, will be recognized in future pension expense as follows:

| Years ending June 30: | <u>Amount</u> |
|-----------------------|---------------------|
| 2025 | \$ 845,685 |
| 2026 | 579,304 |
| 2027 | 1,411,016 |
| 2028 | <u>53,320</u> |
| | <u>\$ 2,889,325</u> |

The amounts reported as deferred outflows of resources related to pensions, contributions made after the measurement date of June 30, 2023, should have the effect of reducing net pension liability during the next actuarial measurement period.

See also the Required Supplementary Information section of this report. This section includes schedules that present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2024

NOTE 15. OTHER POST EMPLOYMENT BENEFITS

A. OPEB Plan Description

The Authority provides post-retirement pre-Medicare healthcare benefits for retirees. These benefits are provided for those retirees, as well as their surviving spouses, who are enrolled in a medical plan at the time of retirement and file an application for monthly retirement benefits through CalPERS at the time of separation. The Authority will contribute the minimum employer contribution required by CalPERS. Coverage may be continued for the retiree's and surviving spouse's lifetime. No dental, vision, or other post-retirement benefits are provided to retired employees or surviving spouses. The OPEB plan may be amended by action of the Authority. The plan does not issue a stand alone financial report.

B. Benefits

The Authority has contracted with CalPERS to provide medical benefits to qualified retirees and their surviving spouses. The Authority makes actual payments of \$151 per month in 2023 and \$157 per month in 2024, per eligible retiree, to the healthcare benefit provider. The OPEB plan minimum payments are expected to increase on an annual basis. Eligible retirees pay the remaining monthly balance due for insurance. Active employees make no payments toward OPEB until retirement.

C. Eligibility

Eligibility for retiree medical benefits is extended to those retirees, as well as their surviving spouses, who are enrolled in a medical plan at the time of retirement and file an application for monthly retirement benefits through CalPERS at the time of separation. Further eligibility requires the employee to retire after age 50 and with at least 5 years of service. As of June 30, 2023, 16 employees were eligible and receiving these benefits. The Authority had another 60 employees who are eligible for the program, but are not receiving benefits due to the fact that they are not retired from the Authority as of June 30, 2024.

D. Contributions

The Authority has established a trust account with CalPERS to administer the funding of the projected benefits of the OPEB plan. Monthly, the Authority makes healthcare premium payments for its current retirees to its CalPERS medical benefit provider. These monthly payments are limited to the monthly amounts noted in the section above titled "Benefits". The retiree contributes any amount exceeding these established plan limits. The Authority then makes deposits into their CalPERS trust account for the difference between the actuarially determined annual OPEB cost and the out-of-pocket payments made to CalPERS health.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2024

NOTE 15. OTHER POST EMPLOYMENT BENEFITS (continued)

D. Contributions (continued)

The contributions were as follows:

| | Balances at <u>June 30, 2024</u> | Balances at <u>June 30, 2023</u> |
|---|-------------------------------------|-------------------------------------|
| Contributions made to CalPERS trust | \$ - | \$ - |
| Payments made to CalPERS for retiree premiums | <u>31,857</u> | <u>31,192</u> |
| Total | <u><u>\$ 31,857</u></u> | <u><u>\$ 31,192</u></u> |

E. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to OPEB

| | Total OPEB <u>Liability</u> | Plan Fiduciary <u>Net Position</u> | Net OPEB <u>Liability</u> |
|---|--------------------------------|---------------------------------------|------------------------------|
| Balance at June 30, 2023 | \$ <u>1,126,287</u> | \$ <u>899,576</u> | \$ <u>226,711</u> |
| Changes for the year: | | | |
| Service cost | 38,876 | - | 38,876 |
| Interest | 72,195 | - | 72,195 |
| Differences between expected and actual experience | (66,347) | - | (66,347) |
| Changes in assumptions | 111,649 | - | 111,649 |
| Contributions - employer | - | 31,192 | (31,192) |
| Net investment income | - | 57,760 | (57,760) |
| Benefit payments | (31,192) | (31,192) | - |
| Administrative expense | <u>-</u> | <u>(261)</u> | <u>261</u> |
| Net changes | <u>125,181</u> | <u>57,499</u> | <u>67,682</u> |
| Balance at June 30, 2024 | <u><u>\$ 1,251,468</u></u> | <u><u>\$ 957,075</u></u> | <u><u>\$ 294,393</u></u> |

F. Sensitivity of the Net OPEB Liability (Asset) Due to Changes in the Discount Rate

The following table represents the net OPEB liability, calculated using the current discount rate of 6.00%, as well as what it would be if it were calculated using a discount rate that is one percentage point lower (5.00%) or one percentage point higher (7.00%) than the current rate:

| | 1% Decrease <u>(5.00%)</u> | Current Discount Rate <u>(6.00%)</u> | 1% Increase <u>(7.00%)</u> |
|----------------------------|-------------------------------|--|-------------------------------|
| Net OPEB liability (asset) | <u><u>\$ 542,288</u></u> | <u><u>\$ 294,393</u></u> | <u><u>\$ 102,162</u></u> |

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2024

NOTE 15. OTHER POST EMPLOYMENT BENEFITS (continued)

F. Sensitivity of the Net OPEB Liability (Asset) Due to Changes in the Discount Rate (continued)

The following presents the net OPEB liability of the plan as of June 30, 2023 calculated using the healthcare cost trend rate of 4%, as well as what the net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point lower or higher than the current rate:

| | 1% Decrease (3.00%) | Current Trend Rate (4.00%) | 1% Increase (5.00%) |
|--------------------|------------------------|----------------------------------|------------------------|
| Net OPEB liability | \$ <u>99,832</u> | \$ <u>294,393</u> | \$ <u>544,581</u> |

The components of the annual OPEB expense are as follows:

| | |
|---|------------------|
| Service Cost | \$ 38,876 |
| Interest | 72,195 |
| Expected investment return | (58,464) |
| Administrative expenses | 261 |
| Recognition of difference between actual and expected experience | (13,721) |
| Recognition of changes in assumptions | 17,935 |
| Recognition of differences between projected and actual earnings on investments | <u>14,619</u> |
| Total OPEB expense for the year ended June 30, 2024 | \$ <u>71,701</u> |

G. OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB

As of June 30, 2024, the Authority recognized an OPEB expense of \$71,701. At June 30, 2024, the Authority reported deferred outflows of resources and deferred inflows of resources from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|--------------------------------------|-------------------------------------|
| Changes in Assumptions | \$ 143,171 | \$ - |
| Differences between expected and actual experience | 24,204 | 121,547 |
| Net differences between actual and projected earnings on OPEB plan investments | 128,256 | 61,890 |
| Contribution subsequent to the measurement date | <u>31,857</u> | <u>-</u> |
| Total | \$ <u>327,488</u> | \$ <u>183,437</u> |

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2024

NOTE 15. OTHER POST EMPLOYMENT BENEFITS (continued)

G. OPEB Expenses and Deferred Outflows/Inflows of Resources Related to OPEB (continued)

The deferred outflow and deferred inflows of resources, other than the employer contributions noted above, will be recognized in future pension expense as follows:

| Years ending June 30: | Recognized Deferred Outflows/Inflows of <u>Resources</u> |
|-----------------------|--|
| 2025 | \$ 18,478 |
| 2026 | 14,723 |
| 2027 | 45,667 |
| 2028 | 4,354 |
| 2029 | 4,214 |
| Thereafter | <u>24,758</u> |
| Total | <u>\$ 112,194</u> |

H. Actuarial Assumptions

The following are the assumptions as of the measurement date of June 30, 2021:

Actuarial Methods and Assumptions

| | |
|-----------------------------|---|
| Inflation | 2.75% |
| Payroll growth | 3.25% |
| Investment rate of return | 6.50% per year |
| Healthcare cost trend rates | CalPERS medical premiums are assumed to increase 4% per year |
| Discount rate | 6.00% |
| Measurement date | June 30, 2023 |
| Mortality | Rates taken from the 2021 CalPERS valuation |

The long-term expected rate of return on investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. The asset class percentages are taken from the current composition of the CERBT trust, and the expected yields are taken from a recent CalPERS publication for the Pension Fund (except for the estimated yield for commodities, which is taken from other sources):

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2024

NOTE 15. OTHER POST EMPLOYMENT BENEFITS (continued)

H. Actuarial Assumptions (continued)

| Asset Class | Assumed Asset Allocation | Real Return Year 1 - 10 (a) |
|--------------------------------|--------------------------|--------------------------------|
| Global equity - cap-weighted | 30.00% | 4.54% |
| Global equity non-cap-weighted | 12.00% | 3.84% |
| Private Equity | 13.00% | 7.28% |
| Treasury | 5.00% | 0.27% |
| Mortgage-backed Securities | 5.00% | 0.50% |
| Investment Grade Corporates | 10.00% | 1.56% |
| High Yield | 5.00% | 2.27% |
| Emerging Market Debt | 5.00% | 2.48% |
| Private Debt | 5.00% | 3.57% |
| Real Assets | 15.00% | 3.21% |
| Leverage | -5.00% | -0.59% |
| | <u>100.00%</u> | |

Using these figures, an expected inflation rate of 2.3% was used for this period. The figures are based on the 2021-2022 asset liability management study. The discount rate has been set equal to the long-term expected rate of return on investment of 6.0%. The cash flows of the OPEB plan were projected to future years, assuming that the Authority will contribute an amount so that the assets always exceed expected benefits to retirees. Under that projection, the plan assets are projected to be adequate to pay all benefits to retirees in all future years, so the discount rate has been set equal to the long-term expected rate of return on investments, 6.0%.

Change of assumption: All actuarial assumptions are unchanged from the July 1, 2021 valuation, except as follows. The assumed rates of retirement, turnover and mortality have been changed from the 2017 GASB OPEB Assumptions Model rates to the 2021 CalPERS pension valuation rates. The effect of this change was to increase the APVPBP by \$99,870.

NOTE 16. CONDENSED FINANCIAL INFORMATION FOR THE BLENDED COMPONENT UNITS

| | Merrill Road Associates | New Horizons Affordable Housing and Development Inc. | Total Blended Component Units |
|----------------------------------|-------------------------|--|-------------------------------|
| Assets: | | | |
| Current assets | \$ 430,160 | \$ 28,585,974 | \$ 29,016,134 |
| Capital assets, net | 1,944,620 | 16,924,202 | 18,868,822 |
| Other non-current assets | <u>190,705</u> | <u>16,890</u> | <u>207,595</u> |
| Total assets | <u>2,565,485</u> | <u>45,527,066</u> | <u>48,092,551</u> |
| Liabilities: | | | |
| Current | 53,233 | 8,795,375 | 8,848,608 |
| Non-current | <u>3,336,704</u> | <u>8,265,304</u> | <u>11,602,008</u> |
| Total liabilities | <u>3,389,937</u> | <u>17,060,679</u> | <u>20,450,616</u> |
| Net Position: | | | |
| Net investment in capital assets | (257,670) | 8,659,045 | 8,401,375 |
| Restricted | 190,705 | 16,890 | 207,595 |
| Unrestricted | <u>(757,487)</u> | <u>19,790,452</u> | <u>19,032,965</u> |
| Net position | <u>\$ (824,452)</u> | <u>\$ 28,466,387</u> | <u>\$ 27,641,935</u> |

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 2024

NOTE 16. CONDENSED FINANCIAL INFORMATION FOR THE BLENDED COMPONENT UNITS (continued)

| | Merrill Road Associates | New Horizons Affordable Housing and Development Inc. | Total Blended Component Units |
|-----------------------------|-------------------------|--|-------------------------------|
| Operating revenues: | | | |
| Tenant revenue | \$ 622,415 | \$ 9,141,934 | \$ 9,764,349 |
| Other revenues | <u>-</u> | <u>369,152</u> | <u>369,152</u> |
| Total operating revenues | <u>622,415</u> | <u>9,511,086</u> | <u>10,133,501</u> |
| Operating expenses: | | | |
| Administrative | 85,609 | 1,202,596 | 1,288,205 |
| Tenant services | 3,289 | 158,169 | 161,458 |
| Maintenance and utilities | 113,329 | 1,195,441 | 1,308,770 |
| Taxes and Insurance | 16,583 | 245,767 | 262,350 |
| Depreciation | <u>75,906</u> | <u>146,734</u> | <u>222,640</u> |
| Total operating expenses | <u>294,716</u> | <u>2,948,707</u> | <u>3,243,423</u> |
| Other income (expense) | | | |
| Interest income | 14,103 | 808,742 | 822,845 |
| Interest expense | <u>(43,438)</u> | <u>(3,830)</u> | <u>(47,268)</u> |
| Net other (expense) revenue | <u>(29,335)</u> | <u>804,912</u> | <u>775,577</u> |
| Net income | <u>\$ 298,364</u> | <u>\$ 7,367,291</u> | <u>\$ 7,665,655</u> |

NOTE 17. SUBSEQUENT EVENTS

Events that occur after the financial statement date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the financial statement date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the financial statement date require disclosure in the accompanying notes to the financial statements. Management evaluated the activity of the Authority through February 12, 2025 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

**INDEPENDENT AUDITORS' 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***

To the Board of Commissioners
Housing Authority of the County of Santa Cruz:

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 Housing Authority of the County of Santa Cruz (the "Authority") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Authority's financial statements, and have issued our report thereon dated February 12, 2025.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control 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 and significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of this Report

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

Novogradac & Company LLP

February 12, 2025
Toms River, New Jersey

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

To the Board of Commissioners
Housing Authority of the County of Santa Cruz:

Opinion on Each Major Federal Program

We have audited Housing Authority of the County of Santa Cruz's (the "Authority") compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended June 30, 2024. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Authority 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 the Authority'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 the Authority's federal programs.

