

SAN GABRIEL VALLEY REGIONAL HOUSING TRUST
A JOINT POWER AGREEMENT BETWEEN 22 CITIES

Basic Financial Statements and Independent Auditor's Report

Fiscal Year Ended June 30, 2021

SAN GABRIEL VALLEY REGIONAL HOUSING TRUST
Annual Basic Financial Report
For the fiscal year ended June 30, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of the San Gabriel Valley Regional Housing Trust
Alhambra, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and general fund of San Gabriel Valley Regional Housing Trust (SGVRHT), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the SGVRHT's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

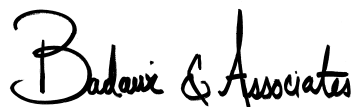
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and general fund of the SGVRHT as of June 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Directors
of the San Gabriel Valley Regional Housing Trust
Alhambra, California
Page 2

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information to 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.

A handwritten signature in black ink that reads "Badawi & Associates". The signature is written in a cursive, flowing style.

Badawi & Associates, CPAs
Berkeley, California
February 17, 2022

SGVRHT Officers

Chair

Jed Leano

Vice-Chair

Becky Shevlin

**Jurisdictional
Representatives**

Northeast Representative

Gary Boyer, Glendora

Northwest Representative

Becky Shevlin, Monrovia

Central Representative

Maria Morales, El Monte

(Delegate)

Emmanuel Estrada,

Baldwin Park (Alternate)

Southeast Representative

Patty Cortez, Covina

Southwest District

Adele Andrade-Stadler,

Alhambra

At-Large Representatives

Margaret Finlay, Duarte

Jed Leano, Claremont

Housing/Homeless

Experts

Carol Averell (Delegate)

Benita DeFrank

(Delegate)

Alma Martinez (Alternate)

Members

Alhambra

Arcadia

Azusa

Baldwin Park

Claremont

Covina

Diamond Bar

Duarte

El Monte

Glendora

Irwindale

La Cañada Flintridge

La Verne

Monrovia

Montebello

Pasadena

Pomona

San Gabriel

South El Monte

South Pasadena

Temple City

West Covina

**San Gabriel Valley Regional Housing Trust
Management's Discussion and Analysis
Year Ended June 30, 2021**

Our discussion and analysis of the San Gabriel Valley Regional Housing Trust (SGVRHT) financial performance presents an overview of SGVRHT's financial activities during the year ended June 30, 2021. We encourage readers to consider information presented here in conjunction with the financial statements (beginning on page 9). The financial statements, notes and this discussion and analysis were prepared by management and are the responsibility of management.

Background

The San Gabriel Valley Regional Housing Trust (SGVRHT) is a joint powers authority created in February 2020 to fund and finance the planning and construction of homeless housing, and extremely low, very low, and low-income housing projects. Formation of the SGVRHT was authorized by SB 751 (Rubio), which allows San Gabriel Valley cities to band together to bring additional affordable housing resources to the San Gabriel Valley region.

The SGVRHT is governed by a nine-member Board of Directors, seven of whom are representatives from jurisdictions that are members of the SGVRHT and two of whom are experts in housing and homelessness. The members are appointed by the Governing Board of the San Gabriel Valley Council of Governments.

Financial Highlights

SGVRHT's financial highlights for the year ended June 30, 2021 are as follows:

- In July 2020, SGVRHT received a \$1,000,000 funding from the State Homeless Funds and \$350,000 from the County of Los Angeles Measure H Innovation Funds for eligible affordable housing and homeless capital housing projects. The amount was recorded as Unearned Revenue.
- For the first full year of operation, the total net position at fiscal yearend 2021 is \$78,500.
- Total available revenue at fiscal year end is \$343,902

Overview of Financial Statements

The financial statements present the financial picture of the SGVRHT from the economic resources measurement focus using the accrual basis of accounting. These statements include all recordable position of the SGVRHT as well as all liabilities. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The statement of cash flows provides information about the SGVRHT's cash receipts, cash payments, and net changes in cash resulting from operating, capital and related investing activities during the reporting period.

