



Washington State Auditor's Office

Troy Kelley

Integrity • Respect • Independence

**Financial Statements and Federal Single Audit
Report**

**Housing Authority of the City of
Tacoma**

Pierce County

For the period January 1, 2013 through December 31, 2013

Published September 29, 2014

Report No. 1012737





Washington State Auditor
Troy Kelley

September 29, 2014

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

Report on Financial Statements and Federal Single Audit

Please find attached our report on the Housing Authority of the City of Tacoma's financial statements and compliance with federal laws and regulations.

We are issuing this report in order to provide information on the Housing Authority's financial condition.

Sincerely,

A handwritten signature in cursive script that reads "Troy X. Kelley".

TROY KELLEY
STATE AUDITOR

TABLE OF CONTENTS

Federal Summary	4
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	6
Independent Auditor's Report On Compliance For Each Major Federal Program And On Internal Control Over Compliance In Accordance With OMB Circular A-133	9
Independent Auditor's Report On Financial Statements	12
Financial Section.....	15
About The State Auditor's Office.....	88

Federal Summary

Housing Authority of the City of Tacoma Pierce County January 1, 2013 through December 31, 2013

The results of our audit of the Housing Authority of the City of Tacoma are summarized below in accordance with U.S. Office of Management and Budget Circular A-133.

FINANCIAL STATEMENTS

An unmodified opinion was issued on the financial statements of the business-type activities and the aggregate discretely presented component units.

Internal Control Over Financial Reporting:

- ***Significant Deficiencies:*** We reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- ***Material Weaknesses:*** We identified no deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the Housing Authority.

FEDERAL AWARDS

Internal Control Over Major Programs:

- ***Significant Deficiencies:*** We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- ***Material Weaknesses:*** We identified no deficiencies that we consider to be material weaknesses.

We issued an unmodified opinion on the Housing Authority's compliance with requirements applicable to each of its major federal programs.

We reported no findings that are required to be disclosed under section 510(a) of OMB Circular A-133.

Identification of Major Programs:

The following were major programs during the period under audit:

<u>CFDA No.</u>	<u>Program Title</u>
14.871	Housing Voucher Cluster - Section 8 Housing Choice Vouchers
14.880	Housing Voucher Cluster - Family Unification Program (FUP)
14.881	Moving To Work Demonstration Program

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by OMB Circular A-133, was \$1,338,137.

The Housing Authority qualified as a low-risk auditee under OMB Circular A-133.

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*

**Housing Authority of the City of Tacoma
Pierce County
January 1, 2013 through December 31, 2013**

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

We have audited, 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, the financial statements of the business-type activities and the aggregate discretely presented component units of the Housing Authority of the City of Tacoma, Pierce County, Washington, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements, and have issued our report thereon dated September 25, 2014. Our report includes a reference to other auditors who audited the financial statements of the Hillside Terrace Phase I LLP, Hillside Terrace Phase II LLP, Hillside Terrace 1500, Block LLP, Salishan One LLC, Salishan Two LLC, Salishan Three LLC, Salishan Four LLC, Salishan Five LLC, and Salishan Six LLC, as described in our report on the Housing Authority's financial statements. This report includes our consideration of the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors. The financial statements of the Hillside Terrace Phase I LLP, Hillside Terrace Phase II LLP, Hillside Terrace 1500 Block LLP, Salishan One LLC, Salishan Two LLC, Salishan Three LLC, Salishan Four LLC, Salishan Five LLC, and Salishan Six were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Hillside Terrace Phase I LLP, Hillside Terrace Phase II LLP, Hillside Terrace 1500 Block LLP, Salishan One LLC, Salishan Two LLC, Salishan Three LLC, Salishan Four LLC, Salishan Five LLC, and Salishan Six LLC.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit of the financial statements, we considered the Housing 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 opinions

on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing 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 Housing 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.

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 and the other auditors 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

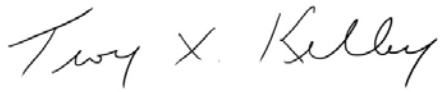
As part of obtaining reasonable assurance about whether the Housing Authority's financial statements are free from material misstatement, we performed tests of the Housing Authority's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could 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 and the report of the other auditors 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 Housing 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 Housing Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not

limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in cursive script that reads "Troy X. Kelley".

TROY KELLEY
STATE AUDITOR

September 25, 2014

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

**Housing Authority of the City of Tacoma
Pierce County
January 1, 2013 through December 31, 2013**

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

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

We have audited the compliance of the Housing Authority of the City of Tacoma, Pierce County, Washington, with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013. The Housing Authority's major federal programs are identified in the accompanying Federal Summary.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Housing 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 Housing 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. Our audit does not provide a legal determination on the Housing Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Housing 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, 2013.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the Housing 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 Housing Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order 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 OMB Circular A-133, 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 Housing Authority's internal control over compliance.

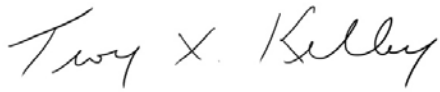
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control 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.

PURPOSE OF THIS REPORT

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.

It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in cursive script that reads "Troy X. Kelley".

TROY KELLEY
STATE AUDITOR

September 25, 2014

Independent Auditor's Report on Financial Statements

Housing Authority of the City of Tacoma Pierce County January 1, 2013 through December 31, 2013

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

REPORT ON THE 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 Tacoma, Pierce County, Washington, as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed on page 15.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Hillside Terrace Phase I LLP, Hillside Terrace Phase II LLP, Hillside Terrace 1500, Block LLP, Salishan One LLC, Salishan Two LLC, Salishan Three LLC, Salishan Four LLC, Salishan Five LLC, and Salishan Six LLC, which represents 100 percent of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Hillside Terrace Phase I LLP, Hillside Terrace Phase II LLP, Hillside Terrace 1500 Block LLP, Salishan One LLC, Salishan Two LLC, Salishan Three LLC, Salishan Four LLC, Salishan Five LLC, and Salishan Six LLC is based solely on the report of the other auditors. 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. The financial statements of the Hillside Terrace Phase I LLP, Hillside Terrace Phase II LLP, Hillside Terrace 1500, Block LLP, Salishan One LLC, Salishan Two

LLC, Salishan Three LLC, Salishan Four LLC, Salishan Five LLC, and Salishan Six LLC were not audited in accordance with *Government Auditing Standards*

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 Housing 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 Housing 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.

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

Opinion

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Housing Authority of the City of Tacoma, as of December 31, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 16 through 24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We and the other auditors have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

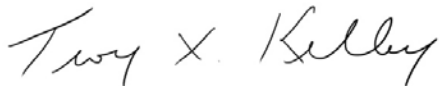
Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as

required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The accompanying Financial Data Schedule and HUD forms are supplementary information required by HUD. These schedules are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2014 on our consideration of the Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority's internal control over financial reporting and compliance.



TROY KELLEY
STATE AUDITOR

September 25, 2014

Financial Section

**Housing Authority of the City of Tacoma
Pierce County
January 1, 2013 through December 31, 2013**

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis – 2013

BASIC FINANCIAL STATEMENTS

Statement of Net Position – 2013

Statement of Revenues, Expenses and Changes in Net Position – 2013

Statement of Cash Flows – 2013

Notes to Financial Statements – 2013

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Expenditures of Federal Awards and Notes – 2013

Financial Data Schedule – 2013

Actual Comprehensive Grant Cost Certificate – WA19R00550110

Actual Comprehensive Grant Cost Certificate – WA19R00550111

Actual Comprehensive Grant Cost Certificate – WA19R00550211

Housing Authority of the City of Tacoma
Management's Discussion and Analysis
December 31, 2013

As management of the Housing Authority of the City of Tacoma (Housing Authority), we offer readers of the Housing Authority's financial statements this narrative overview and analysis of the financial activities of the Housing Authority for the year ended December 31, 2013. This Management's Discussion and Analysis (MD&A) should be read in conjunction with the Housing Authority's financial statements and the notes to the financial statements which follow.

The Housing Authority administers a broad range of federally and locally financed housing programs within the limits of the City of Tacoma. The Housing Authority owns or manages 1,300 units of housing and provides rental subsidies to about 4,000 additional households. The Housing Authority serves approximately 14,000 persons or about seven percent of the City's residents. The majority of the Housing Authority's program participants have incomes below 30% of the area median income. Most of the people receiving assistance from the Housing Authority are elderly, disabled or minor children.

The financial performance discussed in the following analyses does not include tax credit partnerships. The tax credit partnerships, with 10 projects and 672 units, are owned by separate limited partnerships/corporations with the Housing Authority in the role of general partner/managing member. These separate legal entities are not included in the books of the Housing Authority but are listed as component units in the Housing Authority's financial statements and are detailed in portions of the notes to the financial statements (Note 1, Note 5, Note 6, Note 10 and Note 13). With those exceptions, neither these units, nor their financial data, are included in the analyses and financial statements and notes to the financial statements that follow.

Financial Highlights

- The Housing Authority and HUD executed a Moving-To-Work (MTW) agreement in 2010 under which the Housing Authority is allowed certain financial flexibilities and is empowered to waive sections of Section 8 and 9 of the Housing Act of 1937.
- The assets of the Housing Authority exceeded its liabilities at the close of the fiscal year by \$78.60 million (net position). Of this amount \$37.85 million is invested in capital assets, net of related debt (net investment in capital assets); \$0.41 million is restricted to meet externally imposed obligations (restricted net position); and \$40.34 million (unrestricted net position) is available to meet ongoing obligations to residents and creditors.
- Total net position increased by \$7.96 million (11.3%). This increase is mainly due to an increase in Notes Receivable from the Housing Authority's Component Units, which was a direct consequence of developing the new Bay Terrace project (2500 Yakima LLLP) using grants and loans awarded to the Housing Authority that were lent to this tax credit project.
- The Housing Authority's cash balances decreased from the previous fiscal year by \$2.32 million (16.4%), primarily due to paying off outstanding debt. The Housing Authority's cash balance was \$11.84 million at the end of the fiscal year and of this amount, \$0.73 million was restricted.
- Total current liabilities decreased by \$9.46 million (78.0%) mostly due to retiring the 2007 Salishan Infrastructure Bonds held by Citibank from the sales proceeds of the related encumbered land sales, \$2.06 million in cash from the Housing Authority, and Citibank forgiving the remaining balance (see Note 15).

- Operating expenses were \$46.62 million, which includes \$29.64 million (or 63.6% of operating expenses) in Housing Assistance Payments made to landlords.

Overview of the Financial Statements

The Housing Authority's financial statements consist of three parts – the MD&A (this section), the basic financial statements and supplementary information. The basic financial statements are those of a special-purpose government engaged only in business-type activities and include government-wide financial statements and notes to the financial statements.

The government-wide financial statements are designed to be corporate-like in that all business type activities are consolidated into a columnar format, presenting totals by category for the entire Housing Authority. Similar to the methods used in the private sector, the Housing Authority uses the full accrual basis of accounting.

The Housing Authority's government-wide financial statements include:

- Statement of Net Position - The Statement of Net Position reports all financial and capital resources as well as obligations of the Housing Authority. The statement is presented in the format where assets plus deferred outflows minus liabilities minus deferred inflows equals *Net Position*. Assets and liabilities are presented in order of liquidity, and are classified as *Current* (generally, those convertible into cash within one year), and *Non-current*.

The Statement of Net Position is designed to represent the available liquid (non-capital) assets, net of liabilities for the Housing Authority. Over time, increases or decreases in net position may serve as useful indicators of the Housing Authority's financial health. Net Position is reported in three categories:

- ✓ Net Investment in Capital Assets: This component of Net Position consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
 - ✓ Restricted Net Position: This component of Net Position consists of restricted assets where constraints have been placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc., net of any offsetting, associated liabilities.
 - ✓ Unrestricted Net Position: This component of Net Position consists of the Net Position that does not meet the definitions of *Net Investment in Capital Assets* or *Restricted Net Position*.
- Statement of Revenues, Expenses and Changes in Net Position - This statement includes operating revenues, such as rental income; operating expenses, such as administrative expenses, utilities, maintenance expenses, and depreciation; and non-operating revenue and expenses, such as grant revenue, investment income and interest expense. This statement presents information showing how the Housing Authority's net position changed during the year. The Housing Authority reports all changes in net position as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.
 - Statement of Cash Flows – This statement discloses cash provided by, or used for operating, non-capital financing, capital and related financing, and investing activities during the year. This statement answers such questions as where did cash come from, how cash was used and what

the change in the cash balance was during the year. The Housing Authority uses the direct method to present cash flows, which includes a reconciliation of cash from operating activities to operating income.

The Housing Authority's basic financial statements also include notes to the financial statements that help explain specific information presented in the government-wide financial statements. Additionally, these notes provide detailed supporting data and explain accounting methods used to allow a comprehensive understanding of the information presented in the government-wide financial statements.

In addition to the basic financial statements and notes to the financial statements, the Housing Authority presents a combining HUD-developed and required Financial Data Schedule (FDS) as Supplementary Information. The FDS is a reporting format used to disclose to HUD all of the Housing Authority's financial activities at the property and program level.

Condensed Government-wide Statements and Analysis of Overall Financial Position

The following table¹ summarizes the Statement of Net Position as of December 31, 2013 and 2012 for the Housing Authority.

CONDENSED STATEMENT OF NET POSITION		
	FY 2013	FY 2012
Assets		
Current and Other Assets	\$ 65,829,993	\$ 60,837,225
Capital Assets	56,668,117	63,156,516
Total Assets	122,498,110	123,993,741
Liabilities		
Current Liabilities	2,664,590	12,125,880
Noncurrent Liabilities	41,234,524	41,229,110
Total Liabilities	43,899,114	53,354,990
Net Position		
Net Investment in Capital Assets	37,850,869	38,068,477
Restricted	411,749	1,353,981
Unrestricted	40,336,378	31,216,293
Total Net Position	\$ 78,598,996	\$ 70,638,751

The Housing Authority's overall financial position improved during the fiscal year. Total net position increased by \$7.96 million (11.3%).

Current and Other Assets increased by \$4.99 million (8.2%) during the fiscal year primarily due to a \$8.10 million (22.7%) increase in Notes Receivable from Component Units offset with a \$2.31 million (16.4%) decrease in cash and \$1.07 million (92.4%) decrease in Other Assets. The increase in Notes Receivable from Component Units was mostly brought about by the new notes receivable balances for the Bay Terrace (2500 Yakima LLLP) tax credit development project, while the decrease in cash was mainly the result of paying off long-term debt balances. The decrease in Other Assets was chiefly the result of having to expense \$0.72 million in debt issuance costs as a prior period adjustment (see Note 2).

¹ For more detailed information please see the Statement of Net Position.

Capital Assets decreased by \$6.49 million (10.3%) largely due to the sale of the Stewart Court Project (\$1.86 million), the sale of Salishan Area 3 land and site improvements to a private developer (\$2.25 million), the demolition of the Hillside Terrace public housing project (\$0.2 million), and an increase in accumulated depreciation (\$3.48 million).

Current liabilities decreased by \$9.46 million (78.0%) predominantly due to settlement of the 2007 Salishan Infrastructure Bonds maturing in mid-2013. These bonds were issued to finance the infrastructure costs for a section of the Salishan redevelopment project and were planned to be repaid from the proceeds of selling undeveloped lots to private developers of this mixed-income housing community. Due to a significant recession and a large decrease in property values the lots were not sold as quickly as originally planned. In early 2013 the Housing Authority came to an agreement with the bondholder (Citibank) to sell the lots to a private developer and use the proceeds from the sale along with a remaining general revenue pledge of about \$1.2 million to fully retire the bonds.

Current assets exceeded current liabilities by \$12.13 million for a current ratio of 5.55, which is an improvement from the prior year current ratio of 1.46 and largely the result of the aforementioned settlement of the 2007 Salishan Infrastructure Bonds. The current ratio is a measure of the ability to pay debts as they become due and generally, a current ratio of 1 or less suggests that obligations may not be paid when they are due.

The following table² summarizes the changes in net position for the FY 2013 and FY 2012 for the Housing Authority.

CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION		
	<u>FY 2013</u>	<u>FY 2012</u>
Revenues		
Operating Revenue		
Tenant Revenue	\$ 3,549,803	\$ 3,832,194
Other Revenue	1,736,092	1,809,097
Non-Operating Revenue		
Operating Grants	41,261,302	38,347,239
Gain on Sale of Capital Assets	3,395,050	2,549
Investment Income	1,282,920	1,277,709
Total Revenue	<u>51,225,167</u>	<u>45,268,788</u>
Expenses		
Operating Expenses		
Administrative	7,236,174	6,664,470
Tenant Services	1,309,612	1,434,836
Utilities	768,216	785,271
Maintenance & Operations	2,366,039	1,920,000
Housing Assistance Payments	29,637,965	30,337,861
Other Operating Expenses	1,661,426	1,963,747
Depreciation and Amortization	3,642,665	3,879,509
Non-Operating Expenses		
Distributions to Other Governments	194,946	-
Distributions to Component Units	1,070,548	-
Interest	588,659	933,409
Total Expenses	<u>48,476,250</u>	<u>47,919,103</u>
Income (Loss) Before Contributions and Extraordinary Item	<u>2,748,917</u>	<u>(2,650,315)</u>
Capital Grants and Contributions	<u>2,864,794</u>	<u>2,039,820</u>
Extraordinary Item	<u>3,062,055</u>	<u>-</u>
Change in Net Position	<u>8,675,766</u>	<u>(610,495)</u>
Prior Period Adjustment	<u>(715,521)</u>	<u>-</u>
Net Position - Beginning of Year	<u>70,638,751</u>	<u>71,249,246</u>
Net Position - End of Year	<u>\$ 78,598,996</u>	<u>\$ 70,638,751</u>

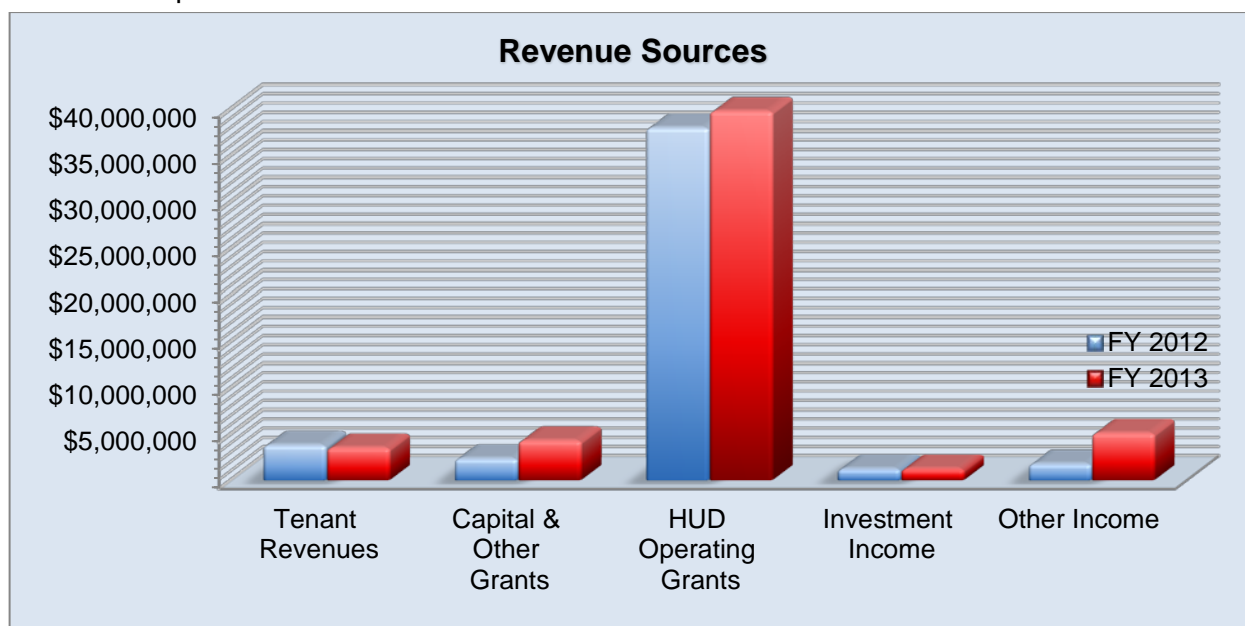
The clearest indicator of the differences between the two fiscal years is the Income (Loss) Before Contributions and Extraordinary Item, which shows an increase of \$5.40 million. This change is chiefly attributable to an increase of gains on sale of capital assets of \$3.39 million and an increase in HUD Subsidies and Grants of \$1.80 million. The growth of the gains on sale of capital assets was primarily driven by the sale of lots to a private developer as part of the 2007 Salishan Infrastructure Bonds settlement (\$2.51 million) and the sale of the multi-family property Stewart Court (\$1.11 million). The rise of HUD Subsidies and Grants is mainly the result of an increase in MTW Operating Grant funding (\$0.79 million) and Housing Choice Voucher funding (\$0.69 million) for the fiscal year.

² For more detailed information please see the Statement of Revenues, Expenses, and Changes in Net Position

During FY 2013 the Housing Authority had some new non-operating expenses, which were composed of \$0.19 million in Distributions to Other Governments and \$1.07 million in Distributions to Component Units. The Distribution to Other Governments consisted of Housing Assistance Payments (HAP) paid to Pierce County, which used these MTW monies to administer a Youth Housing Program to assist homeless youth and a Rapid Rehousing Program to assist other homeless households. The Distribution to Component Units consisted of funds awarded to the Housing Authority by the City of Tacoma that were distributed by the Housing Authority to the Bay Terrace (2500 Yakima LLLP) project to pay for infrastructure improvements.

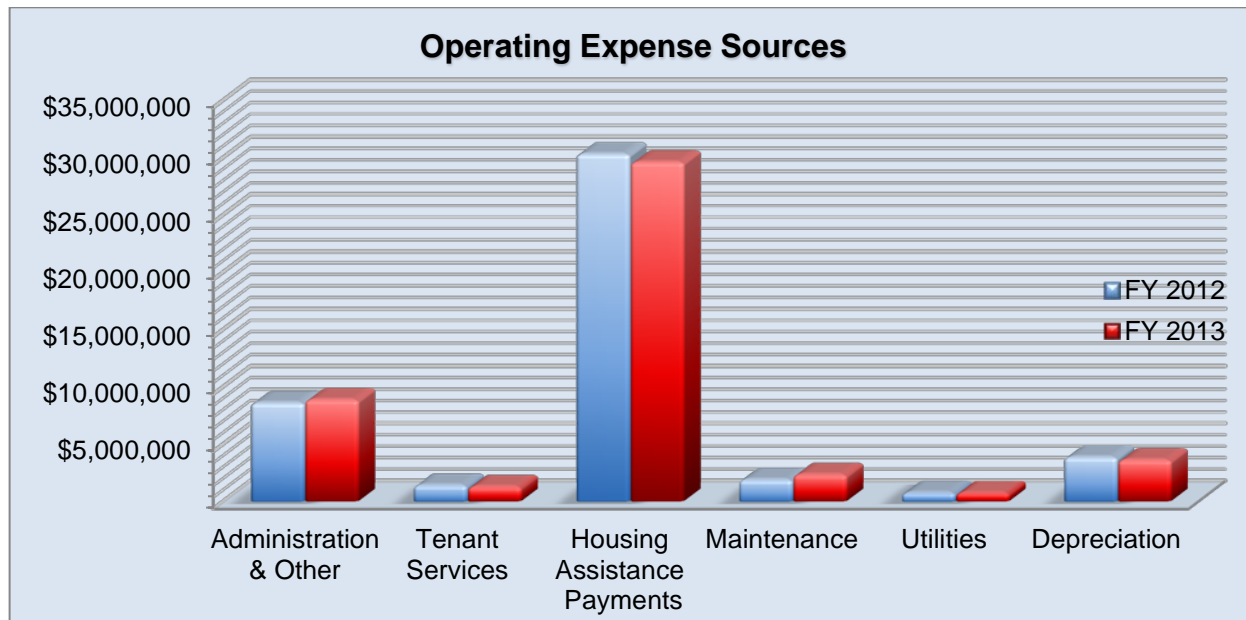
For FY 2013 the Housing Authority also reported an Extraordinary Item in its financial statements. This item was the gain recognized as a result of a settlement with Citibank on the 2007 Salishan Infrastructure Bonds where the amount of this gain reflects the amount that was forgiven by the bank on the outstanding bonds.

Revenues are classified as operating, non-operating or capital grant contributions. The following graph illustrates a comparison of the sources of all revenues for FY 2013 and FY 2012.



Capital and Other Grants increased by \$1.94 million (81.5%) principally due to grants received and used for the Bay Terrace (2500 Yakima LLLP) development project. Other Income increased by \$3.32 million (183.2%) due to the increases in gains on sale of capital assets described above.

Operating expenses are amounts paid for providing housing to the Housing Authority's tenants and administering the various housing and tenant assistance programs. The following graph shows a comparison of the operating expenses by type for FY 2013 and FY 2012.



Total operating expenses for FY 2013 decreased by \$0.36 million (0.8%), with the largest area of decline being the Housing Assistance Payments (HAP) for \$0.70 million (2.3%). The HAP decreases were brought about by implementing the Housing Opportunity Program (HOP) under the Housing Authority's MTW authority, which instituted fixed subsidies for new families admitted to the program and set five-year time limits for work-able households. This decrease was partially offset with an increase of Maintenance expenses of \$0.45 million (23.2%). This increase was largely due to methamphetamine contamination of Housing Authority owned units, which required extensive remediation work.

Capital Asset and Long-Term Liability Activity

Capital Assets

During FY 2013, the Housing Authority had the following significant changes in capital assets:

- Buildings decreased by \$5.30 million (7.6%) because of the following major factors: 1) a reduction of \$3.42 million caused by the demolition of the 104-unit Hillside Terrace public housing project to be replaced in three phases with newly constructed dwelling units and a community center; 2) a drop of \$2.71 million due to the sale of the 58-unit Stewart Court affordable housing project; and 3) an increase by \$0.92 million due to placing completed Construction-In-Progress in service for the improvements to the Housing Authority's Scattered Sites public housing project.
- Site Improvements shrank by \$3.05 million (16.4%) mainly due to the sale of the Stewart Court project (\$0.15 million) and the sale of the site improvements (\$2.84 million) and land (\$0.07 million) in connection with the settlement of the Citibank Salishan Infrastructure Bonds.

