Office of the Washington State Auditor
Pat McCarthy

December 20, 2018

Board of Commissioners
Housing Authority of the City of Vancouver
Vancouver, Washington

Contracted CPA Firm's Audit Report on Financial Statements and Federal Single Audit

We have reviewed the audit report issued by a certified public accounting (CPA) firm on the Housing Authority of the City of Vancouver's financial statements and compliance with federal grant requirements for the fiscal year ended December 31, 2017. The Housing Authority contracted with the CPA firm for this audit and requested that we accept in lieu of performing our own audit.

Based on this review, we have accepted this report in lieu of the audit required by RCW 43.09.260. The Office of the Washington State Auditor did not audit the accompanying financial statements or the Housing Authority's compliance with federal grant agreements and, accordingly, we do not express an opinion on those financial statements or on compliance.

This report is being published on the Office of the Washington State Auditor website as a matter of public record.

Sincerely,

Pat McCarthy

State Auditor

Olympia, WA

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HOUSING AUTHORITY OF THE CITY OF VANCOUVER

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2017

Loveridge Hunt & Co., PLLC

CERTIFIED PUBLIC ACCOUNTANTS

CONTENTS

Housing Authority of the City of Vancouver

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2017

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued:	Unmodified	
Internal control over financial reporting:		
- Material weakness(es) identified?	_____ Yes	__X__ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses	_____ Yes	__X__ No
Noncompliance material to financial statements noted:	_____ Yes	__X__ No

FEDERAL AWARDS

Internal control over major programs:		
- Material weakness(es) identified?	_____ Yes	__X__ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses	_____ Yes	__X__ No
Type of auditor's report issued on compliance for major programs:	Unmodified	
Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	_____ Yes	__X__ No

Identification of major programs:

CFDA Numbers	Name of Federal Program or Cluster
14.182	Section 8 New Construction and Substantial Rehabilitation
14.881	Moving to Work Demonstration Program

Housing Authority of the City of Vancouver

Schedule of Findings and Questioned Costs

For the Year Ended December 31, 2017

SECTION I - SUMMARY OF AUDITOR'S RESULTS - (Continued)

Dollar threshold used to distinguish between
Type A and Type B programs: $ 957,533

Auditee qualified as low-risk auditee: ___X___ Yes _______ No

SECTION II - FINANCIAL STATEMENT FINDINGS

No findings were noted.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings were noted.

VANCOUVER
HOUSING AUTHORITY

Housing Authority of the City of Vancouver

Summary Schedule of Prior Audit Findings

For the Year Ended December 31, 2017

Finding Reference Number:
2016-001

Condition:
During our review of the initial draft of the SEFA prepared by management, the SEFA did not include a Community Development Block Grant CFDA 14.218 in the amount of $120,000 that was received by the Authority during the year ended December 31, 2016. In addition, the initial draft of the SEFA incorrectly identified a Community Development Block Grant in the amount of $250,000 under CFDA 14.218 as CFDA 14.228.

Current Status:
The Organization has adopted process to review and verify the full inclusion of all Federal funds and ensure accuracy of CFDA identifying numbers.

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CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S 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

Board of Commissioners
Housing Authority of the City of Vancouver
Vancouver, Washington

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of the Housing Authority of the City of Vancouver (the Authority), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated August 10, 2018.

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 Authority'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.

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INDEPENDENT AUDITOR'S 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 - (CONTINUED)

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 may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority'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.

Loveridge Hunt & Co, PLLC

Bellevue, Washington
August 10, 2018

Loveridge Hunt & Co., PLLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Commissioners
Housing Authority of the City of Vancouver
Vancouver, Washington

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the City of Vancouver's (the Authority) compliance with the types of compliance requirements described 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 December 31, 2017. The Authority's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

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Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2017.

Report on Internal Control Over Compliance

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

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or 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.

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE - (CONTINUED)

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.

Loveridge Hunt & Co, PLLC

Bellevue, Washington
August 10, 2018

Loveridge Hunt & Co., PLLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Board of Commissioners
Housing Authority of the City of Vancouver
Vancouver, Washington

Report on Financial Statements

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the Housing Authority of the City of Vancouver (the Authority), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Authority's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority'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 Authority'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.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities and the aggregate discretely presented component units of the Authority as of December 31, 2017, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 13 to 21 and pension schedules on pages 60 to 64 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 the 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 supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Awards Regulations* Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the basic financial statements. The Schedule of State and Local Financial Assistance is required by management and is not a required part of the basic financial statements. The Actual Modernization Cost Certificates and Financial Data Schedule are presented for the purpose of additional analysis as required by HUD, and are also not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards accepted in United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 10, 2018, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority’s internal control over financial reporting and compliance.

Loveridge Hunt & Co, PLLC

Bellevue, Washington
August 10, 2018

FINANCIAL SECTION

As management of the Housing Authority of the City of Vancouver (the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2017.

The Authority's Management's Discussion and Analysis (MD&A) is designed to: (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activities for the period, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges) and (d) identify individual program issues or concerns.

Since the MD&A is designed to focus on the current period's activities, resulting changes and currently known facts, please read it in conjunction with the Authority's Financial Statements and Notes.

Overview of the Housing Authority of the City of Vancouver

The Authority's purpose is to provide and promote decent, safe and affordable housing for low-income persons residing in Clark County, Washington as permitted by law. The Authority's mission is to provide opportunities to people who experience barriers to housing because of income, disability or special needs in an environment which preserves personal dignity, and in a manner which maintains the public trust.

The Authority's Board of Commissioners has directed management to diversify its portfolio thereby reducing its heavy reliance on Federal funds provided through the United States Department of Housing and Urban Development (HUD). The Authority's approach to meet this directive has been to develop locally financed projects to bring added capacity to serve the community. Since early 1990's, the Authority has acquired existing or built new housing projects utilizing a combination of local, State, and Federal funds to augment traditional Federal housing programs. Primary sources consisted of housing revenue bonds as debt and Low Income Housing Tax Credits as equity. While traditional Public Housing (HUD funded) is debt free, locally developed housing is leveraged with debt, which requires a steady stream of rental income and exposes the Authority to additional financing risk.

Federally appropriated subsidy for Public Housing continues to be underfunded and HUD has been advising Congress to find other ways to deal with this aging housing stock. By anticipating such policies, the Authority has divested or reorganized its Public Housing portfolio since 2008. By the end of 2015, all of its 575 traditional public housing units were either sold or converted to other available subsidized programs such as Section 8 project-based vouchers or Rental Assistance Demonstration (RAD) vouchers.

The Authority is one of 39 housing authorities across the country participating in HUD's Moving to Work (MTW) Demonstration program. Originally authorized under the Omnibus Consolidated Rescissions and Appropriations Act of 1996, the MTW program offers public housing authorities the opportunity to design and test innovative, locally-designed housing and self-sufficiency strategies. The program allows certain exceptions from federal rules governing the Public Housing and Section 8 Housing Choice Voucher (HCV) programs and in some cases offers flexibility in the funding of these programs.

For further detail on how funds are allocated and spent, please refer to the Authority's MTW Annual Plan and Report. Copies can be found on our website www.vhausa.com.

Financial Highlights

- We evaluated our debt portfolio and refinanced a number of older, higher-interest bonds in early 2017 into one pooled bond issue to take advantage of the historically low interest rates.
- We completed major renovation of Orchard Glen Apartments, an 80-unit apartment complex resyndicated into a new low-income housing tax credit partnership.
- While construction of Lincoln Place Apartments and 1st Street Apartments has been completed during 2016 and 2015, we received significant remaining low income housing tax credit capital contributions from limited partners during 2017, which were used to pay off construction debt for the properties.
- We have acquired limited partners' interests in Anthem Park at Uptown Village LP, Plum Meadows LP and Esther Short Commons LP and have transferred those assets to VHA main portfolio. This is reflected in the increased balance of capital assets in the Business Type Activity column along with a corresponding decrease in the Component Units as well as lower receivable/payable balances between the Authority and its Component Units.

Overview of the Financial Statements

The Authority's Financial Statements consist of two parts – Management's Discussion and Analysis (this section) and the Financial Statements. The Financial Statements include the government-wide Financial Statements and Notes to the Financial Statements. The Authority is a stand alone governmental entity engaged only in business type activities. Accordingly, only fund financial statements are presented as the Financial Statements.

The Financial Statements include a Statement of Net Position, Statement of Revenues, Expenses and Changes in Fund Net Position and a Statement of Cash Flows. The Financial Statements report information about the Authority as a whole using accounting methods similar to those used by private sector companies.

The Statement of Net Position, which is similar to a balance sheet, reports all financial and capital assets of the Authority and is presented in a format where assets and deferred outflows minus liabilities and deferred inflows equals net position. Net position is broken into the following three categories.

- **Net investment in capital assets** consist of all capital assets, reduced by the outstanding balances of bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of these assets.

- **Restricted** consists of restricted assets when constraints are placed on the assets by creditors (such as debt covenants), grantors, contributors, laws, or regulations.
- **Unrestricted** consists of unrestricted assets that do not meet the definition of net investment in capital assets.

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position regardless of when cash is received or paid.

Statement of Cash Flows discloses net cash provided by or used in operating activities, noncapital financing activities, capital and related financing activities, and investing activities.

Finally, the Notes provide additional information that is essential to a full understanding of the data provided and are an integral part of the Financial Statements.

The government-wide Financial Statements include nine legally separate tax credit partnerships (Component Units) for which the Authority is financially accountable. Their financial information is reported in total in a separate column. The Authority (Business Type Activity) column includes eight separate legal entities that were formed to help meet the mission of the Authority; the Authority maintains complete control over these entities.

Financial Analysis of the Authority

The following statements are condensed versions of our financial statements, for the purpose of analysis and discussion. See full Financial Statements for more detail.

Condensed Statement of Net Position

	Business Type Activity		Component Units	
	12/31/2017	12/31/2016	12/31/2017	12/31/2016
Current and Other Assets	$ 106,571,444	$ 129,879,229	$ 4,433,100	$ 6,086,168
Capital Assets	99,519,298	78,372,106	86,186,956	110,920,471
Total Assets	206,090,742	208,251,335	90,620,056	117,006,639
Deferred Outflows of Resources	5,182,990	4,027,551	-	-
Current Liabilities	41,360,412	36,013,654	15,772,354	19,899,736
Long-term Liabilities	81,400,245	86,187,583	59,575,156	93,788,740
Total Liabilities	122,760,657	122,201,237	75,347,510	113,688,476
Deferred Inflows of Resources	3,802,592	5,092,494	-	-
Net Investment in Capital Assets	13,376,406	11,535,762	14,195,278	4,074,124
Restricted	32,480,301	30,524,654	2,381,117	2,667,326
Unrestricted	38,853,776	42,924,739	(1,303,849)	(3,423,287)
Total Net Position	$ 84,710,483	$ 84,985,155	$ 15,272,546	$ 3,318,163
Debt to Asset Ratio	59.6%	58.7%	83.1%	97.2%

Major Factors Affecting Statement of Net Position

The Authority's Debt to Asset ratio stayed steady in 2017 due to regular debt repayments, offset with transfer of highly leveraged Anthem Park, Plum Meadows and Esther Short properties into VHA portfolio. The Component Units ratio improved significantly from 97.2% to 83.1% due to construction debt repayments from scheduled limited partner contributions.

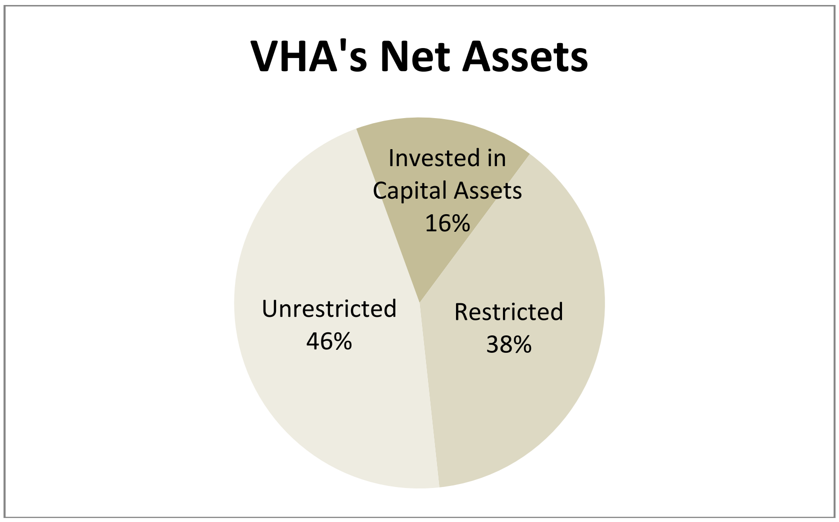
The Authority's total assets as of December 31, 2017 were $206.1 million – a decrease of $1.2 million, primarily resulting from decrease in receivables from Component Units. Component unit total assets were $90.6 million – a decrease of $26.4 million, primarily resulting from transfer of Anthem Park, Plum Meadows and Esther Short properties into VHA portfolio.

While the Authority's total liabilities stayed nearly constant, the Component Unit total liabilities decreased by $38.4 million as a result of construction debt repayments from scheduled limited partner contributions as well as transfer of Anthem Park, Plum Meadows and Esther Short properties into VHA portfolio.

Restricted assets of the Authority and Component Units represent special funds set aside for debt service, replacement reserves, construction activities and operating shortfalls as required in bond covenants, contracts, or HUD regulations.

The unrestricted assets of the Authority generally represent excess cash available, deferred developer fees and other receivables to be collected. The following chart illustrates the portions of net position in Business Type Activities invested in capital assets, restricted and unrestricted:

VHA Net Position		
Invested in Capital Assets	16%	$ 13,376,406
Restricted	38%	32,480,301
Unrestricted	46%	38,853,776
	100%	$ 84,710,483



Condensed Statement of Revenue, Expense, and Changes in Fund Net Position

	Business Type Activities		Component Units	
	12/31/2017	12/31/2016	12/31/2017	12/31/2016
Revenues				
Operating Revenues				
Tenant Receipts	$ 17,156,725	$ 16,370,596	$ 9,469,571	$ 8,194,908
Other Operating Revenues	9,429,560	5,996,757	257,003	242,458
HUD Operating Subsidies	23,255,680	21,303,656	-	-
Non-operating Revenues				
Investment Income	3,137,867	2,747,953	2,505	1,769
Developer Fees	361,947	2,858,521	-	-
Gain/(Loss) on Disposed Property	455,382	2,817,750	-	-
Total Revenues	53,797,161	52,095,233	9,729,079	8,439,135
Expenses				
Operating Expenses				
Other Operating	16,918,436	15,151,362	5,252,328	4,572,021
Housing Assistance Payments	23,151,913	20,169,270	-	-
Depreciation	3,013,877	3,080,519	4,487,135	3,947,768
Non-Operating Expenses				
Interest Expense	5,768,074	4,922,043	3,689,641	2,609,091
Total Expense	48,852,300	43,323,194	13,429,104	11,128,880
Income (Loss) Before Contributions &	4,944,861	8,772,039	(3,700,025)	(2,689,745)
Capital Contributions & Special Items	(5,219,533)	394	15,666,497	432,976
Change in Net Position	(274,672)	8,772,433	11,966,472	(2,256,769)
Net Position, Beginning	84,985,155	76,212,722	3,318,163	5,574,932
Prior Periods Adjustments	-	-	(12,089)	-
Net Position, Ending	$ 84,710,483	$ 84,985,155	$ 15,272,546	$ 3,318,163

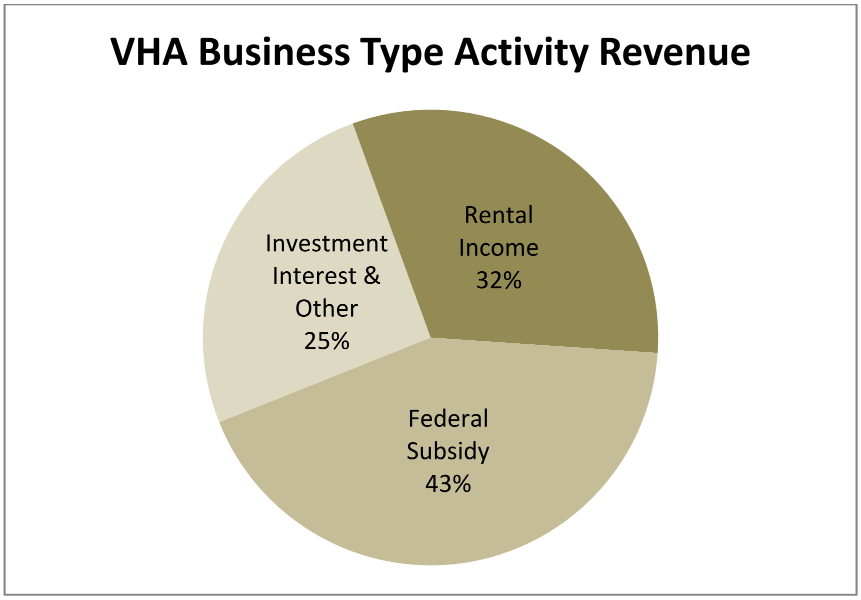
Results of Operations

Operating revenues of the Authority’s Business Type Activities are generated from rents, federal subsidies and other income. For the year ending December 31, 2017, the Authority’s total revenues increased from $52.1 million to $53.8 million as 14% increase in operating revenues was somewhat offset with a decrease in revenues from non-operating sources related to cyclical development activities. Component Units’ total revenues increased from $8.4 million to $9.7 million, an increase of 15% from last year, primarily resulting from full year of rents at newly constructed or acquired units at 1st Street, Skyline Crest, Lincoln Place and Orchard Glen Apartments.