The statement of net position and the statement of revenues, expenses and changes in net position report the SGVRHT's net position and related changes. Net position is the difference between the recorded assets and deferred outflows of resources and liabilities and deferred inflows of resources. The recorded activities include all revenues from dues and operating expenses related to the operation of the SGVRHT. In addition, all of the SGVRHT's revenues and expenses related to its program activities and services are reflected in the statements.

Various disclosures accompany the financial statements in order to provide a full picture of the SGVRHT's finances. The notes to the financial statements are on pages 15-20.

Financial Analysis

The SGVRHT's statements of net position at June 30 are as follows:

ASSETS	
Cash and investments	\$ 1,351,339
Accounts receivable	58,000
Grants receivable	184,692
Total assets	<u>1,594,031</u>
LIABILITES	
Accounts payable	192,531
Unearned revenue	1,350,000
Total liabilities	<u>1,542,531</u>
NET POSITION	
Restricted	<u>78,500</u>
Total net position (deficit)	<u>\$ 78,500</u>

For SGRHT's first year of operation, Assets increased in 2021 by \$1,621,031, and liabilities increased by \$1,542,531. Increase in assets and liabilities was largely due to the \$1.36 million funds received from the State of California Homeless Funds and County of Los Angeles Measure H Innovation Funds which were unspent as of June 30, 2021 increasing the cash and cash equivalents balance in fiscal year 2021. The increase in assets was offset by the higher balance in liabilities, particularly the unearned revenue account, due to the unspent funds for the homelessness capital housing project.

**San Gabriel Valley Regional Housing Trust
Management's Discussion and Analysis
Year ended June 30, 2021**

The net position can serve as an indicator of financial health. The SGVRHT's assets exceeded liabilities by \$78,500.

The following table presents the SGVRHT's revenues, expenses, and changes in net position for year ended June 30, 2021:

	General Fund
REVENUES:	
Membership revenues	\$ 185,000
HI Innovation revenues	108,333
Origination fee	13,500
Measure H revenue	37,069
Total revenues	343,902
EXPENDITURES:	
Current:	
Administrative	8,694
Contract service	61,486
Strategic plan services	119,938
MSA program	268,000
Montebello Tiny Homes Program	5,994
Baldwinn Park Tiny Homes Project	13,913
Total expenditures	478,025
NET CHANGE IN FUND BALANCES	(134,123)
BEGINNING FUND BALANCES	-
END FUND BALANCES	(134,123)

Revenues for SGVRHT consist primarily of dues from 22 member cities, Measure H funding from State and County of Los Angeles.

Total expenditures were \$478,025 in FY2021 which exceeds the total revenue collected. Revenues that were not considered to be available are reported as unavailable revenues in the government funds, however, these amounts are recognized in the Government-Wide Statement of Activities on page 10. The total unavailable revenues at fiscal year end 2021 is \$212,623.

Capital Assets

The SGVRHT had \$0 invested in capital assets as of June 30, 2021.

Economic Factors and Next Year's Budget

The budget for fiscal year 2022 assumes that the on-hand net position as of June 30, 2021 will be required and available to fulfill the program and administrative expense requirements.

Further Information

This report has been designed to provide SGVRHT's stakeholders a general overview of the SGVRHT's financial condition and related issues. Inquiries should be directed to the Director of Finance, 4900 Rivergrade Road, Suite A120 Irwindale, CA 91706.

BASIC FINANCIAL STATEMENTS

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San Gabriel Valley Regional Housing Trust
Statement of Net Position
June 30, 2021

ASSETS

Cash and investments	\$ 1,351,339
Accounts receivable	85,000
Grants receivable	184,692
Total assets	<u>1,621,031</u>

LIABILITIES

Accounts payable	192,531
Unearned revenue	1,350,000
Total liabilities	<u>1,542,531</u>

NET POSITION

Restricted for housing program	<u>78,500</u>
Total net position (deficit)	<u>\$ 78,500</u>

The notes to the financial statements are an integral part of this statement.

San Gabriel Valley Regional Housing Trust

Statement of Activities

For the year ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		Net Revenues (Expenses) and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	
Administrative and contract services	\$ 458,118	\$ 263,500	\$ -	\$ (194,618)
Homeless program	19,907	-	293,025	273,118
Total governmental activities	478,025	263,500	293,025	78,500
Change in net position				78,500
NET POSITION (DEFICIT) - BEGINNING				-
NET POSITION (DEFICIT) - ENDING				\$ 78,500

The notes to the financial statements are an integral part of this statement.