The following table³ summarizes the changes in capital assets between FY 2013 and FY 2012 for the Housing Authority.

Schedule of Changes in Capital Asset Balances			
	<u>2013</u>	<u>2012</u>	<u>Net Change</u>
Land	\$ 10,533,290	\$ 10,772,993	\$ (239,703)
Construction-In-Progress	1,177,686	688,603	489,083
Buildings	64,315,778	69,615,293	(5,299,515)
Site Improvements	15,600,616	18,650,855	(3,050,239)
Machinery and Equipment	2,969,307	3,000,900	(31,593)
Intangible Assets	235,614	235,614	-
Totals	94,832,291	102,964,258	(8,131,967)
Accumulated Depreciation	(38,164,174)	(39,807,742)	1,643,568
Capital Assets, Net	\$ 56,668,117	\$ 63,156,516	\$ (6,488,399)

Long-Term Liability Activity

The Housing Authority typically issues various types of debt obligations to finance the acquisition and construction of assets. During the current fiscal year, the Housing Authority had the following significant changes in long-term liabilities:

- Outstanding Revenue Bonds were reduced by \$8.58 million (44.6%) above all due to the following factors: 1) \$9.89 million in Citibank bonds were extinguished with the sales proceeds of Salishan land and site improvements, cash provided by the Housing Authority, and Citibank forgiving a portion of the debt; 2) \$1.20 million in Heritage Bank Refinancing Bonds were paid off during the sale of the Stewart Court project; and 3) \$3.00 million in new bonds were issued to finance the construction of the 74-unit Bay Terrace (2500 Yakima LLLP) project.
- Outstanding Notes Payable decreased by \$1.14 million (3.7%) chiefly due to the following reasons: 1) \$1.51 million in notes payable were extinguished during the sale of the Stewart Court project; 2) \$2.83 million in notes payable for the Salishan VII project were paid off to eliminate future interest costs on this high-interest (7.0%) debt; and 3) \$3.03 million in new notes payable were issued to finance the construction of the Bay Terrace project.

The following table⁴ summarizes the changes in long-term liabilities (including current portions) between FY 2013 and FY 2012 for the Housing Authority.

Schedule of Changes of Long-Term Liabilities			
	<u>2013</u>	<u>2012</u>	<u>Net Change</u>
Revenue Bonds, Net	\$ 10,650,528	\$ 19,230,327	\$ (8,579,799)
Notes Payable	29,626,393	30,761,722	(1,135,329)
Mortgages	-	3,736	(3,736)
Unearned Rev - Op Lease	1,009,367	1,023,633	(14,266)
Other	719,759	744,724	(24,965)
Total long-term liabilities	\$ 42,006,047	\$ 51,764,142	\$ (9,758,095)

All debt payments for the fiscal year were made as scheduled and on time.

³ For more detailed information on Capital Assets please see Note 6 to the Financial Statements

⁴ For more details on the long-term liabilities please see Note 10 to the Financial Statements

Economic Factors Affecting the Housing Authority

The majority of the Housing Authority's funding is from HUD in the form of MTW grants (operating subsidy, capital fund grants and Section 8). This HUD funding is dependent on congressional appropriations and related budget priorities set.

During 2013 HUD funding for the MTW grants was below 100% of eligibility and is expected to continue to be underfunded in 2014 due to federal budget cuts. The following funding impacts were seen in 2013 and are expected for 2014:

- In 2013 HUD funded housing authority operating subsidy at 81.9% of eligibility. For 2014 funding for the operating subsidy is projected to be about 89.2% of eligibility.
- Similarly, the capital fund grants provided to housing authorities by HUD have over the past 10+ years been insufficient to meet the capital needs of most housing authorities and no increase in funding level is expected in the coming years.
- The administrative cost portion of the Section 8 funding was funded at 69.0% of eligibility during 2013 and is expected to be funded about 75.0% of eligibility for 2014.
- The Section 8 HAP funding was funded at 94.0% of eligibility during 2013 and is expected to be funded at 99.7% of eligibility for 2014.

The Housing Authority continues to plan to convert the ownership structure on certain public housing complexes from Housing Authority owned to ownership by partnerships under the Low Income Housing Tax Credit program. The federal income tax credits awarded to such partnerships allow the Housing Authority to obtain equity contributions to fund redevelopment and renovation activities and allow decreasing the dependency on HUD financing.

The Housing Authority is pursuing conversion of its public housing units to project-based Section 8 funding under the Rental Assistance Demonstration (RAD) program, which would allow for leveraging of private capital to meet physical needs of these projects.

Local inflationary, recessionary and employment trends can affect resident incomes and therefore the amount of rental incomes of the Housing Authority, as well as the amount of HAP paid by the Housing Authority. Average annual unemployment in the Tacoma, Washington area decreased from 8.9% in 2012 to 8.1% in 2013.⁵

Contacting the Housing Authority's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Housing Authority's finances and to demonstrate accountability for its resources. Any questions concerning the information presented here should be addressed to the Finance Director of the Housing Authority of the City of Tacoma. The Housing Authority's offices are located at 902 South L Street, Tacoma, WA 98405.

⁵ U.S. Bureau of Labor Statistics – www.bls.gov

Housing Authority of the City of Tacoma
Statement of Net Position
December 31, 2013

	Housing Authority	Component Units
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 11,113,068	\$ 813,070
Investments	1,625,872	-
Receivables (Net)		
HUD	58,522	-
Other Governments	286,719	-
Component Units	467,025	-
Tenants	73,715	101,335
Other	191,921	174,318
Prepaid Expenses	120,212	174,107
Restricted Assets		
Cash and Cash Equivalents		
Tenant Security Deposits	135,835	170,544
Replacement Reserves	287,446	5,337,641
Housing Assistance Payments (HAP)	122,007	-
Debt Service	63,233	-
Capital Improvements	-	1,468,486
Other	1,180	-
Receivables (Net)		
HAP	2,296	-
Other Current Assets	241,456	-
Total Current Assets	<u>14,790,507</u>	<u>8,239,501</u>
Noncurrent Assets		
Restricted Cash - FSS Escrows	121,054	1,326
Notes Receivable from Component Units	43,786,266	-
Interest Receivable from Component Units	7,044,444	-
Capital Assets		
Land	10,533,290	216,274
Construction In Progress	1,177,686	12,994,556
Buildings	64,315,778	99,401,997
Improvements Other than Buildings	15,600,616	7,313,105
Equipment	2,969,307	2,313,558
Intangible Assets	235,614	-
Accumulated Depreciation	<u>(38,164,174)</u>	<u>(19,460,416)</u>
Total Capital Assets (Net)	56,668,117	102,779,074
Other Receivable from Component Units	87,722	-
Total Noncurrent Assets	<u>107,707,603</u>	<u>102,780,400</u>
TOTAL ASSETS	<u>\$ 122,498,110</u>	<u>\$ 111,019,901</u>

The accompanying notes are an integral part of this financial statement

Housing Authority of the City of Tacoma
Statement of Net Position
December 31, 2013

	Housing Authority	Component Units
LIABILITIES		
Current Liabilities		
Accounts Payable	\$ 839,126	\$ 3,531,193
Accrued Liabilities	442,944	110,323
Intergovernmental Payables	44,203	-
Payable to Housing Authority	-	467,025
Current Portion of Long-Term Debt	748,482	552,013
Compensated Absences	8,774	-
Tenant Security Deposits	136,869	171,788
Unearned Revenue	444,192	23,445
Other Current Liabilities	-	61,039
Total Current Liabilities	<u>2,664,590</u>	<u>4,916,826</u>
Noncurrent Liabilities		
Compensated Absences	589,931	-
Long-Term Debt	39,528,439	6,509,305
Notes Payable to Housing Authority	-	43,786,266
Accrued Interest Payable to Housing Authority	-	7,044,444
FSS Escrows	121,054	1,326
Unearned Revenue	995,100	-
Other Noncurrent Payable to Housing Authority	-	87,722
Total Noncurrent Liabilities	<u>41,234,524</u>	<u>57,429,063</u>
TOTAL LIABILITIES	<u><u>\$ 43,899,114</u></u>	<u><u>\$ 62,345,889</u></u>
NET POSITION		
Net Investment in Capital Assets	37,850,869	50,747,586
Restricted for		
Replacement Reserves	287,446	5,337,641
Housing Assistance Payments	124,303	-
Other	-	269
Unrestricted	40,336,378	(7,411,484)
TOTAL NET POSITION	<u><u>\$ 78,598,996</u></u>	<u><u>\$ 48,674,012</u></u>

The accompanying notes are an integral part of this financial statement

Housing Authority of the City of Tacoma
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2013

	Housing Authority	Component Units
OPERATING REVENUES		
Net Tenant Rental Revenue	\$ 3,474,965	\$ 4,118,751
Tenant Revenue - Other	74,838	142,913
Other Revenue	1,736,092	764,977
TOTAL OPERATING REVENUES	<u>5,285,895</u>	<u>5,026,641</u>
OPERATING EXPENSES		
Administration	7,236,174	1,036,049
Tenant Services	1,309,612	47,241
Utilities	768,216	587,602
Ordinary Maintenance and Operations	2,366,039	2,562,493
Housing Assistance Payments	29,637,965	-
Other Operating Expenses	1,661,426	1,024,539
Depreciation and Amortization	3,642,665	3,053,450
TOTAL OPERATING EXPENSES	<u>46,622,097</u>	<u>8,311,374</u>
OPERATING INCOME (LOSS)	<u>\$ (41,336,202)</u>	<u>\$ (3,284,733)</u>
NONOPERATING REVENUES (EXPENSES)		
HUD Subsidies and Grant Revenue	39,800,035	-
Other Government Grants	1,461,267	-
Distributions to Other Governments	(194,946)	-
Distributions to Component Units	(1,070,548)	-
Interest and Investment Income	1,282,920	23,586
Gain/(Loss) on Disposal of Capital Assets	3,395,050	-
Interest Expense	(588,659)	(1,697,656)
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>44,085,119</u>	<u>(1,674,070)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND EXTRAORDINARY ITEM	<u>2,748,917</u>	<u>(4,958,803)</u>
CAPITAL GRANT CONTRIBUTIONS	2,864,794	-
PARTNER CONTRIBUTIONS	-	2,347,172
EXTRAORDINARY ITEM	<u>3,062,055</u>	<u>-</u>
CHANGE IN NET POSITION	8,675,766	(2,611,631)
NET POSITION - BEGINNING OF YEAR	70,638,751	52,494,303
PRIOR PERIOD ADJUSTMENT	(715,521)	(1,208,660)
NET POSITION - BEGINNING RESTATED	<u>69,923,230</u>	<u>51,285,643</u>
NET POSITION - END OF YEAR	<u>\$ 78,598,996</u>	<u>\$ 48,674,012</u>

The accompanying notes are an integral part of this financial statement

Housing Authority of the City of Tacoma
Statement of Cash Flows
For the Year Ended December 31, 2013

	Housing Authority
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from Customers	\$ 3,201,437
Payments to Employees	(7,873,009)
Payments to Suppliers	(5,014,354)
Housing Assistance Payments	(29,637,965)
Other Receipts (Payments)	1,405,628
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	<u>(37,918,263)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
HUD Operating Grants	39,831,692
Other Government Operating Grants	1,391,708
Distributions to Other Government	(194,946)
Distributions to Component Unit	(1,070,548)
NET CASH PROVIDED/(USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>39,957,906</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Capital Grant Contributions	2,961,650
Purchase and Construction of Capital Assets	(1,570,598)
Proceeds from Sale of Capital Assets	7,904,152
Proceeds from Issuance of Capital Debt	6,039,629
Principal Payments on Capital Debt	(12,871,235) a)
Interest Payments	(679,498)
NET CASH PROVIDED/(USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>1,784,100</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Proceeds from Component Unit Loan Repayments	129,782 a)
Loans to Component Units	(7,311,816)
Proceeds from Sale of Investments	746,392
Investment Income - Loans	343,138
Investment Income - Other	53,408
Purchase of Investments	(100,000)
NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES	<u>(6,139,096)</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(2,315,353)
CASH AT BEGINNING OF YEAR	14,159,176
CASH AT END OF YEAR	<u><u>\$ 11,843,823</u></u>
RECONCILIATION OF OPERATING INCOME/(LOSS) TO NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	
Operating Income (Loss)	\$ (41,336,202)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided/(Used):	
Depreciation Expense & Amortization	3,642,665
Changes in Assets and Liabilities:	
Decrease (Increase) in Receivables	(272,262)
Decrease (Increase) in Prepaid Expenses	(29,746)
Decrease (Increase) in Other Assets	(241,456)
Increase (Decrease) in Accounts Payable	79,230
Increase (Decrease) in Other Payables	239,508
Total Adjustments	3,417,939
NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES	<u><u>\$ (37,918,263)</u></u>
Non-cash investing, capital and related financing activity:	
a) Excludes \$51,677 reduction of notes receivable from Component Units offset with a reduction of notes payable to lenders by the Housing Authority for loans reloaned and serviced by the Component Units	

The accompanying notes are an integral part of this financial statement

HOUSING AUTHORITY OF THE CITY OF TACOMA
Notes to Financial Statements
For the Year Ended December 31, 2013

These notes are an integral part of the accompanying financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Housing Authority of the City of Tacoma (Housing 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.

During the fiscal year ended December 31, 2013, three new accounting standards (Statements No. 61, No. 65 and No. 66) issued by the GASB became effective and were implemented by the Housing Authority where necessary or applicable. While these statements have not had a material impact on the Housing Authority's financial statements, GASB Statement No. 65 resulted in a Prior Period Adjustment on the Statement of Revenues, Expenses and Changes in Net Position. For details of this Prior Period Adjustment please see Note 3.

The significant accounting policies are described below.

a. Reporting Entity

The Housing Authority was created on August 16, 1940 as a municipal corporation under the provisions of the State Housing Authorities Law (RCW 35.82) and the Housing Cooperation Law (RCW 35.83) in response to the Federal Housing Act of 1937. The Housing Authority is governed by a five member Board of Commissioners, appointed by the Mayor of the City of Tacoma.

As required by generally accepted accounting principles, management has considered all potential component units in defining the reporting entity. The Housing Authority is not financially dependent on the City of Tacoma and is not a component unit of the City.

Discretely presented component units

The Housing Authority has ten component units, which are discretely presented and consolidated into the "Component Units" column in the financial statements. The Housing Authority is the 0.01% owner and the general partner/managing member in these ten component units. The limited partnership/investor member interests are held by third parties unrelated to the Housing Authority. These component units are fiscally dependent on the Housing Authority according to the terms of the partnership/operating agreements. These agreements include a legal obligation for the Housing Authority to fund operating deficits up to specified limits.

The ten component units discussed below are included in the Housing Authority's reporting entity since they are fiscally dependent on the Housing Authority and the Housing Authority has financial benefits and potential financial burdens from these entities. These component units do not provide services exclusively or almost exclusively to the benefit of the Housing Authority. In addition, while there is fiscal dependency, the Housing Authority is not responsible or expected to repay the debt of these component units.

In 2003 the Housing Authority became the General Partner of two separate limited liability partnerships, Hillside Terrace Phase I, LLP and Hillside Terrace Phase II, LLP. In 2005, the Housing Authority became the General Partner of the Hillside Terrace 1500 Block, LLP. These three partnerships were established to enable participation in the Low Income Housing Tax Credit program authorized under Section 42 of the Internal Revenue Code and administered by the Washington State Housing Finance Commission. The tax credits allocated under this program provided for a major source of funding for the modernization of and new construction at Hillside Terrace. The units modernized and newly constructed are owned by the Limited Partnership and

managed by the Housing Authority. Construction for the first two partnerships was completed during 2004 and for the third property during 2006.

The Housing Authority is the managing member in six other tax-credit partnerships located at its former Salishan low-income housing project. These tax-credit partnerships are Salishan One, LLC; Salishan Two, LLC; Salishan Three, LLC; Salishan Four, LLC; Salishan Five, LLC; and Salishan Six, LLC. Each of these limited liability companies were also established to participate in the Low Income Housing Tax Credit program. Construction of the last of these projects was completed in 2010.

The Housing Authority is involved in a current redevelopment project of its Hillside Terrace 1800 and 2500 Block 104-unit low-income housing project built in the 1960's. All 104 households were relocated and the existing units were demolished by early 2013. Planning for the existing site resulted in a three-phase approach to redeveloping affordable housing on the existing site. Under the first phase, the 2500 Yakima, LLLP was created to construct 70 units (the Bay Terrace project) and a community center to be used by the residents of units in all three phases of the project. The separate limited liability limited partnership (2500 Yakima LLLP) was established to participate in the Low Income Housing Tax Credit program. The community center was finished in April 2014 and the Bay Terrace project is expected to be completed by November 2014.

All ten component units have a December 31 year-end. The financial statements of the component units are audited separately and are presented as of December 31, 2013. Copies of these audited statements can be obtained by contacting the Housing Authority. Condensed financial information for each of the component units is provided in Note 13.

Blended component unit

The Housing Authority has one component unit, which is blended. Although it is a legally separate 501(c)(3) non-profit corporation, the Tacoma Housing Development Group (THDG) component unit of the Housing Authority is reported as if it was part of the Housing Authority. THDG is governed by a four-member board consisting of officers (Directors and the Executive Director) of the Housing Authority. THDG's purpose is to facilitate the functions of the Housing Authority in support and development of safe and affordable low-income housing. Because the governing body of THDG is appointed by the Housing Authority and THDG's sole purpose is to service and benefit the Housing Authority, its financial statements have been blended with those of the Housing Authority.

THDG has a December 31 year-end and its financial statements are presented as of December 31, 2013. The financial statements of this blended component unit are not audited separately.

Condensed combining information for the THDG component unit is provided in Note 13.

b. Basis of Accounting and Presentation

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

The Housing 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 (both federally and locally financed housing programs) are designed to provide quality affordable housing opportunities and increase the self-sufficiency of those housed. The major programs are described as follows:

Low Income Public Housing – The Housing Authority owns, operates and maintains 10 projects (including 7 projects for elderly) consisting of 490 units of public housing. The Housing Authority

also is the General Partner/Managing Member in the ten component unit projects listed above consisting of 674 units of which 353 are public housing units. The program offers income based rent for elderly, disabled and single families who qualify under the low-income guidelines. Typically residents pay 30% of their adjusted income in rents. Revenues for the projects consist of rents, other fees collected from tenants and an operating subsidy received from HUD. The Housing Authority's subsidy is received under an Annual Contributions Contract to offset the cost of operating the units. HUD also provides funds to maintain and improve the public housing projects under the Capital Fund Program. Substantially all additions and improvements to Housing Authority owned land, structures and equipment of public housing are accomplished through these capital grant funds.

Tenant-Based Housing Choice Vouchers – The Housing Authority provides rental assistance payments to about 3,400 households who live in private rental housing. Funded by HUD pursuant to Section 8 of the U.S. Housing Act, this program allows participating families and individuals to choose their own housing maintained and managed by private landlords and subsidized with the use of a housing voucher. Generally the participants pay up to 30% of their income towards rent and the Housing Authority pays the remainder. The Housing Authority targets this program to the elderly, disabled households and families that are homeless or at the risk of homelessness.

Project-Based Section 8 Housing – Under this program, subsidies are assigned to qualifying housing units rather than to qualifying individuals or families. The Housing Authority owns the Wedgewood Apartments, containing 50 units that are subsidized under the Project-Based Section 8 Program. The Housing Authority manages the subsidy payments under the New Construction/Substantial Rehabilitation Section 8 program for 20 units at Magnuson Way Apartments, owned by Pan Pacific Properties. The Housing Authority also manages the subsidy payments under the Section 8 Moderate Rehabilitation Single Room Occupancy program for 42 units at Jefferson Apartments owned by Tacoma Rescue Mission, and 40 units at South Yakima and Campbell Court Apartments owned by the Tacoma Metro Development Council. Additionally, the Housing Authority manages the payments of 260 project-based vouchers in its component units (Hillside Terrace and Salishan projects), 90 project-based vouchers in the Housing Authority's Salishan Seven project and 300 project-based vouchers in projects owned by various non-profit organizations.

Non-Subsidized Housing – In addition to the above listed subsidized housing programs, the Housing Authority also develops, owns and operates non-subsidized housing. The Housing Authority's current non-subsidized housing portfolio was financed using tax-exempt revenue bonds. State laws governing this type of financing require that fifty percent of the housing be affordable housing. The Housing Authority owned the 58-unit Stewart Court Apartments complex until it was sold in November 2013 and owns 10 units in single-family homes that are non-subsidized housing.

Supportive Services Programs – The Housing Authority serves a wide assortment of people with special needs such as the homeless, the elderly, the disabled and the mentally ill. The Housing Authority provides resident-focused programs in its developments and for its voucher holders in partnership with many local public and private agencies to provide supportive service programs including job/education training and self-sufficiency programs. These services are funded using both federal and private monies.

Moving to Work - The Housing Authority, recognized by HUD as a high-performing housing authority, was selected to participate in HUD's Moving to Work (MTW) Demonstration Program effective August 23rd, 2010. The program allows the Housing Authority an exemption from certain parts of Section 8 and 9 of the Housing Act of 1937, and to reallocate HUD funding received for public housing and housing choice voucher programs in accordance with the MTW agreement and annual MTW plans approved by HUD.

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, regardless of the timing of related cash flows. Capital asset purchases are capitalized and long-term liabilities are accounted for in the fund.

c. Cash and Cash Equivalents

For purposes of the statement of cash flows, the Housing Authority considers all highly liquid investments (including restricted assets) with maturities of three months or less to be cash equivalents. Cash held for future payment of long-term liabilities is classified as non-current asset. This classification includes undeposited receipts, petty cash, cash on deposit in private bank accounts, money market accounts and cash on deposit with fiscal agents.

d. Investments

Investments are stated at fair market value. Fair market value is determined based on quoted market prices for the investments. The net increase (decrease) in the fair value of investments is recognized as a component of investment income. The Housing Authority invests excess cash not needed for operations in certificates of deposit, the Washington State Local Government Investment Pool, or direct obligations of the U.S. Government pursuant to requirements of Washington State law in Chapter 39.58 RCW and HUD-imposed investment restrictions. At times, the Housing Authority also maintains investments held by trustees. Investments held by trustees are restricted for specific uses including capital additions and improvements and debt service. See Note 5.

e. Receivables

Accounts receivable consist primarily of amounts due from tenants for rent and other charges, cost reimbursements due from grantors, and notes and interest receivable from tax-credit partnerships for development funds loaned to them. Annually, tenant receivable balances are analyzed and the allowance for doubtful accounts is estimated and adjusted in accordance with historical experience. Other receivable allowances are established for uncertain collectibles. No allowances existed at December 31st, 2013, other than the allowance for tenant accounts receivable.

f. Prepaid Expenses

Prepaid expenses represent amounts paid in advance of the period which the expenses benefit. Prepaid expenses consist primarily of the current portion of insurance premiums, payments in lieu of taxes and postage.

g. Capital Assets

Major expenses 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 Housing Authority as assets with an initial individual cost of at least \$5,000 and estimated useful life in excess of 1 year. Capital assets are recorded at cost where the historical cost is known and at estimated historical cost where no records exist. Donations are recorded at fair market value or the appraised value at the time of donation.

Capital project costs clearly associated with the acquisition, development and construction of a real estate development project, including indirect costs and interest during the period of construction, are capitalized as a cost of that project.

Management reviews land, structures and equipment for possible impairment to determine if a decline in service utility is significant and unexpected. If an asset is considered impaired the amount of impairment loss is determined in accordance with GASB Statement No. 42 using either the Restoration Cost Approach, the Service Units Approach, or the Deflated Depreciated Replacement Cost Approach.

Capital assets are depreciated using the straight-line method with depreciation commencing in the acquisition year and using the half-year convention for the first and last year. Depreciable lives for the capital assets are generally as follows:

Land	no depreciation
Construction-In-Progress	no depreciation
New Construction & Building Acquisition	40 years
Modernization of buildings & structures	15-20 years
Site Improvements	15-20 years
Machinery, Equipment and Furniture	5 years
Software (Intangible Assets)	5-10 years

See Note 6 for the capital asset components and balances at December 31, 2013 and activity for the fiscal year.

h. Restricted Assets

Certain resources (cash deposits, investments and receivables) are classified as restricted assets if their use for general operating purposes is legally or contractually prohibited and such use limitations are externally imposed by creditors, funding source agreements or legislation. The assets held in these accounts are restricted for specific uses, including capital additions and improvements, housing assistance payments, debt service, Family Self-Sufficiency (FSS) escrows, and other special reserve requirements.

i. Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation and sick leave. The Housing Authority records unpaid leave for compensated absences as an expense and liability when incurred and adjusts the liability and expense at year-end to meet the requirements of GASB Statement No. 16, *Accounting for Compensated Absences*. The liability for compensated absences reported in the financial statements consists of unused, accumulated vacation balances and vested sick leave balances adjusted to the maximum amount allowed as a termination payment.

Vacation pay, which may be accumulated up to 40 days, is payable upon resignation, retirement, or death. Sick leave may be accumulated without limit; however, payouts are limited to 25% of the first 960 hours upon resignation or 50% of the first 960 hours upon retirement or death.

j. Unearned Revenue

The Housing Authority has unearned revenue from operating lease payments, operating grant payments, and tenant rent payments received in advance of the period in which these are considered earned. The Housing Authority received operating lease payments from Salishan Senior Housing for the lease of land and recognizes the lease payments over the lease term while showing the unearned lease payments as unearned revenue. The operating grant payments were paid by grantors and will be recognized as revenue in the following fiscal year when the related qualifying expenditures occur. Unearned tenant rent payments were received at year-end before they were due.

k. Tax Exemption

The Housing Authority is qualified as a tax-exempt organization under the provisions of Section 115(1) of the Internal Revenue Code. Under state law (RCW 35.82.210) the Housing Authority is exempt from all taxes imposed by cities, counties, the state or any political subdivision thereof. Accordingly, no provision for income taxes is reflected in the accompanying statements. Pursuant to an agreement with the City of Tacoma, the Housing Authority makes a Payment in Lieu of Taxes (PILOT) to reimburse the City for services provided.