Expenses of the Authority’s Business Type Activities increased by 13% from the previous year. Housing assistance payments increased by 15%, reflecting an increase in the payment standard and higher market rents. Component Units’ expenses increased by 21%; largely as a result of increased interest expense related to new developments.

The following graph illustrates the revenue percentage of VHA Business Type Activities:

VHA Business Type Activity Revenue		
Rental Income	32%	$ 17,156,725
Federal Subsidy	43%	23,255,680
Investment Interest & Other	25%	13,384,756
	100%	$ 53,797,161



Capital Assets and Debt Administration

Capital Assets (net of depreciation)

	Business-Type Activities		Component Units	
	12/31/2017	12/31/2016	12/31/2017	12/31/2016
Land	10,535,011	8,149,573	2,025,857	4,606,099
Buildings and Improvements	86,759,559	68,678,870	82,877,616	102,813,600
Furniture and Equipment	432,776	484,084	1,283,483	1,394,973
Construction in Progress	1,791,952	1,059,579	-	2,105,799
	$ 99,519,298	$ 78,372,106	$ 86,186,956	$ 110,920,471

Major Capital Asset Transactions

Land increased by $2.4 million for Business Type Activities and decreased by $2.6 million for Component Units; likewise, Building and Improvements increased by $18.1 million for Business Type Activities and decreased by $19.9 million for Component Units, primarily due to transfer of Anthem Park, Plum Meadows and Esther Short properties into VHA portfolio; additional decrease is due to regular depreciation. Construction in Progress decreased for Component units as Orchard Glen Apartments were completed and capitalized.

Additional information regarding the Authority's capital assets can be found in Note 4 of the Notes to the Financial Statements.

Outstanding Debt

	Business-Type Activities		Component Units	
	12/31/2017	12/31/2016	12/31/2017	12/31/2016
Bonds Payable	$ 80,811,355	$ 83,080,506	$ -	$ -
Notes payable	34,359,489	31,785,441	60,093,516	65,790,008
Developer Fee Payable	-	-	4,660,211	9,524,990
Leases Payable	-	-	7,699,148	31,773,065
	$ 115,170,844	$ 114,865,947	$ 72,452,875	$ 107,088,063

Major Long-Term Debt Transactions

The Authority's total outstanding debt held steady as regular debt payments were offset with almost equal increase due to transfer of highly-leveraged Anthem Park, Plum Meadows and Esther Short properties into VHA portfolio. Component Unit total outstanding debt decreased by $34.6 million as a result of construction debt repayments from scheduled limited partner contributions and transfer of Anthem Park, Plum Meadows and Esther Short properties into VHA portfolio.

Additional information regarding the Authority's debt can be found in Notes 6 of the Notes to the Financial Statements.

Economic Factors and Future Events

Federal Programs – The Authority's Moving-to-Work contract has been extended to 2028, which ensures the longer-term commitment of the Federal government and continued regulatory flexibilities the designation offers. VHA's diversified housing portfolio and MTW designation provides some financial flexibility in dealing with uncertain Federal budgets. We continue to work with our congressional representatives to emphasize the importance of continued funding for our low-income residents.

Economic Recovery – Clark County's economic outlook continues to improve with unemployment rate reduced from 5.9% last year to 4.5% as of December 2017, slightly lagging behind the national average of 4.1% and neighboring Portland, Oregon of 3.4%. Construction activity continues to lead economic recovery after several years of inadequate inventory growth.

Rental Market – Occupancy rates remained at historically high levels in 2017. Multifamily new developments have picked up in Vancouver, which may have some impact on VHA's rental inventory competitiveness; however, given the significant difference between rents charged by private landlords and those charged by VHA low-income housing tax credit properties, a downturn in the rental market should not have a significant impact on VHA. We continue to rehab our existing portfolio, which improves its quality, decreases operating costs and makes us more desirable as we compete with the market. We believe our rental stock should be of high quality providing a respectable place to live for our low-income residents.

The downside of the unusually strong local rental market has been a significant increases in rent levels in Clark County, which have hurt low-income renters and translated into higher housing assistance expenses for the Authority.

Contacting the Housing Authority's Financial Management

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information should be addressed to the Executive Director of the Housing Authority of the City of Vancouver. The Authority's offices are located at 2500 Main Street, Vancouver, Washington 98660. The telephone number is (360) 694-2501. The Authority's website can be found at www.vhausa.com.

HOUSING AUTHORITY OF THE CITY OF VANCOUVER
Statement of Net Position
As of December 31, 2017

ASSETS	Business Type Activities	Component Units
Current Assets		
Cash and cash equivalents	$ 17,192,036	$ 1,321,317
Investments-unrestricted	1,596,287	-
Receivables		
Tenants (net of allowance)	325,123	69,273
Others	1,670,143	-
Developer fees receivable - component units - current	2,544,175	-
Leases receivable - component units - current	300,033	-
Notes receivable - component units - current	10,237,334	-
Notes receivable - others - current	222,404	-
Inventory and prepaid expenses	400,614	71,962
Restricted cash and cash equivalents	13,231,635	950,814
Total Current Assets	47,719,784	2,413,366
Long-Term Assets		
Developer fees receivable - component units	2,169,556	-
Leases receivable - component units, net	7,905,221	-
Notes receivable - component units (net of allowance)	37,737,776	-
Notes receivable - others	3,340,123	-
Restricted Assets		
Cash and cash equivalents	7,698,984	1,651,294
Investments	-	-
Land	10,535,011	2,025,857
Buildings, structures and improvements	158,131,335	94,363,823
Equipment and furniture	3,765,085	2,015,680
Less accumulated depreciation	(74,704,085)	(12,218,404)
Construction in progress	1,791,952	-
Tax credit fees - net of accumulated amortization	-	368,440
Total Long-Term Assets	158,370,958	88,206,690
Total Assets	$ 206,090,742	$ 90,620,056
Deferred Outflows of Resources		
Accumulated decrease in fair value of hedging derivatives	2,628,268	-
Resources related to pensions	632,243	-
Deferred outflows from bond refunding	1,922,479	-
Total Deferred Outflows of Resources	$ 5,182,990	$ -

Continued on Page 22

HOUSING AUTHORITY OF THE CITY OF VANCOUVER
Statement of Net Position - (Continued)
As of December 31, 2017

	Business Type Activities	Component Units
LIABILITIES		
Current Liabilities		
Accounts payable	$ 1,590,050	$ 273,809
Compensated absences - current	442,898	41,595
Tenant deposits payable	1,090,648	226,096
Accrued interest payable	565,971	72,773
Accrued interest payable - VHA	-	2,256,373
Unearned revenues	197,483	23,989
Developer fee payable - VHA - current	-	2,544,175
Notes payable - current	8,648,304	108,398
Notes payable - VHA - current	-	10,225,146
Bonds payable - current	28,825,058	-
Capital leases payable - VHA - current	-	-
Total Current Liabilities	41,360,412	15,772,354
Long-term Liabilities		
Compensated absences	13,022	-
Developer fee payable	-	-
Developer fee payable - VHA	-	2,116,036
Notes payable	25,711,185	13,949,758
Notes payable - VHA	-	35,810,214
Bonds payable	51,986,297	-
Capital leases payable - VHA	-	7,699,148
Net pension liabilities	3,689,741	-
Total Long-term Liabilities	81,400,245	59,575,156
Total Liabilities	122,760,657	75,347,510
Deferred Inflows of Resources		
Accumulated increase in fair value of hedging derivatives	2,628,268	-
Resources related to pensions	699,324	-
Deferred Inflows of Resources - funding received in advance	475,000	
Total Deferred Inflows of Resources	3,802,592	-
NET POSITION		
Net investment in capital assets	13,376,406	14,195,278
Restricted	32,480,301	2,381,117
Unrestricted	38,853,776	(1,303,849)
Total Net Position	$ 84,710,483	$ 15,272,546

HOUSING AUTHORITY OF THE CITY OF VANCOUVER
Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2017

	Business Type Activities	Component Units
Operating Revenues		
Rent/lease revenue	$ 17,156,725	$ 9,469,571
Management fees	286,325	-
Donations and Grants	1,442,119	-
HUD operating subsidies	23,255,680	-
Other revenue	7,701,116	257,003
Total Operating Revenues	49,841,965	9,726,574
Operating Expenses		
Salaries and benefits	9,318,240	1,347,052
Administrative expenses	2,263,501	1,153,857
Utilities	1,578,628	906,037
Maintenance	2,849,538	1,290,237
Insurance	288,561	248,994
Bad debt expense	135,182	61,694
Depreciation and amortization	3,013,877	4,487,135
Housing assistance payments	23,151,913	-
Donations and Grants	141,431	-
Other general expense	343,355	244,457
Total Operating Expenses	43,084,226	9,739,463
Net Operating Income	6,757,739	(12,889)
Non-Operating Revenues (Expenses)		
Investment interest income	3,137,867	2,505
Interest expense & fiscal charges	(5,768,074)	(3,689,641)
Developer fees	361,947	-
Gain/loss on disposed property	455,382	-
Total Non-Operating Revenues (Expenses)	(1,812,878)	(3,687,136)
Income (Loss) Before Contributions	4,944,861	(3,700,025)
Capital Contributions and Special Items		
HUD capital contributions	108,792	-
Other capital contributions (distributions)	(2,053,766)	12,424,124
Special items	(3,274,559)	3,242,373
Total Capital Contributions and Special Items	(5,219,533)	15,666,497
Change in Net Position	(274,672)	11,966,472
Total Net Position, Beginning	84,985,155	3,318,163
Prior period adjustment	-	(12,089)
Total Net Position, Ending	$ 84,710,483	$ 15,272,546

HOUSING AUTHORITY OF THE CITY OF VANCOUVER
Statement of Cash Flows
For the Year Ended December 31, 2017

	Business Type Activities	Component Units
Cash Flows From Operating Activities		
Collections from customers and users	$ 19,565,929	$ 9,752,047
Collections from other PHA's	3,992,396	-
Operating grants received	23,608,475	-
Payments for housing assistance	(23,151,913)	-
Payments to suppliers	(7,100,000)	(5,170,983)
Payments to employees	(9,453,045)	-
Other payments	-	-
Other receipts	-	-
Net cash provided by operating activities	7,461,842	4,581,064
Cash Flows From Non-Capital Financing Activities		
Loans (to) component units and from the Authority	(2,163,721)	107,177
Loans made to others	(4,577,003)	-
Capital contributions made to component units	(479,066)	-
Debt issuance costs	(103,964)	
Payments received from component units	6,192,474	-
Other lease and note payments received	284,528	-
Net cash used by non-capital financing activities	(846,752)	107,177
Cash Flows From Capital and Related Financing Activities		
Proceeds from capital debt	-	15,940,956
Proceeds from refunding debt	936,165	-
Proceeds from capital contributions	91,092	10,849,415
Payments on development activity	(868,787)	(3,492,339)
Acquisition and construction of capital assets	(329,319)	(533,076)
Payment of financing costs	(918,250)	(255,667)
Refunding proceeds placed in escrow	(2,042,561)	
Proceeds from transferred reserves	2,113,572	(2,113,572)
Principal paid on capital debt	(3,012,935)	(23,540,524)
Interest paid on capital debt	(2,153,315)	(2,854,075)
Proceeds from disposal of capital assets	922,945	-
Net cash used by capital and related financing activities	(5,261,393)	(5,998,882)
Cash Flows From Investing Activities		
Proceeds from sale of investments	357,712	-
Payments for investments	(220,708)	-
Interest and dividends received	162,628	2,505
Net cash provided by investing activities	299,632	2,505
Net Change in Cash	1,653,329	(1,308,136)
Cash and cash equivalents, beginning	36,469,326	5,231,561
Cash and cash equivalents, ending	38,122,655	3,923,425
Cash and Cash Equivalents	17,192,036	1,321,317
Cash and Cash Equivalents - Restricted	13,231,635	950,814
Cash and Cash Equivalents - Restricted - Noncurrent	7,698,984	1,651,294
Cash, Statement of Net Assets, ending	$ 38,122,655	$ 3,923,425

Continued on Page 25

HOUSING AUTHORITY OF THE CITY OF VANCOUVER
Statement of Cash Flows - (Continued)
For the Year Ended December 31, 2017

	Business Type Activities	Component Units
Reconciliation of Operating Income to Net Cash Provided By Operating Activities:		
Net Operating Income (Loss)	$ 6,757,739	$ (12,889)
Depreciation and Amortization	3,013,877	4,487,135
Changes in Assets and Liabilities:		
Decrease in accounts receivable	(1,676,365)	(44,894)
Decrease in prepaid expenses	(11,878)	(956)
Decrease in affiliates receivables	29,551	-
(Decrease) in accrued payroll expenses	4,606	(11,643)
Increase (Decrease) in accounts payable	303,408	99,348
Increase (Decrease) in unearned revenue	33,315	48,721
Change in Pension Items	(139,411)	-
Increase in management fee payable	-	(1,058)
Increase in tenant security deposits	101,208	17,300
Increase in deferred inflows of resources - funding received in	450,000	
Other nonoperating revenues and expenses related to transfer o	(1,404,208)	-
Total Adjustments	(2,309,774)	106,818
Net Cash Provided by Operating Activities	$ 7,461,842	$ 4,581,064
Noncash investing, financing and capital activities		
Lease Receivable paid by component unit	$ 4,075,610	$ (4,075,610)
Revenue Bonds paid by component unit	(519,019)	519,019
Notes Payable paid by component unit	(1,528,214)	1,528,214
Interest paid by component unit on debt	(2,028,377)	2,028,377
Bonds and Notes Payable issued on behalf of component unit	(4,099,343)	4,099,343
Notes Receivable issued for Component Unit	4,099,343	-
Capital Contribution in Lieu of Developer Fee	(1,574,709)	-
Notes and lease receivable paid upon transfer of property	(26,804,996)	-
Capital assets received on transfer of property	22,841,642	(22,841,642)
Loan Proceeds issued to pay off note	(3,100,000)	-
Loans transferred with property	3,117,662	27,997,082
Refunded debt issued	(29,051,832)	-
Refunding debt transferred to escrow agent	28,007,909	-
Interest payable at refunding transferred to escrow	563,909	-
Debt issue costs paid by escrow	339,650	-
Decrease in capital assets when project written off	(32,186)	-
Increase in capital assets by reclassification of development cost	488,410	-
Increase in capital debt by reclassification of accrued interest	21,430	-
Development cost financed by accounts payable	546,719	-
Land received in lieu of receivable	221,720	-
Interest accrued to Others/Nonprofits on other loans	2,860,712	-
Change in fair value of investments	(28,679)	-

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Housing Authority of the City of Vancouver, Washington (the Authority) conform to Generally Accepted Accounting Principles (GAAP) as applicable to proprietary funds of governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the most significant policies, including identification of those policies which result in departures from generally accepted accounting principles.

The Authority has implemented GASB Statement 80, *Blending Requirements for Certain Component Units.* This statement amends the blending requirements listed in GASB Statement 14 for the financial statement presentation of component units of local and state governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporation member.

A. REPORTING ENTITY

The Authority is a municipal corporation created under Washington State Chapter 35.82 RCW in 1942 by the City of Vancouver and governed by a six member Board appointed by the Mayor of the City of Vancouver.

As required by generally accepted accounting principles, management has considered all potential component units in defining the reporting entity. These financial statements present the Authority (the primary government) and its Component Units. The Component Units discussed below are included in the Authority's reporting entity because of the significance of their operational or financial relationships with the Authority.

1. Blended Component Units

Bridgeview Housing: This is a non-profit organization prescribed by Section 509(a)(3) of the Internal Revenue Code of 1986 that formed in January 1985 for the purpose of supporting Vancouver Housing Authority programs designed to encourage self-reliance and self-sufficiency of residents of properties owned or operated by VHA or its affiliates, and acquisition of real property, development, construction, preservation, and operation, either by means of joint ventures or acting alone, of decent, safe, affordable housing for low and moderate income persons or families and participation in federal, state, and local housing programs.

Vancouver Affordable Housing: This is a non-profit organization prescribed by Section 509(a)(1) of the Internal Revenue Code of 1986 that was formed in January 2008 for the purpose of expending and promoting community revitalization, developing and/or maintaining decent, safe and sanitary housing for persons of low income, and developing economic opportunities for low-income households in the City of Vancouver and Clark County, Washington.

VHA Proxy LLC: This is a Washington limited liability company that was formed in 2014 to acquire and own limited partnership interests in partnerships of which the Authority is the general partner. The Authority is the sole manager and the sole member of VHA Proxy LLC.