San Gabriel Valley Regional Housing Trust

Balance sheet - General Fund

June 30, 2021

	<u>General Fund</u>
<u>ASSETS</u>	
Cash and investments	\$ 1,351,339
Accounts receivable	85,000
Grants receivable	184,692
Total assets	<u>\$ 1,621,031</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>	
Liabilities:	
Accounts payable	\$ 192,531
Unearned revenue	1,350,000
Total liabilities	<u>1,542,531</u>
Deferred Inflows of Resources:	
Unavailable revenue	212,623
Total deferred inflows of resources	<u>212,623</u>
Fund balances - unassigned	(134,123)
Total fund balance	<u>(134,123)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,621,031</u>
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Unavailable revenue recorded in the fund financial statements resulting from activities in which revenues were earned but funds were not available are reclassified as revenue in the Government- Wide Financial Statements	212,623
Net position of governmental activities	<u>\$ 78,500</u>

The notes to the financial statements are an integral part of this statement.

San Gabriel Valley Regional Housing Trust
Statement of Revenues, Expenditures, and Changes in Fund Balances
General Fund
For the fiscal year ended June 30, 2021

	General Fund
REVENUES:	
Membership Revenues	\$ 185,000
HI Innovation Revenues	108,333
Origination Fee	13,500
Measure H Revenue	37,069
Total revenues	<u>343,902</u>
EXPENDITURES:	
Current:	
Administrative	8,694
Contract Service	61,486
Strategic Plan Services	119,938
MSA Program	268,000
Montebello Tiny Homes Program	5,994
Baldwin Park TinyHomes Project	13,913
Total expenditures	<u>478,025</u>
NET CHANGE IN FUND BALANCES	(134,123)
BEGINNING FUND BALANCES	<u>-</u>
ENDING FUND BALANCES	<u>\$ (134,123)</u>
Amounts reported for governmental activities in the Statement of Activities are different because:	
Revenues that are not considered to be available are reported as unavailable revenues in the governmental funds, however, these amounts are recognized in the Government-Wide Statement of Activities. This amount represents the change in unavailable revenues	<u>212,623</u>
Change in net position of governmental activities	<u>\$ 78,500</u>

The notes to the financial statements are an integral part of this statement.

NOTES TO BASIC FINANCIAL STATEMENTS

San Gabriel Valley Regional Housing Trust

Notes to the Financial Statements

June 30, 2021

1. ORGANIZATION

The San Gabriel Regional Housing Trust (the "SGVRHT") was created effective February 2020 by a Joint Powers Agreement (JPA) among various San Gabriel Valley cities to fund and finance the planning and construction of homeless housing, and extremely low, very low, and low-income housing projects.

The SGVRHT is supported by contributions from its members and also receives grant funds for housing projects, as a sub-grantee of other governmental entities. The SGVRHT is a non-profit California Public Agency and is tax exempt.

The SGVRHT is governed by a nine-member Board of Directors, seven of whom are representatives from jurisdictions that are members of the SGVRHT and two of whom are experts in housing and homelessness. The members are appointed by the Governing Board of the San Gabriel Valley Council of Governments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. *Reporting Entity*

The San Gabriel Valley Regional Housing Trust (SGVRHT) is a legally separate and independent entity that is not a component unit of member cities. Further, the SGVRHT has no component unit organizations under its control. Therefore, this annual financial report and the financial statements contained within represent solely the activities, transactions, and status of the SGVRHT.

B. *Government-Wide and Fund Financial Statements*

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the SGVRHT. All activities are categorized *governmental activities* as they are attributable to services for housing supported largely by contributions from the member cities and grants from other governments.

The Statement of Activities demonstrates the degree to which the expenses are offset by program revenues which include charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided and 2) contributions that are restricted to meeting the operational or capital requirements of a particular segment. Other items not properly included among program revenues are reported as *general revenues*.

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Contributions from the member agencies are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

San Gabriel Valley Regional Housing Trust

Notes to the Financial Statements

June 30, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *Continued*

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The SGVRHT considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to compensated absences are recorded only when payment is due.