Auditors' 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 the Authority'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 generally accepted auditing standards, *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 the Authority's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 the Authority'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 the Authority'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 the Authority'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 a 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.

Report on Internal Control over Compliance (continued)

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Purpose of this Report

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

Novogrudac & Company LLP

February 12, 2025
Toms River, New Jersey

SUPPLEMENTARY INFORMATION

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

| <u>Federal Grantor/Program Title</u> | <u>Federal AL Number</u> | <u>Grant Expenditures</u> |
|---|------------------------------|-------------------------------|
| U.S. Department of Housing and Urban Development: | | |
| Housing Voucher Cluster | | |
| Section 8 Housing Choice Vouchers | 14.871 | \$ 11,346,001 |
| Mainstream Vouchers | 14.879 | 4,042,039 |
| Emergency Housing Vouchers | 14.EHV | <u>7,228,081</u> |
| Total Housing Voucher Cluster | | 22,616,121 |
| Section 8 Project-Based Rental Assistance (PBRA) Cluster | | |
| Section 8 Moderate Rehabilitation Single Room Occupancy | 14.249 | 111,960 |
| Lower Income Housing Assistance Program - Section 8 | | |
| Moderate Rehabilitation | 14.856 | <u>217,690</u> |
| Total Section 8 Project-Based Rental Assistance (PBRA) Cluster | | 329,650 |
| Moving to Work Demonstration Program | 14.881 | 116,056,429 |
| Continuum of Care Program | 14.267 | 960,834 |
| Family Self Sufficiency Program | 14.896 | <u>193,338</u> |
| Subtotal United States Department of Housing and Urban Development - Direct Awards | | <u>140,156,372</u> |
| U.S. Department of Housing and Urban Development - Pass Through Programs: | | |
| County of Santa Cruz; HOME Investment Partnership Program | 14.239 | <u>553,773</u> |
| Subtotal Pass Through Programs - County of Santa Cruz | | <u>553,773</u> |
| Total U.S. Department of Housing and Urban Development | | <u>140,710,145</u> |
| U.S. Department of Agriculture: | | |
| Rural Rental Assistance Payments | 10.427 | <u>11,444</u> |
| Total U.S. Department of Agriculture | | <u>11,444</u> |
| Total Expenditures of Federal Awards | | <u>\$ 140,721,589</u> |

See Notes to Schedule of Expenditures of Federal Awards.

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE 1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the Authority under programs of the federal government for the year ended June 30, 2024. The information in the Schedule is presented in accordance with the requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of operations of the Authority, it is not intended to and does not present the financial position, changes in net position or cash flows of the Authority. Therefore, some amounts presented in the Schedule may differ from amounts presented in, or used in the preparation of the financial statements.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3. INDIRECT COST RATE

The Authority has elected not to use the ten percent de minimis indirect cost rate allowed under the Uniform Guidance.

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2024**

I. Summary of Auditors' Results

Financial Statement Section

- | | | |
|----|---|---------------|
| 1. | Type of auditors' report issued: | Unmodified |
| 2. | Internal control over financial reporting | |
| a. | Material weakness(es) identified? | No |
| b. | Significant deficiency(ies) identified? | None Reported |
| 3. | Noncompliance material to the financial statements? | No |

Federal Awards Section

- | | | |
|----|---|---------------|
| 1. | Internal control over compliance: | |
| a. | Material weakness(es) identified? | No |
| b. | Significant deficiency(ies) identified? | None Reported |
| 2. | Type of auditors' report on compliance for major programs: | Unmodified |
| 3. | Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? | No |
| 4. | Identification of major programs: | |

AL Number

Name of Federal Program

| | |
|--------|--------------------------------------|
| 14.871 | Housing Voucher Cluster: |
| 14.879 | Section 8 Housing Choice Vouchers |
| 14.EHV | Mainstream Vouchers |
| | Emergency Housing Vouchers |
| 14.881 | Moving to Work Demonstration Program |

- | | | |
|----|---|-------------|
| 5. | Dollar threshold used to distinguish between Type A and Type B Programs: | \$3,000,000 |
| 6. | Auditee qualified as low-risk Auditee? | Yes |

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
FOR THE YEAR ENDED JUNE 30, 2024

II. Financial Statement Findings

There were no findings relating to the financial statements which are required to be reported in accordance with *Government Auditing Standards*.

III. Federal Award Findings and Questioned Costs

There were no findings or questioned costs relating to federal awards.

IV. Schedule of Prior Year Audit Findings

Finding 2023-001:

Observation: Tenant Files. The PHA must do the following: As a condition of admission or continued occupancy, require the tenant and other family member to provide necessary information, documentation, and releases for the PHA to verify income eligibility (24 CFR sections 5.230, 5.609, and 982.516). These files are required to be maintained and available for examination at the time of audit. Based upon inspection of the Authority's files and on discussion with management, there were documents that were unavailable for examination at the time of audit. There are approximately 5,295 units. Of a sample size of seventy-one (71) tenant files, the following was noted:

- HUD 9886 Form was missing in 1 file
- Annual HUD 50058 recertification form and related verification of income and assets was missing in 1 file

Status: The finding has been cleared.

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
REQUIRED SUPPLEMENTARY PENSION INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024**

SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY FOR CALPERS DEFINED BENEFIT RETIREMENT PLAN

| <u>Measurement Date</u> | <u>Total Pension Liability</u> | <u>Fiduciary Net Position</u> | <u>Net Pension Liability ("NPL")</u> | <u>Funded Ratio</u> | <u>Covered Payroll</u> | <u>NPL/Payroll Ratio</u> |
|---|--------------------------------|-------------------------------|--------------------------------------|---------------------|------------------------|--------------------------|
| PERF C Public Agency Cost Sharing Plan: | | | | | | |
| 06/30/2014 | 30,829,966,631 | 24,607,502,515 | 6,222,464,116 | 79.82 % | | |
| 06/30/2015 | 31,771,217,402 | 24,907,305,871 | 6,863,911,531 | 78.40 % | | |
| 06/30/2016 | 33,358,627,624 | 24,705,532,291 | 8,653,095,333 | 74.06 % | | |
| 06/30/2017 | 37,161,348,332 | 27,244,095,376 | 9,917,252,956 | 73.31 % | | |
| 06/30/2018 | 38,944,855,364 | 29,308,589,559 | 9,636,265,805 | 75.26 % | | |
| 06/30/2019 | 41,426,453,489 | 31,179,414,067 | 10,247,039,422 | 75.26 % | | |
| 06/30/2020 | 43,702,930,887 | 32,822,501,335 | 10,880,429,552 | 75.10 % | | |
| 06/30/2021 | 46,174,942,264 | 40,766,653,876 | 5,408,288,388 | 88.29 % | | |
| 06/30/2022 | 49,525,975,138 | 37,975,170,163 | 11,550,804,975 | 76.68 % | | |
| 06/30/2023 | 52,441,984,274 | 39,966,633,692 | 12,475,350,582 | 76.21 % | | |
| Miscellaneous Risk Pool in Total: | | | | | | |
| 06/30/2014 | 13,110,948,452 | 10,639,461,174 | 2,471,487,278 | 81.15 % | | |
| 06/30/2015 | 13,639,503,084 | 10,896,036,068 | 2,743,467,016 | 79.89 % | | |
| 06/30/2016 | 14,397,353,530 | 10,923,476,287 | 3,473,877,243 | 75.87 % | | |
| 06/30/2017 | 16,016,547,402 | 12,074,499,781 | 3,942,047,621 | 75.39 % | | |
| 06/30/2018 | 16,891,153,209 | 13,122,440,092 | 3,768,713,117 | 77.69 % | | |
| 06/30/2019 | 17,984,188,264 | 13,979,687,268 | 4,004,500,996 | 77.73 % | | |
| 06/30/2021 | 18,920,437,526 | 14,702,361,183 | 4,218,076,343 | 77.71 % | | |
| 06/30/2022 | 19,964,594,105 | 18,065,791,524 | 1,898,802,581 | 90.49 % | | |
| 06/30/2023 | 21,449,898,398 | 16,770,671,339 | 4,679,227,059 | 78.19 % | | |
| 06/30/2024 | 22,693,312,153 | 17,692,895,076 | 5,000,417,077 | 77.97 % | | |

See report of independent auditors

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
REQUIRED SUPPLEMENTARY PENSION INFORMATION (continued)
FOR THE YEAR ENDED JUNE 30, 2024

| <u>Measurement Date</u> | <u>Total Pension Liability</u> | <u>Fiduciary Net Position</u> | <u>Net Pension Liability ("NPL")</u> | <u>Funded Ratio</u> | <u>Covered Payroll</u> | <u>NPL/Payroll Ratio</u> |
|--|--------------------------------|-------------------------------|--------------------------------------|---------------------|------------------------|--------------------------|
| Authority's Proportionate Share of the Miscellaneous Risk Pool (\$): | | | | | | |
| 06/30/2014 \$ | 26,368,790 \$ | 19,694,701 \$ | 6,674,089 | 74.69 % | 3,420,738 | 195.11 % |
| 06/30/2015 | 27,567,183 | 22,128,324 | 5,438,859 | 80.27 % | 3,460,606 | 157.16 % |
| 06/30/2016 | 28,826,381 | 22,106,931 | 6,719,450 | 76.69 % | 3,328,404 | 201.88 % |
| 06/30/2017 | 32,223,692 | 24,745,480 | 7,478,212 | 76.79 % | 3,326,175 | 224.83 % |
| 06/30/2018 | 33,554,276 | 26,235,694 | 7,318,582 | 78.19 % | 3,567,491 | 205.15 % |
| 06/30/2019 | 35,367,705 | 27,289,748 | 8,077,957 | 77.16 % | 3,754,306 | 215.17 % |
| 06/30/2020 | 36,030,280 | 27,113,310 | 8,916,970 | 75.25 % | 3,866,637 | 230.61 % |
| 06/30/2021 | 37,983,848 | 28,155,613 | 9,828,235 | 74.13 % | 3,985,360 | 246.61 % |
| 06/30/2022 | 40,652,803 | 34,268,824 | 6,383,979 | 84.30 % | 4,099,698 | 155.72 % |
| 06/30/2024 | 44,610,513 | 33,133,485 | 11,477,028 | 74.27 % | 4,493,690 | 255.40 % |
| Authority's Proportionate Share of the Miscellaneous Risk Pool (%): | | | | | | |
| 06/30/2014 | 0.20110 % | 0.18511 % | 0.270043 % | | | |
| 06/30/2015 | 0.20130 % | 0.20309 % | 0.194202 % | | | |
| 06/30/2016 | 0.20022 % | 0.20238 % | 0.193428 % | | | |
| 06/30/2017 | 0.20119 % | 0.20494 % | 0.189704 % | | | |
| 06/30/2018 | 0.19865 % | 0.19993 % | 0.194193 % | | | |
| 06/30/2019 | 0.19967 % | 0.19521 % | 0.201722 % | | | |
| 06/30/2020 | 0.19588 % | 0.19193 % | 0.209650 % | | | |
| 06/30/2021 | 0.19541 % | 0.18951 % | 0.251540 % | | | |
| 06/30/2022 | 0.19550 % | 0.18695 % | 0.38245 % | | | |
| 06/30/2024 | 0.22952 % | 0.18727 % | 0.38245 % | | | |