I. Operating Revenues/Expenses

The Housing Authority reports operating revenues as defined in GASB Statement No. 9. Operating revenues result from fees and charges for providing services in connection with the ongoing operations of providing housing. Operating expenses are those expenses that are directly incurred in the operation of providing housing and supporting services, including depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Operating subsidies and grants are classified as non-operating revenues and are presented as cash flows from non-capital financing activities in the statement of cash flows. Revenue from capital grants is classified as capital grant contributions and is presented as cash flow from capital and related financing activities in the statement of cash flows.

m. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingencies as of the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – ACCOUNTING AND REPORTING CHANGES

In accordance with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, all debt issuance costs, with the exception of prepaid insurance associated with the issuance of debt, do not meet the definition of an asset or a deferred outflow of resources and such costs should be expensed when incurred. This expensing is required for reporting periods beginning no later than December 15, 2012. This is a change in accounting principle as in prior reporting periods all debt issuance costs were in conformity with GAAP capitalized as assets and amortized (expensed) on a straight-line basis over the life of the related debt issuance.

The implementation of GASB Statement No. 65 resulted in a Prior Period Adjustment on the Statement of Revenues, Expenses and Changes in Net Position. For details of this Prior Period Adjustment please see Note 3.

NOTE 3 – PRIOR PERIOD ADJUSTMENTS

As a result of implementing GASB Statement No. 65 the Housing Authority reported a Prior Period Adjustment to expense the 12/31/2012 unamortized debt issuance costs, which totaled \$715,521.

In the judgment of the Housing Authority the net effect of the Prior Period Adjustment did not possess the materiality warranted to make restating the 2012 Annual Financial Statements practicable.

Discretely Presented Component Units

The audited financial statements of the discretely presented component units are prepared under standards promulgated by the Financial Accounting Standards Board (FASB), not GASB standards. These statements are reformatted to meet GASB standards for inclusion with the Housing Authority's financial statements. In prior periods the differences between FASB and GASB standards did not have a material impact on the presentation of the discretely presented component units. Under FASB standards debt issuance costs continue to be capitalized and expensed over the life of the related debt. As a result of implementing GASB Statement No. 65 for the discretely presented component units the Housing Authority reported a Prior Period Adjustment to expense the 12/31/2012 unamortized debt issuance costs, which totaled \$1,208,660.

NOTE 4 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

State laws and certain bond covenants require that the Housing Authority maintain occupancy in housing projects at specified numbers of low-income families. During the fiscal year, the Housing Authority satisfied all compliance requirements specified in its bond and loan covenants. There have been no material violations of finance-related legal or contractual provisions.

NOTE 5 – DEPOSITS AND INVESTMENTS

a. Deposits

The Housing Authority's deposits are entirely covered by Federal Depository Insurance Corporation (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC), established under Chapter 39.58 of the Revised Code of Washington. Deposits that are in excess of the FDIC insured amount are secured by collateral through the Washington State Public Deposit Protection Act, which was adopted in 1969. Under the Washington State Public Deposit Protection Act, each public depository is required to contribute to a common pool of pledged securities. In the event of default of one bank, all participating banks in Washington State will collectively assure that no loss of funds will be suffered by any public treasurer or custodian of public funds.

Custodial Credit Risk

Custodial Credit Risk is the risk that, in the event of a bank failure, the Housing Authority's deposits may not be returned to it. The Housing Authority does not place deposits in accounts that are not insured and/or not collateralized and consequently is not exposed to custodial credit risk.

b. Investments

The Housing Authority makes all investments pursuant to the requirements of Washington State law codified in Chapters 39.59 RCW and 35.82.070(6) RCW, HUD and the investment policies adopted. The Housing Authority only invests in bonds or other obligations issued or guaranteed by the United States, the Washington State Local Government Investment Pool (LGIP), or certificates of deposits issued by qualified banks located in the state of Washington.

The LGIP is managed by the State Treasurer's office and is not registered with the SEC as an investment company. The LGIP is operated in a manner consistent with Rule 2a-7 money market funds, as regulated by the Securities and Exchange Commission. Rule 2a-7 funds are limited to high quality obligations with limited maximum and average maturities in order to minimize both market and credit risk. Government pools that adhere to this SEC rule can report their investments at amortized costs if the remaining maturities of the debt securities are 90 days or less. As of December 31, 2013, the pool had weighted average maturities of 57 days and therefore is reported at amortized cost.

Investments with the LGIP meet the criteria of cash and cash equivalents because these can be liquidated upon demand. However, the Housing Authority treats these as investments because of their intended long-term use. The income, gains and losses – net of administration fees – of the LGIP are allocated based upon the participant's average daily balance. The fair value of the LGIP investment pool is approximately equal to the value of the pool shares.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Housing Authority's policy for reducing its exposure to credit risk is to comply with HUD authorized investment instruments and Washington State law which limit investments to low risk investment instruments. In line with Washington State laws, the Local Government Investment Pool (LGIP) investment policy limits the types of securities available for investment to obligations of the U.S. government or its agencies, obligations of government-sponsored corporations, banker's acceptances,

commercial paper, deposits with qualified public depositories, or obligations of the state of Washington or its political subdivisions. Banker's acceptances and commercial paper must be rated with the highest short-term credit rating of any two Nationally Recognized Statistical Rating Organizations (NRSROs) at the time of purchase. The aggregate total of commercial paper and banker's acceptances is limited to 35% of the portfolio. As of December 31, 2013, the LGIP did not have any banker's acceptances, commercial paper, or municipal bonds in its portfolio.

The Housing Authority's investments as of December 31, 2013 did not consist of any NRSRO rated investments.

Investment Type	Fair Value	Quality Ratings			
		AAA	AA	A	Unrated
Washington State Local Government Investment Pool	\$ 1,625,872	\$ -	\$ -	\$ -	\$ 1,625,872
Total	<u>\$ 1,625,872</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,625,872</u>

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the Housing Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Housing Authority does not have a formal policy for custodial credit risk. The investments in the Local Government Investment Pool are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Housing Authority's policy for managing its exposure to fair value losses is to engage in investment practices that limit the maximum maturity of variable rate investments to not greater than two years. All investments held by the Housing Authority as of December 31, 2013 had maturities less than one year.

The Housing Authority is currently not exposed to concentration risk, as defined in GASBS 40, since the investments consist of pooled investments.

c. Component Unit Deposits

As of December 31, 2013, the component units' carrying amount of deposits was \$7,791,067. These deposits are entirely covered by Federal Depository Insurance Corporation (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC), established under Chapter 39.58 of the Revised Code of Washington. Deposits that are in excess of the FDIC insured amount are secured by collateral through the Washington State Public Deposit Protection Act, which was adopted in 1969. Under the Washington State Public Deposit Protection Act, each public depository is required to contribute to a common pool of pledged securities. In the event of default of one bank, all participating banks in Washington State will collectively assure that no loss of funds will be suffered by any public treasurer or custodian of public funds.

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the Housing Authority for the year ended December 31, 2013 was as follows:

Housing Authority

	Balance 1/1/2013	Additions	Transfers	Disposals	Balance 12/31/2013
Capital assets not being depreciated					
Land	\$ 10,772,993	\$ -	\$ -	\$ (239,703)	\$ 10,533,290
Construction-In-Progress	688,603	1,436,206	(917,131)	(29,992)	1,177,686
Total capital assets not being depreciated	11,461,596	1,436,206	(917,131)	(269,695)	11,710,976
Capital assets being depreciated					
Buildings	69,615,293	-	917,131	(6,216,646)	64,315,778
Improvements other than Buildings	18,650,855	-	-	(3,050,239)	15,600,616
Equipment	3,000,900	164,528	-	(196,121)	2,969,307
Intangible Assets	235,614	-	-	-	235,614
Total capital assets being depreciated	91,502,662	164,528	917,131	(9,463,006)	83,121,315
Less accumulated depreciation	(39,807,742)	(3,642,665)	-	5,286,233	(38,164,174)
Total capital assets being depreciated, net	51,694,920	(3,478,137)	917,131	(4,176,773)	44,957,141
TOTAL CAPITAL ASSETS, NET	\$ 63,156,516	\$ (2,041,931)	\$ -	\$ (4,446,468)	\$ 56,668,117

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

The \$1.4 million additions to the Construction-In-Progress (CIP) included approximately \$1.1 million that was attributable to site improvements related to the future phases of the Old Hillside Terrace Public Housing redevelopment project. The remainder of the additions to CIP was expended to complete the rehabilitation of the Housing Authority's Scattered Sites Public Housing project, which can also be seen in the \$0.9 million of transfers of CIP to buildings placed in service.

The \$9.7 million capital asset dispositions as well as related disposition of \$5.3 million in accumulated depreciation that took place during the fiscal year primarily relate to three major events: 1) The sale of land (about \$0.1 million) and site improvements (about \$2.8 million) to the developer D.R. Horton as part of the settlement of the outstanding 2007 Salishan Infrastructure loan with Citibank (see Note 15); 2) the sale of the Stewart Court Apartments project, which included land (about \$0.2 million), a building (approximately \$2.7 million), site improvements (nearly \$0.2 million) and equipment (about \$0.1million); and 3) the demolition of the Old Hillside Terrace Public Housing project buildings (about \$3.4 million) and site improvements (nearly \$0.1 million).

During the year ended December 31, 2013 the Housing Authority incurred no interest costs related to the acquisition and construction of capital assets.

Capital asset activity for the Discretely Presented Component Units for the year ended December 31, 2013 was as follows:

Component Units

	Balance 1/1/2013	Additions	Disposals	Balance 12/31/2013
Capital assets not being depreciated				
Land	\$ 216,274	\$ -	\$ -	\$ 216,274
Construction-In-Progress	1,804,188	11,190,368	-	12,994,556
Total capital assets not being depreciated	2,020,462	11,190,368	-	13,210,830
Capital assets being depreciated				
Buildings	99,401,997	-	-	99,401,997
Improvements other than Buildings	7,313,105	-	-	7,313,105
Equipment	2,313,558	-	-	2,313,558
Total capital assets being depreciated	109,028,660	-	-	109,028,660
Less accumulated depreciation	(16,406,967)	(3,053,449)	-	(19,460,416)
Total capital assets being depreciated, net	92,621,693	(3,053,449)	-	89,568,244
TOTAL CAPITAL ASSETS, NET	\$94,642,155	\$ 8,136,919	\$ -	\$ 102,779,074

The \$11.2 million additions of construction in progress relates to the 2500 Yakima LLLP (Bay Terrace) project for which construction started at the end of the prior fiscal year and which is expected to be completed mid to late 2014.

NOTE 7 – CONSTRUCTION IN PROGRESS

Construction-In-Progress represents expenses to date on projects for which authorizations total \$27,797,586. Construction-In-Progress is composed of the following:

	Project Authorization	Expended through 12/31/2013	Committed	Required Future Financing
2500 Yakima, LLLP & Community Facility	25,126,000	13,029,090	12,096,910	-
2500 Court G LLLP & Phase III	1,751,200	1,139,897	611,303	-
Trad Pub Hsg Scattered Sites Improv.	920,386	920,386	-	-
	<u>\$ 27,797,586</u>	<u>\$ 15,089,373</u>	<u>\$ 12,708,213</u>	<u>\$ -</u>
Pub Hsg Improvements Placed in Service		(917,131)		
Transferred to 2500 Yakima, LLLP (Component Unit)		<u>(12,994,556)</u>		
Net Construction-In-Progress		<u>\$ 1,177,686</u>		

NOTE 8 – NOTES RECEIVABLE

The Housing Authority has entered into various loan agreements with its discretely presented component units during their formation and construction phases. The outstanding principal balances on these loans are presented in the Notes Receivable from Component Units balance in the financial statements. The related interest balances are presented in the Interest Receivable from Component Units balance in the financial statements. Included in the Notes Receivable balance are also Operating Deficit loans that the Component Units are unable to pay within one year of the financial statement date. The balances consist of the following:

Schedule of Notes Receivable Balances

Description and Terms	Rate	Noncurrent Notes Receivable	Current Notes Receivable	Interest	Total
Financing Loan to Hillside Terrace I, LLP Balance due December 18, 2047	0.00%	\$ 1,893,162	\$ -	\$ -	\$ 1,893,162
Construction/Permanent (CDBG) Loan to Hillside Terr. I, LLP Payments subject to residual receipts Balance due December 1, 2042	0.00%	176,050	-	-	176,050
Operating Deficit Loan to Hillside Terrace I, LLP Payments subject to residual receipts Balance due December 1, 2101	0.00%	293,684	-	-	293,684
Financing Loan to Hillside Terrace II, LLP Interest payments subject to residual receipts Balance due March 4, 2058	4.94%	442,994	-	274,318	717,312
Construction/Permanent (CTED) Loan to Hillside Terr. II, LLP \$2,688 Quarterly from 4/1/2005 to 4/1/2044	3.00%	213,327	3,216	-	216,543
Operating Deficit Loan to Hillside Terrace II, LLP Payments subject to residual receipts Balance due December 1, 2101	0.00%	57,748	-	-	57,748
Financing Loan (A) to Hillside Terrace 1500 Block, LLP Payments subject to residual receipts Balance due May 5, 2060	4.94%	510,000	-	189,895	699,895
Financing Loan (B) to Hillside Terrace 1500 Block, LLP Payments subject to residual receipts Balance due May 5, 2055	0.50%	452,418	-	16,237	468,655
Developer Fee Receivable from Hillside Terr. 1500 Block, LLP Payments subject to residual receipts Balance due January 10, 2016	0.00%	94,937	-	-	94,937
Operating Deficit Loan to Hillside Terrace 1500 Block, LLP Payments subject to residual receipts Balance due December 1, 2102	0.00%	92,591	-	-	92,591
Financing Loan (A) to Salishan One, LLC Payments subject to residual receipts Balance due December 31, 2059	5.34%	2,381,557	-	1,353,434	3,734,991
Financing Loan (B) to Salishan One, LLC Payments subject to residual receipts Balance due December 31, 2059	4.00%	750,000	-	268,932	1,018,932
Construction/Permanent (AHP) Loan to Salishan One, LLC Balance due January 13, 2045	0.10%	629,910	-	5,271	635,181
Construction/Permanent (HTF) Loan to Salishan One, LLC \$1,875 Quarterly from 5/31/07 to 2/28/21 \$14,849 Quarterly from 5/31/21 to 2/28/46	0.00% 0.50%	1,441,875	7,500	-	1,449,375
Financing Loan (A) to Salishan Two, LLC Payments subject to residual receipts Balance due December 31, 2059	5.34%	1,328,845	-	1,199,324	2,528,169
Financing Loan (B) to Salishan Two, LLC Payments subject to residual receipts Balance due December 31, 2059	4.00%	400,000	-	143,430	543,430

Schedule of Notes Receivable Balances (Continued)

Description and Terms	Rate	Noncurrent Notes Receivable	Current Notes Receivable	Interest	Total
Construction/Permanent (AHP) Loan to Salishan Two, LLC Balance due January 13, 2045	0.10%	629,910	-	5,271	635,181
Construction/Permanent (HTF) Loan to Salishan Two, LLC \$1,875 Quarterly from 10/31/07 to 7/31/21 \$14,849 Quarterly from 10/31/21 to 7/31/46	0.00% 0.50%	1,445,625	7,500	-	1,453,125
Financing Loan (A) to Salishan Three, LLC Payments subject to residual receipts Balance due November 1, 2060	4.90%	3,868,514	-	1,005,931	4,874,445
Construction/Permanent (AHP) Loan to Salishan Three, LLC Balance due January 13, 2045	5.21%	629,910	-	240,068	869,978
Construction/Permanent (HTF) Loan to Salishan Three, LLC \$1,875 Quarterly from 3/31/08 to 12/31/21 \$14,849 Quarterly from 3/31/22 to 12/31/46	0.00% 0.50%	1,447,500	7,500	-	1,455,000
Financing Loan to Salishan Four, LLC Payments subject to residual receipts Balance due June 30, 2064	6.85%	3,270,461	-	1,024,807	4,295,268
Construction/Permanent (HTF) Loan to Salishan Four, LLC \$1,875 Quarterly from 6/30/10 to 3/31/24 \$14,849 Quarterly from 6/30/24 to 3/31/49	0.00% 0.50%	1,464,375	7,500	-	1,471,875
Construction/Permanent (HOME) Loan to Salishan Four, LLC No interest or principal due Balance due June 30, 2049	0.00%	1,000,000	-	-	1,000,000
Construction/Permanent (SHB 2060) Loan to Salishan Four, LLC No interest or principal due Balance due June 30, 2049	0.00%	300,000	-	-	300,000
Financing Loan to Salishan Five, LLC Payments subject to residual receipts Balance due June 30, 2063	5.50%	3,897,822	-	538,572	4,436,394
Construction/Permanent (HTF) Loan to Salishan Five, LLC \$1,875 Quarterly from 3/31/11 to 12/31/24 \$14,849 Quarterly from 3/31/25 to 12/31/49	0.00% 0.50%	1,470,000	7,500	-	1,477,500
Construction/Permanent (United Way) Loan to Salishan Five, LLC No interest or principal due Balance due June 30, 2063	0.00%	190,000	-	-	190,000
Construction/Permanent (SHB 2060) Loan to Salishan Five, LLC No interest or principal due Balance due June 30, 2063	0.00%	213,308	-	-	213,308
Operating Deficit Loan to Salishan Five, LLC Payments subject to residual receipts Balance due June 30, 2023	0.00%	50,000	-	-	50,000
Financing Loan to Salishan Six, LLC Payments subject to residual receipts Balance due October 15, 2065	6.30%	981,090	-	322,688	1,303,778

Schedule of Notes Receivable Balances (Continued)

Description and Terms	Rate	Noncurrent Notes Receivable	Current Notes Receivable	Interest	Total
Construction/Permanent (HTF) Loan to Salishan Six, LLC		1,962,500	10,000	249,136	2,221,636
\$2,500 Quarterly from 6/30/11 to 3/31/25	0.00%				
\$19,798 Quarterly from 6/30/25 to 3/31/50	0.50%				
Construction/Perm (United Way & HOME) Loan to Salishan Six, LLC		510,000	-	98,274	608,274
Payments subject to residual receipts	6.30%				
Balance due October 15, 2065					
Financing Loan (CFP) to Salishan Six, LLC		404,030	-	95,946	499,976
Payments subject to residual receipts	6.30%				
Balance due October 15, 2065					
Operating Deficit Loan to Salishan Six, LLC	0.00%	75,000	-	-	75,000
Payments subject to residual receipts					
Balance due October 15, 2025					
Construction/Perm Loan (MTW) to 2500 Yakima, LLLP		2,783,448	4,272	12,910	2,800,630
No interest or principal due	0.75%				
Balance due December 31, 2068					
Construction/Perm (HTF) Loan to 2500 Yakima, LLLP		1,999,491	-	-	1,999,491
\$2,513 Quarterly from 8/31/14 to 5/31/34	0.50%				
\$26,418 Quarterly from 8/31/34 to 5/31/54					
Construction/Perm (HOME) Loan to 2500 Yakima, LLLP	0.00%	1,027,529	-	-	1,027,529
No interest or principal due					
Balance due April 2, 2053					
Construction Loan (Chase Bonds) to 2500 Yakima, LLLP	LIBO	3,006,655	-	-	3,006,655
Interest rolled into principal	+ 1.44%				
Balance due April 3, 2015					
TOTALS		<u>\$ 43,786,266</u>	<u>\$ 54,988</u>	<u>\$ 7,044,444</u>	<u>\$ 50,885,698</u>

The maturity schedule for the Notes Receivable as of December 31, 2013 follows.

Maturity Schedule for Notes Receivable			
Year Ending December 31	Principal	Interest	Total
2014	\$ 54,988	\$ 4,848	\$ 59,836
2015	3,058,556	11,376	3,069,932
2016	146,972	16,267	163,239
2017	403,605	16,130	419,735
2018	52,314	15,988	68,302
2019 - 2023	722,839	124,527	847,366
2024 - 2028	1,660,394	248,096	1,908,490
2029 - 2033	1,763,473	221,378	1,984,851
2034 - 2038	2,247,819	167,332	2,415,151
2039 - 2043	2,359,223	103,740	2,462,963
2044 - 2048	5,308,914	91,572	5,400,486
2049 - 2053	3,005,550	1,504,180	4,509,730
2054 - 2058	937,622	1,350,843	2,288,465
2059 - 2063	14,169,957	38,364,083	52,534,040
2064 - 2068	7,949,028	24,449,008	32,398,036
Total	<u>\$ 43,841,254</u>	<u>\$ 66,689,368</u>	<u>\$ 110,530,622</u>

NOTE 9 – LEASES

Operating Leases

The Housing Authority is committed as lessor under various land leases.

1. In 2006 the Housing Authority entered into a land leasing agreement with the Korean Women's Association (KWA), a non-profit organization. KWA built a HUD-202 Senior Living Facility on the Housing Authority's land. The ground lease is for 50 years, with one 25-year extension. At the end of the lease the property reverts back to the Housing Authority. All of the lease payments (\$1 per year) have been paid in advance.
2. The Housing Authority leases land to each of its ten discretely presented component units (see Note 1). The ground leases are for periods between 89 and 99 years. At the end of the lease the property reverts back to the Housing Authority. The annual lease payments are \$1 for each of the component units.
3. In 2009 the Housing Authority entered into a land leasing agreement with Salishan Senior Housing (SSH), a non-profit organization. SSH built a HUD-202 Senior Living Facility on the Housing Authority's land. The ground lease is for 50 years, with one 25-year extension. At the end of the lease, the property reverts back to the Housing Authority. All of the lease payments totaling \$1,070,000 have been paid in advance. The Housing Authority is recognizing the rent revenue over the lease term and unearned lease payments are shown as unearned revenue. Unearned rental revenue as of December 31, 2013, consisted of \$995,100 noncurrent unearned revenues and \$14,267 current unearned revenues.

The Housing Authority has as lessee entered into lease agreements for various office equipment. Total cost for such leases was \$81,899 for the year ended December 31, 2013. The commitments under these leases are as follows:

1. The Housing Authority's lease agreement for copiers and printers is for annual calendar year periods and can optionally be extended for one-year periods in January of each year. Consequently there were no minimum lease payments remaining on this lease agreement for the year ended December 31, 2013.
2. The Housing Authority's lease agreements for postage meters are non-cancelable operating leases. The future minimum lease payments for these leases are as follows:

Year Ending December 31	Amount
2014	\$ 5,475
2015	5,475
2016	3,620
Total	<u>\$ 14,570</u>

NOTE 10 – LONG-TERM DEBT AND LIABILITIES

Long-Term Debt

Housing Authority

- a. Revenue Bonds:

The Housing Authority of the City of Tacoma issued revenue bonds to finance the construction, acquisition and/or rehabilitation of affordable multi-family housing and related infrastructure. The revenue bonds are being repaid by the Housing Authority's revenues or other sources, as indicated below.

The revenue bonds outstanding as of December 31, 2013 are as follows:

Purpose / Property	Original Amount	Date Issued	Final Maturity	Interest Rate	Amount Outstanding
Refinance Prior Bonds-MF Hsg	\$ 6,281,962	12/29/2003	12/29/2033	3.25%	\$ 4,972,360
Salishan - Capital Grant Bonds	7,065,000	3/1/2005	3/1/2015	2.60% - 4.50%	2,675,000
Bay Terrace - Constr Financing	12,000,000	4/3/2013	10/2/2015	variable ¹⁾	3,006,654
Total	<u>\$ 25,346,962</u>				<u>\$ 10,654,014</u>

¹⁾ LIBO + 1.44%

The revenue bonds debt service requirements to maturity are as follows:

Year Ending December 31	Principal	Interest	Total
2014	\$ 436,305	\$ 277,120	\$ 713,425
2015	3,461,232	262,022	3,723,254
2016	468,126	245,796	713,922
2017	487,774	228,263	716,037
2018	502,335	210,403	712,738
2019 - 2023	2,816,245	756,664	3,572,909
2024 - 2028	2,477,697	217,340	2,695,037
2029 - 2033	4,300	70	4,370
Total	<u>\$ 10,654,014</u>	<u>\$ 2,197,678</u>	<u>\$ 12,851,692</u>

The Refinancing Bonds were issued to refinance all of the Housing Authority's Revenue Bonds in an amount not to exceed \$10 million, and were issued to refinance the 2002 Revenue Bonds (Nine Single Family Non-assisted Housing Acquisition Program), the 1998 Revenue Bonds (Wedgewood Homes Project), 1995 Revenue Bonds (Fircrest/Stewart Court Project), and 1993 Revenue Bonds (Garden Villa/Windstar Project). The bonds are secured by a deed of trust on the various properties, constituting a lien on the real property and improvements. The Housing Authority has also pledged future project revenues, net of operating costs, to repay the principal and interest on the bonds when due. In May 2013 the bondholder (Heritage Bank) agreed to a rate modification, lowering the interest rate from 4.59% to 3.25%. In November 2013 the Housing Authority sold the Stewart Court Project and used a portion of the proceeds (\$1,200,119) to reduce the outstanding principal balance. As of December 31, 2013 the remaining principal balance related to each property consisted of the following:

- Wedgewood Homes - \$4,171,257
- Single Family Homes - \$778,155
- Windstar Project - \$22,947

Annual principal and interest payments on the bonds are expected to require about 80-85% of Net Operating Income generated by the properties (Note: The Windstar Project was sold in February 2006 and the remaining debt payments for this property are paid from the Housing Authority's general revenues). The total interest and principal remaining to be paid on the bonds is \$6,343,106. Principal and interest paid for the current fiscal year were \$1,234,278 and \$58,817 respectively.