The SGVRHT reports the following major governmental fund:

The *General Fund* is the only SGVRHT's major and primary operating fund. It accounts for all financial resources of the SGVRHT.

The financial statements are presented in accordance with the provisions of GASB Statement No. 34 *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* as amended by GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and *Audits of State and Local Governmental Units* issued by the Governmental Accounting Standards Board. Statement No. 34 established standards for external financial reporting for all state and local governmental entities. Statement No. 63 requires the classification of net position into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- Net investment in capital assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation 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. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- Restricted – This component of net position consists of constraints placed on resources through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- Unrestricted – This component of net position consists of resources that do not meet the definition of “restricted” or “net investment in capital assets.”

San Gabriel Valley Regional Housing Trust

Notes to the Financial Statements

June 30, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *Continued*

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

The following are the major revenue components of the SGVRHT:

Measure H pass-through – Funds passed through from member cities’ Measure H revenue to support the affordable housing and homeless housing projects.

Member Fees – Funds contribution from member cities to support the operation of SGVRHT.

Measure H Innovation Revenue – Funds provided by County of Los Angeles to support the affordable housing and homeless housing projects.

State Homeless Funds – Funds provided by San Gabriel Valley Council of Governments to support the affordable housing and homeless housing projects.

D. *Cash, Cash Equivalents and Investments*

The SGVRHT considers money market funds and all equivalent liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

E. *Accounts Receivable*

Accounts receivable relate to member fees due from member agencies and are expected to be fully collectible. Accordingly, an allowance for doubtful accounts is not provided.

F. *Grants Receivable*

Grants receivable relate to expense reimbursements due from governmental and other agencies and are expected to be fully collectible. Accordingly, an allowance for doubtful accounts is not provided.

G. *Deferred Outflows and Inflows of Resources*

Pursuant to GASB Statement Nos. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position, and 65, Items Previously Reported as Assets and Liabilities, SGVRHT recognize deferred outflows and inflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net position by the government that is applicable to a future reporting period.

H. *Reconciliation of Government-wide and Fund Financial Statements*

A reconciliation between total fund balance of the governmental funds and total net position of the governmental activities as reported in the government-wide statement of net position is presented in the basic financial statements.

A reconciliation between total net change in fund balance of the governmental funds and total change in net position of governmental activities as reported in the government-wide statement of activities is presented in the basic financial statements.

San Gabriel Valley Regional Housing Trust

Notes to the Financial Statements

June 30, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, *Continued*

I. *Budgets and Budgetary Accounting*

The SGVRHT adopts operating and capital budgets annually by the Board . All project related expenses are reimbursable from existing grants and, as such, budgeted revenues are not budgeted separately, but derived from budgeted expenditures.

J. *Implementation of New Accounting Pronouncements*

During the fiscal year ended June 30, 2021, SGVRHT adopted the following new Statement of the Governmental Accounting Standards Board (GASB):

GASB Statement No. 84, *Fiduciary Activities* - The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the entity to disburse fiduciary resources. The provisions of Statement No. 84 are effective for fiscal years beginning after December 15, 2019. This Statement is not applicable to the SGRHT.

GASB Statement No. 90, *Majority Equity Interests* - The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legal separate organization should be reported as an investment if a government's holding of the equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. This Statement is not applicable to the SGVRHT.

GASB Statement No. 93, *Interbank Offered Rates (except LIBOR removal and lease modifications)* - Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR) -most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, as amended, requires a government to terminate hedge accounting when it renegotiates or amends a critical term of a hedging derivative instrument, such as the reference rate of a hedging derivative instrument's variable payment. In addition, in accordance with GASB Statement No. 87, *Leases*, as amended, replacement of the rate on which variable payments depend in a lease contract would require a government to apply the provisions for lease modifications, including remeasurement of the lease liability or lease receivable. The objective of GASB Statement No. 93 is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR. This Statement is not applicable to the SGVRHT.

San Gabriel Valley Regional Housing Trust

Notes to the Financial Statements

June 30, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

J. Implementation of New Accounting Pronouncements, Continued

GASB No. 98, *The Annual Comprehensive Financial Report*. Statement No. 98 establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This statement is not applicable to the SGVRHT.