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
REQUIRED SUPPLEMENTARY PENSION INFORMATION (continued)
FOR THE YEAR ENDED JUNE 30, 2024**

SCHEDULE OF EMPLOYER CONTRIBUTIONS FOR CALPERS

| Fiscal Year Ended | Actuarially Determined Contributions ("ADC") | Contribution in relation to ADC | Contribution Deficiency (Excess) | Covered Employee Payroll | Contributions to Payroll Ratio |
|------------------------------|---|--|---|---|---|
| 06/30/2015 | 838,251 | 2,523,285 | (1,685,034) | 3,460,606 | 72.91 % |
| 06/30/2016 | 965,609 | 965,609 | - | 3,328,404 | 29.01 % |
| 06/30/2017 | 620,373 | 620,373 | - | 3,326,175 | 18.65 % |
| 06/30/2018 | 691,803 | 691,803 | - | 3,567,491 | 19.39 % |
| 06/30/2019 | 822,772 | 822,772 | - | 3,754,306 | 21.92 % |
| 06/30/2020 | 951,081 | 951,081 | - | 3,866,637 | 24.60 % |
| 06/30/2021 | 1,083,614 | 1,083,614 | - | 3,985,360 | 27.19 % |
| 06/30/2022 | 1,175,621 | 1,175,621 | - | 4,099,698 | 28.68 % |
| 06/30/2023 | 1,275,956 | 1,275,956 | - | 4,493,690 | 28.39 % |
| 06/30/2024 | 1,352,178 | 1,352,178 | - | 5,251,386 | 25.75 % |

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
REQUIRED SUPPLEMENTARY OPEB INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024**

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS***

| Total OPEB Liability: | June 30, 2017 | June 30, 2018 | June 30, 2019 | June 30, 2020 | June 30, 2021 | June 30, 2022 | June 30, 2023 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Service cost | \$ 45,176 | \$ 46,644 | \$ 48,160 | \$ 67,619 | \$ 69,817 | \$ 37,652 | \$ 38,876 |
| Interest | 81,826 | 88,177 | 94,421 | 108,642 | 117,143 | 67,291 | 72,195 |
| Change of benefit terms | - | - | - | - | (821,966) | - | - |
| Differences between expected and actual experience | - | - | 41,489 | - | (92,766) | - | (66,347) |
| Changes of assumptions | - | - | 74,185 | - | - | - | 111,649 |
| Benefit paid to retirees | <u>(19,682)</u> | <u>(38,920)</u> | <u>(38,573)</u> | <u>(40,393)</u> | <u>(50,558)</u> | <u>(27,800)</u> | <u>(31,192)</u> |
| Net change in total OPEB liability | <u>107,320</u> | <u>95,901</u> | <u>219,682</u> | <u>135,868</u> | <u>(778,330)</u> | <u>77,143</u> | <u>125,181</u> |
| Plan fiduciary net position - beginning | <u>1,268,703</u> | <u>1,376,023</u> | <u>1,471,924</u> | <u>1,691,606</u> | <u>1,827,474</u> | <u>1,049,144</u> | <u>1,126,287</u> |
| Plan fiduciary net position - ending | <u>\$ 1,376,023</u> | <u>\$ 1,471,924</u> | <u>\$ 1,691,606</u> | <u>\$ 1,827,474</u> | <u>\$ 1,049,144</u> | <u>\$ 1,126,287</u> | <u>\$ 1,251,468</u> |
| Plan Fiduciary Net Position: | | | | | | | |
| Employer contributions | \$ 42,275 | \$ 99,103 | \$ 102,591 | \$ 121,837 | \$ 149,870 | \$ 27,800 | \$ 31,192 |
| Net investment income | 39,593 | 35,088 | 33,119 | 22,387 | 202,638 | (139,041) | 57,760 |
| Benefit paid to retirees | (19,682) | (38,920) | (38,573) | (40,393) | (50,558) | (27,800) | (31,192) |
| Administrative expense | <u>(194)</u> | <u>(236)</u> | <u>(115)</u> | <u>(310)</u> | <u>(279)</u> | <u>(263)</u> | <u>(261)</u> |
| Net change in plan fiduciary net position | 61,992 | 95,035 | 97,022 | 103,521 | 301,671 | (139,304) | 57,499 |
| Plan fiduciary net position - beginning | <u>379,639</u> | <u>441,631</u> | <u>536,666</u> | <u>633,688</u> | <u>737,209</u> | <u>1,038,880</u> | <u>899,576</u> |
| Plan fiduciary net position - ending | <u>\$ 441,631</u> | <u>\$ 536,666</u> | <u>\$ 633,688</u> | <u>\$ 737,209</u> | <u>\$ 1,038,880</u> | <u>\$ 899,576</u> | <u>\$ 957,075</u> |
| Authority's net OPEB liability | <u>\$ 934,392</u> | <u>\$ 935,258</u> | <u>\$ 1,057,918</u> | <u>\$ 1,090,265</u> | <u>\$ 87,407</u> | <u>\$ 226,711</u> | <u>\$ 294,393</u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | 32.09 % | 36.46 % | 37.46 % | 40.34 % | 99.10 % | 79.87 % | 76.48 % |
| Covered payroll | <u>\$ 3,326,175</u> | <u>\$ 3,567,491</u> | <u>\$ 3,754,306</u> | <u>\$ 3,866,638</u> | <u>\$ 3,985,360</u> | <u>\$ 4,099,698</u> | <u>\$ 4,493,690</u> |
| Authority's net OPEB liability (asset) as a percentage of its covered-employee payroll | 28.09 % | 26.22 % | 28.18 % | 28.20 % | 2.19 % | 5.53 % | 6.55 % |

*** This schedule is required to present ten years of information. The information above is presented for the years currently available. A full ten-year trend will be built as the information becomes available in the future.

**HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
REQUIRED SUPPLEMENTARY OPEB INFORMATION (continued)
FOR THE YEAR ENDED JUNE 30, 2024**

SCHEDULE OF EMPLOYER CONTRIBUTIONS FOR OPEB

| <u>Fiscal Year Ended</u> | <u>Actuarially Determined Contributions ("ADC")</u> | <u>Contribution in relation to ADC</u> | <u>Contribution Deficiency (Excess)</u> | <u>Covered Employee Payroll</u> | <u>Contributions to Payroll Ratio</u> |
|------------------------------|---|--|---|---|---|
| 06/30/2018 | 80,541 | 81,541 | - | 3,567,491.00 | 2.26 % |
| 06/30/2019 | 85,000 | 85,000 | - | 3,754,306.00 | 2.26 % |
| 06/30/2020 | 104,000 | 104,000 | - | 3,866,638.00 | 2.69 % |
| 06/30/2021 | 123,000 | 123,000 | - | 4,099,698.00 | 3.09 % |
| 06/30/2022 | 27,800 | 27,800 | - | 4,099,698.00 | 0.01 % |
| 06/30/2023 | 31,192 | 31,192 | - | 4,099,698.00 | 0.01 % |
| 06/30/2024 | 31,192 | 31,192 | - | 4,493,690.00 | 0.01 % |

*** This schedule is required to present ten years of information. The information above is presented for the years currently available. A full ten-year trend will be built as the information becomes available in the future.

HOUSING AUTHORITY OF THE COUNTY OF SANTA CRUZ
NOTES TO THE REQUIRED SUPPLEMENTARY PENSION AND OPEB INFORMATION
FOR THE YEAR ENDED JUNE 30, 2024

- The Schedule of Proportionate Share of Net Pension Liability presents the Authority's portion of CalPERS Miscellaneous Risk Pool NPL as a dollar value as well as a percentage. The funded ratio represents the Authority's proportionate share of the Plan's Fiduciary Net Position as a percentage of the Authority's proportionate share of the Total Pension Liability. GASB 68 requires this schedule to include ten-year trend analysis. The trend analysis is intended to aid the reader in determining the financial health of the pension plan. The schedule contains all currently known information and will be built prospectively as the information becomes available, until the ten year requirement has been met. The Miscellaneous Risk Pool information is provided by CalPERS in its "GASB 68 Accounting Report for the measurement date of June 30, 2023. The Authority's proportionate share is calculated using information provided by CalPERS in its "Schedule of Employer Allocations for Components of Net Pension Liability and Schedule of Collective Pension Amounts, June 30, 2022.
- The Schedule of Employer Contributions to CalPERS presents information regarding the Authority's required contributions to CalPERS, the amounts actually contributed, and any excess or deficiency to the contributions required. This schedule reports only employer required contributions. See also footnote 15 to the Basic Financial Statements for the contributions, both employer and employee, for the current fiscal year. GASB 68 requires this schedule to include ten-year trend analysis. The trend analysis is intended to aid the reader in determining the financial health of the pension plan. The schedule contains all currently known information and will be built prospectively as the information becomes available, until the ten year requirement has been met.
- The Schedule of Changes in the Net OPEB Liability and Related Ratios present the changes in the Authority's Total OPEB Liability (TOL) and Fiduciary Net Position (FNP) of the plan. GASB 75 requires this schedule to include ten-year trend analysis. The trend analysis is intended to aid the reader in determining the financial health of the pension plan. The schedule contains all currently known information and will be built prospectively as the information becomes available, until the ten year requirement has been met. See also footnote 16 to the Financial Statements.
- The Schedule of Employer Contributions to OPEB presents information regarding the Authority's required contributions to their OPEB plan, the amounts actually contributed, and any excess or deficiency to the contributions required. This schedule reports only employer required contributions. See also footnote 16 to the Basic Financial Statements for the contributions, both employer and employee, for the current fiscal year. GASB 75 requires this schedule to include ten-year trend analysis. The trend analysis is intended to aid the reader in determining the financial health of the pension plan. The schedule contains all currently known information and will be built prospectively as the information becomes available, until the ten year requirement has been met.
- There were no changes to the benefit terms that applied to the Authority's plans.
- There were no changes to the assumptions applied to the Authority's plans, except as follows for the OPEB plan. The assumed rates for retirement, turnover, and mortality changed from the 2017 GASB OPEB Assumptions Model rates to the 2021 CalPERS pension valuation rates.