Wisteria Manor LP: This is a Washington limited partnership that was formed in 2000 to develop, own, and operate Wisteria Manor, a 24-unit apartment project located in Vancouver, WA. The Authority acquired the limited partner's entire interest in the partnership in 2014 through VHA Proxy LLC and dissolved Wisteria Manor LP in 2017.

Arbor Ridge Assisted Living LP: This is a Washington limited partnership that was formed in 2000 to develop, own, and operate Arbor Ridge Assisted Living, a 60-unit low income assisted living housing project located in Vancouver, WA. The Authority acquired the limited partner's entire interest in the partnership in 2014 through VHA Proxy LLC.

Caples Terrace LLLP: This is a Washington limited liability limited partnership that was formed in 2016 to acquire, develop, construct, operate, manage, and maintain Caples Terrace Apartments, an apartment project located in Vancouver, WA. The partnership is made up of Vancouver Affordable Housing (limited partner) and Vancouver Housing Authority (general partner) with ownership interests of 99.99% and 0.01%, respectively. The partnership agreement provides for the partnership to continue in perpetuity, unless sooner terminated.

Plum Meadows LP: This is a Washington limited partnership that was formed in 2003 to develop, own, and operate Plum Meadows Apartments, a 162-unit apartment project in Vancouver, WA. The Authority acquired the limited partner's entire interest in the partnership on December 31, 2017 through VHA Proxy LLC.

Esther Short Commons LP: This is a Washington limited partnership that was formed in 2002 to develop, own, and operate Esther Short Commons, 160-unit apartment project and commercial retail space located in Vancouver, WA. The Authority acquired the limited partner's entire interest in the partnership on December 31, 2017 through VHA Proxy LLC.

Bridgeview Housing and Vancouver Affordable Housing were organized exclusively for the benefit of, to perform the functions of, or to carry out the purposes of the Authority as prescribed in their charters and the Authority maintains complete control over their decisions. As sole manager/member, the Authority maintains complete control over the decisions and management has operational responsibility for VHA Proxy LLC. The Authority also maintains complete control over the decisions and management has operational responsibility for Wisteria Manor LP, Arbor Ridge Assisted Living LP, Plum Meadows LP, and Esther Short Commons LP after acquiring their respective limited partners' interests. As such, and as prescribed in GASB Statement 14 (as amended by GASB Statements 61 and 80), the books of these entities are blended in with the Authority and included with the Business Type Activities column.

2. Discretely Presented Component Units

The Authority (or Vancouver Affordable Housing) is the general partner in nine Tax Credit Limited Partnerships (Component Units). These partnerships are separate legal entities from the Authority. All of these partnerships are formed for the purpose of developing, operating, managing, and leasing the projects in a manner that qualifies them for low-income housing credits under Section 42 of the Internal Revenue Code of 1986, as amended.

The Component Units are managed by an asset manager who is an employee of the Authority as well as by the outside property management firms. This enables the Authority to influence management policy, budgets, and operations. Furthermore, the Authority is obligated to fund operating deficits by loaning funds to the partnerships and is primarily responsible for capital debt issued on behalf of each partnership. The services provided by the partnerships do not exclusively or almost exclusively benefit the Authority or its constituents. Therefore, the partnerships' financial statements are discretely presented in a single column in the accompanying financial statements in accordance with GASB Statement 14 (as amended by GASB Statement 61). Individual financial statements for each limited partnership may be obtained from the administrative offices of the Authority. These entities are as follows:

Anthem Park at Uptown Village LP: This is a Washington limited partnership that was formed in 2002 to develop, own, and operate Anthem Park Apartments, a 58-unit apartment project located in Vancouver, WA. The partnership was made up of NEF Assignment Corp. (limited partner) and Vancouver Housing Authority (general partner) with ownership interests of 99.99% and 0.01%, respectively. The partnership agreement provides for the termination of the partnership in 2099. The Authority acquired the limited partner's entire interest in the partnership on November 30, 2017, which has resulted in technical termination of the partnership whereas all partnership assets were relinquished to the Authority. As of December 31, 2017, Component Units column contains eleven months of operations, but the asset and liability balances were removed upon transfer.

Plum Meadows LP: This is a Washington limited partnership that was formed in 2003 to develop, own, and operate Plum Meadows Apartments, a 162-unit apartment project in Vancouver, WA. The partnership was made up of NEF Assignment Corp. (limited partner) and Vancouver Housing Authority (general partner) with ownership interests of 99.99% and 0.01%, respectively. The partnership agreement provides for the termination of the partnership in 2103. The Authority acquired the limited partner's entire interest in the partnership on December 31, 2017 through VHA Proxy LLC. As of December 31, 2017, Component Units column contains twelve months of operations, but the asset and liability balances were removed upon transfer.

Esther Short Commons LP: This is a Washington limited partnership that was formed in 2002 to develop, own, and operate Esther Short Commons, 160-unit apartment project and commercial retail space located in Vancouver, WA. The partnership was made up of NEF Assignment Corp. (limited partner), Kemperco LLC (limited partner) and Vancouver Housing Authority (general partner) with ownership interests of 99.99%, 0.001%, and 0.009%, respectively. The partnership agreement provides for the termination of the partnership in 2102. The Authority acquired the limited partner's entire interest in the partnership on December 31, 2017 through VHA Proxy LLC. As of December 31, 2017, Component Units column contains twelve months of operations, but the asset and liability balances were removed upon transfer.

Mill Creek Affordable Housing LP: This is a Washington limited partnership that was formed in 2006 to develop, own, and operate Mill Creek Senior Estates, a 28-unit apartment project and Mill Creek Apartments, a 50-unit apartment project located in Battle Ground, WA. The partnership is made up of NEF Assignment Corp. (limited partner) and Vancouver Housing Authority (general partner) with ownership interest of 99.99% and 0.01%, respectively. The partnership agreement provides for the termination of the partnership in 2104.

Vista Court LLLP: This is a Washington limited liability limited partnership that was formed in 2010 to develop, own and operate Vista Court Apartments, a 76-unit apartment project in Vancouver, WA. The partnership is made up of RBC Tax Credit Equity National Fund 12 LP (limited partner), RBC Tax Credit Manager II Inc. (special limited partner) and Vancouver Housing Authority (general partner) with ownership interests of 99.99%, 0.001% and 0.009%, respectively. The partnership agreement provides for the termination of the partnership in 2110.

1st Street Apartments LLLP: This is a Washington limited liability limited partnership that was formed in 2013 to develop, own, and operate 1st Street Apartments, a 152-unit apartment project in Vancouver, WA. The partnership is made up of USB LIHTC Fund 2014-1, LLC (limited partner) and Vancouver Housing Authority (general partner) with ownership interests of 99.99% and 0.01%, respectively. The partnership agreement provides for the partnership to continue in perpetuity, unless sooner terminated.

Skyline Crest LLLP: This is a Washington limited liability limited partnership that was formed in 2014 to acquire, hold, invest in, secure financing for, construct, rehabilitate, develop, improve, maintain, operate, lease, and otherwise deal with Skyline Crest Apartments, a 138-unit apartment project in Vancouver, WA. The partnership is made up of Boston Capital Corporate Tax Credit Fund XLI, a Limited Partnership (limited partner), BCCC, Inc. (special limited partner) and Vancouver Housing Authority (general partner) with ownership interests of 99.99%, 0% and 0.01%, respectively. The partnership agreement provides for the partnership to continue in perpetuity, unless sooner terminated.

Lincoln Place LLLP: This is a Washington limited liability limited partnership that was formed in 2014 to acquire, construct, own, finance, lease, and operate Lincoln Place, a 30-unit apartment project located in Vancouver, WA. The partnership is made up of Key Community Development Corporation (limited partner), Vancouver Housing Authority (special limited partner) and Vancouver Affordable Housing (general partner) with ownership interests of 99.98%, 0.01% and 0.01%, respectively. The partnership agreement provides for the partnership to continue in perpetuity, unless sooner terminated.

OG Rehabilitation LLLP: This is a Washington limited liability limited partnership that was formed in 2015 to acquire, develop, rehabilitate, operate, manage, and maintain Orchard Glen Apartments, an 80-unit apartment project located in Vancouver, WA. The partnership is made up of Key Community Development Corporation (limited partner) and Vancouver Housing Authority (general partner) with ownership interests of 99.99% and 0.01%, respectively. The partnership agreement provides for the partnership to continue in perpetuity, unless sooner terminated.

B. BASIS OF ACCOUNTING AND PRESENTATION

The accounting records of the Authority are maintained and reported in accordance with methods prescribed by the State Auditor under the authority of Chapter 43.09 RCW and the U.S. Department of Housing and Urban Development. The Authority must report using GAAP; however, it has the option to use either single enterprise proprietary fund or special purpose governmental fund model.

The Authority has elected to report as a single-enterprise proprietary fund and uses the accrual basis of accounting. The measurement focus is on the flow of economic resources. The proprietary fund is composed of a number of programs. These programs are designed to provide low income individuals with housing.

Proprietary funds are used to account for activities that are operated in a manner similar to private enterprise business. Under this method revenues are recognized when earned and expenses are recognized when incurred. Capital asset purchases are capitalized and long-term debt liabilities are accounted for in the fund.

1. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

2. Investments

Investments for the Authority and its Component Units are reported at fair value. The Clark County Investment Pool is not registered with the Securities and Exchange Commission and is an unrated investment pool. Rather, the pool operates in accordance with appropriate state laws and regulations, and is audited annually by the Washington State Auditor's Office. The reported value of the pool is the same as the fair value of the pool shares. For various risks related to the investments, see Deposits and Investments Note 2.

3. Receivables

Tenant receivables consist of rents and other fees charged to tenants and are shown net of allowance for doubtful accounts. The Authority's policy is to write off accounts of former tenants after all internal collection proceedings have been exhausted and the accounts have been sent to third party collection agencies. As of December 31, 2017, the allowance for doubtful tenant accounts was $15,094 for the Authority and $0 for the Component Units.

Other receivables consist of accrued interest earned on investments, notes and contracts at the end of the year, earned amounts due from various federal, state and local grantors, amounts owed from other housing authorities, Component Units and other businesses or organizations for goods and services including amounts owed for which billings have not been prepared.

Notes and leases receivable from Component Units consist of amounts owed for developer fees, construction loans, capital leases, and goods and services. Lease receivables are shown net of unearned interest revenue. Notes receivable are shown net of allowance for doubtful accounts. See Related Parties Transactions Note 9 for detail.

4. Inventory and Prepaid Expenses

Inventories are valued at average cost, which approximates the market value.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in the Authority's financial statements.

5. ***Restricted Assets***

In accordance with bond resolutions and certain related agreements, separate restricted accounts are required to be established. The assets held in these accounts are restricted for specific uses, including construction, debt service, and other special reserve requirements. Further, certain assets of the Authority are restricted based on program regulations. Restricted resources currently include the following:

	Business-Type Activities	*Component Units*
Revenue Bond Debt Service	$ 2,533,660	$ 564,087
Replacement Reserves	3,090,017	1,087,207
Operating Reserves	11,158,763	729,823
Future Construction Accounts	3,050,495	-
Future Tenant Program Payments	28,151	-
Tenant Deposits	1,069,533	220,991
Total	$ 20,930,619	$ 2,602,108

6. ***Capital Assets***

Major expenditures for capital assets, including capital leases and major repairs that increase useful lives, are capitalized. Maintenance, repairs, and minor renewals are accounted for as expenses when incurred.

Capital assets are defined by the Authority as assets with an initial individual cost of at least $5,000 and an estimated useful life in excess of one year. Capital assets are recorded at cost where the historical cost is known. Where historical cost is not known, assets are recorded at estimated fair market value. Donations are recorded at acquisition value at the time of donation or the appraised value.

The original cost of disposed property, less salvage, is removed from the capital asset accounts, accumulated depreciation is charged with the accumulated depreciation related to the property disposed, and the net gain or loss on disposition is credited or charged to income.

Depreciation is computed on the straight-line method with useful lives of 5 to 40 years.

Preliminary costs incurred for proposed projects are deferred pending construction of the facility. Costs relating to projects ultimately constructed are transferred to the projects; charges that relate to abandoned projects are expensed.

See Capital Assets Note 4 for further details.

7. ***Compensated Absences***

Compensated absences are absences for which employees will be paid, such as vacation and sick leave. The Authority records unpaid leave for compensated absences as an expense and liability when incurred. Paid time off (PTO), which may be accumulated up to 520 hours, is payable upon termination of employment.

Employees hired prior to November 1, 1989 were permitted to accumulate an "Extended Illness Bank" (EIB). Accumulated extended illness bank benefits are payable upon use. Employees hired before 1982 who have an EIB balance when their employment terminates receive 50% of their accumulated balance. Employees hired after 1982 (but prior to 1989) who have an EIB balance when their employment terminates forfeit their balance, or they may elect to transfer their balance to another employee who is currently ill and in need. The EIB liability is estimated at 50% of the actual amounts accumulated.

8. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

9. Deferred inflows and outflows of resources

The statement of net position also presents deferred inflows and outflows related to four types of activities. Deferred inflows and outflows related to pensions are further discussed in Note 8 Pension Plans. Derivative related inflows and outflows are discussed in Section A.3 of Note 6 Long Term Debt and Liabilities. Deferred outflows from bond refunding is the difference between the acquisition price of the reacquisition price and the net carrying amount of the old debt. This amount is amortized as interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter. Additionally, the Authority presents funding received in advance as a deferred outflow.

10. Operating Revenues/Expenses

Operating revenues include fees and charges from providing services in connection with the ongoing operations of providing low-income housing. Operating revenues also include operating subsidies and grants provided by HUD. The use of this classification is based on guidance from HUD, the primary user of the financial statements. Operating expenses are those expenses that are directly incurred while in the operation of providing low-income housing.

This presentation results in an operating income that is higher than a non-operating revenue presentation by the amount of the subsidies and grants. Overall, it does not affect presentation of net income or the change in net position in the statement of revenues, expenses and changes in net position, or the presentation of cash and cash equivalents in the statement of cash flows.

NOTE 2 – DEPOSITS AND INVESTMENTS

A. DEPOSITS

The Authority's deposits are entirely covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

B. INVESTMENTS

The Authority measures and records its investments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities;
- Level 2: Quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable;
- Level 3: Unobservable inputs for an asset or liability, to the extent observable inputs are not available.

As of December 31, 2017, the Authority had the following recurring fair value measurements:

Fair Value Measurements Using	Level 1	Level 2	Level 3
Debt Securities			
Federal Home Loan Mortgage Corp. (Freddie Mac)	$ 1,060,903	$ -	$ -
Federal National Mortgage Assoc. (Fannie Mae)	434,878	-	-
Gov't National Mortgage Assoc. (Gennie Mae)	29,204	-	-
Cash & Mutual Funds	71,302	-	-
Total Debt Securities	1,596,287	-	-
Clark County Investment Pool *	13,114,211	9,418,262	-
Total Investments by Fair Value Level	$ 14,710,498	$ 9,418,262	$ -

* Clark County Investment Pool is considered cash equivalent.

1. ***Credit Risk***

Credit risk is the risk that an issuer or related party will not fulfill its obligations. As of December 31, 2017, the Authority did not have a formal policy that limits investments to specific credit ratings as a means of managing its exposure to losses arising from issuer or other counterparty to an investment not fulfilling its obligations, although such policy was adopted in 2018. Credit ratings of debt securities as of December 31, 2017 are as follows:

Debt Security	S&P Rating
Fannie Mae (Federal National Mortgage Association)	AA+
Freddie Mac (Federal Home Loan Mortgage Corporation)	AA+

2. ***Concentration Risk***

Concentration risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. As of December 31, 2017, the Authority did not have a formal policy that limits the amount that may invest in any one issuer as a means of managing its exposure to the magnitude of losses arising from investment in a single issuer, although such policy was adopted in 2018. The Authority has several investments which are not explicitly backed by the federal government that exceed 5% of the Authority's total investment portfolio market value. These securities and percentage of the Authority's portfolio are as follows:

Issuer	% of Investments
Federal Home Loan Mortgage Corp (Freddie Mac)	66%
Federal National Mortgage Association (Fannie Mae)	27%

3. ***Interest Rate Risk***

As of December 31, 2017, the Authority did not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates, although such policy was adopted in 2018. The maturities of the Authority's investments are as follows:

		Investment Maturities in Years			
Investment Type	Value	< 1	1-5	6-10	10+
Government & Agency Bonds	1,524,985	-	35,464	8,789	1,480,732
Cash & Mutual Funds	71,302	71,302	-	-	-
Total	$ 1,596,287	$ 71,302	$35,464	$ 8,789	$ 1,480,732

4. ***Custodial Credit Risk (Investments)***

Custodial risk is the risk that, in the event of a failure of the counterparty, the government will not be able to recover its investments that are in the possession of an outside party. The Authority uses US Bank as the custodial agent for safekeeping of the Authority's investments. US Bank provides monthly reports on the Authority's securities, all of which are held in the Authority's name.