The Salishan – Capital Grant Bonds were issued under the Capital Fund Financing Program (CFFP), a HUD program under which the Housing Authority pledged a portion of its future annual Capital Fund grant proceeds to make debt service payments. The bond proceeds were used to finance infrastructure repair and replacement costs for the Salishan One, Salishan Two and Salishan Three developments. The pledge and assignment of Capital Fund Allocations under the

bond indenture is authorized for the purpose of securing the payment of principal and interest on the bonds. Subject to available federal appropriations relating to the Capital Fund Allocations, HUD automatically makes payments directly to the Trustee on behalf of the Housing Authority from Capital Fund Allocations in amounts sufficient to pay debt service on the bonds. The total interest and principal remaining to be paid on the bonds is \$3,501,933. Principal and interest paid for the current fiscal year were \$320,000 and \$128,003 respectively.

The Bay Terrace Construction Financing Bonds were issued to finance the construction costs of the Bay Terrace project. The bond proceeds were re-loaned to the tax credit entity (Bay Terrace/2500 Yakima LLLP) to cover the construction costs and are to be repaid from the permanent loan to the project, limited partner equity contributions under the Low Income Housing Tax Credit program, and a loan from the Housing Authority to the tax credit entity. During the construction period all interest is rolled into the principal balance. No interest or principal payments are due until the earlier of maturity or conversion to permanent loan. Debt service on the bonds will be made directly by the partnership entity and they are secured by a deed of trust on the Bay Terrace project but they remain a contingent liability of the Housing Authority until conversion to permanent loan. The bonds are offset with an equivalent amount of notes receivable balance from the tax credit partnership (see Note 8 above).

There are a number of other limitations and restrictions contained in the various bond indentures. The Housing Authority is in compliance with all significant limitations and restrictions.

The Housing Authority maintains restricted cash balances with trustees to meet the requirements contained in the various indentures. Trustee balances as of December 31, 2013 were the following:

Bond Issue	Account/Purpose	Cash Balance
Capital Fund Financing Program	Principal and Interest Payments	\$69,312
	Total	<u>\$69,312</u>

b. Notes Payable

The Housing Authority has long-term notes payable secured by capital assets. These notes were used to acquire, construct and/or rehabilitate capital assets that provide affordable housing.

The Notes Payable outstanding as of December 31, 2013 were:

Purpose / Property	Original Amount	Date Issued	Final Maturity	Interest Rate	Amount Outstanding
Windstar Acq.&Rehab-CTED	\$ 417,298	12/1/1994	12/1/2044	1.00%	\$ 282,686
Hillside Terr I - CDBG Loan	176,050	12/18/2002	12/1/2042	0.00%	176,050
Hillside Terr II - CTED	250,000	2/1/2005	4/1/2044	3.00%	216,543
Hillside Terr 1500 - SHB 2060	316,166	6/17/2004	6/16/2034	0.00%	316,166
Salishan I - Housing Trust Fund	1,500,000	12/23/2004	2/28/2046	0 - 0.5%	1,449,375
Salishan II - Housing Trust Fund	1,500,000	12/23/2004	7/31/2046	0 - 0.5%	1,453,125
Salishan III - Housing Trust Fund	1,500,000	11/2/2005	12/31/2046	0 - 0.5%	1,455,000
Salishan IV - Housing Trust Fund	1,500,000	6/21/2007	3/31/2049	0 - 0.5%	1,471,875
Salishan IV - HOME Loan	1,000,000	6/28/2007	6/28/2047	0.00%	1,000,000
Salishan IV - SHB 2060 Loan	300,000	6/28/2007	7/1/2037	0.00%	300,000
Salishan V - Housing Trust Fund	1,500,000	6/26/2008	12/31/2049	0 - 0.5%	1,477,500
Salishan V - SHB 2060 Loan	213,308	6/26/2008	6/26/2038	0.00%	213,308
Salishan V - United Way Loan	190,000	6/26/2008	6/26/2048	0.00%	190,000
Salishan VI - Housing Trust Fund	2,000,000	10/15/2008	3/31/2050	0 - 0.5%	1,972,500
Salishan VI - HOME Loan	500,000	10/15/2008	10/15/2048	0.00%	500,000
Salishan VI - United Way Loan	10,000	10/15/2008	10/15/2048	0.00%	10,000
Salishan VII - TCAP/ARRA Loan	11,880,335	1/27/2010	1/31/2050	0.00%	11,880,335
Salishan VII - Housing Trust Fund	2,000,000	1/27/2010	6/30/2051	0 - 0.5%	1,987,500
Bay Terrace - HOME Loan	1,065,342	4/3/2013	4/3/2053	0.00%	1,033,483
Bay Terrace - Housing Trust Fund	2,010,019	4/3/2013	5/31/2054	0.50%	1,999,491
AG Housing Program Loan	970,000	8/17/2013	7/31/2015	0.00%	241,456
Total	<u>\$ 30,798,518</u>				<u>\$ 29,626,393</u>

Notes payable debt service requirements to maturity are as follows:

Year Ending December 31	Principal	Interest	Total
2014	\$ 312,489	\$ 7,639	\$ 320,128
2015	72,298	14,088	86,386
2016	72,511	18,900	91,411
2017	72,728	18,683	91,411
2018	72,951	18,460	91,411
2019 - 2023	684,675	135,645	820,320
2024 - 2028	1,804,743	274,972	2,079,715
2029 - 2033	2,160,313	266,781	2,427,094
2034 - 2038	3,474,830	201,511	3,676,341
2039 - 2043	2,954,908	126,348	3,081,256
2044 - 2048	4,053,337	53,435	4,106,772
2049 - 2053	13,837,872	11,063	13,848,935
2054 - 2058	52,738	99	52,837
Total	<u>\$ 29,626,393</u>	<u>\$ 1,147,624</u>	<u>\$ 30,774,017</u>

The Windstar loan was issued by the Washington State Department of Commerce (formerly Department of Community, Trade and Economic Development [CTED]) for the rehabilitation of the Windstar Project. The project was sold in February 2006 and debt service is being paid from the proceeds of this sale and the general revenues of the Housing Authority. The total interest and principal remaining to be paid on the loan is \$328,879. Principal and interest paid for the current fiscal year were \$7,740 and \$2,869 respectively.

The Hillside Terrace I - CDBG loan was issued to the Housing Authority by the Tacoma Community Redevelopment Authority and re-loaned to the tax credit property (Hillside Terrace I, LP). Debt service is made directly by the partnership entity and the debt is secured by a deed of trust on the property of the partnership but this loan remains a contingent liability of the Housing Authority. The loan is offset with an equivalent amount of notes receivable balance from the tax credit partnership (see Note 8 above).

The Hillside Terrace II – CTED loan was issued by the Washington State Department of Commerce (formerly Department of Community, Trade and Economic Development [CTED]) to the Housing Authority and re-loaned to the tax credit property (Hillside Terrace II, LP). Debt service is made directly by the partnership entity and the debt is secured by a deed of trust on the property of the partnership but this loan remains a contingent liability of the Housing Authority. The loan is offset with an equivalent amount of notes receivable balance from the tax credit partnership (see Note 8 above).

The Hillside Terrace 1500 – SHB 2060 loan was issued by Pierce County to the Housing Authority and re-loaned to the tax credit property (Hillside Terrace 1500 Block, LP). No interest or principal payments are due on this loan and it is forgivable after 30 years if the terms and conditions of the loan agreement are met. The loan remains a contingent liability of the Housing Authority. The loan is offset with an equivalent amount of notes receivable included in the A Loan balance from the tax credit partnership (see Note 8 above).

The Salishan I – Salishan VI Housing Trust Fund loans were awarded to the Housing Authority and re-loaned to the tax credit entities (Salishan One, LLC; Salishan Two, LLC; Salishan Three, LLC; Salishan Four, LLC; Salishan Five, LLC; and Salishan Six, LLC). Debt service is made directly by the tax credit entities and the debt is secured by a deed of trust on the property of the tax credit entities but these loans remain contingent liabilities of the Housing Authority. For the first 2 - 3 years payments and interest are delayed. For the first 14 years of debt service the loans are subject to a 0% interest rate and for the remaining 25 years to a 0.5% interest rate. The loans are offset with an equivalent amount of notes receivable balance from the tax credit entities (see Note 8 above).

The Salishan IV and Salishan VI HOME loans are forgivable loans awarded to the Housing Authority by the Tacoma Community Redevelopment Authority and re-loaned to the tax credit entities (Salishan Four, LLC and Salishan Six, LLC). No interest or principal payments are due on these loans and they are forgivable after 40 years if the terms and conditions of the loan agreements are met. The loans are secured by a leasehold deed of trust on the tax credit properties. Until matured, these loans remain a contingent liability of the Housing Authority. The loans are offset with an equivalent amount of notes receivable balance from the tax credit entity (see Note 8 above).

The Salishan IV and Salishan V SHB 2060 loans are forgivable loans awarded to the Housing Authority by Pierce County and re-loaned to the tax credit entities (Salishan Four, LLC and Salishan Five, LLC). No interest or principal payments are due on these loans and they are forgivable after 30 years if the terms and conditions of the loan agreements are met. The loans are secured by a leasehold deed of trust on the tax credit properties. Until matured, these loans remain a contingent liability of the Housing Authority. The loans are offset with an equivalent amount of notes receivable balance from the tax credit entity (see Note 8 above).

The Salishan V and Salishan VI United Way loans are forgivable loans awarded to the Housing Authority by the Tacoma Community Redevelopment Authority and re-loaned to the tax credit entities (Salishan Five, LLC and Salishan Six, LLC). No interest or principal payments are due on these loans and they are forgivable after 40 years if the terms and conditions of the loan agreement are met. The loans are secured by a leasehold deed of trust on the tax credit properties. Until matured, these loans remain a contingent liability of the Housing Authority. The loans are offset with an equivalent amount of notes receivable balance from the tax credit entity (see Note 8 above).

The Housing Authority was awarded an \$11.88 million allocation of Tax Credit Assistance Program (TCAP) funds from HUD through the Washington State Housing Finance Commission for the Salishan Seven project, the final portion of the Salishan redevelopment plan. The TCAP monies were a portion of the American Recovery and Reinvestment Act (ARRA) monies and were meant to fill funding gaps on eligible tax credit projects that were having difficulties finding an equity investor due to deteriorated market conditions. No interest or principal payments are due on the TCAP/ARRA loan and the loan is forgiven after 40 years if the terms and conditions of the loan agreement are met. The loan is secured by a deed of trust on the Salishan Seven project.

In connection with the Salishan Seven project the Housing Authority also entered into a \$2.0 million Housing Trust Fund loan agreement with the Washington State Department of Commerce. For the first 3 years, payments and interest are delayed. For the first 14 years of debt service, the loan is subject to a 0% interest rate and for the remaining 25 years to a 0.5% interest rate. Principal and interest paid for the current fiscal year were \$12,500 and \$0 respectively.

In April 2013 the Housing Authority was awarded a HOME loan by the Tacoma Community Redevelopment Authority for the Bay Terrace project which was re-loaned to the tax credit entity (Bay Terrace/2500 Yakima LLLP). No interest or principal payments are due on this loan until maturity after 40 years if the terms and conditions of the loan agreement are met. At maturity the entire principal balance is due. The loan is secured by a leasehold deed of trust on the tax credit property. Until matured, this loan remains a contingent liability of the Housing Authority. The loan is offset with an equivalent amount of notes receivable balance from the tax credit entity (see Note 8 above).

In April 2013 the Housing Authority was awarded the Bay Terrace Housing Trust Fund loan which was re-loaned to the tax credit entity (Bay Terrace/2500 Yakima LLLP). Debt service is made directly by the tax credit entity and the debt is secured by a deed of trust on the property of the tax credit entity but this loan remains a contingent liability of the Housing Authority. Payments are delayed until August 2015 and interest is delayed until August 2014 at which time interest is rolled into principal until payments commence. Payments from August 2015 through May 2034 are quarterly interest only payments for \$2,513 and payments from August 2034 through May 2054 are quarterly for principal and interest for \$26,418. The loan is offset with an equivalent amount of notes receivable balance from the tax credit entity (see Note 8 above).

In August 2013 the Housing Authority entered into a Housing Recovery Program Master Agreement with the City of Tacoma's Tacoma Community Redevelopment Authority (TCRA) to assist in the acquisition, rehabilitation and subsequent sale of single-family homes to homebuyers at or below 120% Area Median Income (AMI), pursuant to the stipulations of TCRA's agreement with the Washington State Attorney General's Office (AG). The AG funding was the result of a legal settlement with five major mortgage servicers to compensate consumers nationwide for the harm caused by their activities. Under this agreement the City pays for the acquisition of the family homes acquired by the Housing Authority and the subsequent sales proceeds are returned to the City to reduce the outstanding principal balance of the AG Housing Program loan. At year-end, the capitalized cost of the homes acquired and the rehabilitation costs were listed as Other Current Assets in the Statement of Net Position. No interest payments are due on these temporary loans.

The Housing Authority and its component units remained in compliance with all significant covenants, terms and conditions of the above notes payable.

c. Changes in Long Term Liabilities

During the year ended December 31, 2013, the following changes occurred in long-term liabilities for the Housing Authority:

	Beginning Balance 1/1/2013	Additions	Reductions	Ending Balance 12/31/2013	Due Within One Year
Bonds Payable	\$ 19,234,125	\$ 3,006,655	\$ (11,586,766)	\$ 10,654,014	\$ 436,305
Less Discount	(3,798)	-	312	(3,486)	(312)
Total Bonds Payable	\$ 19,230,327	\$ 3,006,655	\$ (11,586,454)	\$ 10,650,528	\$ 435,993
Notes Payable	30,761,722	3,274,430	(4,409,759)	29,626,393	312,489
Mortgages Payable	3,736	-	(3,736)	-	-
Unearned Rev - Op Lease	1,023,633	-	(14,266)	1,009,367	14,267
Capital Leases	16,643	-	(16,643)	-	-
Compensated Absences	558,111	472,687	(432,093)	598,705	8,774
FSS Escrows	169,970	63,239	(112,155)	121,054	-
Totals	\$ 51,764,142	\$ 6,817,010	\$ (16,575,105)	\$ 42,006,047	\$ 771,523

d. Arbitrage Compliance

The Housing Authority has issued two debt issuances, the 2005 Salishan Capital Fund Financing Program bonds and the 2013 Low-Income Housing Assistance (Bay Terrace Construction Financing) bonds, that are tax-exempt bonds and subject to federal Arbitrage Compliance requirements. During the fiscal year the Housing Authority was in compliance with all federal Arbitrage Compliance requirements for these debt issuances.

Component Units

a. Real Estate Mortgages

The Component Units have long-term loans secured by capital assets. These loans were used to acquire capital assets that provide affordable housing. They are being repaid from revenues generated by the properties.

The Real Estate Mortgages outstanding as of December 31, 2013 were:

Purpose / Property	Original Amount	Date Issued	Final Maturity	Interest Rate	Amount Outstanding
Salishan I - ARCS	\$ 960,000	9/30/2006	10/1/2016	6.51%	\$ 337,766
Salishan II - ARCS	800,000	12/10/2006	1/1/2017	6.65%	305,169
Salishan III - ARCS	1,480,000	7/20/2007	8/1/2017	6.77%	661,103
Salishan IV - B of A	880,000	12/28/2009	1/1/2020	7.10%	610,331
Salishan V - Berkadia A	1,577,205	8/13/2010	9/1/2025	6.56%	1,536,989
Salishan V - Berkadia B	654,660	8/13/2010	9/1/2020	6.46%	491,963
Salishan VI - WCRA	3,236,065	8/18/2010	7/1/2048	6.25%	3,117,997
Total	<u>\$ 9,587,930</u>				<u>\$ 7,061,318</u>

Mortgage debt service requirements to maturity are as follows:

Year Ending December 31	Principal	Interest	Total
2014	\$ 552,013	\$ 441,713	\$ 993,726
2015	590,136	403,590	993,726
2016	608,937	362,978	971,915
2017	366,116	328,113	694,229
2018	240,015	308,996	549,011
2019 - 2023	606,767	1,372,029	1,978,796
2024 - 2028	1,613,003	973,344	2,586,347
2029 - 2033	381,519	720,826	1,102,345
2034 - 2038	521,052	581,293	1,102,345
2039 - 2043	711,617	390,728	1,102,345
2044 - 2048	870,143	131,659	1,001,802
Total	<u>\$ 7,061,318</u>	<u>\$ 6,015,269</u>	<u>\$ 13,076,587</u>

b. Notes Payable

The Component Units have long-term notes payable secured by capital assets. These notes were used to acquire capital assets that provide affordable housing and are all included in the notes payable balances to the Housing Authority (see the Housing Authority's Notes Receivable described in Note 8 above).

The Notes Payable outstanding as of December 31, 2013 were:

Purpose / Property	Original Amount	Date Issued	Final Maturity	Interest Rate	Amount Outstanding
Hillside Terrace I - THA	\$ 2,542,167	12/18/2002	12/18/2047	0.00%	\$ 2,069,212
Hillside Terrace II - THA	2,039,154	2/19/2004	3/4/2058	4.94%	442,994
Hillside Terrace II - CTED	250,000	4/1/2003	4/1/2044	3.00%	216,543
Hillside 1500 Block - THA A Loan	510,000	5/5/2005	5/5/2060	4.94%	510,000
Hillside 1500 Block - THA B Loan	452,418	5/5/2005	5/5/2055	0.50%	452,418
Salishan I - Housing Trust Fund	1,500,000	12/23/2004	2/28/2046	0 - 0.5%	1,449,375
Salishan I - AHP (THA)	629,910	1/13/2005	1/13/2045	0.10%	629,910
Salishan I - THA A Loan	2,501,137	1/13/2005	12/31/2059	5.34%	2,381,557
Salishan I - THA B Loan	750,000	1/13/2005	12/31/2059	4.00%	750,000
Salishan II - Housing Trust Fund	1,500,000	12/23/2004	7/31/2046	0 - 0.5%	1,453,125
Salishan II - AHP (THA)	629,910	1/13/2005	1/13/2045	0.10%	629,910
Salishan II - THA A Loan	1,559,168	1/13/2005	12/31/2059	5.34%	1,328,845
Salishan II - THA B Loan	400,000	1/13/2005	12/31/2059	4.00%	400,000
Salishan III - Housing Trust Fund	1,500,000	11/2/2005	12/31/2046	0 - 0.5%	1,455,000
Salishan III - AHP (THA)	629,910	11/2/2005	1/13/2045	5.21%	629,910
Salishan III - THA A Loan	3,868,514	11/2/2005	11/1/2060	4.90%	3,868,514
Salishan IV - Housing Trust Fund	1,500,000	6/21/2007	3/31/2049	0 - 0.5%	1,471,875
Salishan IV - THA A Loan	3,270,462	6/28/2007	6/30/2064	4.90%	3,270,461
Salishan IV - HOME (TCRA)	1,000,000	6/28/2007	6/30/2049	0.00%	1,000,000
Salishan IV - SHB2060 (Pierce Co.)	300,000	6/28/2007	6/30/2049	0.00%	300,000
Salishan V - Housing Trust Fund	1,500,000	6/26/2008	12/31/2049	0 - 0.5%	1,477,500
Salishan V - THA A Loan	4,058,166	6/26/2008	6/30/2063	5.50%	3,897,823
Salishan V - SHB2060 (Pierce Co.)	213,308	6/26/2008	6/30/2063	0.00%	213,308
Salishan V - United Way (TCRA)	190,000	6/26/2008	6/30/2063	0.00%	190,000
Salishan VI - Housing Trust Fund	2,000,000	10/15/2008	12/31/2049	0 - 0.5%	1,972,500
Salishan VI - THA A Loan	1,185,221	10/15/2008	10/15/2065	6.30%	981,090
Salishan VI - THA B Loan	1,018,278	10/15/2008	10/15/2065	6.30%	914,030
Bay Terrace - HOME (TCRA)	1,065,342	4/3/2013	4/3/2053	0.00%	1,027,529
Bay Terrace - Housing Trust Fund	2,010,019	4/3/2013	5/31/2054	0.50%	1,999,491
Bay Terrace - THA Loan	6,344,486	4/3/2013	4/3/2068	0.75%	2,787,720
Bay Terrace - Construction Loan	12,000,000	4/3/2013	10/2/2015	variable ¹⁾	3,006,655
Total	<u>\$ 58,917,570</u>				<u>\$ 43,177,295</u>

¹⁾ LIBO + 1.44%

Notes payable debt service requirements to maturity are as follows:

Year Ending December 31	Principal	Interest	Total
2014	\$ 54,988	\$ 4,848	\$ 59,836
2015	3,058,556	11,376	3,069,932
2016	52,035	16,267	68,302
2017	52,173	16,130	68,303
2018	52,314	15,988	68,302
2019 - 2023	580,248	124,527	704,775
2024 - 2028	1,585,394	248,096	1,833,490
2029 - 2033	1,763,473	221,378	1,984,851
2034 - 2038	2,247,819	167,332	2,415,151
2039 - 2043	2,359,223	103,740	2,462,963
2044 - 2048	5,308,914	91,572	5,400,486
2049 - 2053	3,005,550	1,504,180	4,509,730
2054 - 2058	937,622	1,350,843	2,288,465
2059 - 2063	14,169,957	38,364,083	52,534,040
2064 - 2068	7,949,029	24,449,008	32,398,037
Total	\$ 43,177,295	\$ 66,689,368	\$ 109,866,663

c. Operating Loans

The Housing Authority is responsible for covering operating shortfalls of the Component Units to the limited extent outlined in the partnership agreements and the company management agreements it entered into with its Component Unit partners. The Component Units are required to repay the Housing Authority as excess cash becomes available or at the end of the partnership.

The operating loans outstanding as of December 31, 2013 were:

Purpose / Property	Original Amount	Date Issued	Final Maturity	Interest Rate	Amount Outstanding
Hillside Terrace I - Operating Deficit Loan THA	\$ 293,684	12/31/2010	12/1/2017	0.00%	\$ 293,683
Hillside Terrace II - Operating Deficit Loan THA	57,748	12/31/2011	4/15/2017	0.00%	57,748
Hillside 1500 Block - Developer Fee THA	217,473	5/5/2005	1/10/2016	0.00%	94,937
Hillside 1500 Block - Operating Deficit Loan THA	92,591	12/31/2008	5/5/2020	0.00%	92,591
Salishan V - Operating Deficit Loan THA	50,000	12/31/2013	6/30/2023	0.00%	50,000
Salishan VI - Operating Deficit Loan THA	75,000	12/31/2013	10/15/2025	0.00%	75,000
Total	\$ 786,496				\$ 663,959

Operating loans debt service requirements to maturity are as follows:

Year Ending December 31	Principal	Interest	Total
2014	\$ -	\$ -	\$ -
2015	-	-	-
2016	94,937	-	94,937
2017	351,431	-	351,431
2018	-	-	-
2019 - 2023	142,591	-	142,591
2024 - 2028	75,000	-	75,000
Total	\$ 663,959	\$ -	\$ 663,959

d. Changes in Long Term Liabilities

During the year ended December 31, 2013, the following changes occurred in long-term liabilities for the Component Units:

	Beginning Balance 1/1/2013	Additions	Reductions	Ending Balance 12/31/2013	Due Within One Year
Notes Payable to THA	\$ 36,211,764	\$ 7,017,207	\$ (51,676)	\$ 43,177,295	\$ 54,988
Operating Loans Payable to THA	385,089	282,809	(3,939)	663,959	-
Interest on Notes Payable to THA	6,158,070	1,229,512	(343,138)	7,044,444	-
Prtnrshp Mgmt Fees to THA	75,924	11,798	-	87,722	-
Total Payable to THA	42,830,847	8,541,326	(398,753)	50,973,420	54,988
Mortgages Payable	7,577,678	-	(516,360)	7,061,318	552,013
FSS Escrows	16,523	2,600	(17,797)	1,326	-
Total	\$ 50,425,048	\$ 8,543,926	\$ (932,910)	\$ 58,036,064	\$ 607,001

NOTE 11 – CONDUIT DEBT

The Housing Authority is authorized to facilitate the issuance of tax-exempt non-recourse revenue bonds to finance housing projects. Conduit revenue bonds issued by the Housing Authority are payable from revenues derived as a result of the project activities funded by the revenue bonds and are secured by deeds of trust on the underlying projects. The bonds are neither a liability nor contingent liability of the Housing Authority nor a lien on any of its properties or revenues other than for the project for which they are issued. The outstanding revenue bonds are not recorded in the Housing Authority's financial statements, as they represent conduit debt obligations under GASB Interpretation No. 2.

The Housing Authority has participated in the following conduit debt transactions:

Name of Non-Governmental Entity	Project Description	Date of Issuance	Original Issue Amount	Outstanding Balance
South Hill Associates (2001) Ltd Partnership	To construct a 279-unit apartment complex known as Sunset Village for low-income elderly tenants	17-May-01	13,250,000	13,250,000
Juniper Gardens Apartments	60-unit project serving disabled and elderly residents	18-Mar-05	12,175,000	11,305,000
Redwood Park Apartments	155-unit project serving families			
Pine Tree Apartments	60-unit project serving disabled and elderly residents			
Conifer Apartments	32-unit project serving disabled and elderly residents			
Metropolitan Development Council - Parkland Family Vista, LLC	40-unit project serving low-income families known as Parkland Apartments	14-Dec-05	3,400,000	939,567

NOTE 12 – PENSION PLAN

Substantially all Housing Authority 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 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 obtained by writing to: Department of Retirement Systems, Communications Unit,

P.O. Box 48380, Olympia, WA 98504-8380; or it may be downloaded from the DRS website at www.drs.wa.gov. The following disclosures are made pursuant to GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers* and No. 50, *Pension Disclosures, an Amendment of GASB Statements No. 25 and No. 27*.