Housing Authority of the County of Santa Cruz (CA072)

Capitola, CA

Submission Type: Audited/Single Audit

Entity Wide Balance Sheet Summary

Fiscal Year End: 06/30/2024

| | Project Total | 14.879 Mainstream Vouchers | 14.HCV MTW Demonstration Program for HCV program | 14.239 HOME Investment Partnerships Program | 14.249 Section 8 Moderate Rehabilitation Single Room Occupancy | 14.896 PIH Family Self-Sufficiency Program | 14.EFA FSS Escrow Forfeiture Account |
|---|---------------|----------------------------|--|---|--|--|--------------------------------------|
| 111 Cash - Unrestricted | \$7,436,331 | \$967,573 | \$0 | \$0 | \$159,258 | \$0 | \$1,079 |
| 112 Cash - Restricted - Modernization and Development | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 113 Cash - Other Restricted | \$0 | \$531 | \$0 | \$0 | \$0 | \$0 | \$98,844 |
| 114 Cash - Tenant Security Deposits | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 115 Cash - Restricted for Payment of Current Liabilities | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 100 Total Cash | \$7,436,331 | \$968,104 | \$0 | \$0 | \$159,258 | \$0 | \$99,923 |
| 121 Accounts Receivable - PHA Projects | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 122 Accounts Receivable - HUD Other Projects | \$0 | \$0 | \$0 | \$0 | \$0 | \$22,459 | \$0 |
| 124 Accounts Receivable - Other Government | \$0 | \$0 | \$0 | \$225,210 | \$0 | \$0 | \$0 |
| 125 Accounts Receivable - Miscellaneous | \$0 | \$17,487 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 126 Accounts Receivable - Tenants | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 126.1 Allowance for Doubtful Accounts -Tenants | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 126.2 Allowance for Doubtful Accounts - Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 127 Notes, Loans, & Mortgages Receivable - Current | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 128 Fraud Recovery | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 128.1 Allowance for Doubtful Accounts - Fraud | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 129 Accrued Interest Receivable | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 120 Total Receivables, Net of Allowances for Doubtful Accounts | \$0 | \$17,487 | \$0 | \$225,210 | \$0 | \$22,459 | \$0 |
| 131 Investments - Unrestricted | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 132 Investments - Restricted | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 135 Investments - Restricted for Payment of Current Liability | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 142 Prepaid Expenses and Other Assets | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 143 Inventories | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 143.1 Allowance for Obsolete Inventories | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 144 Inter Program Due From | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 145 Assets Held for Sale | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 150 Total Current Assets | \$7,436,331 | \$985,591 | \$0 | \$225,210 | \$159,258 | \$22,459 | \$99,923 |
| 161 Land | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 162 Buildings | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 163 Furniture, Equipment & Machinery - Dwellings | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 164 Furniture, Equipment & Machinery - Administration | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 165 Leasehold Improvements | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 166 Accumulated Depreciation | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 167 Construction in Progress | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 168 Infrastructure | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 160 Total Capital Assets, Net of Accumulated Depreciation | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 171 Notes, Loans and Mortgages Receivable - Non-Current | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 173 Grants Receivable - Non Current | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 174 Other Assets | \$0 | \$2,611 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 176 Investments in Joint Ventures | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 180 Total Non-Current Assets | \$0 | \$2,611 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 200 Deferred Outflow of Resources | \$354,080 | \$76,353 | \$0 | \$0 | \$3,869 | \$0 | \$0 |
| 290 Total Assets and Deferred Outflow of Resources | \$7,790,411 | \$1,064,555 | \$0 | \$225,210 | \$163,127 | \$22,459 | \$99,923 |

Housing Authority of the County of Santa Cruz (CA072)

Capitola, CA

Submission Type: Audited/Single Audit

Entity Wide Balance Sheet Summary

Fiscal Year End: 06/30/2024

| | Project Total | 14.879 Mainstream Vouchers | 14.HCV MTW Demonstration Program for HCV program | 14.239 HOME Investment Partnerships Program | 14.249 Section 8 Moderate Rehabilitation Single Room Occupancy | 14.896 PIH Family Self-Sufficiency Program | 14.EFA FSS Escrow Forfeiture Account |
|--|---------------|----------------------------|--|---|--|--|--------------------------------------|
| 311 Bank Overdraft | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 312 Accounts Payable <= 90 Days | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 313 Accounts Payable >90 Days Past Due | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 321 Accrued Wage/Payroll Taxes Payable | \$0 | \$4,359 | \$0 | \$2,431 | \$165 | \$7,514 | \$0 |
| 322 Accrued Compensated Absences - Current Portion | \$0 | \$712 | \$0 | \$0 | \$28 | \$0 | \$0 |
| 324 Accrued Contingency Liability | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 325 Accrued Interest Payable | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 331 Accounts Payable - HUD PHA Programs | \$0 | \$0 | \$0 | \$0 | \$11,437 | \$0 | \$1,079 |
| 332 Account Payable - PHA Projects | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 333 Accounts Payable - Other Government | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 341 Tenant Security Deposits | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 342 Unearned Revenue | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 344 Current Portion of Long-term Debt - Operating Borrowings | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 344 Current Portion of Long-term Debt - Operating Borrowings | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 345 Other Current Liabilities | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 346 Accrued Liabilities - Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 347 Inter Program - Due To | \$0 | \$0 | \$0 | \$222,863 | \$0 | \$14,945 | \$0 |
| 348 Loan Liability - Current | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 310 Total Current Liabilities | \$0 | \$5,071 | \$0 | \$225,294 | \$11,630 | \$22,459 | \$1,079 |
| 351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 352 Long-term Debt, Net of Current - Operating Borrowings | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 353 Non-current Liabilities - Other | \$0 | \$531 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 354 Accrued Compensated Absences - Non Current | \$0 | \$12,260 | \$0 | \$0 | \$476 | \$0 | \$0 |
| 355 Loan Liability - Non Current | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 356 FASB 5 Liabilities | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 357 Accrued Pension and OPEB Liabilities | \$1,379,852 | \$155,853 | \$0 | \$0 | \$9,228 | \$0 | \$0 |
| 350 Total Non-Current Liabilities | \$1,379,852 | \$168,644 | \$0 | \$0 | \$9,704 | \$0 | \$0 |
| 300 Total Liabilities | \$1,379,852 | \$173,715 | \$0 | \$225,294 | \$21,334 | \$22,459 | \$1,079 |
| 400 Deferred Inflow of Resources | \$91,861 | \$5,493 | \$0 | \$0 | \$1,416 | \$0 | \$0 |
| 508.4 Net Investment in Capital Assets | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 511.4 Restricted Net Position | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$98,844 |
| 512.4 Unrestricted Net Position | \$6,318,698 | \$885,347 | \$0 | -\$84 | \$140,377 | \$0 | \$0 |
| 513 Total Equity - Net Assets / Position | \$6,318,698 | \$885,347 | \$0 | -\$84 | \$140,377 | \$0 | \$98,844 |
| 600 Total Liabilities, Deferred Inflows of Resources and Equity - Net | \$7,790,411 | \$1,064,555 | \$0 | \$225,210 | \$163,127 | \$22,459 | \$99,923 |

Housing Authority of the County of Santa Cruz (CA072)

Capitola, CA

Submission Type: Audited/Single Audit

Entity Wide Balance Sheet Summary

Fiscal Year End: 06/30/2024

| | 14.267 Continuum of Care Program | 14.881 Moving to Work Demonstration Program | 1 Business Activities | 2 State/Local | 6.2 Component Unit - Blended | 10.427 Rural Rental Assistance Payments | 14.871 Housing Choice Vouchers |
|---|-------------------------------------|--|--------------------------|---------------|---------------------------------|---|-----------------------------------|
| 111 Cash - Unrestricted | \$0 | \$4,642,826 | \$4,405,202 | \$713,340 | \$21,331,567 | \$454,024 | \$106,893 |
| 112 Cash - Restricted - Modernization and Development | \$0 | \$0 | \$0 | \$1,582,674 | \$132,747 | \$875,322 | \$0 |
| 113 Cash - Other Restricted | \$0 | \$164,855 | \$0 | \$0 | \$74,848 | \$0 | \$305,285 |
| 114 Cash - Tenant Security Deposits | \$0 | \$0 | \$11,455 | \$0 | \$214,624 | \$50,133 | \$0 |
| 115 Cash - Restricted for Payment of Current Liabilities | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 100 Total Cash | \$0 | \$4,807,681 | \$4,416,657 | \$2,296,014 | \$21,753,786 | \$1,379,479 | \$412,178 |
| 121 Accounts Receivable - PHA Projects | \$0 | \$6,269 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 122 Accounts Receivable - HUD Other Projects | \$94,234 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 124 Accounts Receivable - Other Government | \$0 | \$0 | \$0 | \$60,233 | \$0 | \$3,932 | \$0 |
| 125 Accounts Receivable - Miscellaneous | \$0 | \$163,796 | \$0 | \$3,270 | \$1,877 | \$0 | \$6,635 |
| 126 Accounts Receivable - Tenants | \$0 | \$0 | \$0 | \$0 | \$76,563 | \$996 | \$0 |
| 126.1 Allowance for Doubtful Accounts - Tenants | \$0 | \$0 | \$0 | \$0 | -\$51,199 | -\$446 | \$0 |
| 126.2 Allowance for Doubtful Accounts - Other | \$0 | -\$8,719 | \$0 | \$0 | \$0 | \$0 | -\$286 |
| 127 Notes, Loans, & Mortgages Receivable - Current | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 128 Fraud Recovery | \$0 | \$276,223 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 128.1 Allowance for Doubtful Accounts - Fraud | \$0 | -\$276,223 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 129 Accrued Interest Receivable | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 120 Total Receivables, Net of Allowances for Doubtful Accounts | \$94,234 | \$161,346 | \$0 | \$63,503 | \$27,241 | \$4,482 | \$6,349 |
| 131 Investments - Unrestricted | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 132 Investments - Restricted | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 135 Investments - Restricted for Payment of Current Liability | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 142 Prepaid Expenses and Other Assets | \$0 | \$0 | \$129,841 | \$0 | \$119,276 | \$0 | \$0 |
| 143 Inventories | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 143.1 Allowance for Obsolete Inventories | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 144 Inter Program Due From | \$0 | \$869 | \$378,284 | \$0 | \$3,912 | \$0 | \$0 |
| 145 Assets Held for Sale | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 150 Total Current Assets | \$94,234 | \$4,969,896 | \$4,924,782 | \$2,359,517 | \$21,904,215 | \$1,383,961 | \$418,527 |
| 161 Land | \$0 | \$0 | \$1,912,500 | \$0 | \$6,093,957 | \$124,076 | \$0 |
| 162 Buildings | \$0 | \$0 | \$6,372,831 | \$0 | \$6,009,544 | \$6,239,646 | \$0 |
| 163 Furniture, Equipment & Machinery - Dwellings | \$0 | \$0 | \$0 | \$0 | \$26,200 | \$0 | \$0 |
| 164 Furniture, Equipment & Machinery - Administration | \$0 | \$0 | \$319,457 | \$0 | \$0 | \$0 | \$0 |
| 165 Leasehold Improvements | \$0 | \$0 | \$641,759 | \$0 | \$0 | \$0 | \$0 |
| 166 Accumulated Depreciation | \$0 | \$0 | -\$5,184,915 | \$0 | -\$2,367,034 | -\$5,882,155 | \$0 |
| 167 Construction in Progress | \$0 | \$0 | \$0 | \$0 | \$9,106,156 | \$556,223 | \$0 |
| 168 Infrastructure | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 160 Total Capital Assets, Net of Accumulated Depreciation | \$0 | \$0 | \$4,061,632 | \$0 | \$18,868,823 | \$1,037,790 | \$0 |
| 171 Notes, Loans and Mortgages Receivable - Non-Current | \$0 | \$0 | \$11,223,088 | \$42,000 | \$0 | \$0 | \$0 |
| 172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 173 Grants Receivable - Non Current | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 174 Other Assets | \$0 | \$0 | \$239,172 | \$0 | \$0 | \$0 | \$0 |
| 176 Investments in Joint Ventures | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 180 Total Non-Current Assets | \$0 | \$0 | \$15,523,892 | \$42,000 | \$18,868,823 | \$1,037,790 | \$0 |
| 200 Deferred Outflow of Resources | \$0 | \$3,429,556 | \$389,870 | \$0 | \$0 | \$199,257 | \$358,334 |
| 290 Total Assets and Deferred Outflow of Resources | \$94,234 | \$8,399,452 | \$20,838,544 | \$2,401,517 | \$40,773,038 | \$2,621,008 | \$776,861 |

Housing Authority of the County of Santa Cruz (CA072)