NOTE 3 – NOTES RECEIVABLE

The Authority has financed property acquisitions and made operating cash advances for certain non-profit entities and low-income individuals as part of various housing assistance programs. The Authority's Notes Receivable currently outstanding are as follows:

Purpose	Original Amount	Issue Date	Maturity Date	Interest Rate	Amount Outstanding
EOCF - Sale of St Johns Land	59,500	Apr-14	Apr-23	2%	$ 36,376
Low-Income Homeownership - Infill Phase II	192,500	Aug-00	Dec-50	0%	49,500
Low-Income Homeownership - Sale to Tenant	9,392	Mar-09	Mar-39	0%	8,942
Second Step - Sale of Watson House	128,290	Sep-14	Dec-42	2%	129,099
Meriwether Apartments LLLP	2,750,000	Jun-17	Jun-67	1%	2,256,457
Meadows Apartments LLLP	715,069	Jun-17	Jun-57	8%	743,750
Hazel Dell Nonprofit - Operating Advances	214,462	Nov-07	Dec-39	0%	125,425
Total					$ 3,349,549

For receivables from Component Units, see Related Parties Transactions Note 9.

NOTE 4 – CAPITAL ASSETS

Capital asset activity for the Authority for the year ended December 31, 2017 was as follows:

Business Type Activities	12/31/2016	Increases	Decreases	12/31/2017
Non-depreciable assets				
Land	$ 8,149,573	$ 2,808,085	$ (422,647)	$ 10,535,011
Construction in progress	1,059,579	1,235,951	(503,578)	1,791,952
Total non-depreciable assets	9,209,152	4,044,036	(926,225)	12,326,963
Depreciable assets				
Building, structure & improvements	116,371,725	41,797,385	(37,775)	158,131,335
Equipment & furnishings	2,627,780	1,168,581	(31,276)	3,765,085
Total depreciable assets	118,999,505	42,965,966	(69,051)	161,896,420
Less accumulated depreciation for:				
Building, structure & improvements	47,692,855	23,686,948	(8,027)	71,371,776
Equipment & furnishings	2,143,696	1,219,888	(31,275)	3,332,309
Total accumulated depreciation	49,836,551	24,906,836	(39,302)	74,704,085
Total capital assets, net	$ 78,372,106	$ 22,103,166	$ (955,974)	$ 99,519,298

Total accumulated depreciation increase for the year includes $21,892,958 increase as a result of acquisition of capital assets of Anthem Park at Uptown Village LP, Plum Meadows LP, and Esther Short Commons LP.

Capital asset activity for the Component Units for the year ended December 31, 2017 was as follows:

Component Units	12/31/2016	Increases	Decreases	12/31/2017
Non-depreciable assets				
Land	$ 4,606,099	$ -	$ (2,580,242)	$ 2,025,857
Construction in progress	2,105,799	2,457,647	(4,563,446)	-
Total non-depreciable assets	6,711,898	2,457,647	(7,143,688)	2,025,857
Depreciable assets				
Building, structure & improvements	130,855,803	4,568,682	(41,060,662)	94,363,823
Equipment & furnishings	3,061,623	47,754	(1,093,697)	2,015,680
Total depreciable assets	133,917,426	4,616,436	(42,154,359)	96,379,503
Less accumulated depreciation for:				
Building, structure & improvements	28,010,605	4,288,755	(20,813,153)	11,486,207
Equipment & furnishings	1,666,650	145,353	(1,079,806)	732,197
Total accumulated depreciation	29,677,255	4,434,108	(21,892,959)	12,218,404
Total capital assets, net	$110,952,069	$ 2,639,975	$(27,405,088)	$ 86,186,956

NOTE 5 – SIGNIFICANT COMMITMENTS

Construction in progress for the Authority represents active construction projects composed of the following:

Project	Project Authorization	Expended to 12/31/2017	Committed
E 16th Street	107,092	107,092	-
Bridgeview Community Center	4,000,000	1,206,076	2,793,924
Caples Terrace	8,500,000	441,120	8,058,880
Fishers Mill Drainage Improvements	455,000	35,513	419,487
Van Vista Windows	2,151	2,151	-
	$ 13,064,243	$ 1,791,952	$ 11,272,291

During 2017, the Authority capitalized $3,568 of net interest costs for funds borrowed to finance construction of capital assets.

NOTE 6 – LONG TERM DEBT AND LIABILITIES

A. REVENUE BONDS

The Authority issues revenue bonds to finance the purchase or construction of various properties. The revenue bonds are being repaid by project revenues, interest earnings, and general Authority revenues. The Authority's revenue bonds currently outstanding are as follows:

Purpose	Original Amount	Issue Date	Maturity Date	Interest Rate	Amount Outstanding
Orchard Glen Apartments Project	6,570,550	Jul-16	Apr-18	Variable	6,570,406
Plum Meadows Project	9,100,000	Aug-03	Aug-35	5.69%	7,068,315
Esther Short Commons Project	10,700,000	Aug-03	Sep-35	5.71%	8,439,554
Mill Creek Projects	3,205,000	Jun-06	Jul-26	6.08%	2,869,294
Pooled (Willow Creek, Fishers Mill, Cougar Creek)	30,000,000	Nov-08	Dec-38	Variable	25,305,000
Pooled (Springbrook, Camas Ridge, Wisteria Manor)	29,190,000	Feb-17	Aug-39	1.4-4%	27,656,840
Van Vista Project	3,200,000	Feb-13	Feb-23	3.40%	2,901,946
Total					$ 80,811,355

In February 2017, the Authority issued $29,190,000 in Pooled Refunding Revenue Bonds secured by Springbrook, Camas Ridge and Wisteria Manor properties for the purpose of advance refunding the following bonds:

Purpose	Amount
Springbrook/Office Building Projects	$ 22,030,000
Office Building Project	475,000
Camas Ridge Project	2,922,909
Vancouver Community SRO Project	1,590,000
Wisteria Manor Project	990,000
Total	$ 28,007,909

Net present value savings of the refunding portions is $3,388,132. Nominal savings is $5,775,474.

Authority's revenue bonds debt service requirements to maturity are as follows:

Calendar Year Ending	Principal	Interest
2018	$ 28,825,058	$ 3,549,633
2019	1,668,782	2,182,328
2020	1,725,770	2,126,340
2021	1,785,552	2,063,538
2022	1,850,021	1,999,369
2023-2027	14,667,848	8,366,146
2028-2032	11,852,079	5,438,512
2033-2037	14,939,258	2,313,262
2038-2039	3,496,987	177,000
Total	$ 80,811,355	$28,216,128

Orchard Glen Apartments construction bonds matured April 2018; $1,920,406 of the bonds was repaid with limited partner contribution and the remaining $4,650,000 was converted to a long-term bond bearing 3.63% interest rate and maturing April 2036. For more information on subsequent events, see Subsequent Events Note 12.

There is $2,533,660 in restricted assets of the Authority and $564,087 in restricted assets of the Component Units that represent sinking funds and debt service reserve requirements as contained in the various indentures.

There are a number of other limitations and restrictions contained in the various bond indentures, such as maintaining the ratio of operating revenues to debt service requirements over an established ratio. Several projects are below the desired debt coverage ratios as of December 31, 2017. The debt coverage ratios are reported quarterly to the lender and limited partners. The Authority has considered options such as adjusting rents and operating cost as necessary and to the extent possible without violating rental restrictions to improve the ratios. Violation of the coverage covenant does not constitute a default on the bonds.

1. *Defeasance of Debt*

The Authority defeased certain revenue bonds in 2013 and 2017 by placing the funds in an irrevocable trust to provide for all future debt service payments on the bonds. Accordingly, the trust account assets and the liability for defeased bonds are not included in the Authority's financial statements. As of December 31, 2017, $22,460,000 of bonds outstanding are considered to be defeased.

2. *Variable Rate Bonds*

Interest on the variable-rate 2008 Pooled Bonds is determined weekly by the remarketing agent based upon prevailing market conditions and the yields at which comparable securities are being sold. The variable rates will never be greater than 12%.

Interest on the variable-rate Orchard Glen construction bonds is determined monthly and is paid at the rate equal to the sum of London Interbank Offered Rate (LIBOR) multiplied by the statutory reserve rate plus 1.4%.

2. Demand Bonds

2008 Pooled Bonds are subject to purchase on the demand of the holder at a price equal to principal plus accrued interest on seven days' notice and delivery to the Authority's remarketing agent. The remarketing agent is authorized to sell the repurchased bonds at a price equal to 100% of the principal amount by adjusting the interest rate.

Under a credit enhancement agreement with Federal Home Loan Mortgage Corporation (Freddie Mac), the trustee or the remarketing agent is entitled to draw an amount sufficient to pay the purchase price of Pooled Properties bonds delivered to it. The credit enhancement agreement is valid through December 6, 2038 and carries a variable interest rate equal to the institution's prime lending rate plus 2%, for the first ninety days and prime lending rate plus 4% thereafter. No amount was outstanding on the letter of credit as of December 31, 2017. The Authority is required to pay Freddie Mac a credit facility fee of 0.83%, a liquidity facility fee of 0.25% and swap credit enhancement fee of 0.13% per annum based on the outstanding principal amount of the bonds. The Authority is also required to pay the loan servicer, KeyCorp Real Estate Capital Markets, Inc. a servicing fee of 0.1% per annum based on the outstanding principal amount of the bonds. In addition, the remarketing agent receives a fee equal to the 0.1% per annum based on the outstanding principal amount of the bonds. These bonds are classified as short-term since this credit enhancement does not qualify as a long-term non-cancelable take out agreement.

3. Derivative Instruments

As means of lowering its borrowing costs when compared against fixed-rate bonds at the time of issuance, the Authority entered into pay fixed interest rate swap agreement to hedge against interest rate cash flow variations of its 2008 Pooled Bonds. This hedging instrument is a financial contract and obligation entered into to provide part of the overall financing package for transactions where variable-rate debt was utilized.

The Authority measures and records its derivative instruments within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices in active markets for identical assets or liabilities;
- Level 2: Quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable;
- Level 3: Unobservable inputs for an asset or liability, to the extent observable inputs are not available.

The fair value of the hedging instrument is negative and is shown on the Statement of Net Position in the amount of $2,628,268, which represents a $529,435 annual increase in value. Because the hedge was determined to be an effective hedge, hedge accounting can be used which allows the Authority to record the changes in fair value on the Statement of Net Position. The fair value was calculated by the counterparty and is based on financial principles and assumptions that they believe to be reasonable, not quoted market rates at December 31, 2017. This fair value measurement was determined using significant other observable inputs and therefore falls into Level 2 category of the established fair value hierarchy.

Objectives and terms of hedging derivatives: The objective of the swap agreements is to hedge for changes in interest rates on 2008 Pooled Bonds, which mature on December 1, 2038 and the related swap agreement matures on December 1, 2023. The swap agreement was entered into and became effective at the same time the bonds were issued. The swap's notional amount of $30,000,000 matched the amount of outstanding bonds at that time. Starting in 2009, the notional value of the swap and the principal amount of the associated debt began to decline. Under the swap, the Authority pays the counterparty a fixed payment of 3.727% and receives a variable payment equal to USD-SIFMA Municipal Swap Index.

Credit risk: As of December 31, 2017, the Authority was not exposed to credit risk because the swap had negative fair value. However, should interest rates change and fair value of the swap become positive, the Authority would be exposed to credit risk in the amount of the derivative's fair value. The swap counterparty was rated A by Standard & Poor's as of December 31, 2017.

Termination risk: The Authority or the counterparty may terminate the swaps at any time if the other party fails to perform under the terms of the contract. The swap may be terminated by the Authority if the counterparty fails to pay, or breaches the agreement through bankruptcy, merger or other terms. If the swap is terminated, the variable-rate bond would no longer carry a synthetically fixed interest rate. Also, if at the time of termination the swap has a negative fair value, the Authority would be liable to the counterparty for a payment equal to the swap's fair value. The Authority knows of no termination events that have occurred.

Rollover risk: The swap exposes the Authority to rollover risk. As disclosed above, the derivative has a term of 15 years, expiring in 2023, and the associated debt has a term of 30 years, expiring in 2038. When the derivative expires, the Authority will be at risk that it may not rollover the derivative into a similar instrument that would provide a favorable synthetic interest rate.

Market access risk: If the existing swap contract was to terminate for any reason, the Authority may not be able to access the capital (credit) markets when necessary to rollover the derivative into a similar instrument that would provide a favorable synthetic interest rate or the cost of doing so might be higher than anticipated.

Contingent features: The Authority may be required to post collateral comprised of US government securities in the amount of negative fair value of the hedging derivative instrument if the Standard & Poor's credit rating of its credit enhancement provider declined below A+. The credit enhancement provider was rated AA+ by Standard & Poor's and no collateral has been posted or transferred as of December 31, 2017. The fair value of the derivative instrument with this feature was negative $2,628,268 as of December 31, 2017.

Net cash flows of derivatives hedging debt: The following table displays the Authority's net cash flows of derivative hedging debt using rates as of December 31, 2017 and assuming current interest rates remain the same for their term:

Calendar Year Ending	Principal	Interest	Net Hedging Derivatives	Total
2018	680,000	301,130	510,401	1,491,531
2019	720,000	293,038	496,686	1,509,724
2020	760,000	284,470	482,163	1,526,633
2021	800,000	275,426	466,834	1,542,260
2022	840,000	265,906	450,698	1,556,604
2023-2027	4,910,000	1,168,878	397,609	6,476,487
2028-2032	6,340,000	844,246	-	7,184,246
2033-2037	8,215,000	424,533	-	8,639,533
2038	2,040,000	24,276	-	2,064,276
	$25,305,000	$ 3,881,903	$ 2,804,391	$31,991,294

As rates vary, variable-rate bond interest payments and net swap payments will vary.

B. NOTES PAYABLE

The Authority and several Component Units have long-term loans secured by capital assets. These loans were used to acquire capital assets that provide low income housing. They are being repaid by project revenues, interest earnings, and general Authority revenues. The notes currently outstanding are as follows:

Business Type Activities

Purpose	Original Amount	Issue Date	Maturity Date	Interest Rate	Amount Outstanding
Skyline Crest Apartments	$ 6,500,000	Sep-15	Oct-48	4.48%	$ 6,500,000
Skyline Crest Apartments	10,400,000	Sep-15	Apr-18	Variable	8,217,166
Plum Meadows Apartments	1,000,000	Jul-03	Mar-45	1%	1,013,588
Plum Meadows Apartments	300,000	Aug-03	Mar-51	3%	287,000
Esther Short Commons	125,000	Jul-02	Dec-22	0%	66,667
Esther Short Commons	200,000	Apr-03	Apr-43	2%	266,801
Esther Short Commons	600,000	Jul-02	Dec-41	3%	522,992
Esther Short Commons	750,000	Jul-02	Dec-43	3%	653,111
1st Street Apartments	564,268	Jun-10	Jan-35	0%	564,268
Mill Creek Apartments	860,600	Jun-06	May-47	0%	860,600
Mill Creek Apartments	818,200	May-06	Dec-46	1%	894,428
Mill Creek Apartments	170,300	May-06	Dec-51	0%	170,300
Mill Creek Senior Estates	600,000	Jun-06	May-47	0%	594,000
Mill Creek Senior Estates	573,500	May-06	Dec-51	0%	567,500
Vista Court Apartments	81,500	Jan-10	Jun-50	1%	81,500
Vista Court Apartments	327,000	Jan-10	Jun-50	1%	327,000
1st Street Apartments	385,621	Jun-10	Jan-35	0%	385,621
Infill Home Ownership Project	150,000	Various	Apr-28	0%	49,500
Valley Homestead Shelter	300,000	Jul-92	Dec-32	0%	300,000
Emergency Shelter	500,000	Mar-93	Mar-33	0%	500,000
Columbia House	705,764	Oct-02	Nov-22	5.5%	250,364
Columbia House	1,594,236	Dec-02	Nov-22	Variable	540,824
Pinewood Apartments	250,000	Oct-14	Jun-35	1%	250,000
Camas Ridge Apartments	301,748	Aug-10	Dec-36	1%	235,817
Camas Ridge Apartments	1,500,000	Jan-10	Aug-51	1%	1,500,000
Camas Ridge Apartments	35,972	Aug-10	Dec-36	0%	34,281
Camas Ridge Apartments	311,358	Aug-10	Dec-36	0%	311,358
Vancouver Community SRO	200,000	Sep-98	Dec-51	2%	153,698
Wisteria Manor Apartments	400,000	Jan-01	Apr-51	1%	400,000
Wisteria Manor Apartments	100,000	Apr-01	May-41	1%	72,341
Arbor Ridge Assisted Living	3,389,300	May-15	Jun-50	3.55%	3,261,522
Arbor Ridge Assisted Living	400,000	Aug-02	Jul-52	2%	400,000
Arbor Ridge Assisted Living	300,000	May-01	Dec-37	4%	296,029
Anthem Park Apartments	724,149	Oct-02	Aug-53	2.5%	724,149
Anthem Park Apartments	3,100,000	Dec-17	Dec-19	4%	3,100,000
Bridgeview	7,064	May-17	Nov-18	5%	7,064
Total					$ 34,359,489

Interest on the variable-rate Columbia House note is currently paid at the rate equal to 4.5% and is reset every three years. The next reset date is November 1, 2020.