Public Employees' Retirement System (PERS) Plans 1, 2, and 3

Plan Description

The Legislature established PERS in 1947. Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior courts; employees of legislative committees; employees of district and municipal courts; and employees of local governments. Membership also includes higher education employees not participating in higher education retirement programs. Approximately 49 percent of PERS salaries are accounted for by state employment. PERS retirement benefit provisions are established in Chapters 41.34 and 41.40 RCW and may be amended only by the State Legislature.

PERS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a defined benefit plan with a defined contribution component.

PERS members who joined the system by September 30, 1977, are Plan 1 members. Those who joined on or after October 1, 1977 and by either, February 28, 2002 for state and higher education employees, or August 31, 2002 for local government employees, are Plan 2 members unless they exercised an option to transfer their membership to Plan 3. PERS members joining the system on or after March 1, 2002 for state and higher education employees, or September 1, 2002 for local government employees have the irrevocable option of choosing membership in either PERS Plan 2 or PERS Plan 3. The option must be exercised within 90 days of employment. Employees who fail to choose within 90 days default to Plan 3.

PERS is comprised of and reported as three separate plans for accounting purposes: Plan 1, Plan 2/3, and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although members can only be a member of either Plan 2 or Plan 3, the defined benefit portions of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of this Plan 2/3 may legally be used to pay the defined benefits of any of the Plan 2 or Plan 3 members or beneficiaries, as defined by the terms of the plan. Therefore, Plan 2/3 is considered to be a single plan for accounting purposes.

PERS Plan 1 and Plan 2 retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to the PERS Plan 1 and Plan 2 defined benefit plans accrue interest at a rate specified by the Director of DRS. During DRS' Fiscal Year 2013, the rate was five and one-half percent compounded quarterly. Members in PERS Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest thereon, in lieu of any retirement benefit, upon separation from PERS-covered employment.

PERS Plan 1 members are vested after the completion of five years of eligible service.

PERS Plan 1 members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with 25 years of service, or at age 60 with at least 5 years of service. Plan 1 members retiring from inactive status prior to the age of 65 may receive actuarially reduced benefits.

The monthly benefit is 2 percent of the average final compensation (AFC) per year of service, but the benefit may not exceed 60 percent of the AFC. The AFC is the monthly average of the 24 consecutive highest-paid service credit months.

PERS Plan 1 retirement benefits are actuarially reduced to reflect the choice, if made, of a survivor option.

Plan 1 members may elect to receive an optional COLA that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 provides duty and non-duty disability benefits. Duty disability retirement benefits for disablement prior to the age of 60 consist of a temporary life annuity. The benefit amount is \$350 a month, or two-thirds of the monthly AFC, whichever is less. The benefit is reduced by any workers' compensation benefit and is payable as long as the member remains disabled or until the member attains the age of 60, at which time the benefit is converted to the member's service retirement amount.

A member with five years of covered employment is eligible for non-duty disability retirement. Prior to the age of 55, the benefit amount is 2 percent of the AFC for each year of service reduced by 2 percent for each year that the member's age is less than 55. The total benefit is limited to 60 percent of the AFC and is actuarially reduced to reflect the choice of a survivor option. Plan 1 members may elect to receive an optional COLA amount (based on the Consumer Price Index), capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members are eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is 2 percent of the AFC per year of service. The AFC is the monthly average of the 60 consecutive highest-paid service months. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3 percent annually.

PERS Plan 2 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 reduced benefit. The benefit is reduced by an early retirement factor (ERF) that varies according to age, for each year before age 65.

PERS Plan 2 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 3 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 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of 5 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.

PERS Plan 2 retirement benefits are actuarially reduced to reflect the choice, if made, of a survivor option.

PERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component and member contributions finance a defined contribution component. As established by Chapter 41.34 RCW, employee contribution rates to the defined contribution component range from 5 percent to 15 percent of salaries, based on member choice. Members who do not choose a contribution rate default to a 5 percent rate. There are currently no requirements for employer contributions to the defined contribution component of PERS Plan 3.

PERS Plan 3 defined contribution retirement benefits are dependent upon the results of investment activities. Members may elect to self-direct the investment of their contributions. Any expenses incurred in conjunction with self-directed investments are paid by members. Absent a member's self-direction, PERS Plan 3 contributions are invested in the Retirement Strategy Fund that assumes the member will retire at age 65.

For DRS' fiscal year 2013, PERS Plan 3 employee contributions were \$99.0 million, and plan refunds paid out were \$69.4 million.

The defined benefit portion of PERS Plan 3 provides members a monthly benefit that is 1 percent of the AFC per year of service. The AFC is the monthly average of the 60 consecutive highest-paid service months. There is no cap on years of service credit, and Plan 3 provides the same cost-of-living allowance as Plan 2.

Effective June 7, 2006, PERS 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 twelve months of that service are earned after age 44; or after five service credit years earned in PERS Plan 2 by June 1, 2003. Plan 3 members are immediately vested in the defined contribution portion of their plan.

Vested Plan 3 members are eligible for normal retirement at age 65, or they may retire early with the following conditions and benefits:

- If they have at least ten service credit years and are 55 years old, the benefit is reduced by an ERF that varies with age, for each year before age 65.
- If they have 30 service credit years and are at least 55 years old, and were hired before May 1, 2013, they have the choice of a benefit that is reduced by 3 percent for each year before age 65; or a benefit with a smaller (or no) reduction factor (depending on age) that imposes stricter return-to-work rules.
- If they have 30 service credit years, are at least 55 years old, and were hired after May 1, 2013, they have the option to retire early by accepting a reduction of 5 percent for each year before age 65.

PERS Plan 3 benefits are actuarially reduced to reflect the choice, if made, of a survivor option.

PERS Plan 2 and Plan 3 provide disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 monthly benefit amount is 2 percent of the AFC per year of service. For Plan 3, the monthly benefit amount is 1 percent of the AFC per year of service. These disability benefit amounts are actuarially reduced for each year that the member's age is less than 65, and to reflect the choice of a survivor option. There is no cap on years of service credit, and a cost-of-living allowance is granted (based on the Consumer Price Index) capped at 3 percent annually.

PERS members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of these options are available to their survivors.

A one-time duty-related death benefit is provided to the beneficiary or the estate of a PERS member who dies as a result of injuries sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of the member's covered employment, if found eligible by the Department of Labor and Industries.

From January 1, 2007 through December 31, 2007, judicial members of PERS were given the choice to elect participation in the Judicial Benefit Multiplier (JBM) Program enacted in 2006. Justices and judges in PERS Plan 1 and Plan 2 were able to make an irrevocable election to pay increased contributions that would fund a retirement benefit with a 3.5 percent multiplier. The benefit would be capped at 75 percent of AFC. Judges in PERS Plan 3 could elect a 1.6 percent of pay per year of service benefit, capped at 37.5 percent of AFC.

Newly elected or appointed justices and judges who chose to become PERS members on or after January 1, 2007, or who had not previously opted into PERS membership, were required to participate in the JBM Program.

There are 1,176 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2012:

Retirees and Beneficiaries Receiving Benefits	82,242
Terminated Plan Members Entitled to but not yet Receiving Benefits	30,515
Active Plan Members Vested	106,317
Active Plan Members Non-vested	44,273
Total	263,347

Funding Policy

Each biennium, the state Pension Funding Council adopts PERS Plan 1 employer contribution rates, PERS Plan 2 employer and employee contribution rates, and PERS Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute at 6 percent for state agencies and local government unit employees, and at 7.5 percent for state government elected officials. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. Under PERS Plan 3, employer contributions finance the defined benefit portion of the plan and member contributions finance the defined contribution portion. The Plan 3 employee contribution rates range from 5 percent to 15 percent.

As a result of the implementation of the Judicial Benefit Multiplier Program in January 2007, a second tier of employer and employee rates was developed to fund, along with investment earnings, the increased retirement benefits of those justices and judges that participate in the program.

The methods used to determine the contribution requirements are established under state statute in accordance with Chapters 41.40 and 41.45 RCW.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2013, were as follows:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
Employer*	9.21%	9.21%	9.21%**
Employee	6.00%	4.92%	***

* The employer rates include the employer administrative expense fee currently set at 0.18%.

** Plan 3 defined benefit portion only.

*** Variable from 5.0% minimum to 15.0% maximum based on rate selected by the PERS 3 member.

Both the Housing Authority of the City of Tacoma and the employees made the required contributions. The Housing Authority's required contributions for the years ended December 31 were as follows:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
2013	\$ 7,931	\$ 435,710	\$ 55,036
2012	\$ 6,836	\$ 361,390	\$ 45,772
2011	\$ 5,787	\$ 297,331	\$ 40,835

NOTE 13 – COMPONENT UNITS

Discretely Presented Component Units

The discretely presented component units of the Housing Authority were formed to take advantage of the Low Income Housing Tax Credit (LIHTC) program authorized under Section 42 of the Internal Revenue Code. This program allows investors certain tax incentives for investing in low-income housing and to

deduct any losses passed through to them from the partnerships. The tax code requires that the buildings continue to serve the targeted low-income population for 15 years. The Housing Authority has the option to purchase these projects at the expiration of this compliance period.

The Hillside Terrace (Phase I, Phase II, and 1500 Block) Limited Liability Partnerships were formed as limited partnerships with the Housing Authority serving as general partner. These partnerships provide housing for low-income families, seniors and disabled individuals. As general partner the Housing Authority complies with the duties and responsibilities established with each limited partner in the related partnership agreement. In general the Housing Authority is obligated to provide funds to each partnership for operating deficits and is to be repaid from project cash flow in subsequent years or from proceeds of a sale or refinance of the project.

The Salishan (One, Two, Three, Four, Five, and Six) Limited Liability Companies (LLCs) were formed to acquire, construct, develop and otherwise deal with 90-unit apartment projects (one 90-unit project for each company), with the Housing Authority serving as managing member. These projects provide housing for low-income families, seniors and disabled individuals. The Housing Authority is obligated to provide funds to each of the LLCs for operating deficits and is to be repaid from project cash flow in subsequent years or from proceeds of a sale or refinance of the project.

The 2500 Yakima Limited Liability Limited Partnership (Bay Terrace Project) was formed with the Housing Authority serving as general partner. Once the 70-unit project is fully constructed it is planned to provide housing for low-income families, seniors and disabled individuals. As general partner the Housing Authority will comply with the duties and responsibilities established with the limited partner in the related partnership agreement. In general the Housing Authority is obligated to provide funds to the partnership for operating deficits and is repaid from project cash flow in subsequent years or from proceeds of a sale or refinance of the project.

The Housing Authority usually earns a developer fee for its role in bringing the tax credit project to completion. Developer fees are primarily paid by tax credit investor contributions and available cash flows. Under the various partnership agreements, any outstanding developer fees are required to be paid within 15 years of the placed-in-service date of the project. The tax credit projects also are required to pay management fees to the Housing Authority for the management services provided. During the fiscal year the Housing Authority received or accrued the following management fees from its component units:

Tax Credit Project	Management Fees	Co/Prtnrship Mgmt Fees	Total
Hillside Terrace I	\$ 7,647	\$ 2,986	\$ 10,633
Hillside Terrace II	10,862	5,000	15,862
Hillside Terrace 1500	7,817	11,799	19,616
Salishan One	47,028	-	47,028
Salishan Two	45,694	-	45,694
Salishan Three	45,564	-	45,564
Salishan Four	49,913	11,877	61,790
Salishan Five	51,696	11,475	63,171
Salishan Six	54,799	11,087	65,886
Total	<u>\$ 321,020</u>	<u>\$ 54,224</u>	<u>\$ 375,244</u>

Component Unit financial information is provided for each of the Housing Authority's Discretely Presented Component Units in the following condensed financial statements:

	Hillside Terrace I	Hillside Terrace II	Hillside Terrace 1500 Block	Salishan One	Salishan Two	Salishan Three
CONDENSED STATEMENTS OF NET POSITION						
Assets						
Current Assets	\$ 75,056	\$ 93,221	\$ 74,576	\$ 91,664	\$ 81,490	\$ 339,938
Restricted Assets	286,572	175,003	208,381	772,074	718,331	841,255
Capital Assets	1,888,375	1,972,662	2,020,040	11,479,098	11,534,515	13,867,950
Total Assets	2,250,003	2,240,886	2,302,997	12,342,836	12,334,336	15,049,143
Liabilities						
Current Liabilities	12,522	37,875	19,053	173,226	170,629	301,247
Current Due to Housing Authority	14,648	13,018	9,181	113,225	109,076	31,134
Noncurrent Due to Housing Authority	2,362,896	988,387	1,443,799	6,830,979	5,152,405	7,191,923
Other Noncurrent Liabilities	-	-	-	225,926	212,945	496,992
Total Liabilities	2,390,066	1,039,280	1,472,033	7,343,356	5,645,055	8,021,296
Net Position						
Net Investment in Capital Assets	(180,837)	1,313,125	1,057,622	5,930,490	7,417,466	7,253,423
Restricted	281,566	168,251	204,775	745,245	692,023	814,215
Unrestricted	(240,792)	(279,770)	(431,433)	(1,676,255)	(1,420,208)	(1,039,791)
Total Net Position	\$ (140,063)	\$ 1,201,606	\$ 830,964	\$ 4,999,480	\$ 6,689,281	\$ 7,027,847
CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION						
Operating Income (Loss)						
Tenant Revenues	\$ 49,763	\$ 166,778	\$ 124,483	\$ 600,704	\$ 591,997	\$ 719,071
Other Revenues	53,492	14,198	14,789	117,263	105,387	81,449
Depreciation Expense	(76,974)	(84,499)	(66,942)	(409,934)	(418,878)	(461,327)
Other Operating Expenses	(197,268)	(170,774)	(165,138)	(739,719)	(818,273)	(712,569)
Total Operating Income (Loss)	(170,987)	(74,297)	(92,808)	(431,686)	(539,767)	(373,376)
Nonoperating Revenue (Expense)						
Investment Income	1,291	944	1,084	2,712	2,573	4,135
Interest Expense	-	(28,459)	(27,456)	(182,967)	(110,546)	(271,958)
Gain/(Loss) - Disposal of Capital Assets	-	-	-	-	-	-
Capital Contributions/(Distributions)	-	-	-	-	-	-
Change in Net Position	(169,696)	(101,812)	(119,180)	(611,941)	(647,740)	(641,199)
Net Position - Beginning of Year	144,097	1,314,815	1,005,988	5,720,648	7,441,575	7,798,563
Prior Period Adjustment	(114,464)	(11,397)	(55,844)	(109,227)	(104,554)	(129,517)
Net Position - Beginning Restated	29,633	1,303,418	950,144	5,611,421	7,337,021	7,669,046
Net Position - End of Year	\$ (140,063)	\$ 1,201,606	\$ 830,964	\$ 4,999,480	\$ 6,689,281	\$ 7,027,847

	Salishan Four	Salishan Five	Salishan Six	2500 Yakima	TOTALS
CONDENSED STATEMENTS OF NET POSITION					
Assets					
Current Assets	\$ 280,847	\$ 116,930	\$ 109,108	\$ -	\$ 1,262,830
Restricted Assets	839,504	732,262	936,129	1,468,486	6,977,997
Capital Assets	15,460,963	15,633,390	15,927,525	12,994,556	102,779,074
Total Assets	16,581,314	16,482,582	16,972,762	14,463,042	111,019,901
Liabilities					
Current Liabilities	133,881	211,111	142,075	3,248,182	4,449,801
Current Due to Housing Authority	39,874	75,047	57,550	4,272	467,025
Noncurrent Due to Housing Authority	7,059,643	6,359,703	4,698,664	8,830,033	50,918,432
Other Noncurrent Liabilities	529,139	1,953,972	3,091,657	-	6,510,631
Total Liabilities	7,762,537	8,599,833	7,989,946	12,082,487	62,345,889
Net Position					
Net Investment in Capital Assets	8,808,296	7,825,807	8,941,908	2,380,286	50,747,586
Restricted	814,042	706,754	910,770	269	5,337,910
Unrestricted	(803,561)	(649,812)	(869,862)	-	(7,411,484)
Total Net Position	\$8,818,777	\$ 7,882,749	\$ 8,982,816	\$ 2,380,555	\$48,674,012
CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION					
Operating Income (Loss)					
Tenant Revenues	\$ 651,524	\$ 647,197	\$ 710,147	\$ -	\$ 4,261,664
Other Revenues	111,053	141,049	126,297	-	764,977
Depreciation Expense	(493,664)	(508,938)	(532,294)	-	(3,053,450)
Other Operating Expenses	(740,137)	(837,256)	(876,790)	-	(5,257,924)
Total Operating Income (Loss)	(471,224)	(557,948)	(572,640)	-	(3,284,733)
Nonoperating Revenue (Expense)					
Investment Income	3,613	2,880	4,354	-	23,586
Interest Expense	(270,496)	(349,099)	(456,675)	-	(1,697,656)
Gain/(Loss) - Disposal of Capital Assets	-	-	-	-	-
Capital Contributions/(Distributions)	(1,891)	(11,669)	(19,823)	2,380,555	2,347,172
Change in Net Position	(739,998)	(915,836)	(1,044,784)	2,380,555	(2,611,631)
Net Position - Beginning of Year	9,697,315	9,086,587	10,284,715	-	52,494,303
Prior Period Adjustment	(138,540)	(288,002)	(257,115)	-	(1,208,660)
Net Position - Beginning Restated	9,558,775	8,798,585	10,027,600	-	51,285,643
Net Position - End of Year	\$8,818,777	\$ 7,882,749	\$ 8,982,816	\$ 2,380,555	\$48,674,012

Blended Component Unit

The Housing Authority created the Tacoma Housing Development Group (THDG) blended component unit to facilitate non-profit (501(c)(3)) operations in support of the Housing Authority's development of safe and affordable low-income housing. The Housing Authority routinely uses THDG as the initial limited partner when it sets up new tax credit partnerships before the investor partner/member replaces THDG in these entities that end up one of the discretely presented component units. THDG also is often used by the Housing Authority to account for small contributions and related expenses in support of low-income tenants.

Component unit financial information is provided for the Housing Authority's blended component unit (THDG) in the following condensed financial statements:

CONDENSED STATEMENT OF NET POSITION

	THDG
Assets	
Current Assets	
Receivable from Housing Authority	-
Other Current Assets	46,215
Total Current Assets	46,215
Capital Assets	-
Other Assets	-
Total Assets	46,215
Liabilities	
Current Liabilities	
Payable to Housing Authority	-
Other Current Liabilities	-
Total Current Liabilities	-
Long-Term Liabilities	-
Total Liabilities	-
Net Position	
Net Investment in Capital Assets	-
Restricted	-
Unrestricted	46,215
Total Net Position	46,215

CONDENSED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	THDG
Operating Revenue	
Contributions & Donations	10,450
Total Operating Revenue	10,450
Operating Expenses	
Administration	1,628
Tenant Services	21,062
Total Operating Expenses	22,690
Operating Income/(Loss)	(12,240)
Nonoperating Revenues/(Expenses)	
Investment Income	209
Total Nonoperating Revenues/(Expenses)	209
Transfers from Housing Authority	3,029
Change in Net Position	(9,002)
Beginning Net Position	55,217
Ending Net Position	46,215

CONDENSED STATEMENT OF CASH FLOWS

	THDG
Net Cash Provided/(Used) by Operating Activities	(12,240)
Net Cash Provided/(Used) by Noncapital Financing Activities	3,029
Net Cash Provided/(Used) by Capital and Related Financing Activities	-
Net Cash Provided/(Used) by Investing Activities	209
Net Increase/(Decrease) in Cash and Cash Equivalents	(9,002)
Beginning Cash and Cash Equivalent Balance	55,217
Ending Cash and Cash Equivalent Balance	46,215

NOTE 14 – CONTINGENCIES AND LITIGATION

The Housing Authority of the City of Tacoma has recorded in its financial statements all material liabilities. There are no material contingent liabilities to record. In the opinion of management, the Housing Authority's insurance policies are adequate to pay all known or pending material claims.

During 2013 the Housing Authority identified 37 units which were contaminated with methamphetamine. The Housing Authority engaged a remediation consultant and developed and implemented a program to test all vacant units for contamination. During 2013 the Housing Authority expended \$548,450 on remediation efforts, of which \$246,978 was recovered by insurance claims. After July 1, 2013 all future costs of remediation are expected to be funded entirely by the Housing Authority. As of December 31, 2013, the Housing Authority had not identified any additional units requiring remediation. The Housing Authority is unable to estimate how many, if any, additional units may need remediation in the future and cannot estimate the future remediation costs, if any.

The Housing Authority participates in a number of federal 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 terms of the grants. The Housing Authority's management believes that such disallowance, if any, would be immaterial.

NOTE 15 – EXTRAORDINARY ITEM

In May 2013 the Housing Authority entered into an agreement with Citibank, the bondholder for the Housing Authority's 2007 Salishan Infrastructure Bonds, to retire the outstanding \$9.89 million in bonds in exchange for the net sales proceeds of the related encumbered Salishan Area 3 for-sale lots (\$4.75 million) sold to a private developer, the funds held by the trustee (\$0.72 million) and the remaining general revenues pledged by the Housing Authority (\$1.34 million). Citibank agreed to write-down the remaining bond balance (\$3.08 million), to consider the bonds fully retired without default and to release its security interest in 28 additional Salishan Area 2B for-sale lots. This write-down of the remaining debt adjusted for related legal costs, a gain on extinguishment of debt, is recorded as an extraordinary item of \$3,062,055 in the Statement of Revenues, Expenses and Changes in Net Position.

NOTE 16 – RISK MANAGEMENT

The Housing 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-six members in the states of Washington, Oregon, Nevada and California. Thirty-six of the eighty-six 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 (60) day notice prior to the renewal date. Termination does not relieve a former member from its unresolved losses incurred during membership.

HARRP is governed by a Board of Directors consisting of representatives from nine member PHA's. The Board meets once each quarter to provide policy direction to the staff. HARRP provides property loss, general liability, errors and omissions, fidelity and crime insurance, and business automobile insurance. Pool underwriting and rate-setting policies have been established by the pool executive board after consultation with actuaries. Pool members are subject to supplemental assessment in the event of deficiencies. If the assets of the pool were to be exhausted, members would be responsible for the pool's liabilities. The allocation of the liabilities would be determined by the executive board. A copy of their financial statements may be acquired at 7111 NE 179th Street, Vancouver, WA 98686-1888 or at HARRP's website at www.harrp.com.

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.

HARRP General Liability coverage is on an occurrence basis without member deductibles. Automobile Liability coverage is also on an occurrence basis with deductibles of \$250 for comprehensive and \$500 for Collision. Errors & Omissions coverage (which includes Employment Practices Liability) is issued on an occurrence basis, and the members are responsible for 10% of the incurred costs of the claims. The Property coverage provided by HARRP is on a replacement cost basis with the Housing Authority's deductible of \$1,000. The Housing Authority's fidelity coverage offered by HARRP has a limit of \$500,000 for employee dishonesty and forgery or alteration and \$50,000 for theft. The deductible for the fidelity coverage is \$1,000.

HARRP provides coverage limits for General Liability, Errors & Omissions and Property of \$1,000,000 per occurrence with Munich reinsuring the second million dollars up to an unlimited annual aggregate. Coverage limits for Automobile Liability are similarly covered.

HARRP self-insures the first million dollars of coverage for liability lines (\$1,000,000 per occurrence and Munich Reinsurance Company provides all limits above the first layer with no annual aggregate). For property coverage, HARRP retains \$1,000,000 and reinsurance from Munich Reinsurance Company for a combined total per member of \$42,000,000. Property coverage include Equipment Breakdown Insurance through Hartford Steam and Boiler Insurance, a Munich Reinsurance owned company. The HARRP Board of Directors determines the limits and coverage terms, at its sole discretion.

Claim settlements did not exceed coverage in any of the past three years.

Housing Authority of the City of Tacoma
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2013

Federal Agency Name/Pass-Through Agency Name	Federal Program Name	CFDA Number	Other ID Number	Current Year Expenditures			Debt Liability Balance	Notes
				From Pass-Through Awards	From Direct Awards	Total		
U.S. Department of Housing and Urban Development/Pass-through City of Tacoma	Community Development Block Grant	14.218	Family Self Sufficiency TCRA 2012 HT Relocation	19,774 19,849 39,623		39,623		
U.S. Department of Housing and Urban Development/Pass-through City of Tacoma	Community Development Block Grant - Neighborhood Stabilization Program (NSP 1)	14.228	TCRA-NSP	221,211		221,211		
U.S. Department of Housing and Urban Development/Pass-through City of Tacoma	HOME Investment Partnership Program	14.239	2013 TCRA Loan - Hillside Terrace, Phase I (Bay Terrace) 2008 TCRA Forgivable Loan - Salishan IV 2009 TCRA Forgivable Loan - Salishan VI Subtotal	1,033,483 - - 1,033,483		1,033,483	1,033,483 1,000,000 500,000 2,533,483	3a
U.S. Department of Housing and Urban Development	Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	WA005SRO002 WA005SRO003 WA005SCO002 / WA0141L0T031205 Subtotal		199,104 124,011 36,097 359,212	359,212		
U.S. Department of Housing and Urban Development/Pass-through Enterprise Community Partners, Inc.	Section 4 Capacity Building for Community Development and Affordable Housing	14.252	13SG2825	40,631		40,631		
U.S. Department of Housing and Urban Development/Pass-through Washington State Housing Finance Commission	ARRA-Tax Credit Assistance Program	14.258	Salishan Seven (TC#09-02-TCAP)	-		-	11,880,335	3, 4
U.S. Department of Housing and Urban Development	Resident Opportunity and Supportive Services (ROSS)	14.870	WA005RPS249A011		67,999	67,999		
U.S. Department of Housing and Urban Development	Housing Choice Vouchers	14.871	WA005VO-NED WA005AF-NED WA005VO-VA WA005AF-VA Program Income Subtotal		568,342 51,127 645,253 62,003 116 1,326,841	1,326,841		
U.S. Department of Housing and Urban Development	Public Housing Family Self-Sufficiency under ROSS	14.877	WA005RFS056A011 WA005RFS023A012 Subtotal		18,891 36,083 54,974	54,974		
U.S. Department of Housing and Urban Development	Family Unification Program	14.880	WA005VO-FUP WA005AF-FUP Program Income		352,274 22,457 27 374,758	374,758		
U.S. Department of Housing and Urban Development	Moving To Work Demonstration Program	14.881	14.HCV-WA005VO 14.HCV-WA005AF (VO) 14.HCV-WA005FSF HCV Program Income 14.OPS - WA005-110D - WA005-1510D & WA005-111D - WA005-1511D 14.CFP-WA19P005501-10 14.CFP-WA19P005501-11 14.CFP-WA19R005501-10 14.CFP-WA19R005501-11 14.CFP-WA19R005502-11 14.CFP-WA19R005501-12 14.CFP-WA19R005502-12 Subtotal	33,076,872 2,137,679 138,000 322,245 2,251,788 176,865 283,042 408,888 292,795 549,895 451,334 52,633 40,142,036		40,142,036		5

Housing Authority of the City of Tacoma
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2013

Federal Agency Name/Pass-Through Agency Name	Federal Program Name	CFDA Number	Other ID Number	Current Year Expenditures			Debt Liability Balance	Notes
				From Pass-Through Awards	From Direct Awards	Total		
U.S. Department of Housing and Urban Development	Capital Fund Education and Training Community Facilities	14.890	WA19C00550111		943,785	943,785		
	Subtotal U.S. Department of Housing and Urban Development			\$ 1,334,948	\$ 43,269,605	\$ 44,604,553	\$ 14,413,818	
TOTAL FEDERAL ASSISTANCE				\$ 1,334,948	\$ 43,269,605	\$ 44,604,553	\$ 14,413,818	

NOTE 1 - Basis of Accounting

The Schedule of Financial Assistance is prepared on the same basis of accounting as the Housing Authority's financial statements. The Housing Authority uses the full accrual basis of accounting.