3. CASH AND INVESTMENTS

The SGVRHT has the following cash and investments at June 30, 2021:

Deposits with financial institutions	\$ 1,351,339
Total cash and investments	<u>\$ 1,351,339</u>

A. Deposits

The carrying amounts of the SGVRHT's cash deposits were \$1,351,339. Bank balances before reconciling items were \$1,351,339 the total amount of which was collateralized or insured with securities held by the pledging financial institutions in the SGVRHT's name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the SGVRHT's cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the SGVRHT's name.

The market value of the pledged securities must equal at least 110% of the SGVRHT's cash deposits. California law also allows institutions to secure special districts deposits by pledging first trust deed mortgage notes having a value of 150% of the SGVRHT's total cash deposits. The SGVRHT may waive collateral requirements for cash deposits which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The SGVRHT, however, has not waived the collateralization requirements.

4. FUND BALANCES

In fund financial statements, fund balances are categorized as follows:

Nonspendable Fund Balances - Items that cannot be spent because they are either (a) not in spendable form, such as prepaid items and inventories, or (b) items that are legally or contractually required to be maintained intact, such as principal of an endowment or revolving loan funds. The SGVRHT has no nonspendable fund balances.

Restricted Fund Balances - Restricted fund balances encompass the portion of fund balance subject to externally enforceable legal restrictions. This includes externally imposed restrictions by laws or regulations of other governments, as well as restrictions imposed by law through constitutional provisions or enabling legislation. All fund balances as of June 30, 2021 were restricted fund balances.

San Gabriel Valley Regional Housing Trust

Notes to the Financial Statements

June 30, 2021

4. FUND BALANCES, Continued

Committed Fund Balances - Committed fund balances encompass the portion of fund balance, the use of which is constrained by limitations that the government imposes upon itself at its highest level of decision making, normally the governing body and that remain binding unless removed in the same manner. The Fire Board is considered the highest authority for the SGVRHT. A Board resolution is required to have fund balance committed. The SGVRHT has no committed fund balances.

Assigned Fund Balances - Assigned fund balances encompass the portion of fund balance reflecting the government's intended use of resources. Assignment of resources can be done by the highest level of decision making. The SGVRHT has no assigned fund balances.

Unassigned Fund Balances - This amount is for any portion of the fund balances that do not fall into one of the above categories. The general fund is the only fund that reports a positive unassigned fund balance amount. In other funds, it is not appropriate to report a positive unassigned fund balance amount. However, in funds other than general fund, if expenditures incurred for specific purposes exceed the amount that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund. The SGVRHT has no unassigned fund balances.

5. EXCESS EXPENDITURES OVER APPROPRIATIONS

The General Fund had no excess expenditures over appropriations.

6. DEFICIT FUND BALANCES

At June 30, 2021, the general fund had a deficit fund balance in the amount of \$134,123. The deficit will be eliminated by future revenues.

San Gabriel Valley Regional Housing Trust
Required Supplementary Information
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - General Fund for the Fiscal Year Ended June 30, 2021

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES:				
Membership Revenues	\$ 205,000	\$ 185,000	\$ 185,000	\$ -
HI Innovation Revenues	227,500	43,954	108,333	64,379
Origination Fee	-	13,500	13,500	-
Measure H Revenue	215,000	331,352	37,069	(294,283)
Total Revenues	<u>647,500</u>	<u>573,806</u>	<u>343,902</u>	<u>(229,904)</u>
EXPENDITURES:				
Current:				
Administrative Expense	20,000	10,000	8,694	1,306
Contract Service	-	-	61,486	(61,486)
Strategic Plan Services	297,450	235,306	119,938	115,368
MSA Program Expense	324,000	318,000	268,000	50,000
Montebello Tiny Homes Program Expense	-	-	5,994	(5,994)
Baldwin Park Tiny Homes Project Expense	-	-	13,913	(13,913)
Total Expenditures	<u>641,450</u>	<u>563,306</u>	<u>478,025</u>	<u>85,281</u>
NET CHANGE IN FUND BALANCES	<u>\$ 6,050</u>	<u>\$ 10,500</u>	(134,123)	<u>\$ (144,623)</u>
BEGINNING FUND BALANCES			<u>-</u>	
ENDING FUND BALANCES			<u>\$ (134,123)</u>	