Interest on the variable rate Skyline Crest construction note is determined monthly and is paid at the rate equal to the sum of London Interbank Offered Rate (LIBOR) plus 1.9%. This note matured in April 2018, and was repaid with limited partner capital contributions. For more information on subsequent events, see Subsequent Events Note 12.

Component Units

Purpose	Original Amount	Issue Date	Maturity Date	Interest Rate	Amount Outstanding	Unamortized Issuance Costs	Net Amount Outstanding
Vista Court Apartments	$3,685,000	Sep-12	Sep-42	7%	$ 3,460,160	$ (149,522)	$ 3,310,638
1st Street Apartments	1,030,000	Feb-14	Jun-54	1%	1,030,000	-	1,030,000
1st Street Apartments	9,500,000	Feb-17	Feb-32	5.98%	9,438,563	(291,045)	9,147,518
Lincoln Place Apartments	200,000	May-15	Dec-55	0.5%	200,000	-	200,000
Lincoln Place Apartments	270,000	May-15	May-55	0.5%	270,000	-	270,000
Lincoln Place Apartments	100,000	May-15	May-55	0.5%	100,000	-	100,000
Total					$ 14,498,723	$ (440,567)	$ 14,058,156

Notes payable debt service requirements to maturity are as follows:

	Business Type Activities		*Component Units*	
Calendar Year Ending	Principal	Interest	Principal	Interest
2018	$ 8,648,304	$ 652,741	$ 108,398	$ 815,621
2019	3,425,302	623,321	116,733	807,285
2020	420,939	503,885	125,643	798,376
2021	439,659	492,402	136,512	787,507
2022	460,460	483,922	147,420	776,599
2023-2027	1,797,011	2,292,466	927,066	3,693,027
2028-2032	2,599,322	2,071,070	8,914,977	2,913,424
2033-2037	8,791,275	889,256	1,001,014	671,897
2038-2042	3,160,212	502,572	1,504,586	303,497
2043-2047	3,307,802	242,359	212,797	20,281
2048-2052	1,309,203	45,234	223,694	9,384
2053-2055	-	-	639,316	112,860
Total	$ 34,359,489	$ 8,799,228	$ 14,058,156	$ 11,709,758

C. CHANGES IN LONG-TERM LIABILITIES

During the year ended December 31, 2017, the following changes occurred in long-term liabilities:

Business Type Activities	Balance 12/31/2016	Additions	Reductions	Balance 12/31/2017	Due Within One Year
Revenue Bonds	$ 83,080,506	$31,308,324	$(33,577,475)	$ 80,811,355	$28,825,058
Notes	31,785,441	4,949,914	(2,375,866)	34,359,489	8,648,304
Compensated Absences	451,284	473,047	(468,411)	455,920	442,898
Net Pension Liabilities	4,441,397	-	(751,656)	3,689,741	-
Totals	$119,758,628	$36,731,285	$(37,173,408)	$119,316,505	$37,916,260

Component Units	Balance 12/31/2016	Additions	Reductions	Balance 12/31/2017	Due Within One Year
Due to the Housing Authority					
Capital Lease	$ 31,773,065	$ -	$(24,073,917)	$ 7,699,148	$ -
Developer Fee Payable	9,044,518	313,136	(4,697,443)	4,660,211	2,544,175
Loans and Notes Payable	46,227,372	4,823,679	(5,015,691)	46,035,360	10,225,146
Notes	19,562,636	-	(5,504,480)	14,058,156	108,398
Compensated Absences	53,393	33,027	(44,825)	41,595	41,595
Developer Fee Payable	480,472	-	(480,472)	-	-
Totals	$107,141,456	$ 5,169,842	$(39,816,828)	$ 72,494,470	$12,919,314

NOTE 7 – UNEARNED REVENUES

The Authority and the Component Units have recorded unearned revenues totaling $197,483 and $23,989, respectively, which consist of tenant rents received in advance.

NOTE 8 – PENSION PLANS

The following table represents the aggregate pension amounts for all plans subject to the requirements of the GASB Statement 68, *Accounting and Financial Reporting for Pensions* for the year 2017:

Aggregate Pension Amounts - All Plans	
Pension liabilities	$ 3,689,741
Deferred outflows of resources	632,243
Deferred inflows of resources	699,324
Pension expenditures	436,492

State Sponsored Pension Plans

Substantially all authority's full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans. The state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be downloaded from the DRS website at www.drs.wa.gov or obtained by writing to:

Department of Retirement Systems
Communications Unit
P.O. Box 48380
Olympia, WA 98540-8380

Public Employees' Retirement System (PERS)

PERS members include elected officials; state employees; employees of the Supreme, Appeals and Superior Courts; employees of the legislature; employees of district and municipal courts; employees of local governments; and higher education employees not participating in higher education retirement programs. PERS is comprised of three separate pension plans for membership purposes. PERS plans 1 and 2 are defined benefit plans, and PERS plan 3 is a defined benefit plan with a defined contribution component.

PERS Plan 1

PERS Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

PERS Plan 1 member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2017 were as follows:

Actual Contribution Rates:	Employer	Employee
January-June 2017:		
PERS Plan 1	6.23%	6.00%
PERS Plan 1 UAAL	4.77%	-
Administrative Fee	0.18%	-
Total	11.18%	6.00%
July-December 2017		
PERS Plan 1	7.49%	6.00%
PERS Plan 1 UAAL	5.03%	-
Administrative Fee	0.18%	-
Total	12.70%	6.00%

PERS Plan 2/3

provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service for Plan 2 and 1 percent of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by three percent for each year before age 65; or
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2/3 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service credit. PERS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other PERS Plan 2/3 benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty related death benefit, if found eligible by the Department of Labor and Industries. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

PERS Plan 3 defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. PERS Plan 3 members choose their contribution rate upon joining membership and have a chance to change rates upon changing employers. As established by statute, Plan 3 required defined contribution rates are set at a minimum of 5 percent and escalate to 15 percent with a choice of six options. Employers do not contribute to the defined contribution benefits. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

PERS Plan 2/3 employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2017 were as follows:

Actual Contribution Rates:	Employer 2/3	Employee 2
January-June 2017		
PERS Plan 2/3	6.23%	6.12%
PERS Plan 2/3 UAAL	4.77%	-
Administrative Fee	0.18%	-
Employee PERS Plan 3	-	varies
Total	11.18%	6.12%
July-December 2017		
PERS Plan 2/3	7.49%	7.38%
PERS Plan 2/3 UAAL	5.03%	-
Administrative Fee	0.18%	-
Employee PERS Plan 3	-	varies
Total	12.70%	7.38%

The authority's actual PERS plan contributions were $239,917 to PERS Plan 1 and $335,984 to PERS Plan 2/3 for the year ended December 31, 2017.

Actuarial Assumptions:

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2017 with a valuation date of June 30, 2016. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2007-2012 Experience Study* and the Economic Experience Study.

Additional assumptions for subsequent events and law changes are current as of the 2016 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2017. Plan liabilities were rolled forward from June 30, 2016, to June 30, 2017, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 3.0% total economic inflation; 3.75% salary inflation
- **Salary increases**: In addition to the base 3.75% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.5%

Mortality rates were based on the RP-2000 report's Combined Healthy Table and Combined Disabled Table, published by the Society of Actuaries. The OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100 percent Scale BB. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime.

There were minor changes in methods and assumptions since the last valuation:

- For all plans except LEOFF Plan 1, how terminated and vested member benefits are valued was corrected.
- How the basic minimum COLA in PERS Plan 1 is valued for legal order payees was improved.
- For all plans, the average remaining service lives calculation was revised.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.5 percent. To determine that rate, an asset sufficiency test included an assumed 7.7 percent long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. (All plans use 7.7 percent except LEOFF 2, which has assumed 7.5 percent). Consistent with the long-term expected rate of return, a 7.5 percent future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue being made at contractually required rates (including PERS 2/3, PSERS 2, SERS 2/3, and TRS 2/3 employers, whose rates include a component for the PERS 1, and TRS 1 plan liabilities). Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.5 percent was used to determine the total liability.

Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7.5 percent was determined using a building-block-method. In selecting this assumption, the Office of the State Actuary (OSA) reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered capital market assumptions and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the capital market assumptions and their target asset allocation to simulate future investment returns at various time horizons.

Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2017, are summarized in the table below. The inflation component used to create the table is 2.2 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed income	20%	1.7%
Tangible Assets	5%	4.9%
Real Estate	15%	5.8%
Global Equity	37%	6.3%
Private Equity	23%	9.3%
Total	100%	

Sensitivity of the Net Pension Liability/(Asset)

The table below presents the authority's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5 percent) or 1-percentage point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
PERS 1	$ 2,314,708	$ 1,900,119	$ 1,540,996
PERS 2/3	$ 4,821,429	$ 1,789,622	$ (694,494)

Pension Plan Fiduciary Net Position

Detailed information about the State's pension plans' fiduciary net position is available in the separately issued DRS financial report.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2017, the authority reported a total pension liability of $3,689,741 for its proportionate share of the net pension liabilities as follows:

	Liability (or Asset)
PERS 1	$ 1,900,119
PERS 2/3	$ 1,789,622

At June 30, the Authority's proportionate share of the collective net pension liabilities was as follows:

	Proportionate Share 6/30/16	Proportionate Share 6/30/17	Change in Proportion
PERS 1	0.037570%	0.040040%	0.002470%
PERS 2/3	0.048140%	0.051510%	0.003370%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the *Schedules of Employer and Nonemployer Allocations* for all plans except LEOFF 1.

The collective net pension liability (asset) was measured as of June 30, 2017, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2016, with update procedures used to roll forward the total pension liability to the measurement date.

Pension Expense

For the year ended December 31, 2017, the authority recognized pension expense as follows:

	Liability (or Asset)
PERS 1	$ 235,544
PERS 2/3	200,948
Total	$ 436,492

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2017, the authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following:

PERS 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual investment earnings on pension plan investments	-	(70,906)
Contributions subsequent to the measurement date	123,703	-
Total	$ 123,703	$ (70,906)

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 181,331	$ (58,858)
Net difference between projected and actual investment earnings on pension plan investments	-	(477,070)
Changes of assumptions	19,009	-
Changes in proportion and differences between contributions and proportionate share of contributions	124,000	(92,490)
Contributions subsequent to the measurement date	184,200	-
Total	$ 508,540	$ (628,418)

Total All Plans	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 181,331	$ (58,858)
Net difference between projected and actual investment earnings on pension plan investments	-	(547,976)
Changes of assumptions	19,009	-
Changes in proportion and differences between contributions and proportionate share of contributions	124,000	(92,490)
Contributions subsequent to the measurement date	307,903	-
Total	$ 632,243	$ (699,324)

Deferred outflows of resources related to pensions resulting from the authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31:	PERS 1	PERS 2/3
2018	$ (47,929)	$ (219,876)
2019	15,132	33,242
2020	(3,513)	(27,600)
2021	(34,597)	(172,196)
2022	-	35,806
Thereafter	-	46,546

NOTE 9 – RELATED PARTIES TRANSACTIONS

The Authority, as general partner, is responsible for the management and operation of projects owned by the low-income housing tax credit partnerships, which are discretely presented Component Units.

Receivables and payables between the Authority and the Component Units as of December 31, 2017 resulted from capital leases, developer fees, and notes. An overview of the relationships related to these transactions is disclosed below and summarized in the following table:

	Payable to the Authority 12/31/2017	Accrued Interest Presentation Difference	Unamortized Financing Costs	Allowance for Bad Debts	Receivable from Component Units 12/31/2017
Notes	$ 46,035,360	$ 1,802,438	$ 316,373	$ (179,061)	$ 47,975,110
Developer Fees	4,660,211	53,520	-	-	4,713,731
Net Capital Leases	7,699,148	400,415	105,691	-	8,205,254
Accrued Interest	2,256,373	(2,256,373)	-	-	-
Net Activity	$ 60,651,092	$ -	$ 422,064	$ (179,061)	$ 60,894,095

1. Notes Receivable/Payable

The Authority made certain loans to the Component Units used to acquire capital assets that provide low-income housing. These loans are payable from revenues generated by the Component Units and limited partner capital contributions.

The Authority has earned management fees for managing the affairs of the Component Units. Generally, the management fees are payable from revenues generated by the component unit. However, the agreements state that if the component unit has not paid the fee by a specified date, the management fee earned may be forgiven. Component Units projects' budgets are designed to be self-reliant, however, if projects are unable to meet expectations, the Authority is obliged to assist them using the local revenue streams to supplement any shortfalls. These loans are payable from future revenues generated by the component units or from proceeds of sales. The Authority has accrued $179,061 as allowance for bad debts related to management fees receivable.

Notes payable owed to the Authority by the Component Units currently outstanding are as follows:

Purpose	Original Amount	Issue Date	Maturity Date	Interest Rate	Amount Outstanding	Unamortized Issuance Costs	Net Amount Outstanding
Vista Court - VHA Loan	$1,200,000	Dec-10	Dec-61	8.5%	$ 1,200,000	$ -	$ 1,200,000
1st Street - VHA Loan	9,938,385	Feb-14	Feb-54	1%	9,938,385	-	9,938,385
Skyline Crest - VHA/Citi Permanent Loan	6,500,000	Sep-15	Oct-48	4.48%	6,500,000	(224,964)	6,275,036
Skyline Crest - VHA/Citi Construction Loan	10,400,000	Sep-15	Apr-18	Variable	8,217,166	-	8,217,166
Skyline Crest - VHA Master Loan	12,750,000	Sep-15	Sep-65	2.95%	10,500,000	-	10,500,000
Lincoln Place - VHA Permanent Loan	1,248,782	May-15	May-55	0.5%	1,196,377	-	1,196,377
Orchard Glen - VHA/Chase Loan	6,570,550	Jul-16	Oct-17	Variable	6,570,406	(91,409)	6,478,997
Orchard Glen - VHA Loan	1,750,000	Jul-16	Jul-56	2.33%	1,750,000	-	1,750,000
VHA Accrued Management Fees	-	Various	N/A	0%	388,391	-	388,391
VHA Operating Advances	-	Various	N/A	0%	91,008	-	91,008
Total					$46,351,733	$ (316,373)	$ 46,035,360

Notes payable debt service requirements to maturity are as follows:

Calendar Year Ending	Principal	Interest
2018	10,225,146	1,103,543
2019	135,342	1,094,448
2020	141,068	1,105,107
2021	147,976	1,115,911
2022	154,706	1,128,333
2023-2027	884,421	5,877,490
2028-2032	1,100,670	6,439,070
2033-2037	8,181,871	6,319,861
2038-2042	-	7,470,627
2043-2047	-	10,053,033
2048-2052	-	13,919,351
2053-2057	12,884,762	19,242,272
2058-2062	1,200,000	21,290,130
2063-2065	10,500,000	826,000
Undefined	479,398	-
Total	$ 46,035,360	$96,985,176

2. ***Developer Fees Receivable/Payable***

The Authority has earned developer fees while the projects were being developed. Generally, the developer fees are payable from revenues generated by the component unit. However, the agreements state that if component unit has not paid the fee by a specified date, the developer fee earned may be reclassified as an additional capital contribution from the Authority.

3. ***Capital Leases Receivable/Payable***

The Authority has issued tax exempt revenue bonds, which are included in long term debt, for the acquisition or construction of properties utilizing Low Income Housing Tax Credits on behalf of its discretely presented Component Units.

As these limited partnerships or Component Units are created, the Authority establishes a capital lease relationship with each partnership whereby the Authority leases the property to the partnership. For these capital lease arrangements, a lease receivable for the net lease payments is established on the Authority's books and a lease payable on the partnership's books. The liability for the bonds remains on the Authority's books. The capital asset is recorded on the partnership's books. As the bonds payable is reduced through debt service payments, the corresponding lease receivable is reduced by an equal amount.