NOTE 2 - Program Costs

The amounts shown as current year expenditures represent only the federal portion of the program costs. Actual program costs, including the Housing Authority's portion, may be more than shown.

NOTE 3 - Federal Loans

a) The Housing Authority received a HUD (HOME) loan up to a maximum of \$1,065,342 of which \$1,033,483 is included in Current Year Expenditures.

Outstanding loan balances with continuing compliance requirements, including those received and expended in prior years are listed under Debt Liability Balance.

NOTE 4 - American Recovery and Reinvestment Act (ARRA) of 2009

Expenditures for this program were funded by ARRA.

NOTE 5 - Amounts Awarded to Subrecipients

Included in the total amount expended for this program is \$194,946 that was passed through to Pierce County, which is administering the Unaccompanied Youth Housing and the Rapid Rehousing programs with these funds..

Line Item No.	Description	Project WA005000001	Project WA005000002	Project WA005000003	Project WA005000004	Project WA005000005	Project WA005000006	Project WA005000007	Project WA005000008	Project WA005000009
111	Cash - Unrestricted	309,872	283,221	316,568	101,135	209,052	73,644	18,037	6,810	4,967
112	Cash - Restricted - Modernization and Development	-	-	-	-	-	-	-	-	-
113	Cash - Other Restricted	50	-	3,161	-	-	100	-	-	-
114	Cash - Tenant Security Deposits	27,725	24,340	26,800	-	-	9,800	-	-	-
115	Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-	-	-	-	-
100	Total Cash	\$ 337,647	\$ 307,561	\$ 346,529	\$ 101,135	\$ 209,052	\$ 83,544	\$ 18,037	\$ 6,810	\$ 4,967
121	Accounts Receivable - PHA Projects	-	-	-	-	-	-	-	-	-
122	Accounts Receivable - HUD Other Projects	-	-	-	2,088	-	22,845	-	-	-
124	Accounts Receivable - Other Government	-	-	-	-	-	-	-	-	-
125	Accounts Receivable - Miscellaneous	12,304	-	5,412	-	-	-	-	-	-
126	Accounts Receivable - Tenants	14,803	12,449	7,020	-	-	1,353	-	-	-
126.1	Allowance for Doubtful Accounts - Tenants	(10,613)	(7,299)	(2,747)	-	-	(998)	-	-	-
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-	-	-
127	Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-	-	-	-
128	Fraud Recovery	-	-	-	-	-	-	-	-	-
128.1	Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-	-	-	-
129	Accrued Interest Receivable	-	-	-	-	-	-	-	-	-
120	Total Receivables, Net of Allowances for Doubtful Accounts	\$ 16,494	\$ 5,150	\$ 9,685	\$ 2,088	\$ -	\$ 23,200	\$ -	\$ -	\$ -
131	Investments - Unrestricted	-	-	-	-	-	-	-	-	-
132	Investments - Restricted	-	-	-	-	-	-	-	-	-
135	Investments - Restricted for Payment of Current Liability	-	-	-	-	-	-	-	-	-
142	Prepaid Expenses and Other Assets	10,626	8,768	7,618	1,644	790	2,862	328	187	62
143	Inventories	-	-	-	-	-	-	-	-	-
143.1	Allowance for Obsolete Inventories	-	-	-	-	-	-	-	-	-
144	Inter Program Due From	-	-	-	-	-	-	-	-	-
145	Assets Held for Sale	-	-	-	-	-	-	-	-	-
150	Total Current Assets	\$ 364,767	\$ 321,479	\$ 363,832	\$ 104,867	\$ 209,842	\$ 109,606	\$ 18,365	\$ 6,997	\$ 5,029
161	Land	48,190	69,583	990,921	159,244	1,493,032	272,225	60,579	60,579	-
162	Buildings	13,173,376	10,554,776	12,753,972	-	445,628	3,681,475	-	-	-
163	Furniture, Equipment & Machinery - Dwellings	139,658	170,119	106,368	-	-	-	-	-	-
164	Furniture, Equipment & Machinery - Administration	24,422	1,312	238,153	899	215,657	293	-	-	-
165	Leasehold Improvements	230,346	473,677	1,616,144	-	5,535,849	-	-	-	-
166	Accumulated Depreciation	(8,389,261)	(7,325,259)	(8,878,904)	(899)	(2,100,301)	(1,497,474)	-	-	-
167	Construction in Progress	-	-	-	34,534	-	3,255	-	-	-
168	Infrastructure	-	-	-	-	-	-	-	-	-
160	Total Capital Assets, Net of Accumulated Depreciation	\$ 5,226,731	\$ 3,944,208	\$ 6,826,654	\$ 193,778	\$ 5,589,865	\$ 2,459,774	\$ 60,579	\$ 60,579	\$ -
171	Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	-	-	-	222,852	17,748	20,777
172	Notes, Loans, & Mortgages Receivable - Non Current - Past	-	-	-	-	-	-	-	-	-
173	Grants Receivable - Non Current	-	-	-	-	-	-	-	-	-
174	Other Assets	-	-	-	-	-	-	-	-	-
176	Investments in Joint Ventures	-	-	-	-	-	-	-	-	-
180	Total Non-Current Assets	\$ 5,226,731	\$ 3,944,208	\$ 6,826,654	\$ 193,778	\$ 5,589,865	\$ 2,459,774	\$ 283,431	\$ 78,327	\$ 20,777
190	Total Assets	\$ 5,591,498	\$ 4,265,687	\$ 7,190,486	\$ 298,645	\$ 5,799,707	\$ 2,569,380	\$ 301,796	\$ 85,324	\$ 25,806
200	Deferred Outflow of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
290	Total Assets and Deferred Outflow of Resources	\$ 5,591,498	\$ 4,265,687	\$ 7,190,486	\$ 298,645	\$ 5,799,707	\$ 2,569,380	\$ 301,796	\$ 85,324	\$ 25,806

Line Item No.	Description	Project WA005000001	Project WA005000002	Project WA005000003	Project WA005000004	Project WA005000005	Project WA005000006	Project WA005000007	Project WA005000008	Project WA005000009
311	Bank Overdraft	-	-	-	-	-	-	-	-	-
312	Accounts Payable <= 90 Days	34,960	24,616	39,026	581	193	27,665	40,051	-	6,958
313	Accounts Payable >90 Days Past Due	-	-	-	-	-	-	-	-	-
321	Accrued Wage/Payroll Taxes Payable	-	-	-	-	-	-	-	-	-
322	Accrued Compensated Absences - Current Portion	730	694	756	-	-	188	-	-	-
324	Accrued Contingency Liability	-	-	-	-	-	-	-	-	-
325	Accrued Interest Payable	-	-	-	-	-	-	-	-	-
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-	-	-
332	Account Payable - PHA Projects	-	-	-	-	-	-	-	-	-
333	Accounts Payable - Other Government	-	-	-	-	-	-	-	-	-
341	Tenant Security Deposits	27,725	24,635	26,800	-	-	9,800	-	-	-
342	Unearned Revenue	4,928	3,691	5,092	-	-	1,140	-	-	-
343	Current Portion of Long-term Debt - Capital	-	-	-	-	-	-	-	-	-
344	Current Portion of Long-term Debt - Operating Borrowings	-	-	-	-	-	-	-	-	-
345	Other Current Liabilities	-	-	-	-	-	-	-	-	-
346	Accrued Liabilities - Other	2,553	489	876	58	251	15	-	-	-
347	Inter Program - Due To	-	-	-	-	-	-	-	-	-
348	Loan Liability - Current	-	-	-	-	-	-	-	-	-
310	Total Current Liabilities	\$ 70,896	\$ 54,125	\$ 72,550	\$ 639	\$ 444	\$ 38,808	\$ 40,051	\$ -	\$ 6,958
351	Long-term Debt, Net of Current-Capital Projects/Mortgage	-	-	-	-	-	-	-	-	-
352	Long-term Debt, Net of Current-Operating Borrowings	-	-	-	-	-	-	-	-	-
353	Non-current Liabilities - Other	50	-	3,161	-	-	100	-	-	-
354	Accrued Compensated Absences - Non Current	17,367	16,498	17,554	-	-	4,327	-	-	-
355	Loan Liability - Non Current	-	-	-	-	-	-	-	-	-
356	FASB 5 Liabilities	-	-	-	-	-	-	-	-	-
357	Accrued Pension and OPEB Liabilities	-	-	-	-	-	-	-	-	-
350	Total Non-Current Liabilities	\$ 17,417	\$ 16,498	\$ 20,715	\$ -	\$ -	\$ 4,427	\$ -	\$ -	\$ -
300	Total Liabilities	\$ 88,313	\$ 70,623	\$ 93,265	\$ 639	\$ 444	\$ 43,235	\$ 40,051	\$ -	\$ 6,958
400	Deferred Inflow of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
508.4	Net Investment in Capital Assets	5,226,731	3,944,208	6,826,654	193,778	5,589,865	2,459,774	60,579	60,579	-
511.4	Restricted Net Position	-	-	-	-	-	-	-	-	-
512.4	Unrestricted Net Position	276,454	250,856	270,567	104,228	209,398	66,371	201,166	24,745	18,848
513	Total Equity - Net Position	\$ 5,503,185	\$ 4,195,064	\$ 7,097,221	\$ 298,006	\$ 5,799,263	\$ 2,526,145	\$ 261,745	\$ 85,324	\$ 18,848
600	Total Lab., Def. Inflow of Res., and Equity - Net Position	\$ 5,591,498	\$ 4,265,687	\$ 7,190,486	\$ 298,645	\$ 5,799,707	\$ 2,569,380	\$ 301,796	\$ 85,324	\$ 25,806
70300	Net Tenant Rental Revenue	410,548	382,962	440,910	266	-	73,027	-	-	-
70400	Tenant Revenue - Other	7,838	5,912	14,253	789	-	8,831	-	-	-
70500	Total Tenant Revenue	\$ 418,386	\$ 388,874	\$ 455,163	\$ 1,055	\$ -	\$ 81,858	\$ -	\$ -	\$ -
70600	HUD PHA Operating Grants	-	-	-	-	-	-	-	-	-
70610	Capital Grants	-	-	-	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-	-	-	-
70730	Book Keeping Fee	-	-	-	-	-	-	-	-	-

Line Item No.	Description	Project WA005000001	Project WA005000002	Project WA005000003	Project WA005000004	Project WA005000005	Project WA005000006	Project WA005000007	Project WA005000008	Project WA005000009
70740	Front Line Service Fee	-	-	-	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-	-	-	-
70700	Total Fee Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70800	Other Government Grants	-	-	-	-	-	-	-	-	-
71100	Investment Income - Unrestricted	970	858	1,016	1,562	785	416	-	-	-
71200	Mortgage Interest Income	-	-	-	-	-	-	-	-	-
71300	Proceeds from Disposition of Assets Held for Sale	-	-	-	-	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-	-	-	-	-
71400	Fraud Recovery	-	-	-	-	-	-	-	-	-
71500	Other Revenue	10,095	8,990	2,614	1,466	-	-	-	-	-
71600	Gain or Loss on Sale of Capital Assets	(1,120)	(1,119)	(746)	(209,896)	1,102	-	-	-	-
72000	Investment Income - Restricted	-	-	-	-	-	-	-	-	-
70000	Total Revenue	\$ 428,331	\$ 397,603	\$ 458,047	\$ (205,813)	\$ 1,887	\$ 82,274	\$ -	\$ -	\$ -
91100	Administrative Salaries	86,910	81,756	93,737	-	-	23,315	-	-	-
91200	Auditing Fees	2,224	2,112	2,000	1,445	-	472	292	167	56
91300	Management Fee	-	-	-	-	-	-	-	3,252	-
91310	Book-keeping Fee	-	-	-	-	-	-	-	1,185	-
91400	Advertising and Marketing	-	-	-	-	-	-	-	-	-
91500	Employee Benefit Contributions - Administrative	34,599	32,472	40,637	-	-	10,462	-	-	-
91600	Office Expenses	20,161	18,810	22,317	741	-	2,843	-	-	-
91700	Legal Expense	2,244	5,274	250	-	-	1,087	-	-	-
91800	Travel	1,553	1,475	2,606	-	-	729	-	-	-
91810	Allocated Overhead	-	-	-	-	-	-	-	-	-
91900	Other	209,149	198,642	169,346	338	464	38,112	-	-	-
91000	Total Operating - Administrative	\$ 356,840	\$ 340,541	\$ 330,893	\$ 2,524	\$ 464	\$ 77,020	\$ 292	\$ 4,604	\$ 56
92000	Asset Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,440	\$ -
92100	Tenant Services - Salaries	-	-	-	-	-	-	-	-	-
92200	Relocation Costs	-	3,064	7,337	39,039	-	3,340	-	-	-
92300	Employee Benefit Contributions - Tenant Services	-	-	-	-	-	-	-	-	-
92400	Tenant Services - Other	4,444	4,534	1,489	294	-	-	-	-	-
92500	Total Tenant Services	\$ 4,444	\$ 7,598	\$ 8,826	\$ 39,333	\$ -	\$ 3,340	\$ -	\$ -	\$ -
93100	Water	23,266	19,268	27,674	12,503	1,140	1,003	-	-	-
93200	Electricity	62,820	56,791	27,871	9,140	773	2,640	-	-	-
93300	Gas	28,299	14,873	5,060	-	-	300	-	-	-
93400	Fuel	-	-	-	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-	-	-	-
93600	Sewer	71,852	59,546	85,820	44,646	-	3,129	-	-	-
93700	Employee Benefit Contributions - Utilities	-	-	-	-	-	-	-	-	-
93800	Other Utilities Expense	-	-	-	-	-	-	-	-	-
93000	Total Utilities	\$ 186,237	\$ 150,478	\$ 146,425	\$ 66,289	\$ 1,913	\$ 7,072	\$ -	\$ -	\$ -
94100	Ordinary Maintenance and Operations - Labor	93,638	90,533	122,115	5,738	-	38,218	-	-	-
94200	Ordinary Maintenance and Operations - Materials and	28,384	26,075	42,137	-	-	13,345	-	-	-
94300	Ordinary Maintenance and Operations Contracts	150,076	127,035	123,078	12,209	2,590	51,051	-	-	-
94500	Employee Benefit Contributions - Ordinary Maintenance	34,688	31,715	45,071	1,578	-	14,266	-	-	-
94000	Total Maintenance	\$ 306,786	\$ 275,358	\$ 332,401	\$ 19,525	\$ 2,590	\$ 116,880	\$ -	\$ -	\$ -
95100	Protective Services - Labor	-	-	-	-	-	-	-	-	-
95200	Protective Services - Other Contract Costs	39,518	28,823	41,195	4,192	-	-	-	-	-

Line Item No.	Description	Project WA005000001	Project WA005000002	Project WA005000003	Project WA005000004	Project WA005000005	Project WA005000006	Project WA005000007	Project WA005000008	Project WA005000009
95300	Protective Services - Other	462	10,949	1,643	-	-	2	-	-	-
95500	Employee Benefit Contributions - Protective Services	-	-	-	-	-	-	-	-	-
95000	Total Protective Services	\$ 39,980	\$ 39,772	\$ 42,838	\$ 4,192	\$ -	\$ 2	\$ -	\$ -	\$ -
96110	Property Insurance	13,022	9,935	8,039	4,348	1,262	3,877	-	-	-
96120	Liability Insurance	2,385	2,266	2,339	537	38	563	-	-	-
96130	Workmen's Compensation	6,629	6,176	7,382	247	-	2,204	-	-	-
96140	All Other Insurance	1,195	1,135	1,584	114	-	422	-	-	-
96100	Total Insurance Premiums	\$ 23,231	\$ 19,512	\$ 19,344	\$ 5,246	\$ 1,300	\$ 7,066	\$ -	\$ -	\$ -
96200	Other General Expenses	1,826	1,350	1,067	697	4	185	53,492	14,198	14,783
96210	Compensated Absences	790	750	799	-	-	197	-	-	-
96300	Payments in Lieu of Taxes	2,499	2,374	2,249	1,624	-	531	328	187	62
96400	Bad debt - Tenant Rents	6,934	5,759	4,035	-	-	4,943	-	-	-
96500	Bad debt - Mortgages	-	-	-	-	-	-	-	-	-
96600	Bad debt - Other	-	-	-	-	-	-	-	-	-
96800	Severance Expense	-	-	-	-	-	-	-	-	-
96000	Total Other General Expenses	\$ 12,049	\$ 10,233	\$ 8,150	\$ 2,321	\$ 4	\$ 5,856	\$ 53,820	\$ 14,385	\$ 14,845
96710	Interest of Mortgage (or Bonds) Payable	18	18	12	6	-	-	-	-	-
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-	-	-
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	-
96700	Total Interest Expense and Amortization Cost	\$ 18	\$ 18	\$ 12	\$ 6	\$ -	\$ -	\$ -	\$ -	\$ -
96900	Total Operating Expenses	\$ 929,585	\$ 843,510	\$ 888,889	\$ 139,436	\$ 6,271	\$ 217,236	\$ 54,112	\$ 20,429	\$ 14,901
97000	Excess Operating Revenue Over Operating Expenses	\$ (501,254)	\$ (445,907)	\$ (430,842)	\$ (345,249)	\$ (4,384)	\$ (134,962)	\$ (54,112)	\$ (20,429)	\$ (14,901)
97100	Extraordinary Maintenance	-	5,883	59,807	-	-	-	-	-	-
97200	Casualty Losses - Non-capitalized	1,000	1,649	9,743	-	-	3,994	-	-	-
97300	Housing Assistance Payments	-	-	-	-	-	-	-	-	-
97350	HAP Portability-In	-	-	-	-	-	-	-	-	-
97400	Depreciation Expense	593,813	401,918	634,858	14,808	381,353	104,260	-	-	-
97500	Fraud Losses	-	-	-	-	-	-	-	-	-
97800	Dwelling Units Rent Expense	-	-	-	-	-	-	-	-	-
90000	Total Expenses	\$ 1,524,398	\$ 1,252,960	\$ 1,593,297	\$ 154,244	\$ 387,624	\$ 325,490	\$ 54,112	\$ 20,429	\$ 14,901
10010	Operating Transfer In	353,458	312,658	325,455	329,478	-	98,566	53,492	29,402	14,783
10020	Operating transfer Out	-	-	-	-	-	-	-	-	-
10030	Operating Transfers from/to Primary Government	-	-	-	-	-	-	-	-	-
10040	Operating Transfers from/to Component Unit	-	-	-	-	-	-	-	-	-
10070	Extraordinary Items, Net Gain/Loss	-	-	-	-	-	-	-	-	-
10080	Special Items (Net Gain/Loss)	-	-	-	-	-	-	-	-	-
10091	Inter Project Excess Cash Transfer In	128,989	135,918	186,411	-	-	-	62,969	-	11,184
10092	Inter Project Excess Cash Transfer Out	-	-	-	(407,805)	(40,000)	(57,614)	-	(8,459)	-
10093	Transfers between Program and Project - In	-	-	-	-	-	-	-	-	-
10094	Transfers between Project and Program - Out	-	-	-	-	-	-	-	-	-
10100	Total Other financing Sources (Uses)	\$ 482,447	\$ 448,576	\$ 511,866	\$ (78,327)	\$ (40,000)	\$ 40,952	\$ 116,461	\$ 20,943	\$ 25,967
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	\$ (613,620)	\$ (406,781)	\$ (623,384)	\$ (438,384)	\$ (425,737)	\$ (202,264)	\$ 62,349	\$ 514	\$ 11,066
11020	Required Annual Debt Principal Payments	1,441	1,441	961	480	-	-	-	-	-

Line Item No.	Description	Project WA005000001	Project WA005000002	Project WA005000003	Project WA005000004	Project WA005000005	Project WA005000006	Project WA005000007	Project WA005000008	Project WA005000009
11030	Beginning Equity	6,116,805	4,601,845	7,720,605	738,599	6,225,000	2,405,890	199,396	84,810	7,782
11040	Prior period adjustments, equity transfers, and correction of errors	-	-	-	(2,209)	-	322,519	-	-	-
11170	Administrative Fee Equity	-	-	-	-	-	-	-	-	-
11180	Housing Assistance Payments Equity	-	-	-	-	-	-	-	-	-
11190	Unit Months Available	1,842	1,741	1,679	2	-	408	228	133	48
11210	Unit Months Leased	1,804	1,705	1,665	2	-	358	225	130	42
11270	Excess Cash	205,798	188,471	206,429	93,795	208,086	49,733	(22,014)	6,810	(1,991)
11610	Land Purchases	-	-	-	-	-	-	-	-	-
11620	Building Purchases	-	-	-	-	-	322,519	-	-	-
11630	Furniture & Equipment-Dwelling Purchases	-	-	-	-	-	-	-	-	-
11640	Furniture & Equipment-Administrative Purchases	-	-	-	-	-	-	-	-	-
11650	Leasehold Improvements Purchases	-	-	-	-	-	-	-	-	-
11660	Infrastructure Purchases	-	-	-	-	-	-	-	-	-
13510	CFFP Debt Service Payments	-	-	-	-	-	-	-	-	-
13901	Replacement Housing Factor Funds	-	-	-	-	-	-	-	-	-

Line Item No.	Description	Project WA005000010	Project WA005000011	Project WA005000012	Project WA005000013	Project WA005000014	Project WA005000015	Business Activities	State/Local	14, OPS MTW Demonstration Program for Low Rent	14, CFP MTW Demonstration Program for Capital Fund
111	Cash - Unrestricted	45,463	43,129	32,264	41,268	53,547	48,582	3,764,011	25,110	-	-
112	Cash - Restricted - Modernization and Development	-	-	-	-	-	-	-	-	-	-
113	Cash - Other Restricted	-	-	-	-	-	-	287,446	-	-	-
114	Cash - Tenant Security Deposits	-	-	-	-	-	-	47,170	-	-	-
115	Cash - Restricted for Payment of Current Liabilities	22,131	22,132	18,970	-	-	-	-	-	-	-
100	Total Cash	\$ 67,594	\$ 65,261	\$ 51,234	\$ 41,268	\$ 53,547	\$ 48,582	\$ 4,098,627	\$ 25,110	\$ -	\$ -
121	Accounts Receivable - PHA Projects	-	-	-	-	-	-	-	-	-	-
122	Accounts Receivable - HUD Other Projects	-	-	-	-	-	-	-	-	-	-
124	Accounts Receivable - Other Government	-	-	-	-	-	-	-	196,035	-	-
125	Accounts Receivable - Miscellaneous	-	-	-	-	-	-	497,113	-	-	-
126	Accounts Receivable - Tenants	-	-	-	-	-	-	47,332	-	-	-
126.1	Allowance for Doubtful Accounts - Tenants	-	-	-	-	-	-	(11,487)	-	-	-
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-	-	-	-
127	Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-	54,988	-	-	-
128	Fraud Recovery	-	-	-	-	-	-	-	-	-	-
128.1	Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-	-	-	-	-
129	Accrued Interest Receivable	-	-	-	-	-	-	-	-	-	-
120	Total Receivables, Net of Allowances for Doubtful Accounts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 587,946	\$ 196,035	\$ -	\$ -
131	Investments - Unrestricted	-	-	-	-	-	-	1,625,872	-	-	-
132	Investments - Restricted	-	-	-	-	-	-	-	-	-	-
135	Investments - Restricted for Payment of Current Liability	-	-	-	-	-	-	-	-	-	-
142	Prepaid Expenses and Other Assets	859	859	703	703	703	703	45,401	-	-	-
143	Inventories	-	-	-	-	-	-	-	-	-	-
143.1	Allowance for Obsolete Inventories	-	-	-	-	-	-	-	-	-	-
144	Inter Program Due From	-	-	-	-	-	-	46,165	-	-	-
145	Assets Held for Sale	-	-	-	-	-	-	-	241,456	-	-
150	Total Current Assets	\$ 68,453	\$ 66,120	\$ 51,937	\$ 41,971	\$ 54,250	\$ 49,285	\$ 6,404,011	\$ 462,601	\$ -	\$ -
161	Land	774,771	768,309	768,309	337,793	946,989	871,361	2,563,353	-	-	-
162	Buildings	-	-	-	-	-	-	20,267,258	-	-	-
163	Furniture, Equipment & Machinery - Dwellings	-	-	-	-	-	-	565,243	-	-	-
164	Furniture, Equipment & Machinery - Administration	-	-	-	-	-	-	808,560	-	-	-
165	Leasehold Improvements	-	-	-	-	1,402,218	1,408,840	4,771,875	-	-	-
166	Accumulated Depreciation	-	-	-	-	(373,925)	(375,691)	(5,734,059)	-	-	-
167	Construction in Progress	-	-	-	-	-	-	1,139,897	-	-	-
168	Infrastructure	-	-	-	-	-	-	-	-	-	-
160	Total Capital Assets, Net of Accumulated Depreciation	\$ 774,771	\$ 768,309	\$ 768,309	\$ 337,793	\$ 1,975,282	\$ 1,904,510	\$ 24,382,127	\$ -	\$ -	\$ -
171	Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	-	-	404,030	42,085,328	-	-	-
172	Notes, Loans, & Mortgages Receivable - Non Current - Past	-	-	-	-	-	-	-	-	-	-
173	Grants Receivable - Non Current	-	-	-	-	-	-	-	-	-	-
174	Other Assets	-	-	-	-	-	95,946	6,948,498	-	-	-
176	Investments in Joint Ventures	-	-	-	-	-	-	-	-	-	-
180	Total Non-Current Assets	\$ 774,771	\$ 768,309	\$ 768,309	\$ 337,793	\$ 1,975,282	\$ 2,404,486	\$ 73,415,953	\$ -	\$ -	\$ -
190	Total Assets	\$ 843,224	\$ 834,429	\$ 820,246	\$ 379,764	\$ 2,029,532	\$ 2,453,771	\$ 79,819,964	\$ 462,601	\$ -	\$ -
200	Deferred Outflow of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
290	Total Assets and Deferred Outflow of Resources	\$ 843,224	\$ 834,429	\$ 820,246	\$ 379,764	\$ 2,029,532	\$ 2,453,771	\$ 79,819,964	\$ 462,601	\$ -	\$ -