Capitola, CA

Submission Type: Audited/Single Audit

Entity Wide Balance Sheet Summary

Fiscal Year End: 06/30/2024

| | 14.267 Continuum of Care Program | 14.881 Moving to Work Demonstration Program | 1 Business Activities | 2 State/Local | 6.2 Component Unit - Blended | 10.427 Rural Rental Assistance Payments | 14.871 Housing Choice Vouchers |
|--|-------------------------------------|--|--------------------------|---------------|---------------------------------|---|-----------------------------------|
| 311 Bank Overdraft | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 312 Accounts Payable <= 90 Days | \$3,262 | \$0 | \$58,788 | \$20,586 | \$1,282,448 | \$472,699 | \$0 |
| 313 Accounts Payable >90 Days Past Due | \$0 | \$0 | \$0 | \$0 | \$2,547 | \$0 | \$0 |
| 321 Accrued Wage/Payroll Taxes Payable | \$48 | \$173,887 | \$53,969 | \$1,457 | \$1,954 | \$10,254 | \$0 |
| 322 Accrued Compensated Absences - Current Portion | \$0 | \$26,892 | \$26,016 | \$386 | \$0 | \$7,645 | \$2,994 |
| 324 Accrued Contingency Liability | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 325 Accrued Interest Payable | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 331 Accounts Payable - HUD PHA Programs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 332 Account Payable - PHA Projects | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 333 Accounts Payable - Other Government | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 341 Tenant Security Deposits | \$0 | \$0 | \$11,455 | \$0 | \$214,624 | \$50,133 | \$0 |
| 342 Unearned Revenue | \$0 | \$57 | \$0 | \$398,963 | \$1,852 | \$1,135 | \$0 |
| 344 Current Portion of Long-term Debt - Operating Borrowings | \$0 | \$0 | \$173,615 | \$0 | \$0 | \$0 | \$0 |
| 344 Current Portion of Long-term Debt - Operating Borrowings | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 345 Other Current Liabilities | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 346 Accrued Liabilities - Other | \$0 | \$3 | \$0 | \$0 | \$800 | \$0 | \$0 |
| 347 Inter Program - Due To | \$90,924 | \$3,912 | \$0 | \$25,551 | \$24,869 | \$0 | \$0 |
| 348 Loan Liability - Current | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 310 Total Current Liabilities | \$94,234 | \$204,751 | \$323,843 | \$446,943 | \$1,529,094 | \$541,866 | \$2,994 |
| 351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue | \$0 | \$0 | \$486,595 | \$1,582,674 | \$10,464,596 | \$0 | \$0 |
| 352 Long-term Debt, Net of Current - Operating Borrowings | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 353 Non-current Liabilities - Other | \$0 | \$164,855 | \$0 | \$0 | \$1,131,395 | \$0 | \$39,387 |
| 354 Accrued Compensated Absences - Non Current | \$0 | \$437,920 | \$59,143 | \$2,878 | \$6,017 | \$23,724 | \$40,217 |
| 355 Loan Liability - Non Current | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 356 FASB 5 Liabilities | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 357 Accrued Pension and OPEB Liabilities | \$0 | \$8,123,488 | \$617,354 | \$0 | \$0 | \$458,483 | \$848,775 |
| 350 Total Non-Current Liabilities | \$0 | \$8,726,263 | \$1,163,092 | \$1,585,552 | \$11,602,008 | \$482,207 | \$928,379 |
| 300 Total Liabilities | \$94,234 | \$8,931,014 | \$1,486,935 | \$2,032,495 | \$13,131,102 | \$1,024,073 | \$931,373 |
| 400 Deferred Inflow of Resources | \$0 | \$285,192 | \$2,008,749 | \$0 | \$0 | \$49,295 | \$29,798 |
| 508.4 Net Investment in Capital Assets | \$0 | \$0 | \$3,401,422 | -\$1,582,674 | \$8,404,227 | \$1,037,790 | \$0 |
| 511.4 Restricted Net Position | \$0 | \$0 | \$0 | \$1,582,674 | \$207,595 | \$875,322 | \$265,898 |
| 512.4 Unrestricted Net Position | \$0 | -\$816,754 | \$13,941,438 | \$369,022 | \$19,030,114 | -\$365,472 | -\$450,208 |
| 513 Total Equity - Net Assets / Position | \$0 | -\$816,754 | \$17,342,860 | \$369,022 | \$27,641,936 | \$1,547,640 | -\$184,310 |
| 600 Total Liabilities, Deferred Inflows of Resources and Equity - Net | \$94,234 | \$8,399,452 | \$20,838,544 | \$2,401,517 | \$40,773,038 | \$2,621,008 | \$776,861 |

Housing Authority of the County of Santa Cruz (CA072)

Capitola, CA

Submission Type: Audited/Single Audit

Entity Wide Balance Sheet Summary

Fiscal Year End: 06/30/2024

| | 14.EHV Emergency Housing Voucher | 14.856 Lower Income Housing Assistance Program, Section 8 Moderate | ELIM | Total |
|---|--|---|--------------|---------------|
| 111 Cash - Unrestricted | \$414,934 | \$829,775 | \$0 | \$41,462,802 |
| 112 Cash - Restricted - Modernization and Development | | \$0 | \$0 | \$2,590,743 |
| 113 Cash - Other Restricted | \$82,984 | \$0 | \$0 | \$727,347 |
| 114 Cash - Tenant Security Deposits | | \$0 | \$0 | \$276,212 |
| 115 Cash - Restricted for Payment of Current Liabilities | | \$0 | \$0 | \$0 |
| 100 Total Cash | \$497,918 | \$829,775 | \$0 | \$45,057,104 |
| 121 Accounts Receivable - PHA Projects | | \$0 | \$0 | \$6,269 |
| 122 Accounts Receivable - HUD Other Projects | | \$0 | \$0 | \$116,693 |
| 124 Accounts Receivable - Other Government | | \$0 | \$0 | \$289,375 |
| 125 Accounts Receivable - Miscellaneous | \$9,238 | \$0 | \$0 | \$202,303 |
| 126 Accounts Receivable - Tenants | | \$0 | \$0 | \$77,559 |
| 126.1 Allowance for Doubtful Accounts - Tenants | | \$0 | \$0 | -\$51,645 |
| 126.2 Allowance for Doubtful Accounts - Other | \$0 | \$0 | \$0 | -\$9,005 |
| 127 Notes, Loans, & Mortgages Receivable - Current | | \$0 | \$0 | \$0 |
| 128 Fraud Recovery | | \$0 | \$0 | \$276,223 |
| 128.1 Allowance for Doubtful Accounts - Fraud | | \$0 | \$0 | -\$276,223 |
| 129 Accrued Interest Receivable | | \$0 | \$0 | \$0 |
| 120 Total Receivables, Net of Allowances for Doubtful Accounts | \$9,238 | \$0 | \$0 | \$631,549 |
| 131 Investments - Unrestricted | | \$0 | \$0 | \$0 |
| 132 Investments - Restricted | | \$0 | \$0 | \$0 |
| 135 Investments - Restricted for Payment of Current Liability | | \$0 | \$0 | \$0 |
| 142 Prepaid Expenses and Other Assets | | \$0 | \$0 | \$249,117 |
| 143 Inventories | | \$0 | \$0 | \$0 |
| 143.1 Allowance for Obsolete Inventories | | \$0 | \$0 | \$0 |
| 144 Inter Program Due From | | \$0 | -\$383,065 | \$0 |
| 145 Assets Held for Sale | | \$0 | \$0 | \$0 |
| 150 Total Current Assets | \$507,156 | \$829,775 | -\$383,065 | \$45,937,770 |
| 161 Land | | \$0 | \$0 | \$8,130,533 |
| 162 Buildings | | \$0 | \$0 | \$18,622,021 |
| 163 Furniture, Equipment & Machinery - Dwellings | | \$0 | \$0 | \$26,200 |
| 164 Furniture, Equipment & Machinery - Administration | | \$0 | \$0 | \$319,457 |
| 165 Leasehold Improvements | | \$0 | \$0 | \$641,759 |
| 166 Accumulated Depreciation | | \$0 | \$0 | -\$13,434,104 |
| 167 Construction in Progress | | \$0 | \$0 | \$9,662,379 |
| 168 Infrastructure | | \$0 | \$0 | \$0 |
| 160 Total Capital Assets, Net of Accumulated Depreciation | \$0 | \$0 | \$0 | \$23,968,245 |
| 171 Notes, Loans and Mortgages Receivable - Non-Current | | \$0 | -\$8,950,872 | \$2,314,216 |
| 172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due | | \$0 | \$0 | \$0 |
| 173 Grants Receivable - Non Current | | \$0 | \$0 | \$0 |
| 174 Other Assets | | \$0 | -\$227,664 | \$14,119 |
| 176 Investments in Joint Ventures | | \$0 | \$0 | \$0 |
| 180 Total Non-Current Assets | \$0 | \$0 | -\$9,178,536 | \$26,296,580 |
| 200 Deferred Outflow of Resources | \$237,436 | \$12,229 | -\$69,467 | \$4,991,517 |
| 290 Total Assets and Deferred Outflow of Resources | \$744,592 | \$842,004 | -\$9,631,068 | \$77,225,867 |

Housing Authority of the County of Santa Cruz (CA072)

Capitola, CA

Submission Type: Audited/Single Audit

Entity Wide Balance Sheet Summary

Fiscal Year End: 06/30/2024

| | 14.EHV Emergency Housing Voucher | 14.856 Lower Income Housing Assistance Program, Section 8 Moderate | ELIM | Total |
|--|--|---|--------------|--------------|
| 311 Bank Overdraft | | \$0 | \$0 | \$0 |
| 312 Accounts Payable <= 90 Days | | \$0 | \$0 | \$1,837,783 |
| 313 Accounts Payable >90 Days Past Due | | \$0 | \$0 | \$2,547 |
| 321 Accrued Wage/Payroll Taxes Payable | \$7,694 | \$298 | \$0 | \$264,030 |
| 322 Accrued Compensated Absences - Current Portion | \$1,002 | \$50 | \$0 | \$65,725 |
| 324 Accrued Contingency Liability | | \$0 | \$0 | \$0 |
| 325 Accrued Interest Payable | | \$0 | \$0 | \$0 |
| 331 Accounts Payable - HUD PHA Programs | \$839 | \$16,615 | \$0 | \$29,970 |
| 332 Account Payable - PHA Projects | | \$0 | \$0 | \$0 |
| 333 Accounts Payable - Other Government | | \$0 | \$0 | \$0 |
| 341 Tenant Security Deposits | | \$0 | \$0 | \$276,212 |
| 342 Unearned Revenue | \$82,984 | \$0 | \$0 | \$484,991 |
| 344 Current Portion of Long-term Debt - Operating Borrowings | | \$0 | \$0 | \$173,615 |
| 344 Current Portion of Long-term Debt - Operating Borrowings | | \$0 | \$0 | \$0 |
| 345 Other Current Liabilities | | \$0 | \$0 | \$0 |
| 346 Accrued Liabilities - Other | | \$0 | \$0 | \$803 |
| 347 Inter Program - Due To | | \$0 | -\$383,064 | \$0 |
| 348 Loan Liability - Current | | \$0 | \$0 | \$0 |
| 310 Total Current Liabilities | \$92,519 | \$16,963 | -\$383,064 | \$3,135,676 |
| 351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue | | \$0 | -\$8,950,872 | \$3,582,993 |
| 352 Long-term Debt, Net of Current - Operating Borrowings | | \$0 | \$0 | \$0 |
| 353 Non-current Liabilities - Other | \$165 | \$0 | -\$147,197 | \$1,189,136 |
| 354 Accrued Compensated Absences - Non Current | \$17,767 | \$686 | \$0 | \$601,088 |
| 355 Loan Liability - Non Current | | \$0 | \$0 | \$0 |
| 356 FASB 5 Liabilities | | \$0 | \$0 | \$0 |
| 357 Accrued Pension and OPEB Liabilities | \$226,694 | \$32,161 | -\$80,467 | \$11,771,421 |
| 350 Total Non-Current Liabilities | \$244,626 | \$32,847 | -\$9,178,536 | \$17,144,638 |
| 300 Total Liabilities | \$337,145 | \$49,810 | -\$9,561,600 | \$20,280,314 |
| 400 Deferred Inflow of Resources | | \$5,877 | -\$69,467 | \$2,408,214 |
| 508.4 Net Investment in Capital Assets | | \$0 | \$8,950,872 | \$20,211,637 |
| 511.4 Restricted Net Position | \$0 | \$0 | \$0 | \$3,030,333 |
| 512.4 Unrestricted Net Position | \$407,447 | \$786,317 | -\$8,950,873 | \$31,295,369 |
| 513 Total Equity - Net Assets / Position | \$407,447 | \$786,317 | -\$1 | \$54,537,339 |
| 600 Total Liabilities, Deferred Inflows of Resources and Equity - Net | \$744,592 | \$842,004 | -\$9,631,068 | \$77,225,867 |