On the Authority's books, these leases are classified as direct financing leases and expire at various intervals over 99 years from initial period. All executory costs were paid by the component unit. The initial direct costs were paid directly by the Authority. Further, no contingent rentals exist under these leases. The Authority's net investments in direct financing leases as of December 31, 2017 are as follows:

Total minimum lease payments to be received:	$ 13,485,745
Less unearned income	(5,280,491)
Net investment in direct financing lease	$ 8,205,254

Leases Payable: The Component Units record lease payments as reductions of the long-term liability and as interest expense over the life of the lease. The partnerships also record depreciation expense to amortize the assets over the life of the assets. The assets acquired by the Component Units through capital leases, which remained payable as of December 31, 2017, are as follows:

Land	$ 1,421,761
Buildings, structures and improvements	10,729,650
Equipment and furniture	355,744
Less accumulated depreciation	(4,418,992)
	$ 8,088,163

Future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2017, were as follows:

Calendar Year Ending	
2018	$ 211,614
2019	211,614
2020	211,615
2021	211,615
2022	222,115
2023-2027	2,938,622
2028-2032	876,717
2033-2037	977,928
2038-2042	2,017,951
2043-2047	1,816,604
2048-2052	3,016,788
Total minimum lease payments	12,713,183
Less: amount representing interest	(5,014,035)
Present value of minimum lease payments	$ 7,699,148

4. Accrued Interest Receivable/Payable

The Authority charges interest on the notes, developer fees, and capital leases made to the Component Units; the interest is accrued while payment from the component units remains outstanding. The Authority had $2,256,373 of accrued interest payable related to component units as of December 31, 2017, as follows:

Type	*Amount*
Accrued Interest on Notes	$ 1,802,438
Accrued Interest on Developer Fees	53,520
Accrued Interest on Net Capital Leases	400,415
Total	$ 2,256,373

NOTE 10 – OTHER CAPITAL CONTRIBUTIONS

The following partner capital contributions were made in accordance with respective partnership agreements and recorded as other capital contributions during 2017:

	Business Type Activities	*Component Units*
Limited partner contribution to 1st Street LLLP	$ -	$ 5,246,394
Limited partner contribution to Skyline Crest LLLP	-	1,500,000
Limited partner contribution to Lincoln Place LLLP	-	3,623,964
General partner contribution to Plum Meadows LP	(634,618)	634,618
General partner contribution to Esther Short Commons LP	(1,419,148)	1,419,148
Totals	$ (2,053,766)	$12,424,124

NOTE 11 – SPECIAL ITEMS

The following were recorded as special items during 2017:

	Business Type Activities	*Component Units*
Demolition costs	(32,186)	-
Anthem Park LP net book value of assets transferred	(2,892,202)	2,892,202
Plum Meadows LP net book value of assets transferred	(27,922)	27,922
Esther Short LP net book value of assets transferred	(322,249)	322,249
Totals	$ (3,274,559)	$ 3,242,373

The Authority incurred demolition expenses at one of its properties in preparation for redevelopment. Although such activities are not unusual given the nature of the Authority business, they are infrequent in occurrence and therefore should be presented as special items.

Net book value of assets of Anthem Park at Uptown Village LP, Plum Meadows LP, and Esther Short Commons LP were transferred to the Authority as a result of the acquisition of the limited partners' interests in the respective partnerships. Although such capital acquisitions are not unusual given the nature of these limited partnerships, they are not expected to occur in the future of a given partnership and therefore should be presented as special items.

The Authority acquired the limited partner's interest in Anthem Park at Uptown Village LP on November 30, 2017. As a result of the transfer, the Authority recognized the following assets, liabilities, and net position:

	Amounts recognized by Component Unit	Adjustments	Amounts recognized by the Authority
Transferred Assets			
Current Assets	$ 151,858	$ -	$ 151,858
Capital Assets	3,947,442	-	3,947,442
Total Assets	$ 4,099,300	$ -	$ 4,099,300
Transferred Liabilities			
Current Liabilities	3,983,139	(3,930,628)	52,511
Long-Term Liabilities	3,008,363	(3,008,363)	-
Total Liabilities	$ 6,991,502	$ (6,938,991)	$ 52,511
Transferred Net Position			
Net investment in capital assets	(1,664,277)	5,611,719	3,947,442
Restricted	102,168	-	102,168
Unrestricted	(1,330,093)	1,327,272	(2,821)
Total Net Position	$ (2,892,202)	$ 6,938,991	$ 4,046,789

The liability accounts not transferred were payable to the Authority and therefore were removed during the combination.

The Authority acquired the limited partner's interest in Plum Meadows LP on December 31, 2017 through VHA Proxy LLC. As a result of the transfer, the Authority recognized the following assets, liabilities, and net position:

	Amounts recognized by Component Unit	Adjustments	Amounts recognized by the Authority
Transferred Assets			
Current Assets	$ 454,352	$ -	$ 454,352
Capital Assets	8,400,459	-	8,400,459
Other Assets	603,147	(12,182)	590,965
Total Assets	$ 9,457,958	$ (12,182)	$ 9,445,776
Transferred Liabilities			
Current Liabilities	1,206,093	(1,076,960)	129,133
Long-Term Liabilities	8,279,787	(8,279,787)	-
Total Liabilities	$ 9,485,880	$ (9,356,747)	$ 129,133
Transferred Net Position			
Net investment in capital assets	182,135	8,218,324	8,400,459
Restricted	831,780	-	831,780
Unrestricted	(1,041,837)	1,126,241	84,404
Total Net Position	$ (27,922)	$ 9,344,565	$ 9,316,643

The liability accounts not transferred were payable to the Authority and therefore were removed during the combination. In addition, $12,182 of net financing costs and $149,991 of unamortized debt issuance costs were expensed upon transfer to the Authority.

The Authority acquired the limited partner's interest in Esther Short Commons LP on December 31, 2017 through VHA Proxy LLC. As a result of the transfer, the Authority recognized the following assets, liabilities, and net position:

	Amounts recognized by Component Unit	Adjustments	Amounts recognized by the Authority
Transferred Assets			
Current Assets	$ 443,433	$ -	$ 443,433
Capital Assets	10,493,741	-	10,493,741
Other Assets	565,194	(11,103)	554,091
Total Assets	$ 11,502,368	$ (11,103)	$ 11,491,265
Transferred Liabilities			
Current Liabilities	1,219,549	(1,096,275)	123,274
Long-Term Liabilities	10,605,068	(10,605,068)	-
Total Liabilities	$ 11,824,617	$ (11,701,343)	$ 123,274
Transferred Net Position			
Net investment in capital assets	203,833	10,289,908	10,493,741
Restricted	773,741	-	773,741
Unrestricted	(1,299,823)	1,400,332	100,509
Total Net Position	$ (322,249)	$ 11,690,240	$ 11,367,991

The liability accounts not transferred were payable to the Authority and therefore were removed during the combination. In addition, $11,103 of net financing costs and $167,389 of unamortized debt issuance costs were expensed upon transfer to the Authority.

NOTE 12 – SUBSEQUENT EVENTS

In February 2018, Orchard Glen Apartments construction bonds totaling $1,920,406 were repaid with limited partner contributions and the remaining $4,650,000 was converted to a long-term bond bearing 3.63% interest rate and maturing April 2036.

In March 2018, Skyline Crest construction note totaling $8,217,166 was repaid with limited partner capital contributions and a draw on VHA loan totaling $2,250,000.

In June 2018, Vancouver Affordable Housing transferred its entire 99.99% ownership interest in Caples Terrace LLLP to Key Community Development Corp. The Authority remained as a 0.01% general partner. At the same time, the Authority made a commitment to loan up to $6,463,593 to Caples Terrace LLLP to fund construction of low-income housing project in Vancouver, WA, of which the Authority is a developer. $341,773 of the loan commitment was funded in June 2018.

NOTE 13 – CONTINGENT LIABILITIES AND LITIGATION

The Authority has recorded in its financial statements all material liabilities, including estimates for situations which are not yet resolved but where, based on available information, management believes it is probable that the Authority will have to make payment. In the opinion of management, the Authority's insurance policies are adequate to pay all known or pending claims.

The Authority participates in a number of federal, state and local assisted programs. These grants are subject to audit by the grantors or their representatives. Such audits could result in requests for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. The amount of expenses that may be disallowed by the grantors cannot be determined at this time, although the Authority expects such amount, if any, to be immaterial.

The Authority is the general partner in a number of Tax Credit Limited Partnerships (Component Units) and has provided various guaranties to the respective limited partners, including completion guaranties, operating deficit guaranties, credit reduction guaranties, bank account loss guaranties, loan shortfall guaranties, tax abatement guaranties and indemnification guarantees. In the opinion of management, the likelihood of payments being required under these guarantees is remote and the amount of expenses cannot be reasonably determined at this time, although the Authority expects such amounts, if any, to be immaterial.

As a co-developer of Meriwether Place LLLP and Meadows Apartments LLLP, the Authority has made construction completion and operating deficit guaranties as authorized by the Authority Board of Commissioners. In the opinion of management, the likelihood of payments being required under these guarantees is remote and the amount of expenses cannot be reasonably determined at this time, although the Authority expects such amounts, if any, to be immaterial.

In April 2013, the Authority guaranteed a $446,294 loan, maturing April 2023, issued by Columbia Nonprofit Housing as authorized by the Authority Board of Commissioners. The loan balance is $263,173 as of December 31, 2017. The Authority has considered factors and historical data in assessing the likelihood that it will be required to make a payment on this note in the future. It concluded that it is not likely that the Authority will be required to make a payment on the guarantee; therefore, no liability is recognized on the statement of net position. No arrangements have been made for recovering from Columbia Nonprofit Housing in the event that the Authority is required to make a payment on their behalf.

The Authority is currently subject to a "Final Order and Judgment Approving Class Settlement" entered by the United States District Court for the Western District of Washington on July 31, 2015. The underlying class action lawsuit was filed by three current and former tenants, who alleged that VHA failed to properly calculate utility allowances for its Public Housing tenants for the period from May 1, 2004, until April 30, 2011. VHA denied any liability and denied that the plaintiffs or class members suffered any damages; however, the Authority believed that settlement of the dispute was in its best interests to avoid ongoing litigation and expense. Pursuant to the settlement, VHA established a settlement fund of $488,824 for certain class members and paid $110,000 in attorneys' fees, court costs, and incentive payments to the class representatives. The Authority is also subject to certain non-monetary, injunctive relief until September 1, 2019.

NOTE 14 – PRIOR PERIOD ADJUSTMENTS

Prior period adjustments are related to prior periods and thus excluded from the operating statements for the current period. They are limited to corrections of material errors in the financial statements of prior periods and other material adjustments which meet the criteria for prior period adjustments contained in the prescribed system of accounts.

$12,089 prior period adjustment was recorded during 2017 for the Component Units related to $193,382 in additional depreciation recorded for Skyline Crest following construction completion, offset by $181,293 in previously expensed costs that should have been capitalized.

NOTE 15 – RISK MANAGEMENT

The Authority is a member of the Housing Authorities Risk Retention Pool (HARRP). Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), fifty-five public housing authorities in the states of Washington, Oregon and California originally formed HARRP in March 1987. HARRP was created for the purposes of providing a pooling mechanism for jointly purchasing insurance, jointly self insuring, and/or jointly contracting for risk management services. HARRP currently has a total of eighty-three members in the states of Washington, Oregon, Nevada and California. Thirty-six of the eighty-three members are Washington public housing entities.

New members originally contract for a three year term and thereafter automatically renew on an annual basis. Members may quit (after completion of the three year commitment) upon giving notice to HARRP prior to their renewal date. HARRP can terminate the members after giving a sixty day notice prior to the renewal date. Termination does not relieve a former member from its unresolved losses incurred during membership.

General and Automobile Liability coverages are written on an occurrence basis, without member deductibles. Errors & Omissions coverage (which includes Employment Practices Liability) is written on a claims made basis, and the members are responsible for 10% of the incurred costs of the claims. (Due to special underwriting circumstances, some members may be subject to a greater E&O co-payment.) The Property coverage offered by HARRP is on a replacement cost basis with deductibles ranging from $1,000 to $25,000. Fidelity coverage, with limits of $100,000 (with options up to $500,000) for employee dishonesty and forgery or alteration and $10,000 for theft are also provided with deductibles the same as Property.

Coverage limits for General Liability and Errors & Omissions are $2,000,000 per occurrence and $2,000,000 annual aggregate. Property limits are offerend on an agreed amount, based on each structure’s value. Limits for Automobile Liability are $2,000,000, with $2,000,000 aggregate.

HARRP self-insures the first $1 million of coverage for liability lines and purchases an additional $1 million in reinsurance for a total of $2 million. For property, HARRP retains the first $1 million and purchases an additional $1 million reinsurance policy and then purchases $45 million of excess insurance from Munich Reinsurance for a combined total of $47,000,000. The HARRP Board of Directors determines the limits and coverage terms, at its sole discretion.

HARRP provides loss control services, claim investigation and adjusting, litigation management and defense with in-house staff and retained third party contractors.

HARRP is fully funded by member assessments that are adjusted annually by the HARRP Board on the basis of independent actuarial studies. These assessments cover loss, loss adjustment expenses, reinsurance and other administrative expenses. HARRP does not have the right to assess the membership for any shortfall in its funding. Such shortfalls are made up through future rate adjustments.

The Authority self-insures for unemployment compensation as an alternative to the State program. During 2017, the Authority paid out a total of seven claims totaling $23,734 under this program. Any future costs to the Authority, including expected annual level of claims relating to this self-insurance program, are not readily estimable and are not expected to be material. The Authority has not set aside any reserves for potential losses related to this program.

The Authority participates in workers' compensation insurance through the Washington State Department of Labor and Industries, Industrial Insurance State Fund.

In the past three years, no settlements exceeded insurance coverage.

Vancouver Housing Authority
Schedule of Proportionate Share of the Net Pension Liability
PERS 1
As of June 30
Last Four Fiscal Years

Year Ended June 30,	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability	Employer's covered employee payroll	Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2017	0.040044%	$ 1,900,119	$ 4,851,162	39.17%	61.24%
2016	0.037570%	2,017,686	4,505,573	44.78%	57.03%
2015	0.040735%	2,130,819	4,593,228	46.39%	59.10%
2014	0.043037%	2,168,009	4,641,776	46.71%	61.19%

Vancouver Housing Authority

Schedule of Proportionate Share of the Net Pension Liability

PERS 2/3

As of June 30

Last Four Fiscal Years

Year Ended June 30,	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability	Employer's covered employee payroll	Employer's proportionate share of the net pension liability as a percentage of covered employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2017	0.051507%	$ 1,789,622	$ 4,851,162	36.89%	90.97%
2016	0.048138%	2,423,710	4,505,573	53.79%	85.82%
2015	0.051083%	1,825,225	4,532,823	40.27%	89.20%
2014	0.053242%	1,076,213	4,558,522	23.61%	93.29%

Vancouver Housing Authority
Schedule of Employer Contributions
PERS 1
As of December 31
Last Four Fiscal Years

Year Ended December 31,	Statutorily or contractually required contributions	Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered employer payroll	Contributions as a percentage of covered employee payroll
2017	$ 239,917	$ (239,917)	$ -	$ 4,895,644	4.90%
2016	222,182	(222,182)	-	4,657,889	4.77%
2015	196,720	(196,720)	-	4,520,571	4.35%
2014	183,834	(183,834)	-	4,433,379	4.15%

Vancouver Housing Authority
Schedule of Employer Contributions
PERS 2/3
As of December 31
Last Four Fiscal Years

Year Ended December 31,	Statutorily or contractually required contributions	Contributions in relation to the statutorily or contractually required contributions	Contribution deficiency (excess)	Covered employer payroll	Contributions as a percentage of covered employee payroll
2017	$ 335,984	$ (335,984)	$ -	$ 4,895,644	6.86%
2016	290,187	(290,187)	-	4,657,889	6.23%
2015	252,161	(252,161)	-	4,520,571	5.58%
2014	216,499	(216,499)	-	4,334,300	5.00%

Vancouver Housing Authority

Notes to Required Supplemental Information - Pension

As of December 31
Last Four Fiscal Years

Note 1: Information Provided

GASB 68 was implemented for the year ended December 31, 2014, therefore there is no data available for years prior to 2014.

Note 2: Significant Factors

There were no changes of benefit terms, significant changes in the employees covered under the benefit terms or in the use of different assumptions.

Note 3: Covered payroll

Covered payroll has been presented in accordance with GASB 82, *Pension Issues.* Covered payroll includes all payroll on which a contribution is based.

Note 4: Change in contribution rate

The employer contribution rates for both PERS 1 and PERS 2/3 plans increased from 11.18% to 12.70% for pay periods beginning July 2017.