Line Item No.	Description	Project WA005000010	Project WA005000011	Project WA005000012	Project WA005000013	Project WA005000014	Project WA005000015	Business Activities	State/Local	14, OPS MTW Demonstration Program for Low Rent	14, CFP MTW Demonstration Program for Capital Fund
311	Bank Overdraft	-	-	-	-	-	-	-	-	-	-
312	Accounts Payable <= 90 Days	9,782	8,793	6,796	9,263	11,763	10,534	401,087	662	-	-
313	Accounts Payable >90 Days Past Due	-	-	-	-	-	-	-	-	-	-
321	Accrued Wage/Payroll Taxes Payable	-	-	-	-	-	-	324,253	-	-	-
322	Accrued Compensated Absences - Current Portion	-	-	-	-	-	-	1,145	-	-	-
324	Accrued Contingency Liability	-	-	-	-	-	-	-	-	-	-
325	Accrued Interest Payable	20,272	20,272	17,376	-	-	-	53,899	-	-	-
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-	-	-	-
332	Account Payable - PHA Projects	-	-	-	-	-	-	-	-	-	-
333	Accounts Payable - Other Government	-	-	-	-	-	-	-	-	-	-
341	Tenant Security Deposits	-	-	-	-	-	-	47,909	-	-	-
342	Unearned Revenue	-	-	-	-	-	-	429,341	-	-	-
343	Current Portion of Long-term Debt - Capital	61,141	61,141	52,406	-	-	-	332,338	241,456	-	-
344	Current Portion of Long-term Debt - Operating Borrowings	-	-	-	-	-	-	-	-	-	-
345	Other Current Liabilities	-	-	-	-	-	-	-	-	-	-
346	Accrued Liabilities - Other	-	-	-	-	-	-	1,978	-	-	-
347	Inter Program - Due To	-	-	-	-	-	-	-	22,989	-	-
348	Loan Liability - Current	-	-	-	-	-	-	-	-	-	-
310	Total Current Liabilities	\$ 91,195	\$ 90,206	\$ 76,578	\$ 9,263	\$ 11,763	\$ 10,534	\$ 1,591,950	\$ 265,107	\$ -	\$ -
351	Long-term Debt, Net of Current-Capital Projects/Mortgage	873,889	873,889	749,048	-	-	-	35,998,130	-	-	-
352	Long-term Debt, Net of Current-Operating Borrowings	-	-	-	-	-	-	-	-	-	-
353	Non-current Liabilities - Other	-	-	-	-	-	-	995,100	-	-	-
354	Accrued Compensated Absences - Non Current	-	-	-	-	-	-	91,822	-	-	-
355	Loan Liability - Non Current	-	-	-	-	-	-	-	-	-	-
356	FASB 5 Liabilities	-	-	-	-	-	-	-	-	-	-
357	Accrued Pension and OPEB Liabilities	-	-	-	-	-	-	-	-	-	-
350	Total Non-Current Liabilities	\$ 873,889	\$ 873,889	\$ 749,048	\$ -	\$ -	\$ -	\$ 37,085,052	\$ -	\$ -	\$ -
300	Total Liabilities	\$ 965,084	\$ 964,095	\$ 825,626	\$ 9,263	\$ 11,763	\$ 10,534	\$ 38,677,002	\$ 265,107	\$ -	\$ -
400	Deferred Inflow of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
508.4	Net Investment in Capital Assets	774,771	768,309	768,309	337,793	1,975,282	1,904,510	5,564,879	-	-	-
511.4	Restricted Net Position	-	-	-	-	-	-	287,446	-	-	-
512.4	Unrestricted Net Position	(896,631)	(897,975)	(773,689)	32,708	42,487	538,727	35,290,637	197,494	-	-
513	Total Equity - Net Position	\$ (121,860)	\$ (129,666)	\$ (5,380)	\$ 370,501	\$ 2,017,769	\$ 2,443,237	\$ 41,142,962	\$ 197,494	\$ -	\$ -
600	Total Liab., Def. Inflow of Res., and Equity - Net Position	\$ 843,224	\$ 834,429	\$ 820,246	\$ 379,764	\$ 2,029,532	\$ 2,453,771	\$ 79,819,964	\$ 462,601	\$ -	\$ -
70300	Net Tenant Rental Revenue	-	-	-	-	-	-	2,167,252	-	-	-
70400	Tenant Revenue - Other	-	-	-	-	-	-	37,215	-	-	-
70500	Total Tenant Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,204,467	\$ -	\$ -	\$ -
70600	HUD PHA Operating Grants	-	-	-	-	-	-	-	-	2,251,788	259,311
70610	Capital Grants	-	-	-	-	-	-	-	-	-	1,956,141
70710	Management Fee	-	-	-	-	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-	-	-	-	-
70730	Book Keeping Fee	-	-	-	-	-	-	-	-	-	-

Line Item No.	Description	Project WA005000010	Project WA005000011	Project WA005000012	Project WA005000013	Project WA005000014	Project WA005000015	Business Activities	State/Local	14, OPS MTW Demonstration Program for Low Rent	14, CFP MTW Demonstration Program for Capital Fund
70740	Front Line Service Fee	-	-	-	-	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-	-	-	-	-
70700	Total Fee Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70800	Other Government Grants	-	-	-	-	-	-	-	1,357,172	-	-
71100	Investment Income - Unrestricted	-	-	-	-	-	-	22,933	33	-	-
71200	Mortgage Interest Income	-	-	-	-	-	37,777	1,191,735	-	-	-
71300	Proceeds from Disposition of Assets Held for Sale	-	-	-	-	-	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-	-	-	-	-	-
71400	Fraud Recovery	-	-	-	-	-	-	-	-	-	-
71500	Other Revenue	-	-	-	-	-	-	-	-	-	-
71600	Gain or Loss on Sale of Capital Assets	-	-	-	-	-	-	1,072,123	-	-	-
72000	Investment Income - Restricted	-	-	-	-	-	-	3,611,525	-	-	-
70000	Total Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,777	\$ 8,103,189	\$ 1,357,205	\$ 2,251,788	\$ 2,215,452
91100	Administrative Salaries	-	-	-	-	-	-	767,514	2,505	-	-
91200	Auditing Fees	764	764	625	625	625	625	14,543	-	-	-
91300	Management Fee	5,502	10,372	4,013	1,734	12,864	12,151	16,300	7,214	-	-
91310	Book-keeping Fee	5,130	5,138	4,373	4,290	-	570	-	-	-	-
91400	Advertising and Marketing	-	-	-	-	-	-	190	-	-	-
91500	Employee Benefit contributions - Administrative	-	-	-	-	-	-	273,462	1,050	-	-
91600	Office Expenses	-	-	-	-	-	-	116,104	5	-	-
91700	Legal Expense	-	-	-	-	-	-	82,405	-	-	-
91800	Travel	-	-	-	-	-	-	12,882	-	-	-
91810	Allocated Overhead	-	-	-	-	-	-	-	-	-	-
91900	Other	-	-	-	-	-	-	234,201	979	-	-
91000	Total Operating - Administrative	\$ 11,396	\$ 16,274	\$ 9,011	\$ 6,649	\$ 13,489	\$ 13,346	\$ 1,517,601	\$ 11,753	\$ -	\$ -
92000	Asset Management Fee	\$ 6,600	\$ 6,600	\$ 5,400	\$ 5,400	\$ 5,400	\$ 5,400	\$ -	\$ -	\$ -	\$ -
92100	Tenant Services - Salaries	-	-	-	-	-	-	302,997	73,766	-	-
92200	Relocation Costs	-	-	-	-	-	-	4,939	-	-	-
92300	Employee Benefit Contributions - Tenant Services	-	-	-	-	-	-	112,385	27,569	-	-
92400	Tenant Services - Other	-	-	-	-	-	-	37,822	6,513	-	-
92500	Total Tenant Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 458,143	\$ 107,848	\$ -	\$ -
93100	Water	-	-	-	-	-	-	33,786	-	-	-
93200	Electricity	-	-	-	-	-	-	11,055	-	-	-
93300	Gas	-	-	-	-	-	-	1,071	-	-	-
93400	Fuel	-	-	-	-	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-	-	-	-	-
93600	Sewer	-	-	-	-	-	-	104,728	-	-	-
93700	Employee Benefit Contributions - Utilities	-	-	-	-	-	-	-	-	-	-
93800	Other Utilities Expense	-	-	-	-	-	-	-	-	-	-
93000	Total Utilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 150,640	\$ -	\$ -	\$ -
94100	Ordinary Maintenance and Operations - Labor	-	-	-	-	-	-	177,885	-	-	-
94200	Ordinary Maintenance and Operations - Materials and	-	-	-	-	-	-	105,585	-	-	-
94300	Ordinary Maintenance and Operations Contracts	-	-	-	-	-	-	394,721	-	-	-
94500	Employee Benefit Contributions - Ordinary Maintenance	-	-	-	-	-	-	41,151	-	-	-
94000	Total Maintenance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 719,342	\$ -	\$ -	\$ -
95100	Protective Services - Labor	-	-	-	-	-	-	-	-	-	-
95200	Protective Services - Other Contract Costs	-	-	-	-	-	-	13,361	-	-	-

Line Item No.	Description	Project WA005000010	Project WA005000011	Project WA005000012	Project WA005000013	Project WA005000014	Project WA005000015	Business Activities	State/Local	14, OPS MTW Demonstration Program for Low Rent	14, CFP MTW Demonstration Program for Capital Fund
95300	Protective Services - Other	-	-	-	-	-	-	124	-	-	-
95500	Employee Benefit Contributions - Protective Services	-	-	-	-	-	-	-	-	-	-
95000	Total Protective Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,485	\$ -	\$ -	\$ -
96110	Property Insurance	-	-	-	-	-	-	21,462	69	-	-
96120	Liability Insurance	-	-	-	-	-	-	5,510	9	-	-
96130	Workmen's Compensation	-	-	-	-	-	-	15,277	413	-	-
96140	All Other Insurance	-	-	-	-	-	-	2,293	-	-	-
96100	Total Insurance Premiums	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 44,542	\$ 491	\$ -	\$ -
96200	Other General Expenses	117,532	105,655	81,678	111,053	141,049	126,297	432,896	-	-	-
96210	Compensated Absences	-	-	-	-	-	-	4,057	-	-	-
96300	Payments in Lieu of Taxes	859	859	703	703	703	703	-	-	-	-
96400	Bad debt - Tenant Rents	-	-	-	-	-	-	38,431	-	-	-
96500	Bad debt - Mortgages	-	-	-	-	-	-	-	-	-	-
96600	Bad debt - Other	-	-	-	-	-	-	-	-	-	-
96800	Severance Expense	-	-	-	-	-	-	37,274	-	-	-
96000	Total Other General Expenses	\$ 118,391	\$ 106,514	\$ 82,381	\$ 111,756	\$ 141,752	\$ 127,000	\$ 512,658	\$ -	\$ -	\$ -
96710	Interest on Mortgage (or Bonds) Payable	-	-	-	-	-	-	-	-	-	-
96720	Interest on Notes Payable (Short and Long Term)	42,782	42,782	36,671	-	-	-	466,298	-	-	-
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	-	-
96700	Total Interest Expense and Amortization Cost	\$ 42,782	\$ 42,782	\$ 36,671	\$ -	\$ -	\$ -	\$ 466,298	\$ -	\$ -	\$ -
96900	Total Operating Expenses	\$ 179,169	\$ 172,170	\$ 133,463	\$ 123,805	\$ 160,641	\$ 145,746	\$ 3,882,709	\$ 120,092	\$ -	\$ -
97000	Excess Operating Revenue Over Operating Expenses	\$ (179,169)	\$ (172,170)	\$ (133,463)	\$ (123,805)	\$ (160,641)	\$ (107,969)	\$ 4,220,480	\$ 1,237,113	\$ 2,251,788	\$ 2,215,452
97100	Extraordinary Maintenance	-	-	-	-	-	-	137,618	-	-	-
97200	Casualty Losses - Non-capitalized	-	-	-	-	-	-	31,281	-	-	-
97300	Housing Assistance Payments	-	-	-	-	-	-	-	-	-	-
97350	HAP Portability-In	-	-	-	-	-	-	-	-	-	-
97400	Depreciation Expense	-	-	-	-	62,321	65,251	1,116,030	-	-	-
97500	Fraud Losses	-	-	-	-	-	-	-	-	-	-
97800	Dwelling Units Rent Expense	-	-	-	-	-	-	-	-	-	-
90000	Total Expenses	\$ 179,169	\$ 172,170	\$ 133,463	\$ 123,805	\$ 222,962	\$ 210,997	\$ 5,167,638	\$ 120,092	\$ -	\$ -
10010	Operating Transfer In	-	-	-	-	-	-	-	-	-	-
10020	Operating transfer Out	176,690	165,182	131,526	124,855	155,272	139,806	4,211,149	-	-	-
10030	Operating Transfers from/to Primary Government	-	-	-	-	-	-	(90,815)	(1,076,448)	(2,251,788)	(2,215,452)
10040	Operating Transfers from/to Component Unit	-	-	-	-	-	-	-	-	-	-
10070	Extraordinary Items, Net Gain/Loss	-	-	-	-	-	-	(1,070,548)	-	-	-
10080	Special Items (Net Gain/Loss)	-	-	-	-	-	-	3,062,055	-	-	-
10091	Inter Project Excess Cash Transfer In	-	1,052	-	-	6,088	6,040	-	-	-	-
10092	Inter Project Excess Cash Transfer Out	(9,757)	-	(9,314)	(5,702)	-	-	-	-	-	-
10093	Transfers between Program and Project - In	-	-	-	-	-	-	-	-	-	-
10094	Transfers between Project and Program - Out	-	-	-	-	-	-	-	-	-	-
10100	Total Other financing Sources (Uses)	\$ 166,933	\$ 166,234	\$ 122,212	\$ 119,153	\$ 161,360	\$ 145,846	\$ 6,111,841	\$ (1,076,448)	\$ (2,251,788)	\$ (2,215,452)
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	\$ (12,236)	\$ (5,936)	\$ (11,251)	\$ (4,652)	\$ (61,602)	\$ (27,374)	\$ 9,047,392	\$ 160,665	\$ -	\$ -
11020	Required Annual Debt Principal Payments	112,000	112,000	96,000	-	-	-	12,622,083	-	-	-

Line Item No.	Description	Project WA005000010	Project WA005000011	Project WA005000012	Project WA005000013	Project WA005000014	Project WA005000015	Business Activities	State/Local	14, OPS MTW Demonstration Program for Low Rent	14, CFP MTW Demonstration Program for Capital Fund
11030	Beginning Equity	(134,891)	(148,997)	(15,787)	375,153	988,757	1,467,112	32,308,082	36,829	-	-
11040	Prior period adjustments, equity transfers, and correction of errors	25,267	25,267	21,658	-	1,090,614	1,003,499	(212,512)	-	-	-
11170	Administrative Fee Equity	-	-	-	-	-	-	-	-	-	-
11180	Housing Assistance Payments Equity	-	-	-	-	-	-	-	-	-	-
11190	Unit Months Available	650	638	512	525	500	482	2,461	-	-	-
11210	Unit Months Leased	636	635	497	508	465	474	2,238	-	-	-
11270	Excess Cash	(23,601)	(24,945)	(25,344)	32,005	41,784	38,048	-	-	-	-
11610	Land Purchases	-	-	-	-	-	-	-	-	-	-
11620	Building Purchases	-	-	-	-	-	-	-	-	-	-
11630	Furniture & Equipment-Dwelling Purchases	-	-	-	-	-	-	-	-	-	-
11640	Furniture & Equipment-Administrative Purchases	-	-	-	-	-	-	-	-	-	-
11650	Leasehold Improvements Purchases	-	-	-	-	-	-	-	-	-	-
11660	Infrastructure Purchases	-	-	-	-	-	-	-	-	-	-
13510	CFPP Debt Service Payments	154,673	154,673	132,577	-	-	-	-	-	-	-
13901	Replacement Housing Factor Funds	154,673	154,673	132,577	-	-	-	-	-	-	-

Line Item No.	Description	14.HCV MTW Demonstration Program for HCV Program	14.881 Moving to Work Demonstration Program	14.871 Housing Choice Vouchers	14.880 Family Unification Program (FUP)	14.239 HOME Investment Partnerships Program	14.870 Resident Opportunity and Supportive Services	14.218 Community Development Block Grants/Entitlement Grants	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.877 PH Family Self-Sufficiency under ROSS
111	Cash - Unrestricted	-	5,596,858	-	711	-	-	-	138,819	-
112	Cash - Restricted - Modernization and Development	-	-	-	-	-	-	-	-	-
113	Cash - Other Restricted	-	117,743	122,007	-	-	-	-	-	-
114	Cash - Tenant Security Deposits	-	-	-	-	-	-	-	-	-
115	Cash - Restricted for Payment of Current Liabilities	-	-	1,180	-	-	-	-	-	-
100	Total Cash	\$ -	\$ 5,714,601	\$ 123,187	\$ 711	\$ -	\$ -	\$ -	\$ 138,819	\$ -
121	Accounts Receivable - PHA Projects	-	86,904	-	-	-	-	-	-	-
122	Accounts Receivable - HUD Other Projects	-	11,044	-	-	-	7,716	-	3,149	6,693
124	Accounts Receivable - Other Government	-	-	-	-	-	-	3,780	-	-
125	Accounts Receivable - Miscellaneous	-	88,787	2,241	-	-	-	-	342	-
126	Accounts Receivable - Tenants	-	-	25	-	-	-	-	-	-
126.1	Allowance for Doubtful Accounts - Tenants	-	-	-	-	-	-	-	-	-
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-	-	-	-	-	-
127	Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	-	-	-	-
128	Fraud Recovery	-	32,650	30	-	-	-	-	1,548	-
128.1	Allowance for Doubtful Accounts - Fraud	-	(8,748)	-	-	-	-	-	(1,548)	-
129	Accrued Interest Receivable	-	-	-	-	-	-	-	-	-
120	Total Receivables, Net of Allowances for Doubtful Accounts	\$ -	\$ 210,637	\$ 2,296	\$ -	\$ -	\$ 7,716	\$ 3,780	\$ 3,491	\$ 6,693
131	Investments - Unrestricted	-	-	-	-	-	-	-	-	-
132	Investments - Restricted	-	-	-	-	-	-	-	-	-
135	Investments - Restricted for Payment of Current Liability	-	-	-	-	-	-	-	-	-
142	Prepaid Expenses and Other Assets	-	37,096	191	42	-	-	-	67	-
143	Inventories	-	-	-	-	-	-	-	-	-
143.1	Allowance for Obsolete Inventories	-	-	-	-	-	-	-	-	-
144	Inter Program Due From	-	-	-	-	-	-	-	-	-
145	Assets Held for Sale	-	-	-	-	-	-	-	-	-
150	Total Current Assets	\$ -	\$ 5,962,334	\$ 125,674	\$ 753	\$ -	\$ 7,716	\$ 3,780	\$ 142,377	\$ 6,693
161	Land	-	348,052	-	-	-	-	-	-	-
162	Buildings	-	3,439,293	-	-	-	-	-	-	-
163	Furniture, Equipment & Machinery - Dwellings	-	-	-	-	-	-	-	-	-
164	Furniture, Equipment & Machinery - Administration	-	929,108	-	-	-	5,129	-	-	-
165	Leasehold Improvements	-	161,667	-	-	-	-	-	-	-
166	Accumulated Depreciation	-	(3,483,272)	-	-	-	(5,129)	-	-	-
167	Construction in Progress	-	-	-	-	-	-	-	-	-
168	Infrastructure	-	-	-	-	-	-	-	-	-
160	Total Capital Assets, Net of Accumulated Depreciation	\$ -	\$ 1,394,848	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
171	Notes, Loans and Mortgages Receivable - Non-Current	-	-	-	-	-	-	-	-	-
172	Notes, Loans, & Mortgages Receivable - Non Current - Past	-	-	-	-	-	-	-	-	-
173	Grants Receivable - Non Current	-	-	-	-	-	-	-	-	-
174	Other Assets	-	87,722	-	-	-	-	-	-	-
176	Investments in Joint Ventures	-	-	-	-	-	-	-	-	-
180	Total Non-Current Assets	\$ -	\$ 1,482,570	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
190	Total Assets	\$ -	\$ 7,444,904	\$ 125,674	\$ 753	\$ -	\$ 7,716	\$ 3,780	\$ 142,377	\$ 6,693
200	Deferred Outflow of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
290	Total Assets and Deferred Outflow of Resources	\$ -	\$ 7,444,904	\$ 125,674	\$ 753	\$ -	\$ 7,716	\$ 3,780	\$ 142,377	\$ 6,693

Line Item No.	Description	14.HCV MTW Demonstration Program for HCV Program	14.881 Moving to Work Demonstration Program	14.871 Housing Choice Vouchers	14.880 Family Unification Program (FUP)	14.239 HOME Investment Partnerships Program	14.870 Resident Opportunity and Supportive Services	14.218 Community Development Block Grants/Entitlement Grants	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	14.877 PH Family Self-Sufficiency under ROSS
311	Bank Overdraft	-	-	-	-	-	-	-	-	-
312	Accounts Payable <= 90 Days	-	204,281	1,180	753	-	-	-	182	-
313	Accounts Payable >90 Days Past Due	-	-	-	-	-	-	-	-	-
321	Accrued Wage/Payroll Taxes Payable	-	-	-	-	-	-	-	-	-
322	Accrued Compensated Absences - Current Portion	-	5,261	-	-	-	-	-	-	-
324	Accrued Contingency Liability	-	-	-	-	-	-	-	-	-
325	Accrued Interest Payable	-	-	-	-	-	-	-	-	-
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-	44,203	-
332	Account Payable - PHA Projects	-	-	-	-	-	-	-	-	-
333	Accounts Payable - Other Government	-	-	-	-	-	-	-	-	-
341	Tenant Security Deposits	-	-	-	-	-	-	-	-	-
342	Unearned Revenue	-	-	-	-	-	-	-	-	-
343	Current Portion of Long-term Debt - Capital	-	-	-	-	-	-	-	-	-
344	Current Portion of Long-term Debt - Operating Borrowings	-	-	-	-	-	-	-	-	-
345	Other Current Liabilities	-	-	-	-	-	-	-	-	-
346	Accrued Liabilities - Other	-	652	-	-	-	-	-	-	-
347	Inter Program - Due To	-	-	-	-	-	7,716	3,780	-	6,693
348	Loan Liability - Current	-	-	-	-	-	-	-	-	-
310	Total Current Liabilities	\$ -	\$ 210,194	\$ 1,180	\$ 753	\$ -	\$ 7,716	\$ 3,780	\$ 44,385	\$ 6,693
351	Long-term Debt, Net of Current-Capital Projects/Mortgage	-	-	-	-	1,033,483	-	-	-	-
352	Long-term Debt, Net of Current-Operating Borrowings	-	-	-	-	-	-	-	-	-
353	Non-current Liabilities - Other	-	117,743	-	-	-	-	-	-	-
354	Accrued Compensated Absences - Non Current	-	442,363	-	-	-	-	-	-	-
355	Loan Liability - Non Current	-	-	-	-	-	-	-	-	-
356	FASB 5 Liabilities	-	-	-	-	-	-	-	-	-
357	Accrued Pension and OPEB Liabilities	-	-	-	-	-	-	-	-	-
350	Total Non-Current Liabilities	\$ -	\$ 560,106	\$ -	\$ -	\$ 1,033,483	\$ -	\$ -	\$ -	\$ -
300	Total Liabilities	\$ -	\$ 770,300	\$ 1,180	\$ 753	\$ 1,033,483	\$ 7,716	\$ 3,780	\$ 44,385	\$ 6,693
400	Deferred Inflow of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
508.4	Net Investment in Capital Assets	-	1,394,848	-	-	-	-	-	-	-
511.4	Restricted Net Position	-	-	124,303	-	-	-	-	-	-
512.4	Unrestricted Net Position	-	5,279,756	191	-	(1,033,483)	-	-	97,992	-
513	Total Equity - Net Position	\$ -	\$ 6,674,604	\$ 124,494	\$ -	\$ (1,033,483)	\$ -	\$ -	\$ 97,992	\$ -
600	Total Liab., Def. Inflow of Res., and Equity - Net Position	\$ -	\$ 7,444,904	\$ 125,674	\$ 753	\$ -	\$ 7,716	\$ 3,780	\$ 142,377	\$ 6,693
70300	Net Tenant Rental Revenue	-	-	-	-	-	-	-	-	-
70400	Tenant Revenue - Other	-	-	-	-	-	-	-	-	-
70500	Total Tenant Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70600	HUD PHA Operating Grants	35,352,551	-	1,029,840	390,825	-	67,999	-	357,615	54,974
70610	Capital Grants	-	-	-	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-	-	-	-
70730	Book Keeping Fee	-	-	-	-	-	-	-	-	-