Housing Authority of the County of Santa Cruz (CA072)

Capitola, CA

Submission Type: Audited/Single Audit

Entity Wide Revenue and Expense Summary

Fiscal Year End: 06/30/2024

| | Project Total | 14.879 Mainstream Vouchers | 14.HCV MTW Demonstration Program for HCV program | 14.239 HOME Investment Partnerships Program | 14.249 Section 8 Moderate Rehabilitation Single Room Occupancy | 14.896 PIH Family Self-Sufficiency Program | 14.EFA FSS Escrow Forfeiture Account |
|---|---------------|----------------------------|--|---|--|--|--------------------------------------|
| 70300 Net Tenant Rental Revenue | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 70400 Tenant Revenue - Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 70500 Total Tenant Revenue | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 70600 HUD PHA Operating Grants | \$0 | \$4,184,759 | \$124,394,058 | \$0 | \$111,960 | \$193,338 | \$0 |
| 70610 Capital Grants | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 70710 Management Fee | | | | | | | |
| 70720 Asset Management Fee | | | | | | | |
| 70730 Book Keeping Fee | | | | | | | |
| 70740 Front Line Service Fee | | | | | | | |
| 70750 Other Fees | | | | | | | |
| 70700 Total Fee Revenue | | | | | | | |
| 70800 Other Government Grants | \$0 | \$0 | \$0 | \$553,773 | \$0 | \$0 | \$0 |
| 71100 Investment Income - Unrestricted | \$119,519 | \$13,976 | \$0 | \$0 | \$2,374 | \$0 | \$0 |
| 71200 Mortgage Interest Income | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 71300 Proceeds from Disposition of Assets Held for Sale | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 71310 Cost of Sale of Assets | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 71400 Fraud Recovery | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 71500 Other Revenue | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$36,814 |
| 71600 Gain or Loss on Sale of Capital Assets | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 72000 Investment Income - Restricted | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 70000 Total Revenue | \$119,519 | \$4,198,735 | \$124,394,058 | \$553,773 | \$114,334 | \$193,338 | \$36,814 |
| 91100 Administrative Salaries | \$0 | \$98,893 | \$0 | \$36,920 | \$3,907 | \$0 | \$0 |
| 91200 Auditing Fees | \$0 | \$778 | \$0 | \$81 | \$28 | \$0 | \$0 |
| 91300 Management Fee | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 91310 Book-keeping Fee | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 91400 Advertising and Marketing | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 91500 Employee Benefit contributions - Administrative | \$0 | \$57,935 | \$0 | \$11,644 | \$2,259 | \$0 | \$0 |
| 91600 Office Expenses | \$0 | \$12,417 | \$0 | \$4,618 | \$491 | \$0 | \$0 |
| 91700 Legal Expense | \$0 | \$142 | \$0 | \$79 | \$5 | \$0 | \$0 |
| 91800 Travel | \$0 | \$652 | \$0 | \$240 | \$32 | \$0 | \$0 |
| 91810 Allocated Overhead | \$0 | \$10,521 | \$0 | \$4,112 | \$416 | \$0 | \$0 |
| 91900 Other | \$0 | \$10,803 | \$0 | \$4,314 | \$406 | \$0 | \$0 |
| 91000 Total Operating - Administrative | \$0 | \$192,141 | \$0 | \$62,008 | \$7,544 | \$0 | \$0 |
| 92000 Asset Management Fee | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 92100 Tenant Services - Salaries | \$0 | \$0 | \$0 | \$0 | \$0 | \$144,806 | \$0 |
| 92200 Relocation Costs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 92300 Employee Benefit Contributions - Tenant Services | \$0 | \$0 | \$0 | \$0 | \$0 | \$47,617 | \$0 |
| 92400 Tenant Services - Other | \$0 | \$0 | \$0 | \$528,375 | \$0 | \$915 | \$0 |
| 92500 Total Tenant Services | \$0 | \$0 | \$0 | \$528,375 | \$0 | \$193,338 | \$0 |
| 93100 Water | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 93200 Electricity | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 93300 Gas | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 93400 Fuel | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 93500 Labor | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 93600 Sewer | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 93700 Employee Benefit Contributions - Utilities | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 93800 Other Utilities Expense | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 93000 Total Utilities | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

Housing Authority of the County of Santa Cruz (CA072)

Capitola, CA

Submission Type: Audited/Single Audit

Entity Wide Revenue and Expense Summary

Fiscal Year End: 06/30/2024

| | Project Total | 14.879 Mainstream Vouchers | 14.HCV MTW Demonstration Program for HCV program | 14.239 HOME Investment Partnerships Program | 14.249 Section 8 Moderate Rehabilitation Single Room Occupancy | 14.896 PIH Family Self-Sufficiency Program | 14.EFA FSS Escrow Forfeiture Account |
|---|---------------|----------------------------|--|---|--|--|--------------------------------------|
| 94100 Ordinary Maintenance and Operations - Labor | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 94200 Ordinary Maintenance and Operations - Materials and Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 94300 Ordinary Maintenance and Operations Contracts | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 94500 Employee Benefit Contributions - Ordinary Maintenance | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 94000 Total Maintenance | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 95100 Protective Services - Labor | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 95200 Protective Services - Other Contract Costs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 95300 Protective Services - Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 95500 Employee Benefit Contributions - Protective Services | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 95000 Total Protective Services | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 96110 Property Insurance | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 96120 Liability Insurance | | \$2,485 | \$0 | \$317 | \$149 | \$0 | \$0 |
| 96130 Workmen's Compensation | | \$893 | \$0 | \$921 | \$35 | \$0 | \$0 |
| 96140 All Other Insurance | | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 96100 Total Insurance Premiums | \$0 | \$3,378 | \$0 | \$1,238 | \$184 | \$0 | \$0 |
| 96200 Other General Expenses | \$0 | \$1,235 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 96210 Compensated Absences | \$0 | \$2,050 | \$0 | \$0 | \$65 | \$0 | \$0 |
| 96300 Payments in Lieu of Taxes | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 96400 Bad debt - Tenant Rents | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 96500 Bad debt - Mortgages | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 96600 Bad debt - Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 96800 Severance Expense | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 96000 Total Other General Expenses | \$0 | \$3,285 | \$0 | \$0 | \$65 | \$0 | \$0 |
| 96710 Interest of Mortgage (or Bonds) Payable | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 96720 Interest on Notes Payable (Short and Long Term) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 96730 Amortization of Bond Issue Costs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 96700 Total Interest Expense and Amortization Cost | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 96900 Total Operating Expenses | \$0 | \$198,804 | \$0 | \$591,621 | \$7,793 | \$193,338 | \$0 |
| 97000 Excess of Operating Revenue over Operating Expenses | \$119,519 | \$3,999,931 | \$124,394,058 | -\$37,848 | \$106,541 | \$0 | \$36,814 |
| 97100 Extraordinary Maintenance | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 97200 Casualty Losses - Non-capitalized | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 97300 Housing Assistance Payments | \$0 | \$3,843,235 | \$0 | \$0 | \$91,838 | \$0 | \$0 |
| 97350 HAP Portability-In | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 97400 Depreciation Expense | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 97500 Fraud Losses | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 97800 Capital Outlays - Governmental Funds | | | | | | | |
| 97700 Debt Principal Payment - Governmental Funds | | | | | | | |
| 97800 Dwelling Units Rent Expense | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 90000 Total Expenses | \$0 | \$4,042,039 | \$0 | \$591,621 | \$99,631 | \$193,338 | \$0 |

Housing Authority of the County of Santa Cruz (CA072)

Capitola, CA

Submission Type: Audited/Single Audit

Entity Wide Revenue and Expense Summary

Fiscal Year End: 06/30/2024

| | Project Total | 14.879 Mainstream Vouchers | 14.HCV MTW Demonstration Program for HCV program | 14.239 HOME Investment Partnerships Program | 14.249 Section 8 Moderate Rehabilitation Single Room Occupancy | 14.896 PIH Family Self-Sufficiency Program | 14.EFA FSS Escrow Forfeiture Account |
|---|---------------|----------------------------|--|---|--|--|--------------------------------------|
| 10010 Operating Transfer In | \$0 | \$0 | \$0 | \$37,848 | \$0 | \$0 | \$0 |
| 10020 Operating transfer Out | \$0 | \$0 | -\$124,394,058 | \$0 | \$0 | \$0 | \$0 |
| 10030 Operating Transfers from/to Primary Government | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 10040 Operating Transfers from/to Component Unit | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 10050 Proceeds from Notes, Loans and Bonds | | | | | | | |
| 10060 Proceeds from Property Sales | | | | | | | |
| 10070 Extraordinary Items, Net Gain/Loss | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 10080 Special Items (Net Gain/Loss) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 10091 Inter Project Excess Cash Transfer In | \$0 | | | | | | |
| 10092 Inter Project Excess Cash Transfer Out | \$0 | | | | | | |
| 10093 Transfers between Program and Project - In | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 10094 Transfers between Project and Program - Out | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 10100 Total Other financing Sources (Uses) | \$0 | \$0 | -\$124,394,058 | \$37,848 | \$0 | \$0 | \$0 |
| 10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses | \$119,519 | \$156,696 | \$0 | \$0 | \$14,703 | \$0 | \$36,814 |
| 11020 Required Annual Debt Principal Payments | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 11030 Beginning Equity | \$6,199,179 | \$728,651 | \$0 | -\$84 | \$125,674 | \$0 | \$62,030 |
| 11040 Prior Period Adjustments, Equity Transfers and Correction of Errors | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 11050 Changes in Compensated Absence Balance | | | | | | | |
| 11060 Changes in Contingent Liability Balance | | | | | | | |
| 11070 Changes in Unrecognized Pension Transition Liability | | | | | | | |
| 11080 Changes in Special Term/Severance Benefits Liability | | | | | | | |
| 11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents | | | | | | | |
| 11100 Changes in Allowance for Doubtful Accounts - Other | | | | | | | |
| 11170 Administrative Fee Equity | | | | | | | |
| 11180 Housing Assistance Payments Equity | | | | | | | |
| 11190 Unit Months Available | 0 | 2880 | 0 | 0 | 132 | 0 | 0 |
| 11210 Number of Unit Months Leased | 0 | 1983 | 0 | 0 | 124 | 0 | 0 |

Housing Authority of the County of Santa Cruz (CA072)