HOUSING AUTHORITY OF THE CITY OF VANCOUVER

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Fiscal Year Ended December 31, 2017

Grantor/ Pass-Through Grantor Program Title	CFDA Number	Other Identification Number	Federal Expenditures	Expenditures to Subrecipients	Total Federal Expenditures
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Mortgage Insurance_Nursing Homes, Intermediate Care Facilities, Board and Care Homes and Assisted Living Facilities	**14.129**	Arbor Ridge Assisted Living FHA-127-22121		3,313,996	3,313,996
Total CFDA Number	**14.129**			**3,313,996**	**3,313,996**
Section 8 New Construction and Substantial Rehabilitation	**14.182**	W16001002/1802/2903/2906/2907/2908	1,308,684		
Total CFDA Number	**14.182**		**1,308,684**		**1,308,684**
Subtotal Section 8 Project-Based Cluster			**1,308,684**		**1,308,684**
Multifamily Housing Service Coordinators	**14.191**	WA19HS09003	70,462		70,462
Total CFDA Number	**14.191**		**70,462**		**70,462**
Community Development Block Grants/Entitlement Grants (Loa	**14.218**	City of Vancouver Project 414205 Esther Sh.		58,333	58,333
Community Development Block Grants/Entitlement Grants (Loa	**14.218**	Clark County Camas Ridge Project		34,281	34,281
Community Development Block Grants/Entitlement Grants (Loa	**14.218**	City of Vancouver Vista Court Project		81,500	81,500
Community Development Block Grants/Entitlement Grants (Loa	**14.218**	City of Vancouver Pinewood Project		250,000	250,000
Total CFDA Number	**14.218**			**424,114**	**424,114**
Subtotal CDBG - Entitlement Grants Cluster				**424,114**	**424,114**
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii (Loan)	**14.228**	Clark County NSP 16703 SE 1st Street		564,268	564,268
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii (Loan)	**14.228**	City of Vancouver NSP 16703 SE 1st Street		385,621	385,621
Total CFDA Number	**14.228**			**949,889**	**949,889**
Resident Opportunity and Supportive Services - Service Coordinators	**14.870**	WA008RPS005A010	69,352		69,352
Total CFDA Number	**14.870**		**69,352**		**69,352**
Family Self-Sufficiency Program	**14.896**	WA008FSF0003	188,852		188,852
Total CFDA Number	**14.896**		**188,852**		**188,852**
Section 8 Housing Choice Vouchers (VASH)	**14.871**	WA008VA0001	1,394,946		1,394,946
Section 8 Housing Choice Vouchers (FUP)	**14.871**	WA008FU0001	479,497		479,497
Total CFDA Number	**14.871**		**1,874,443**		**1,874,443**
Section 8 Housing Choice Vouchers (Mainstream)	**14.879**	WA008DV0008	482,683		
Total CFDA Number	**14.879**		**482,683**		**482,683**
Subtotal Housing Voucher Cluster			**2,357,126**		**2,357,126**
Moving to Work Demonstration Program (Low Rent)		WA008000511	245,127		245,127
Moving to Work Demonstration Program (HCV)		WA008VOW/VO	18,422,011		18,422,011
Moving to Work Demonstration Program (Rental Assistance Demonstration)		WA008R10003	833,583		833,583
Moving to Work Demonstration Program (HCV)		WA008VOW/VO (pass-through)	3,604,335		3,604,335
Moving to Work Demonstration Program (CF)		WA16R008501-10/11/12/13/14/15	108,792		108,792
Subtotal Moving to Work Demonstration Program	**14.881**		**23,213,848**		**23,213,848**
TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			**27,208,324**	**4,687,999**	**27,208,324**
U.S. DEPARTMENT OF ENERGY					
Weatherization Assistance for Low-Income Persons	**81.042**	Clark County Weatherization Program	**2,644**		**2,644**
U.S. DEPARTMENT OF HEALTH & HUMAN SERVICE					
Low-Income Home Energy Assistance	**93.568**	Clark County Weatherization Program	**18,812**		**18,812**
TOTAL FEDERAL EXPENDITURES			**27,229,781**	**4,687,999**	**31,917,780**

The Accompanying Notes to the Schedule of Expenditures of Federal Awards are an Integral Part of this Schedule.

HOUSING AUTHORITY OF THE CITY OF VANCOUVER
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
AND STATE/LOCAL FINANCIAL ASSISTANCE
For the Fiscal Year Ended December 31, 2017

NOTE 1 BASIS OF ACCOUNTING

This schedule is prepared on the same basis of accounting as the authority's financial statements. The authority uses the accrual basis of accounting.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Expenditures are recognized following the cost principles contained in the OMB Circular-A87 and Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement
(2) The Authority has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance

NOTE 3 PROGRAM COSTS

The amounts shown as current year expenditures represent only federal and state/local grant portions of the program costs. Entire program costs, including the authority's portion may be more than shown.

NOTE 4 FEDERAL LOANS

The authority was approved by various local jurisdictions to receive pass-through CDBG loans totaling $1,374,003 and $ 3,261,522 Healthcare Facility Note to build low income housing. The amount listed includes loan proceeds received during the year and the outstanding loan balances from prior years.

Community Development Block Grant (Clark County 97-CDBG-21) Orchard Glen	
Community Development Block Grant (Clark County Project 9410) NE Adams St. Improvements	-
Community Development Block Grant (City Project 414205) Esther Short Commons	58,333
Community Development Block Grant (County Project 0916,09H3)) Camas Ridge Apartment	34,281
Community Development Block Grant (City CDBG-414909)) Vista Court Apartment	81,500
Community Development Block Grant (Clark County NSP) 16703 SE 1st street project	564,268
Community Development Block Grant (City of Vancouver CDBG) 16703 SE 1st street project	385,621
Community Development Block Grant (City of Vancouver CDBG) Pinewood project	250,000
Department of Housing and Urban Developemnt Healthcare Facility Note Section 232 (Arbor Ridge)	3,261,522
TOTAL CDBG LOANS	**$ 4,635,525**

HOUSING AUTHORITY OF THE CITY OF VANCOUVER
SCHEDULE OF STATE AND LOCAL FINANCIAL ASSISTANACE
For the Fiscal Year Ended December 31, 2017

Grantor/ Pass-Through Grantor Program Title	Other Identification Number	State Expenditures	Local Expenditures	Total State & Local Expenditures
Washington State Captial Budget 2017-2019 (#6090)				
Energy Match Maker (EMM)	2017 Weatherization Program for RAD units	$ 27,256		
		-		
		-		
	Total State Assistance	**27,256**		
TOTAL STATE AND LOCAL ASSISTANCE		**$ 27,256**	**$ -**	**$ 27,256**

RECEIVED
MAY 11
OPH Portland

Actual Modernization Cost Certificate

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 01/31/2017)

Capital Fund Program (CFP)

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0044 and 0157), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C.20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

This collection of information requires that each Housing Authority (HA) submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the modernization grant is ready to be audited and closed out. The information is essential for audit verification and fiscal close out. Responses to the collection are required by regulation. The information requested does not lend itself to confidentiality.

PHA Name:	Modernization Project Number:
Vancouver Housing Authority	WA16R00850110

The PHA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Funds Approved	$ 14538.00
B. Funds Disbursed	$ 14538.00
C. Funds Expended (Actual Modernization Cost)	$ 14538.00
D. Amount to be Recaptured (A–C)	$ 0
E. Excess of Funds Disbursed (B-C)	$ 0

2. That all modernization work in connection with the Modernization Grant has been completed;
3. That the entire Actual Modernization Cost or liabilities therefor incurred by the PHA have been fully paid;
4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work;
5. That the time in which such liens could be filed has expired; and
6. That for any years in which the grantee is subject to the audit requirements of the Single Audit Act, 31 U.S.C. § 7501 et seq., as amended, the grantee has or will perform an audit in compliance with said requirements.
7. Please mark one:

☑ **A.** This grant **will** be included in the PHA's next fiscal year audit per the requirements of the Single Audit Act.

☐ **B.** This grant **will not** be included in the PHA's next fiscal year audit per the requirements of the Single Audit Act.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name & Title of Authorized Signatory (type or print clearly):
Roy Johnson, Executive Director

Signature of Executive Director (or Authorized Designee):	**Date:**
X Roy Johnson	5/2/17

For HUD Use Only

The Cost Certificate is approved for audit (if box 7A is marked):

Approved for Audit (Director, Office of Public Housing)	**Date:**
X Laure Rawson	5/12/17

The costs shown above agree with HUD verified costs (if box 7A or 7B is marked):

Approved: (Director, Office of Public Housing)	**Date:**
X	

form **HUD-53001** (10/96)
ref Handbooks 7485.1 &.3

Actual Modernization Cost Certificate

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 01/31/2017)

Capital Fund Program (CFP)

PHA Name:	Modernization Project Number:
Vancouver Housing Authority	WA16R008501-11

The PHA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A.	Funds Approved	$ 34,456.00
B.	Funds Disbursed	$ 34,456.00
C.	Funds Expended (Actual Modernization Cost)	$ 34,456.00
D.	Amount to be Recaptured (A–C)	$ 0
E.	Excess of Funds Disbursed (B-C)	$ 0

2. That all modernization work in connection with the Modernization Grant has been completed;
3. That the entire Actual Modernization Cost or liabilities therefor incurred by the PHA have been fully paid;
4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work;
5. That the time in which such liens could be filed has expired; and
6. That for any years in which the grantee is subject to the audit requirements of the Single Audit Act, 31 U.S.C. § 7501 et seq., as amended, the grantee has or will perform an audit in compliance with said requirements.
7. Please mark one:

☑ **A.** This grant **will** be included in the PHA's next fiscal year audit per the requirements of the Single Audit Act.

☐ **B.** This grant **will not** be included in the PHA's next fiscal year audit per the requirements of the Single Audit Act.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name & Title of Authorized Signatory (type or print clearly):
Roy Johnson, Executive Director

Signature of Executive Director (or Authorized Designee):	Date:
X [signature]	9/19/17

For HUD Use Only

The Cost Certificate is approved for audit (if box 7A is marked):

Approved for Audit (Director, Office of Public Housing)	Date:
X Laure Rawson	9/29/17

The costs shown above agree with HUD verified costs (if box 7A or 7B is marked):

Approved: (Director, Office of Public Housing)	Date:
X	

form HUD-53001 (10/96)
ref Handbooks 7485.1 &.3

Housing Authority of the City of Vancouver (WA008)
Vancouver, WA
Entity Wide Balance Sheet Summary

Submission Type: Audited/Si

Fiscal Year End: 12/31/2017

	Project Total	81.042 Weatherization Assistance for Low-Income Persons	14.896 PIH Family Self-Sufficiency Program	14.218 Community Development Block Grants/Entitlement Grants	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.879 Mainstream Vouchers	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.182 N/C S/R Section 8 Programs	14.881 Moving to Work Demonstration Program	2 State/Local	14.880 Family Unification Program (FUP)	14.228 Community Development Block Grants/State's Program	14.CFP MTW Demonstration Program for Capital Fund	14.191 Multifamily Housing Service Coordinators	14.HCV MTW Demonstration Program for HCV program	14.129 Mortgage Insurance_Nursing Homes, Intermediate Care Facilities, Board	93.568 Low-Income Home Energy Assistance	14.OPS MTW Demonstration Program for Low Rent	COCC	Subtotal	ELIM	Total
111 Cash - Unrestricted	$731,572					$198,390	$3,093	$1,321,317	$1,312,643	$1,639,208	$25,569		$5,032								$13,276,528	$18,513,352		$18,513,352
112 Cash - Restricted - Modernization and Development	$10,676,939																				$0	$10,676,939		$10,676,939
113 Cash - Other Restricted						$4,303		$2,381,117	$2,391,829	$1,728,141			$23,848								$4,561,093	$11,090,331		$11,090,331
114 Cash - Tenant Security Deposits	$2,993							$220,991	$163,205	$60,692	$325,748										$516,898	$1,290,527		$1,290,527
115 Cash - Restricted for Payment of Current Liabilities		$0							$2												$474,930	$474,932		$474,932
100 Total Cash	$11,411,504	$0	$0	$0	$0	$202,693	$3,093	$3,923,425	$3,867,679	$3,428,041	$351,317	$0	$28,880	$0	$0	$0	$0	$0	$0	$0	$18,829,449	$42,046,081	$0	$42,046,081
121 Accounts Receivable - PHA Projects											$95,874											$95,874		$95,874
122 Accounts Receivable - HUD Other Projects			$15,366		$38,365		$47,864		$17,700							$4,474						$123,769		$123,769
124 Accounts Receivable - Other Government																								
125 Accounts Receivable - Miscellaneous						$928		$0			$44,773		$130								$1,404,669	$1,450,500		$1,450,500
126 Accounts Receivable - Tenants	$640	$0	$0	$0	$0	$0		$69,273	$238,072	$7,934	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$93,571	$409,490		$409,490
126.1 Allowance for Doubtful Accounts - Tenants	$0	$0	$0	$0	$0	$0		$0	-$15,094	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	-$15,094		-$15,094
126.2 Allowance for Doubtful Accounts - Other	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0		$0
127 Notes, Loans, & Mortgages Receivable - Current	$0									$0											$13,303,946	$13,303,946		$13,303,946
128 Fraud Recovery																								
128.1 Allowance for Doubtful Accounts - Fraud																								
129 Accrued Interest Receivable																								
120 Total Receivables, Net of Allowances for Doubtful Accounts	$640	$0	$15,366	$0	$38,365	$928	$47,864	$69,273	$240,678	$7,934	$140,647	$0	$130	$0	$0	$4,474	$0	$0	$0	$0	$14,802,186	$15,368,485	$0	$15,368,485
131 Investments - Unrestricted	$309,914																				$1,286,373	$1,596,287		$1,596,287
132 Investments - Restricted																								
135 Investments - Restricted for Paymer of Current Liabilit																								
142 Prepaid Expenses and Other Assets								$71,962	$129,951												$270,663	$472,576		$472,576
143 Inventories																								
143.1 Allowance for Obsolete Inventories																								
144 Inter Program Due From						$3,054															$109,968	$113,022	-$113,022	$0
145 Assets Held for Sale																								
150 Total Current Assets	$11,722,058	$0	$15,366	$0	$38,365	$206,675	$50,957	$4,064,660	$4,238,308	$3,435,975	$491,964	$0	$29,010	$0	$0	$4,474	$0	$0	$0	$0	$35,298,639	$59,596,451	-$113,022	$59,483,429
161 Land								$2,025,857	$3,930,872	$285,000											$6,319,139	$12,560,868		$12,560,868
162 Buildings								$94,363,823	$48,202,437	$8,166,551											$101,762,347	$252,495,158		$252,495,158
163 Furniture, Equipment & Machinery - Dwellings						$23,461		$2,015,680	$1,581,743	$234,144	$290,133										$1,635,603	$5,780,764		$5,780,764
164 Furniture, Equipment & Machinery - Administration																								
165 Leasehold Improvements																								
166 Accumulated Depreciation						-$23,461		-$12,218,404	-$22,951,534	-$6,323,247	-$280,899										-$45,124,944	-$86,922,489		-$86,922,489
167 Construction in Progress									$1,647,196												$144,756	$1,791,952		$1,791,952
168 Infrastructure																								
160 Total Capital Assets, Net of Accumulated Depreciation	$0	$0	$0	$0	$0	$0	$0	$86,186,956	$32,410,714	$2,362,448	$9,234	$0	$0	$0	$0	$0	$0	$0	$0	$0	$64,736,901	$185,706,253	$0	$185,706,253
171 Notes, Loans and Mortgages Receivable - Non-Current	$12,719,166								$20,000												$38,413,509	$51,152,675		$51,152,675
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Du																								
173 Grants Receivable - Non Current																								
174 Other Assets								$368,440														$368,440		$368,440
176 Investments in Joint Ventures																								
180 Total Non-Current Assets	$12,719,166	$0	$0	$0	$0	$0	$0	$86,555,396	$32,430,714	$2,362,448	$9,234	$0	$0	$0	$0	$0	$0	$0	$0	$0	$103,150,410	$237,227,368	$0	$237,227,368
200 Deferred Outflow of Resources						$6,402	$2,618			$49,148	$128,359		$1,866								$4,994,597	$5,182,990		$5,182,990
290 Total Assets and Deferred Outflow o Resources	$24,441,224	$0	$15,366	$0	$38,365	$213,077	$53,575	$90,620,056	$36,669,022	$5,847,571	$629,557	$0	$30,876	$0	$0	$4,474	$0	$0	$0	$0	$143,443,646	$302,006,809	-$113,022	$301,893,787

311 Bank Overdraft																								
312 Accounts Payable <= 90 Days	$162					$325	$115	$255,606	$760,101	$47,638	$15,809					$845					$692,900	$1,773,501		$1,773,501
313 Accounts Payable >90 Days Past Due																								
321 Accrued Wage/Payroll Taxes Payable																					$13,404	$13,404		$13,404
322 Accrued Compensated Absences - Current Portion			$3,747		$685	$2,111	$1,167	$41,595	$20,879	$62,774	$70,658		$676			$3,067					$277,130	$484,489		$484,489
324 Accrued Contingency Liability																								
325 Accrued Interest Payable								$2,329,146	$168,105	$3,264											$394,601	$2,895,116		$2,895,116
331 Accounts Payable - HUD PHA Programs																								
332 Account Payable - PHA Projects											$58,751											$58,751		$58,751
333 Accounts Payable - Other Government																								
341 Tenant Security Deposits	$2,993							$226,096	$167,580	$60,692	$325,748										$533,636	$1,316,745		$1,316,745
342 Unearned Revenue								$23,989	$63,679												$133,803	$221,471		$221,471
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue								$12,895,921	$738,016	$146,316											$26,307,898	$40,088,151		$40,088,151
344 Current Portion of Long-term Debt - Operating Borrowings																					$10,281,132	$10,281,132		$10,281,132
345 Other Current Liabilities																								
346 Accrued Liabilities - Other																								
347 Inter Program - Due To			$11,619		$40,841		$60,000									$562						$113,022	-$113,022	$0
348 Loan Liability - Current																								
310 Total Current Liabilities	$3,155	$0	$15,366	$0	$41,526	$2,436	$61,282	$15,772,353	$1,918,360	$320,684	$470,966	$0	$676	$0	$0	$4,474	$0	$0	$0	$0	$38,634,504	$57,245,782	-$113,022	$57,132,760
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue								$59,095,759	$25,790,029	$644,873											$33,891,520	$119,422,181		$119,422,181
352 Long-term Debt, Net of Current - Operating Borrowings								$91,008														$91,008		$91,008
353 Non-current Liabilities - Other																								
354 Accrued Compensated Absences - Non Current																					$13,022	$13,022		$13,022
355 Loan Liability - Non Current								$388,391													$17,371,062	$17,759,453		$17,759,453
356 FASB 5 Liabilities																								
357 Accrued Pension and OPEB Liabilities						$37,362	$15,279			$286,824	$749,097		$10,892								$2,590,287	$3,689,741		$3,689,741
350 Total Non-Current Liabilities	$0	$0	$0	$0	$0	$37,362	$15,279	$59,575,158	$25,790,029	$931,697	$749,097	$0	$10,892	$0	$0	$0	$0	$0	$0	$0	$53,865,891	$140,975,405	$0	$140,975,405
300 Total Liabilities	$3,155	$0	$15,366	$0	$41,526	$39,798	$76,561	$75,347,511	$27,708,389	$1,252,381	$1,220,063	$0	$11,568	$0	$0	$4,474	$0	$0	$0	$0	$92,500,395	$198,221,187	-$113,022	$198,108,165
400 Deferred Inflow of Resources						$7,081	$2,896		$25,000	$54,362	$141,978		$2,064								$3,569,211	$3,802,592		$3,802,592
508.4 Net Investment in Capital Assets	$0	$0	$0	$0	$0	$0	$0	$14,195,276	$5,335,949	$1,571,259	$9,234	$0	$0	$0	$0	$0	$0	$0	$0	$0	$6,459,963	$27,571,681		$27,571,681
511.4 Restricted Net Position	$23,296,154	$0	$0	$0	$0	$4,303	$0	$2,381,117	$2,391,829	$1,728,141	$0	$0	$23,848	$0	$0	$0	$0	$0	$0	$0	$5,036,023	$34,861,415		$34,861,415
512.4 Unrestricted Net Position	$1,141,915	$0	$0	$0	-$3,161	$161,895	-$25,882	-$1,303,848	$1,207,855	$1,241,428	-$741,718	$0	-$6,604	$0	$0	$0	$0	$0	$0	$0	$35,878,054	$37,549,934		$37,549,934
513 Total Equity - Net Assets / Position	$24,438,069	$0	$0	$0	-$3,161	$166,198	-$25,882	$15,272,545	$8,935,633	$4,540,828	-$732,484	$0	$17,244	$0	$0	$0	$0	$0	$0	$0	$47,374,040	$99,983,030	$0	$99,983,030
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	$24,441,224	$0	$15,366	$0	$38,365	$213,077	$53,575	$90,620,056	$36,669,022	$5,847,571	$629,557	$0	$30,876	$0	$0	$4,474	$0	$0	$0	$0	$143,443,646	$302,006,809	-$113,022	$301,893,787

Housing Authority of the City of Vancouver (WA008)
Vancouver, WA
Entity Wide Revenue and Expense Summary
Submission Audited/Single
Type: Audit
Fiscal Year End: 12/31/2017

	Project Total	81.042 Weatherization Assistance for Low-Income Persons	14.896 PIH Family Self-Sufficiency Program	14.218 Community Development Block Grants/Entitlement Grants	14.870 Resident Opportunity and Supportive Services	14.871 Housing Choice Vouchers	14.879 Mainstream Vouchers	6.1 Component Unit Discretely Presented	6.2 Component Unit Blended	14.182 N/C S/R Section 8 Programs	14.881 Moving to Work Demonstration Program	2 State/Local	14.880 Family Unification Program (FUP)	14.228 Community Development Block Grants/State's Program	14.CFP MTW Demonstration Program for Capital Fund	14.191 Multifamily Housing Service Coordinators	14.HCV MTW Demonstration Program for HCV program	14.129 Mortgage Insurance_Nursing Homes, Intermediate Care Facilities, Board	93.568 Low-Income Home Energy Assistance	14.OPS MTW Demonstration Program for Low Rent	COCC	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	$0				$0			$9,304,536	$4,123,347	$765,021	$0										$11,957,953	$26,150,857		$26,150,857
70400 Tenant Revenue - Other	$0							$63,219			$0										$615,442	$678,661		$678,661
70500 Total Tenant Revenue	$0	$0	$0	$0	$0	$0	$0	$9,367,755	$4,123,347	$765,021	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$12,573,395	$26,829,518	$0	$26,829,518
70600 HUD PHA Operating Grants			$188,852		$69,352	$1,394,946	$482,683			$1,308,684			$479,497			$70,462	$22,859,929			$245,127		$27,099,532		$27,099,532
70610 Capital Grants															$108,792							$108,792		$108,792
70710 Management Fee																					$705,472	$705,472	-$705,472	$0
70720 Asset Management Fee																						$0	$0	$0
70730 Book Keeping Fee																					$228,248	$228,248	-$228,248	$0
70740 Front Line Service Fee																								
70750 Other Fees																					$539,020	$539,020	-$326,911	$212,109
70700 Total Fee Revenue																					$1,472,740	$1,472,740	-$1,260,631	$212,109
70800 Other Government Grants		$2,644										$27,256							$18,812		$1,393,407	$1,442,119		$1,442,119
71100 Investment Income - Unrestricted	$5,584					$640		$505	$7	$40,892											$2,377,205	$2,424,833		$2,424,833
71200 Mortgage Interest Income																								
71300 Proceeds from Disposition of Assets Held for Sale																								
71310 Cost of Sale of Assets																								
71400 Fraud Recovery						$1,400							$130									$1,530		$1,530
71500 Other Revenue	$14,347							$10,729,176	$186,921	$67,008	$73,795										$3,920,340	$14,991,587	-$322,480	$14,669,107
71600 Gain or Loss on Sale of Capital Assets									$1,900												$453,482	$455,382		$455,382
72000 Investment Income - Restricted	$553,154					$5		$2,000	$301	$120			$74								$159,884	$715,538		$715,538
70000 Total Revenue	$573,085	$2,644	$188,852	$0	$69,352	$1,396,991	$482,683	$20,099,436	$4,312,476	$2,181,725	$73,795	$27,256	$479,701	$0	$108,792	$70,462	$22,859,929	$0	$18,812	$245,127	$22,350,453	$75,541,571	-$1,583,111	$73,958,460
91100 Administrative Salaries						$45,521	$18,631	$550,800	$183,663	$132,130	$701,722		$13,262								$2,558,053	$4,203,782		$4,203,782
91200 Auditing Fees					$163	$2,015	$963	$73,649	$28,321	$4,014	$38,962		$970								$31,586	$180,643		$180,643
91300 Management Fee						$28,072	$9,756	$380,180	$189,259	$132,104	$370,511		$7,320									$1,117,202	-$705,472	$411,730
91310 Book-keeping Fee						$15,945	$6,098				$201,630		$4,575									$228,248	-$228,248	$0
91400 Advertising and Marketing								$40,385	$52,100	$415	$1,172										$40,676	$134,748		$134,748
91500 Employee Benefit contributions - Administrative					$17,053	$20,618	$10,853	$275,331	$351,085	$166,890	$524,990		$3,197								$1,017,780	$2,387,797		$2,387,797
91600 Office Expenses					$5,044	$25,590	$3,380	$161,350	$91,024	$59,647	$266,944		$2,191								$472,728	$1,087,898	-$312,480	$775,418
91700 Legal Expense								$40,516	$30	$7,850	$2,519										$48,698	$99,613		$99,613
91800 Travel					$289			$2,022	$1,071	$632	$744										$8,018	$12,776		$12,776
91810 Allocated Overhead																								
91900 Other					$5,730	$620	$473	$364,503	$39,922	$7,651	$106,363		$700								$708,330	$1,234,292	-$336,911	$897,381
91000 Total Operating - Administrative	$0	$0	$0	$0	$28,279	$138,381	$50,154	$1,888,736	$936,475	$511,333	$2,215,557	$0	$32,215	$0	$0	$0	$0	$0	$0	$0	$4,885,869	$10,686,999	-$1,583,111	$9,103,888
92000 Asset Management Fee																								
92100 Tenant Services - Salaries			$112,584		$41,397	$25,468			$1,467,880	$7,777	$219,024					$44,073						$1,918,203		$1,918,203
92200 Relocation Costs																								
92300 Employee Benefit Contributions - Tenant Services			$65,529													$27,799						$93,328		$93,328
92400 Tenant Services - Other					$124	$18,702		$911	$339,091	$2,792	$202,618										$675	$564,913		$564,913
92500 Total Tenant Services	$0	$0	$178,113	$0	$41,521	$44,170	$0	$911	$1,806,971	$10,569	$421,642	$0	$0	$0	$0	$71,872	$0	$0	$0	$0	$675	$2,576,444	$0	$2,576,444
93100 Water								$169,829	$24,413	$18,561											$239,692	$452,495		$452,495
93200 Electricity								$154,144	$92,611	$81,439											$177,210	$505,404		$505,404
93300 Gas								$30,746	$15,943	$7,349											$23,598	$77,636		$77,636
93400 Fuel																								
93500 Labor																								
93600 Sewer								$277,598	$40,065	$34,545											$474,305	$826,513		$826,513
93700 Employee Benefit Contributions - Utilities																								
93800 Other Utilities Expense								$273,720	$27,136	$18,581											$303,182	$622,619		$622,619

93000 Total Utilities	$0	$0	$0	$0	$0	$0	$0	$906,037	$200,168	$160,475	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1,217,987	$2,484,667	$0	$2,484,667
94100 Ordinary Maintenance and Operations - Labor								$487,223	$106,486	$213,387											$716,652	$1,523,748		$1,523,748
94200 Ordinary Maintenance and Operations - Materials and Other						$392		$296,985	$54,843	$74,130											$494,156	$920,506		$920,506
94300 Ordinary Maintenance and Operations Contracts						$137		$651,866	$101,047	$53,104	$2,545										$827,886	$1,636,585		$1,636,585
94500 Employee Benefit Contributions - Ordinary Maintenance																								
94000 Total Maintenance	$0	$0	$0	$0	$0	$529	$0	$1,436,074	$262,376	$340,621	$2,545	$0	$0	$0	$0	$0	$0	$0	$0	$0	$2,038,694	$4,080,839	$0	$4,080,839
95100 Protective Services - Labor																								
95200 Protective Services - Other Contract Costs																								
95300 Protective Services - Other																								
95500 Employee Benefit Contributions - Protective Services																								
95000 Total Protective Services	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
96110 Property Insurance								$246,755	$76,799	$38,353	$2,897										$154,009	$518,813		$518,813
96120 Liability Insurance						$1,899	$241	$2,239	$3,377	$3,358	$1,218		$340								$6,068	$18,740		$18,740
96130 Workmen's Compensation			$671		$174	$312	$129	$4,207	$60,720	$7,621	$5,716		$90			$156					$20,484	$100,280		$100,280
96140 All Other Insurance																								
96100 Total insurance Premiums	$0	$0	$671	$0	$174	$2,211	$370	$253,201	$140,896	$49,332	$9,831	$0	$430	$0	$0	$156	$0	$0	$0	$0	$180,561	$637,833	$0	$637,833
96200 Other General Expenses	$5,303				$40	$177	$19	$320,920	$72,447	$14,947	$18,512		$26			$203					$499,114	$931,708		$931,708
96210 Compensated Absences			$10,068		$4,850	$4,220	$1,731	$29,491	$16,425	$43,249	$92,085		$1,244			$5,409					$256,669	$465,441		$465,441
96300 Payments in Lieu of Taxes								$1,874														$1,874		$1,874
96400 Bad debt - Tenant Rents								$61,694	$43,767	$3,600											$83,417	$192,478		$192,478
96500 Bad debt - Mortgages																								
96600 Bad debt - Other																								
96800 Severance Expense																								
96000 Total Other General Expenses	$5,303	$0	$10,068	$0	$4,890	$4,397	$1,750	$413,979	$132,639	$61,796	$110,597	$0	$1,270	$0	$0	$5,612	$0	$0	$0	$0	$839,200	$1,591,501	$0	$1,591,501
96710 Interest of Mortgage (or Bonds) Payable								$2,165,390	$144,487												$4,292,558	$6,602,435		$6,602,435
96720 Interest on Notes Payable (Short and Long Term)								$1,457,393	$130,366	$36,395											$636,244	$2,260,398		$2,260,398
96730 Amortization of Bond Issue Costs								$66,858	$328,306												$199,718	$594,882		$594,882
96700 Total Interest Expense and Amortization Cost	$0	$0	$0	$0	$0	$0	$0	$3,689,641	$603,159	$36,395	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$5,128,520	$9,457,715	$0	$9,457,715
96900 Total Operating Expenses	$5,303	$0	$188,852	$0	$74,864	$189,688	$52,274	$8,588,579	$4,082,684	$1,170,521	$2,760,172	$0	$33,915	$0	$0	$77,640	$0	$0	$0	$0	$14,291,506	$31,515,998	-$1,583,111	$29,932,887
97000 Excess of Operating Revenue over Operating Expenses	$567,782	$2,644	$0	$0	-$5,512	$1,207,303	$430,409	$11,510,857	$229,792	$1,011,204	-$2,686,377	$27,256	$445,786	$0	$108,792	-$7,178	$22,859,929	$0	$18,812	$245,127	$8,058,947	$44,025,573	$0	$44,025,573
97100 Extraordinary Maintenance								$341,387	$77,823	$70,340											$1,093,135	$1,582,685		$1,582,685
97200 Casualty Losses - Non-capitalized								$12,003	$5,028												$44,548	$61,579		$61,579
97300 Housing Assistance Payments						$1,235,825	$443,659				$17,385,940		$482,154									$19,547,578		$19,547,578
97350 HAP Portability-In											$3,604,335											$3,604,335		$3,604,335
97400 Depreciation Expense								$4,487,135	$391,860	$203,680	$14,771										$2,403,565	$7,501,011		$7,501,011
97500 Fraud Losses											$4,398											$4,398		$4,398
97600 Capital Outlays - Governmental Funds																								
97700 Debt Principal Payment - Governmental Funds																								
97800 Dwelling Units Rent Expense																								
90000 Total Expenses	$5,303	$0	$188,852	$0	$74,864	$1,425,513	$495,933	$13,429,104	$4,557,395	$1,444,541	$23,769,616	$0	$516,069	$0	$0	$77,640	$0	$0	$0	$0	$17,832,754	$63,817,584	-$1,583,111	$62,234,473
10010 Operating Transfer In	$245,127								$108,792		$22,859,930										$48,712	$23,262,561	-$23,262,560	$1
10020 Operating transfer Out		-$2,644										-$27,256			-$108,792		-$22,859,929		-$18,812	-$245,127		-$23,262,560	$23,262,560	$0
10030 Operating Transfers from/to Primary Government																								
10040 Operating Transfers from/to Component Unit																								
10050 Proceeds from Notes, Loans and Bonds																								
10060 Proceeds from Property Sales																								
10070 Extraordinary Items, Net Gain/Loss																								
10080 Special Items (Net Gain/Loss)																					-$32,186	-$32,186		-$32,186
10091 Inter Project Excess Cash Transfer In																								

10092 Inter Project Excess Cash Transfer Out																								
10093 Transfers between Program and Project In																								
10094 Transfers between Project and Program - Out																								
10100 Total Other financing Sources (Uses)	$245,127	-$2,644	$0	$0	$0	$0	$0	$0	$108,792	$0	$22,859,930	-$27,256	$0	$0	-$108,792	$0	-$22,859,929	$0	-$18,812	-$245,127	$16,526	-$32,185	$0	-$32,185
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	$812,909	$0	$0	$0	-$5,512	-$28,522	-$13,250	$6,670,332	-$136,127	$737,184	-$835,891	$0	-$36,368	$0	$0	-$7,178	$0	$0	$0	$0	$4,534,225	$11,691,802	$0	$11,691,802
11020 Required Annual Debt Principal Payments	$0	$0	$0	$0	$0	$0	$0	$11,797,514	$176,350	$142,356	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$7,539,913	$19,656,133		$19,656,133
11030 Beginning Equity	$23,825,160	$0	$0	$0	$2,351	$194,720	-$12,632	$3,318,163	$5,320,187	$6,104,085	-$89,593	$0	$46,612	$0	$0	$0	$0	$0	$0	$0	$49,594,264	$88,303,317		$88,303,317
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	-$200,000							$5,284,050	$3,751,573	-$2,300,441	$193,000		$7,000			$7,178					-$6,754,449	-$12,089		-$12,089
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						$161,895																$161,895		$161,895
11180 Housing Assistance Payments Equity						$4,303																$4,303		$4,303
11190 Unit Months Available	0					2196	900	11150	2160	2436	30360	0	600								14627	64429		64429
11210 Number of Unit Months Leased	0					2126	813	10923	2118	2404	26884	0	600								14255	60123		60123
11270 Excess Cash	$1,041,523																					$1,041,523		$1,041,523
11610 Land Purchases	$0																				$0	$0		$0
11620 Building Purchases	$0																				$108,792	$108,792		$108,792
11630 Furniture & Equipment - Dwelling Purchases	$0																				$0	$0		$0
11640 Furniture & Equipment - Administrative Purchases	$0																				$0	$0		$0
11650 Leasehold Improvements Purchases	$0																				$0	$0		$0
11660 Infrastructure Purchases	$0																				$0	$0		$0
13510 CFFP Debt Service Payments	$0																				$0	$0		$0
13901 Replacement Housing Factor Funds	$0																				$0	$0		$0