Capitola, CA

Submission Type: Audited/Single Audit

Entity Wide Revenue and Expense Summary

Fiscal Year End: 06/30/2024

| | 14.267 Continuum of Care Program | 14.881 Moving to Work Demonstration Program | 1 Business Activities | 2 State/Local | 6.2 Component Unit - Blended | 10.427 Rural Rental Assistance Payments | 14.871 Housing Choice Vouchers |
|---|-------------------------------------|--|--------------------------|---------------|---------------------------------|--|-----------------------------------|
| 70300 Net Tenant Rental Revenue | \$0 | \$0 | \$23,508 | \$0 | \$9,764,222 | \$675,512 | \$0 |
| 70400 Tenant Revenue - Other | \$0 | \$0 | \$0 | \$0 | \$168,002 | \$31,509 | \$0 |
| 70500 Total Tenant Revenue | \$0 | \$0 | \$23,508 | \$0 | \$9,932,224 | \$707,021 | \$0 |
| 70600 HUD PHA Operating Grants | \$960,834 | \$0 | \$0 | \$0 | \$0 | \$0 | \$11,621,030 |
| 70610 Capital Grants | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 70710 Management Fee | | | | | | | |
| 70720 Asset Management Fee | | | | | | | |
| 70730 Book Keeping Fee | | | | | | | |
| 70740 Front Line Service Fee | | | | | | | |
| 70750 Other Fees | | | \$0 | | | | |
| 70700 Total Fee Revenue | | | | | | | |
| 70800 Other Government Grants | \$0 | \$0 | \$0 | \$437,094 | \$0 | \$11,444 | \$0 |
| 71100 Investment Income - Unrestricted | \$0 | \$65,122 | \$220,153 | \$12,605 | \$815,348 | \$3,379 | \$0 |
| 71200 Mortgage Interest Income | \$0 | \$0 | \$7,583 | \$0 | \$0 | \$0 | \$0 |
| 71300 Proceeds from Disposition of Assets Held for Sale | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 71310 Cost of Sale of Assets | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 71400 Fraud Recovery | \$0 | \$22,631 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 71500 Other Revenue | \$0 | \$126,732 | \$2,135,004 | \$14,705 | \$0 | \$0 | \$0 |
| 71600 Gain or Loss on Sale of Capital Assets | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 72000 Investment Income - Restricted | \$0 | \$0 | \$0 | \$0 | \$7,500 | \$55,874 | \$0 |
| 70000 Total Revenue | \$960,834 | \$214,385 | \$2,386,248 | \$464,404 | \$10,755,072 | \$777,718 | \$11,621,030 |
| 91100 Administrative Salaries | \$452 | \$3,545,489 | \$1,910,757 | \$19,501 | \$34,620 | \$201,931 | \$385,208 |
| 91200 Auditing Fees | \$12 | \$28,870 | \$3,827 | \$126 | \$15,859 | \$1,608 | \$3,137 |
| 91300 Management Fee | \$0 | \$0 | \$0 | \$0 | \$1,107,800 | \$0 | \$0 |
| 91310 Book-keeping Fee | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 91400 Advertising and Marketing | \$0 | \$18,204 | \$8,024 | \$0 | \$986 | \$0 | \$1,978 |
| 91500 Employee Benefit contributions - Administrative | \$233 | \$2,105,265 | \$780,179 | \$4,842 | \$9,220 | \$97,372 | \$226,557 |
| 91600 Office Expenses | \$31 | \$459,148 | \$654,980 | \$2,445 | \$63,801 | \$31,678 | \$49,885 |
| 91700 Legal Expense | \$1 | \$30,663 | \$8,812 | \$34 | \$5,386 | \$5,013 | \$3,331 |
| 91800 Travel | \$18 | \$26,460 | \$35,014 | \$125 | \$724 | \$1,726 | \$2,875 |
| 91810 Allocated Overhead | \$48 | \$378,620 | -\$3,097,932 | \$2,118 | \$0 | \$26,097 | \$41,136 |
| 91900 Other | \$51 | \$497,808 | \$690,053 | \$2,142 | \$10,924 | \$26,512 | \$52,793 |
| 91000 Total Operating - Administrative | \$846 | \$7,090,527 | \$993,714 | \$31,333 | \$1,249,320 | \$391,937 | \$766,900 |
| 92000 Asset Management Fee | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 92100 Tenant Services - Salaries | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 92200 Relocation Costs | \$0 | \$0 | \$0 | \$0 | \$4,480 | \$0 | \$0 |
| 92300 Employee Benefit Contributions - Tenant Services | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 92400 Tenant Services - Other | \$21,153 | \$0 | \$0 | \$412,500 | \$156,978 | \$5,552 | \$0 |
| 92500 Total Tenant Services | \$21,153 | \$0 | \$0 | \$412,500 | \$161,458 | \$5,552 | \$0 |
| 93100 Water | \$0 | \$0 | \$3,464 | \$0 | \$227,737 | \$81,659 | \$0 |
| 93200 Electricity | \$0 | \$0 | \$37,239 | \$0 | \$52,195 | \$13,244 | \$0 |
| 93300 Gas | \$0 | \$0 | \$7,049 | \$0 | \$9,210 | \$3,594 | \$0 |
| 93400 Fuel | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 93500 Labor | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 93600 Sewer | \$0 | \$0 | \$5,594 | \$0 | \$157,400 | \$69,107 | \$0 |
| 93700 Employee Benefit Contributions - Utilities | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 93800 Other Utilities Expense | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 93000 Total Utilities | \$0 | \$0 | \$53,346 | \$0 | \$446,542 | \$167,604 | \$0 |

Housing Authority of the County of Santa Cruz (CA072)

Capitola, CA

Submission Type: Audited/Single Audit

Entity Wide Revenue and Expense Summary

Fiscal Year End: 06/30/2024

| | 14.267 Continuum of Care Program | 14.881 Moving to Work Demonstration Program | 1 Business Activities | 2 State/Local | 6.2 Component Unit - Blended | 10.427 Rural Rental Assistance Payments | 14.871 Housing Choice Vouchers |
|---|-------------------------------------|--|--------------------------|---------------|---------------------------------|--|-----------------------------------|
| 94100 Ordinary Maintenance and Operations - Labor | \$0 | \$0 | \$150,849 | \$0 | \$10,548 | \$42,708 | \$0 |
| 94200 Ordinary Maintenance and Operations - Materials and Other | \$0 | \$0 | \$4,878 | \$0 | \$80,200 | \$17,306 | \$0 |
| 94300 Ordinary Maintenance and Operations Contracts | \$0 | \$0 | \$133,534 | \$0 | \$771,807 | \$219,793 | \$0 |
| 94500 Employee Benefit Contributions - Ordinary Maintenance | \$0 | \$0 | \$56,947 | \$0 | \$3,985 | \$16,124 | \$0 |
| 94000 Total Maintenance | \$0 | \$0 | \$346,208 | \$0 | \$866,540 | \$295,931 | \$0 |
| 95100 Protective Services - Labor | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 95200 Protective Services - Other Contract Costs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 95300 Protective Services - Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 95500 Employee Benefit Contributions - Protective Services | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 95000 Total Protective Services | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 96110 Property Insurance | \$0 | \$0 | \$21,129 | \$0 | \$203,539 | \$34,299 | \$0 |
| 96120 Liability Insurance | \$4 | \$78,272 | \$58,726 | \$169 | \$23,904 | \$5,420 | \$8,504 |
| 96130 Workmen's Compensation | \$10 | \$32,109 | \$32,951 | \$238 | \$2,470 | \$10,624 | \$3,489 |
| 96140 All Other Insurance | \$0 | \$0 | \$0 | \$0 | \$0 | \$19,700 | \$0 |
| 96100 Total Insurance Premiums | \$14 | \$110,381 | \$112,806 | \$407 | \$229,913 | \$70,043 | \$11,993 |
| 96200 Other General Expenses | \$0 | \$36,288 | \$140,768 | \$0 | \$44,438 | \$9,626 | \$2,095 |
| 96210 Compensated Absences | \$0 | \$12,859 | \$38,626 | \$1,992 | \$2,691 | \$10,720 | \$43,210 |
| 96300 Payments in Lieu of Taxes | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 96400 Bad debt - Tenant Rents | \$0 | \$0 | \$0 | \$0 | \$19,883 | -\$1,377 | \$0 |
| 96500 Bad debt - Mortgages | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 96600 Bad debt - Other | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 96800 Severance Expense | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 96000 Total Other General Expenses | \$0 | \$49,147 | \$179,394 | \$1,992 | \$67,012 | \$18,969 | \$45,305 |
| 96710 Interest of Mortgage (or Bonds) Payable | \$0 | \$0 | \$19,291 | \$0 | \$47,269 | \$307 | \$0 |
| 96720 Interest on Notes Payable (Short and Long Term) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 96730 Amortization of Bond Issue Costs | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 96700 Total Interest Expense and Amortization Cost | \$0 | \$0 | \$19,291 | \$0 | \$47,269 | \$307 | \$0 |
| 96900 Total Operating Expenses | \$22,013 | \$7,250,055 | \$1,704,759 | \$446,232 | \$3,068,054 | \$950,343 | \$824,198 |
| 97000 Excess of Operating Revenue over Operating Expenses | \$938,821 | -\$7,035,670 | \$681,489 | \$18,172 | \$7,687,018 | -\$172,625 | \$10,796,832 |
| 97100 Extraordinary Maintenance | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 97200 Casualty Losses - Non-capitalized | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 97300 Housing Assistance Payments | \$938,821 | \$108,695,507 | \$0 | \$0 | \$0 | \$0 | \$10,521,803 |
| 97350 HAP Portability-In | \$0 | \$110,867 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 97400 Depreciation Expense | \$0 | \$0 | \$219,223 | \$0 | \$21,364 | \$58,359 | \$0 |
| 97500 Fraud Losses | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 97600 Capital Outlays - Governmental Funds | | | | | | | |
| 97700 Debt Principal Payment - Governmental Funds | | | | | | | |
| 97800 Dwelling Units Rent Expense | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 90000 Total Expenses | \$960,834 | \$116,056,429 | \$1,923,982 | \$446,232 | \$3,089,418 | \$1,008,702 | \$11,346,001 |

Housing Authority of the County of Santa Cruz (CA072)

Capitola, CA

Submission Type: Audited/Single Audit

Entity Wide Revenue and Expense Summary

Fiscal Year End: 06/30/2024

| | 14.267 Continuum of Care Program | 14.881 Moving to Work Demonstration Program | 1 Business Activities | 2 State/Local | 6.2 Component Unit - Blended | 10.427 Rural Rental Assistance Payments | 14.871 Housing Choice Vouchers |
|---|-------------------------------------|--|--------------------------|---------------|---------------------------------|--|-----------------------------------|
| 10010 Operating Transfer In | \$0 | \$124,394,058 | \$8,105,441 | \$0 | \$0 | \$0 | \$0 |
| 10020 Operating transfer Out | \$0 | -\$8,046,600 | -\$37,847 | -\$58,842 | \$0 | \$0 | \$0 |
| 10030 Operating Transfers from/to Primary Government | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 10040 Operating Transfers from/to Component Unit | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 10050 Proceeds from Notes, Loans and Bonds | | | | | | | |
| 10060 Proceeds from Property Sales | | | | | | | |
| 10070 Extraordinary Items, Net Gain/Loss | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 10080 Special Items (Net Gain/Loss) | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 10091 Inter Project Excess Cash Transfer In | | | | | | | |
| 10092 Inter Project Excess Cash Transfer Out | | | | | | | |
| 10093 Transfers between Program and Project - In | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 10094 Transfers between Project and Program - Out | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 10100 Total Other financing Sources (Uses) | \$0 | \$116,347,458 | \$8,067,594 | -\$58,842 | \$0 | \$0 | \$0 |
| 10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses | \$0 | \$505,414 | \$8,529,860 | -\$40,670 | \$7,665,654 | -\$230,984 | \$275,029 |
| 11020 Required Annual Debt Principal Payments | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 11030 Beginning Equity | \$0 | \$0 | \$8,813,000 | \$409,692 | \$19,976,282 | \$1,778,624 | -\$1,781,507 |
| 11040 Prior Period Adjustments, Equity Transfers and Correction of Errors | \$0 | -\$1,322,168 | \$0 | \$0 | \$0 | \$0 | \$1,322,168 |
| 11050 Changes in Compensated Absence Balance | | | | | | | |
| 11060 Changes in Contingent Liability Balance | | | | | | | |
| 11070 Changes in Unrecognized Pension Transition Liability | | | | | | | |
| 11080 Changes in Special Term/Severance Benefits Liability | | | | | | | |
| 11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents | | | | | | | |
| 11100 Changes in Allowance for Doubtful Accounts - Other | | | | | | | |
| 11170 Administrative Fee Equity | | | | | | | -\$450,208 |
| 11180 Housing Assistance Payments Equity | | | | | | | \$265,898 |
| 11190 Unit Months Available | 496 | 55232 | 12 | 0 | 3010 | 826 | 8334 |
| 11210 Number of Unit Months Leased | 496 | 54944 | 12 | 0 | 3002 | 826 | 5739 |

Housing Authority of the County of Santa Cruz (CA072)

Capitola, CA

Submission Type: Audited/Single Audit

Entity Wide Revenue and Expense Summary

Fiscal Year End: 06/30/2024

| | 14.EHV Emergency Housing Voucher | 14.856 Lower Income Housing Assistance Program_Sectio n 8 Moderate | ELIM | Total |
|---|--|--|--------------|---------------|
| 70300 Net Tenant Rental Revenue | | \$0 | -\$7,568,946 | \$2,894,296 |
| 70400 Tenant Revenue - Other | | \$0 | \$0 | \$199,511 |
| 70500 Total Tenant Revenue | \$0 | \$0 | -\$7,568,946 | \$3,093,807 |
| 70600 HUD PHA Operating Grants | \$7,072,109 | \$217,690 | \$0 | \$148,755,778 |
| 70610 Capital Grants | | \$0 | \$0 | \$0 |
| 70710 Management Fee | | \$0 | \$0 | \$0 |
| 70720 Asset Management Fee | | \$0 | \$0 | \$0 |
| 70730 Book Keeping Fee | | \$0 | \$0 | \$0 |
| 70740 Front Line Service Fee | | \$0 | \$0 | \$0 |
| 70750 Other Fees | | \$0 | \$0 | \$0 |
| 70700 Total Fee Revenue | | \$0 | \$0 | \$0 |
| 70800 Other Government Grants | | \$0 | \$0 | \$1,002,311 |
| 71100 Investment Income - Unrestricted | \$7,363 | \$13,048 | \$0 | \$1,272,887 |
| 71200 Mortgage Interest Income | | \$0 | -\$7,582 | \$1 |
| 71300 Proceeds from Disposition of Assets Held for Sale | | \$0 | \$0 | \$0 |
| 71310 Cost of Sale of Assets | | \$0 | \$0 | \$0 |
| 71400 Fraud Recovery | | \$0 | \$0 | \$22,531 |
| 71500 Other Revenue | | \$0 | -\$1,706,002 | \$607,253 |
| 71600 Gain or Loss on Sale of Capital Assets | | \$0 | \$0 | \$0 |
| 72000 Investment Income - Restricted | | \$0 | \$0 | \$63,374 |
| 70000 Total Revenue | \$7,079,472 | \$230,738 | -\$9,282,530 | \$154,817,942 |
| 91100 Administrative Salaries | \$175,354 | \$7,013 | -\$1,368,959 | \$5,051,086 |
| 91200 Auditing Fees | \$1,559 | \$65 | \$0 | \$55,950 |
| 91300 Management Fee | | \$0 | -\$1,107,800 | \$0 |
| 91310 Book-keeping Fee | | \$0 | \$0 | \$0 |
| 91400 Advertising and Marketing | | \$0 | -\$8,024 | \$21,168 |
| 91500 Employee Benefit contributions - Administrative | \$101,900 | \$4,063 | -\$555,966 | \$2,845,503 |
| 91600 Office Expenses | \$22,012 | \$881 | -\$930,976 | \$371,411 |
| 91700 Legal Expense | \$251 | \$10 | -\$7,587 | \$46,140 |
| 91800 Travel | \$1,410 | \$52 | -\$30,924 | \$38,404 |
| 91810 Allocated Overhead | \$18,659 | \$747 | \$3,171,448 | \$555,990 |
| 91900 Other | \$18,952 | \$730 | -\$606,761 | \$708,727 |
| 91000 Total Operating - Administrative | \$340,097 | \$13,561 | -\$1,445,549 | \$9,694,379 |
| 92000 Asset Management Fee | | \$0 | \$0 | \$0 |
| 92100 Tenant Services - Salaries | | \$0 | \$0 | \$144,806 |
| 92200 Relocation Costs | | \$0 | \$0 | \$4,480 |
| 92300 Employee Benefit Contributions - Tenant Services | | \$0 | \$0 | \$47,617 |
| 92400 Tenant Services - Other | \$97,439 | \$0 | \$0 | \$1,222,912 |
| 92500 Total Tenant Services | \$97,439 | \$0 | \$0 | \$1,419,815 |
| 93100 Water | | \$0 | -\$3,464 | \$309,396 |
| 93200 Electricity | | \$0 | -\$37,239 | \$65,439 |
| 93300 Gas | | \$0 | -\$7,050 | \$12,803 |
| 93400 Fuel | | \$0 | \$0 | \$0 |
| 93500 Labor | | \$0 | \$0 | \$0 |
| 93600 Sewer | | \$0 | -\$4,727 | \$227,374 |
| 93700 Employee Benefit Contributions - Utilities | | \$0 | \$0 | \$0 |
| 93800 Other Utilities Expense | | \$0 | \$0 | \$0 |
| 93000 Total Utilities | \$0 | \$0 | -\$52,480 | \$615,012 |

Housing Authority of the County of Santa Cruz (CA072)

Capitola, CA

Submission Type: Audited/Single Audit

Entity Wide Revenue and Expense Summary

Fiscal Year End: 06/30/2024

| | 14.EHV Emergency Housing Voucher | 14.856 Lower Income Housing Assistance Program_Sectio n 8 Moderate | ELIM | Total |
|---|--|--|--------------|---------------|
| 94100 Ordinary Maintenance and Operations - Labor | | \$0 | \$0 | \$204,105 |
| 94200 Ordinary Maintenance and Operations - Materials and Other | | \$0 | -\$4,825 | \$97,559 |
| 94300 Ordinary Maintenance and Operations Contracts | | \$0 | -\$132,398 | \$992,736 |
| 94500 Employee Benefit Contributions - Ordinary Maintenance | | \$0 | \$0 | \$77,056 |
| 94000 Total Maintenance | \$0 | \$0 | -\$137,223 | \$1,371,456 |
| 95100 Protective Services - Labor | | \$0 | \$0 | \$0 |
| 95200 Protective Services - Other Contract Costs | | \$0 | \$0 | \$0 |
| 95300 Protective Services - Other | | \$0 | \$0 | \$0 |
| 95500 Employee Benefit Contributions - Protective Services | | \$0 | \$0 | \$0 |
| 95000 Total Protective Services | \$0 | \$0 | \$0 | \$0 |
| 96110 Property Insurance | | \$0 | -\$6,510 | \$252,457 |
| 96120 Liability Insurance | \$4,395 | \$259 | -\$47,307 | \$135,297 |
| 96130 Workmen's Compensation | \$1,597 | \$62 | -\$4,873 | \$80,526 |
| 96140 All Other Insurance | | \$0 | \$0 | \$19,700 |
| 96100 Total Insurance Premiums | \$5,992 | \$321 | -\$58,690 | \$487,980 |
| 96200 Other General Expenses | \$2,562 | \$0 | -\$12,060 | \$224,952 |
| 96210 Compensated Absences | \$1,380 | -\$122 | \$0 | \$113,471 |
| 96300 Payments in Lieu of Taxes | | \$0 | \$0 | \$0 |
| 96400 Bad debt - Tenant Rents | | \$0 | \$0 | \$18,506 |
| 96500 Bad debt - Mortgages | | \$0 | \$0 | \$0 |
| 96600 Bad debt - Other | | \$0 | \$0 | \$0 |
| 96800 Severance Expense | | \$0 | \$0 | \$0 |
| 96000 Total Other General Expenses | \$3,942 | -\$122 | -\$12,060 | \$356,929 |
| 96710 Interest of Mortgage (or Bonds) Payable | | \$0 | -\$7,582 | \$59,285 |
| 96720 Interest on Notes Payable (Short and Long Term) | | \$0 | \$0 | \$0 |
| 96730 Amortization of Bond Issue Costs | | \$0 | \$0 | \$0 |
| 96700 Total Interest Expense and Amortization Cost | \$0 | \$0 | -\$7,582 | \$59,285 |
| 96900 Total Operating Expenses | \$447,470 | \$13,760 | -\$1,713,584 | \$14,004,856 |
| 97000 Excess of Operating Revenue over Operating Expenses | \$6,632,002 | \$216,978 | -\$7,568,946 | \$140,813,086 |
| 97100 Extraordinary Maintenance | | \$0 | \$0 | \$0 |
| 97200 Casualty Losses - Non-capitalized | | \$0 | \$0 | \$0 |
| 97300 Housing Assistance Payments | \$6,780,611 | \$187,560 | -\$7,568,946 | \$123,490,429 |
| 97350 HAP Portability-In | | \$0 | \$0 | \$110,867 |
| 97400 Depreciation Expense | | \$0 | \$0 | \$298,946 |
| 97500 Fraud Losses | | \$0 | \$0 | \$0 |
| 97600 Capital Outlays - Governmental Funds | | \$0 | | |
| 97700 Debt Principal Payment - Governmental Funds | | \$0 | | |
| 97800 Dwelling Units Rent Expense | | \$0 | \$0 | \$0 |
| 90000 Total Expenses | \$7,228,081 | \$201,320 | -\$9,282,530 | \$137,905,098 |

Housing Authority of the County of Santa Cruz (CA072)

Capitola, CA

Submission Type: Audited/Single Audit

Entity Wide Revenue and Expense Summary

Fiscal Year End: 06/30/2024

| | 14.EHV Emergency Housing Voucher | 14.856 Lower Income Housing Assistance Program_Sectio n 8 Moderate | ELIM | Total |
|---|--|--|----------------|----------------|
| 10010 Operating Transfer In | | \$0 | \$133,157,644 | \$265,694,991 |
| 10020 Operating transfer Out | | \$0 | -\$133,157,644 | -\$265,694,991 |
| 10030 Operating Transfers from/to Primary Government | | \$0 | \$0 | \$0 |
| 10040 Operating Transfers from/to Component Unit | | \$0 | \$0 | \$0 |
| 10050 Proceeds from Notes, Loans and Bonds | | \$0 | | |
| 10060 Proceeds from Property Sales | | \$0 | | |
| 10070 Extraordinary Items, Net Gain/Loss | | \$0 | \$0 | \$0 |
| 10080 Special Items (Net Gain/Loss) | | \$0 | \$0 | \$0 |
| 10091 Inter Project Excess Cash Transfer In | | \$0 | \$0 | \$0 |
| 10092 Inter Project Excess Cash Transfer Out | | \$0 | \$0 | \$0 |
| 10093 Transfers between Program and Project - In | | \$0 | \$0 | \$0 |
| 10094 Transfers between Project and Program - Out | | \$0 | \$0 | \$0 |
| 10100 Total Other financing Sources (Uses) | \$0 | \$0 | \$0 | \$0 |
| 10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses | -\$148,609 | \$29,418 | \$0 | \$16,912,844 |
| 11020 Required Annual Debt Principal Payments | \$0 | \$0 | \$0 | \$0 |
| 11030 Beginning Equity | \$556,056 | \$756,899 | \$0 | \$37,624,496 |
| 11040 Prior Period Adjustments, Equity Transfers and Correction of Errors | | \$0 | \$0 | \$0 |
| 11050 Changes in Compensated Absence Balance | | \$0 | | |
| 11060 Changes in Contingent Liability Balance | | \$0 | | |
| 11070 Changes in Unrecognized Pension Transition Liability | | \$0 | | |
| 11080 Changes in Special Term/Severance Benefits Liability | | \$0 | | |
| 11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents | | \$0 | | |
| 11100 Changes in Allowance for Doubtful Accounts - Other | | \$0 | | |
| 11170 Administrative Fee Equity | | \$0 | | -\$450,208 |
| 11180 Housing Assistance Payments Equity | | \$0 | | \$265,898 |
| 11190 Unit Months Available | 3360 | 198 | 0 | 74480 |
| 11210 Number of Unit Months Leased | 3352 | 196 | 0 | 70674 |