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70740	Front Line Service Fee	-	-	-	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-	-	-	-
70700	Total Fee Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70800	Other Government Grants	-	-	-	-	-	-	39,623	-	-
71100	Investment Income - Unrestricted	-	23,550	-	-	-	-	-	30	-
71200	Mortgage Interest Income	-	-	-	-	-	-	-	-	-
71300	Proceeds from Disposition of Assets Held for Sale	-	-	-	-	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-	-	-	-	-
71400	Fraud Recovery	-	32,596	84	54	-	-	-	1,567	-
71500	Other Revenue	-	1,871,537	4,192	-	-	-	-	-	-
71600	Gain or Loss on Sale of Capital Assets	-	(4,696)	-	-	-	-	-	-	-
72000	Investment Income - Restricted	-	-	832	17	-	-	-	-	-
70000	Total Revenue	\$ 35,352,551	\$ 1,922,987	\$ 1,034,948	\$ 390,896	\$ -	\$ 67,999	\$ 39,623	\$ 359,212	\$ 54,974
91100	Administrative Salaries	-	3,264,050	-	-	-	-	-	-	-
91200	Auditing Fees	-	34,161	428	93	-	-	-	153	-
91300	Management Fee	-	-	53,405	11,378	-	-	-	44,307	-
91310	Book-keeping Fee	-	-	-	-	-	-	-	-	-
91400	Advertising and Marketing	-	4,154	-	-	-	-	-	-	-
91500	Employee Benefit contributions - Administrative	-	1,218,978	-	-	-	-	-	-	-
91600	Office Expenses	-	424,600	-	-	-	377	-	-	-
91700	Legal Expense	-	62,102	-	-	-	-	-	-	-
91800	Travel	-	34,927	-	-	-	298	-	-	-
91810	Allocated Overhead	-	-	-	-	-	-	-	-	-
91900	Other	-	434,801	52,090	10,455	-	1,333	-	20,881	-
91000	Total Operating - Administrative	\$ -	\$ 5,477,773	\$ 105,923	\$ 21,926	\$ -	\$ 2,008	\$ -	\$ 65,341	\$ -
92000	Asset Management Fee	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
92100	Tenant Services - Salaries	-	360,900	-	-	-	46,996	11,264	-	41,611
92200	Relocation Costs	-	-	-	-	-	-	19,849	-	-
92300	Employee Benefit Contributions - Tenant Services	-	150,637	-	-	-	18,807	8,446	-	13,161
92400	Tenant Services - Other	-	8,409	-	-	-	-	-	-	-
92500	Total Tenant Services	\$ -	\$ 519,946	\$ -	\$ -	\$ -	\$ 65,803	\$ 39,559	\$ -	\$ 54,772
93100	Water	-	5,054	-	-	-	-	-	-	-
93200	Electricity	-	40,479	-	-	-	-	-	-	-
93300	Gas	-	3,310	-	-	-	-	-	-	-
93400	Fuel	-	-	-	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-	-	-	-
93600	Sewer	-	9,836	-	-	-	-	-	-	-
93700	Employee Benefit Contributions - Utilities	-	-	-	-	-	-	-	-	-
93800	Other Utilities Expense	-	-	-	-	-	-	-	-	-
93000	Total Utilities	\$ -	\$ 58,679	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
94100	Ordinary Maintenance and Operations - Labor	-	41,945	-	-	-	-	-	-	-
94200	Ordinary Maintenance and Operations - Materials and	-	16,500	-	-	-	-	-	-	-
94300	Ordinary Maintenance and Operations Contracts	-	116,408	-	-	-	-	-	-	-
94500	Employee Benefit Contributions - Ordinary Maintenance	-	13,566	-	-	-	-	-	-	-
94000	Total Maintenance	\$ -	\$ 188,419	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
95100	Protective Services - Labor	-	-	-	-	-	-	-	-	-
95200	Protective Services - Other Contract Costs	-	10,488	-	-	-	-	-	-	-

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95300	Protective Services - Other	-	2,187	-	-	-	-	-	-	-
95500	Employee Benefit Contributions - Protective Services	-	-	-	-	-	-	-	-	-
95000	Total Protective Services	\$	\$ 12,675	\$	\$	\$	\$	\$	\$	\$
96110	Property Insurance	-	4,040	-	-	-	-	-	-	-
96120	Liability Insurance	-	16,946	191	41	-	-	-	135	-
96130	Workmen's Compensation	-	27,473	-	-	-	188	64	-	202
96140	All Other Insurance	-	6,992	-	-	-	-	-	-	-
96100	Total Insurance Premiums	\$	\$ 55,451	\$ 191	\$ 41	\$	\$ 188	\$ 64	\$ 135	\$ 202
96200	Other General Expenses	-	74,428	7,131	517	-	-	-	-	-
96210	Compensated Absences	-	19,536	-	-	-	-	-	-	-
96300	Payments in Lieu of Taxes	-	-	-	-	-	-	-	-	-
96400	Bad debt - Tenant Rents	-	-	-	-	-	-	-	-	-
96500	Bad debt - Mortgages	-	-	-	-	-	-	-	-	-
96600	Bad debt - Other	-	15,527	-	-	-	-	-	1,548	-
96800	Severance Expense	-	41,200	-	-	-	-	-	-	-
96000	Total Other General Expenses	\$	\$ 150,691	\$ 7,131	\$ 517	\$	\$	\$	\$ 1,548	\$
96710	Interest of Mortgage (or Bonds) Payable	-	72	-	-	-	-	-	-	-
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	-	-	-	-	-	-
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	-
96700	Total Interest Expense and Amortization Cost	\$	\$ 72	\$	\$	\$	\$	\$	\$	\$
96900	Total Operating Expenses	\$	\$ 6,463,706	\$ 113,245	\$ 22,484	\$	\$ 67,999	\$ 39,623	\$ 67,024	\$ 54,974
97000	Excess Operating Revenue Over Operating Expenses	\$ 35,352,551	\$ (4,540,719)	\$ 921,703	\$ 368,412	\$	\$	\$	\$ 292,188	\$
97100	Extraordinary Maintenance	-	-	-	-	-	-	-	-	-
97200	Casualty Losses - Non-capitalized	-	484	-	-	-	-	-	-	-
97300	Housing Assistance Payments	-	27,729,600	1,209,668	352,274	-	-	-	292,188	-
97350	HAP Portability-In	-	245,253	3,928	-	-	-	-	-	-
97400	Depreciation Expense	-	267,027	-	-	-	1,026	-	-	-
97500	Fraud Losses	-	-	-	-	-	-	-	-	-
97800	Dwelling Units Rent Expense	-	-	-	-	-	-	-	-	-
90000	Total Expenses	\$	\$ 34,706,070	\$ 1,326,841	\$ 374,758	\$	\$ 69,025	\$ 39,623	\$ 359,212	\$ 54,974
10010	Operating Transfer In	-	41,001,274	34,843	79,520	-	-	-	-	-
10020	Operating transfer Out	(35,352,551)	(6,744,635)	-	-	-	-	-	-	-
10030	Operating Transfers from/to Primary Government	-	-	-	-	-	-	-	-	-
10040	Operating Transfers from/to Component Unit	-	-	-	-	-	-	-	-	-
10070	Extraordinary Items, Net Gain/Loss	-	-	-	-	-	-	-	-	-
10080	Special Items (Net Gain/Loss)	-	-	-	-	-	-	-	-	-
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)	\$ (35,352,551)	\$ 34,256,639	\$ 34,843	\$ 79,520	\$	\$	\$	\$	\$
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	\$	\$ 1,473,556	\$ (257,050)	\$ 95,658	\$	\$ (1,026)	\$	\$	\$
11020	Required Annual Debt Principal Payments	-	8,443	-	-	-	-	-	-	-

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11030	Beginning Equity	-	7,157,189	381,544	(95,658)	-	1,026	-	97,992	-
11040	Prior period adjustments, equity transfers, and correction of errors	-	(1,956,141)	-	-	(1,033,483)	-	-	-	-
11170	Administrative Fee Equity	-	-	191	-	-	-	-	-	-
11180	Housing Assistance Payments Equity	-	-	124,303	-	-	-	-	-	-
11190	Unit Months Available	-	45,552	2,653	506	-	-	-	972	-
11210	Unit Months Leased	-	43,631	2,406	484	-	-	-	840	-
11270	Excess Cash	-	-	-	-	-	-	-	-	-
11610	Land Purchases	-	-	-	-	-	-	-	-	-
11620	Building Purchases	-	-	-	-	-	-	-	-	-
11630	Furniture & Equipment-Dwelling Purchases	-	-	-	-	-	-	-	-	-
11640	Furniture & Equipment-Administrative Purchases	-	-	-	-	-	-	-	-	-
11650	Leasehold Improvements Purchases	-	-	-	-	-	-	-	-	-
11660	Infrastructure Purchases	-	-	-	-	-	-	-	-	-
13510	CFRP Debt Service Payments	-	-	-	-	-	-	-	-	-
13901	Replacement Housing Factor Funds	-	-	-	-	-	-	-	-	-

Line Item No.	Description	14.228 Community Development Block Grant/State's Prog (NSP 1)	14.890 Capital Fund Education and Training Community Facilities	14.252 Section 4 Capacity Building for Comm Dev and Afford Housing	Component Units	Elimination	Total
111	Cash - Unrestricted	-	-	-	813,070	-	11,926,138
112	Cash - Restricted - Modernization and Development	-	-	-	269	-	269
113	Cash - Other Restricted	-	-	-	5,338,967	-	5,869,474
114	Cash - Tenant Security Deposits	-	-	-	170,544	-	306,379
115	Cash - Restricted for Payment of Current Liabilities	-	-	-	1,468,217	-	1,532,630
100	Total Cash	\$ -	\$ -	\$ -	\$ 7,791,067	\$ -	\$ 19,634,890
121	Accounts Receivable - PHA Projects	-	-	-	-	-	86,904
122	Accounts Receivable - HUD Other Projects	-	4,987	-	-	-	58,522
124	Accounts Receivable - Other Government	-	-	-	-	-	199,815
125	Accounts Receivable - Miscellaneous	-	-	-	174,318	-	780,517
126	Accounts Receivable - Tenants	-	-	-	245,995	-	328,977
126.1	Allowance for Doubtful Accounts - Tenants	-	-	-	(144,660)	-	(177,804)
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-	-	-
127	Notes, Loans, & Mortgages Receivable - Current	-	-	-	-	-	54,988
128	Fraud Recovery	-	-	-	-	-	34,228
128.1	Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	(10,296)
129	Accrued Interest Receivable	-	-	-	-	-	-
120	Total Receivables, Net of Allowances for Doubtful Accounts	\$ -	\$ 4,987	\$ -	\$ 275,653	\$ -	\$ 1,355,851
131	Investments - Unrestricted	-	-	-	-	-	1,625,872
132	Investments - Restricted	-	-	-	-	-	-
135	Investments - Restricted for Payment of Current Liability	-	-	-	-	-	-
142	Prepaid Expenses and Other Assets	-	-	-	174,107	-	294,319
143	Inventories	-	-	-	-	-	-
143.1	Allowance for Obsolete Inventories	-	-	-	-	-	-
144	Inter Program Due From	-	-	-	-	(46,165)	-
145	Assets Held for Sale	-	-	-	-	-	241,456
150	Total Current Assets	\$ -	\$ 4,987	\$ -	\$ 8,240,827	\$ (46,165)	\$ 23,152,388
161	Land	-	-	-	216,274	-	10,749,564
162	Buildings	-	-	-	99,401,997	-	163,717,775
163	Furniture, Equipment & Machinery - Dwellings	-	-	-	2,301,717	-	3,283,105
164	Furniture, Equipment & Machinery - Administration	-	-	-	11,841	-	2,235,374
165	Leasehold Improvements	-	-	-	7,313,105	-	22,913,721
166	Accumulated Depreciation	-	-	-	(19,460,416)	-	(57,624,590)
167	Construction in Progress	-	-	-	12,994,556	-	14,172,242
168	Infrastructure	-	-	-	-	-	-
160	Total Capital Assets, Net of Accumulated Depreciation	\$ -	\$ -	\$ -	\$ 102,779,074	\$ -	\$ 159,447,191
171	Notes, Loans and Mortgages Receivable - Non-Current	-	1,035,531	-	-	-	43,786,266
172	Notes, Loans, & Mortgages Receivable - Non Current - Past	-	-	-	-	-	-
173	Grants Receivable - Non Current	-	-	-	-	-	-
174	Other Assets	-	-	-	-	-	7,132,166
176	Investments in Joint Ventures	-	-	-	-	-	-
180	Total Non-Current Assets	\$ -	\$ 1,035,531	\$ -	\$ 102,779,074	\$ -	\$ 210,365,623
190	Total Assets	\$ -	\$ 1,040,518	\$ -	\$ 111,019,901	\$ (46,165)	\$ 233,518,011
200	Deferred Outflow of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	-
290	Total Assets and Deferred Outflow of Resources	\$ -	\$ 1,040,518	\$ -	\$ 111,019,901	\$ (46,165)	\$ 233,518,011

Line Item No.	Description	14.228 Community Development Block Grant/State's Prog (NSP 1)	14.890 Capital Fund Education and Training Community Facilities	14.252 Section 4 Capacity Building for Comm Dev and Afford Housing	Component Units	Elimination	Total
311	Bank Overdraft	-	-	-	-	-	-
312	Accounts Payable <= 90 Days	-	-	-	3,531,193	-	4,370,319
313	Accounts Payable >90 Days Past Due	-	-	-	-	-	-
321	Accrued Wage/Payroll Taxes Payable	-	-	-	-	-	324,253
322	Accrued Compensated Absences - Current Portion	-	-	-	-	-	8,774
324	Accrued Contingency Liability	-	-	-	-	-	-
325	Accrued Interest Payable	-	-	-	7,082,718	-	7,194,537
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	44,203
332	Account Payable - PHA Projects	-	-	-	-	-	-
333	Accounts Payable - Other Government	-	-	-	-	-	-
341	Tenant Security Deposits	-	-	-	171,788	-	308,657
342	Unearned Revenue	-	-	-	23,445	-	467,637
343	Current Portion of Long-term Debt - Capital	-	-	-	552,013	-	1,300,495
344	Current Portion of Long-term Debt - Operating Borrowings	-	-	-	-	-	-
345	Other Current Liabilities	-	-	-	473,076	-	473,076
346	Accrued Liabilities - Other	-	-	-	72,049	-	78,921
347	Inter Program - Due To	-	4,987	-	-	(46,165)	-
348	Loan Liability - Current	-	-	-	54,988	-	54,988
310	Total Current Liabilities	\$ -	\$ 4,987	\$ -	\$ 11,961,270	\$ (46,165)	\$ 14,625,860
351	Long-term Debt, Net of Current-Capital Projects/Mortgage	-	-	-	6,509,305	-	46,037,744
352	Long-term Debt, Net of Current-Operating Borrowings	-	-	-	663,959	-	663,959
353	Non-current Liabilities - Other	-	-	-	89,048	-	1,205,202
354	Accrued Compensated Absences - Non Current	-	-	-	-	-	589,931
355	Loan Liability - Non Current	-	-	-	43,122,307	-	43,122,307
356	FASB 5 Liabilities	-	-	-	-	-	-
357	Accrued Pension and OPEB Liabilities	-	-	-	-	-	-
350	Total Non-Current Liabilities	\$ -	\$ -	\$ -	\$ 50,384,619	\$ -	\$ 91,619,143
300	Total Liabilities	\$ -	\$ 4,987	\$ -	\$ 62,345,889	\$ (46,165)	\$ 106,245,003
400	Deferred Inflow of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	-
508.4	Net Investment in Capital Assets	-	-	-	50,747,586	-	88,598,455
511.4	Restricted Net Position	-	-	-	5,337,910	-	5,749,659
512.4	Unrestricted Net Position	-	1,035,531	-	(7,411,484)	-	32,924,894
513	Total Equity - Net Position	\$ -	\$ 1,035,531	\$ -	\$ 48,674,012	\$ -	\$ 127,273,008
600	Total Lab., Def. Inflow of Res., and Equity - Net Position	\$ -	\$ 1,040,518	\$ -	\$ 111,019,901	\$ (46,165)	\$ 233,518,011
70300	Net Tenant Rental Revenue	-	-	-	4,118,751	-	7,593,716
70400	Tenant Revenue - Other	-	-	-	142,913	-	217,751
70500	Total Tenant Revenue	\$ -	\$ -	\$ -	\$ 4,261,664	\$ -	\$ 7,811,467
70600	HUD PHA Operating Grants	-	35,132	-	-	-	39,800,035
70610	Capital Grants	-	908,653	-	-	-	2,864,794
70710	Management Fee	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-
70730	Book Keeping Fee	-	-	-	-	-	-

Line Item No.	Description	14.228 Community Development Block Grant/State's Prog (NSP 1)	14.890 Capital Fund Education and Training Community Facilities	14.252 Section 4 Capacity Building for Comm Dev and Afford Housing	Component Units	Elimination	Total
70740	Front Line Service Fee	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-
70700	Total Fee Revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70800	Other Government Grants	23,841	-	40,631	-	-	1,461,267
71100	Investment Income - Unrestricted	-	-	-	5,281	-	57,434
71200	Mortgage Interest Income	-	-	-	-	-	1,229,512
71300	Proceeds from Disposition of Assets Held for Sale	-	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-	-
71400	Fraud Recovery	-	-	-	-	-	-
71500	Other Revenue	-	-	-	-	-	34,301
71600	Gain or Loss on Sale of Capital Assets	-	-	-	764,977	(1,269,226)	2,466,768
72000	Investment Income - Restricted	-	-	-	-	-	3,395,050
70000	Total Revenue	\$ 23,841	\$ 943,785	\$ 40,631	\$ 5,050,227	\$ (1,269,226)	\$ 59,140,188
91100	Administrative Salaries	5,277	25,458	6,531	314,229	-	4,671,282
91200	Auditing Fees	-	-	-	61,692	-	123,866
91300	Management Fee	-	-	-	375,244	(182,492)	375,244
91310	Book-keeping Fee	-	-	-	-	(20,686)	-
91400	Advertising and Marketing	-	-	-	392	-	4,736
91500	Employee Benefit contributions - Administrative	1,949	9,320	1,979	113,874	-	1,738,782
91600	Office Expenses	-	-	-	57,732	-	663,690
91700	Legal Expense	-	-	-	37,404	-	190,766
91800	Travel	-	-	-	1,718	-	56,188
91810	Allocated Overhead	-	-	-	-	-	-
91900	Other	818	-	32,104	35,868	(1,029,808)	409,773
91000	Total Operating - Administrative	\$ 8,044	\$ 34,778	\$ 40,614	\$ 998,153	\$ (1,232,986)	\$ 8,234,327
92000	Asset Management Fee	-	-	-	37,896	(36,240)	37,896
92100	Tenant Services - Salaries	-	-	-	-	-	837,534
92200	Relocation Costs	-	-	-	619	-	78,187
92300	Employee Benefit Contributions - Tenant Services	-	-	-	-	-	331,005
92400	Tenant Services - Other	-	-	-	46,622	-	110,127
92500	Total Tenant Services	\$ -	\$ -	\$ -	\$ 47,241	\$ -	\$ 1,356,853
93100	Water	105	-	-	189,536	-	313,335
93200	Electricity	34	-	-	43,131	-	254,734
93300	Gas	106	-	-	-	-	53,019
93400	Fuel	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-
93600	Sewer	238	-	-	354,935	-	734,730
93700	Employee Benefit Contributions - Utilities	-	-	-	-	-	-
93800	Other Utilities Expense	-	-	-	-	-	-
93000	Total Utilities	\$ 483	\$ -	\$ -	\$ 587,602	\$ -	\$ 1,355,818
94100	Ordinary Maintenance and Operations - Labor	-	-	-	405,905	-	975,977
94200	Ordinary Maintenance and Operations - Materials and	-	-	-	280,050	-	512,076
94300	Ordinary Maintenance and Operations Contracts	335	-	-	797,145	-	1,774,648
94500	Employee Benefit Contributions - Ordinary Maintenance	-	-	-	107,348	-	289,383
94000	Total Maintenance	\$ 335	\$ -	\$ -	\$ 1,590,448	\$ -	\$ 3,552,084
95100	Protective Services - Labor	-	-	-	-	-	-
95200	Protective Services - Other Contract Costs	-	-	-	20,549	-	158,126

Line Item No.	Description	14.228 Community Development Block Grant/State's Prog (NSP 1)	14.890 Capital Fund Education and Training Community Facilities	14.252 Section 4 Capacity Building for Comm Dev and Afford Housing	Component Units	Elimination	Total
95300	Protective Services - Other	-	-	-	-	-	15,367
95500	Employee Benefit Contributions - Protective Services	-	-	-	-	-	-
95000	Total Protective Services	\$ -	\$ -	\$ -	\$ 20,549	\$ -	\$ 173,493
96110	Property Insurance	1,105	-	-	143,494	-	210,653
96120	Liability Insurance	359	-	-	-	-	93,769
96130	Workmen's Compensation	19	354	17	22,384	-	89,029
96140	All Other Insurance	-	-	-	6,748	-	20,483
96100	Total Insurance Premiums	\$ 1,483	\$ 354	\$ 17	\$ 235,076	\$ -	\$ 413,934
96200	Other General Expenses	566	-	-	692,851	-	1,979,255
96210	Compensated Absences	-	-	-	-	-	26,129
96300	Payments in Lieu of Taxes	-	-	-	-	-	14,384
96400	Bad debt - Tenant Rents	-	-	-	96,612	-	156,714
96500	Bad debt - Mortgages	-	-	-	-	-	-
96600	Bad debt - Other	-	-	-	-	-	17,075
96800	Severance Expense	-	-	-	-	-	78,474
96000	Total Other General Expenses	\$ 566	\$ -	\$ -	\$ 789,463	\$ -	\$ 2,272,031
96710	Interest of Mortgage (or Bonds) Payable	-	-	-	530,396	-	1,119,055
96720	Interest on Notes Payable (Short and Long Term)	-	-	-	1,167,260	-	1,167,260
96730	Amortization of Bond Issue Costs	-	-	-	-	-	-
96700	Total Interest Expense and Amortization Cost	\$ -	\$ -	\$ -	\$ 1,697,656	\$ -	\$ 2,286,315
96900	Total Operating Expenses	\$ 10,911	\$ 35,132	\$ 40,631	\$ 6,004,084	\$ (1,269,226)	\$ 19,682,751
97000	Excess Operating Revenue Over Operating Expenses	\$ 12,930	\$ 908,653	\$ -	\$ (953,857)	\$ -	\$ 39,457,437
97100	Extraordinary Maintenance	-	-	-	857,534	-	1,060,842
97200	Casualty Losses - Non-capitalized	-	-	-	93,962	-	142,113
97300	Housing Assistance Payments	-	-	-	-	-	29,583,730
97350	HAP Portability-In	-	-	-	-	-	249,181
97400	Depreciation Expense	-	-	-	3,053,450	-	6,696,115
97500	Fraud Losses	-	-	-	-	-	-
97800	Dwelling Units Rent Expense	-	-	-	-	-	-
90000	Total Expenses	\$ 10,911	\$ 35,132	\$ 40,631	\$ 10,009,030	\$ (1,269,226)	\$ 57,414,732
10010	Operating Transfer In	-	-	-	-	-	-
10020	Operating transfer Out	(5,720)	-	-	-	(47,737,409)	-
10030	Operating Transfers from/to Primary Government	-	-	-	1,276,624	-	1,276,624
10040	Operating Transfers from/to Component Unit	-	-	-	1,070,548	-	-
10070	Extraordinary Items, Net Gain/Loss	-	-	-	-	-	3,062,055
10080	Special Items (Net Gain/Loss)	-	-	-	-	-	-
10091	Inter Project Excess Cash Transfer In	-	-	-	-	(538,651)	-
10092	Inter Project Excess Cash Transfer Out	-	-	-	-	538,651	-
10093	Transfers between Program and Project - In	-	-	-	-	-	-
10094	Transfers between Project and Program - Out	-	-	-	-	-	-
10100	Total Other financing Sources (Uses)	\$ (5,720)	\$ -	\$ -	\$ 2,347,172	\$ -	\$ 4,338,679
10000	Excess (Deficiency) of Revenue Over (Under) Expenses	\$ 7,210	\$ 908,653	\$ -	\$ (2,611,631)	\$ -	\$ 6,064,135
11020	Required Annual Debt Principal Payments	194,339	-	-	568,036	-	13,717,224

Line Item No.	Description	14.228 Community Development Block Grant/State's Prog (NSP 1)	14.890 Capital Fund Education and Training Community Facilities	14.252 Section 4 Capacity Building for Comm Dev and Afford Housing	Component Units	Elimination	Total
11030	Beginning Equity	(7,210)	126,878	-	52,494,303	-	123,133,054
11040	Prior period adjustments, equity transfers, and correction of errors	-	-	-	(1,208,660)	-	(1,924,181)
11170	Administrative Fee Equity	-	-	-	-	-	191
11180	Housing Assistance Payments Equity	-	-	-	-	-	124,303
11190	Unit Months Available	-	-	-	7,224	-	68,756
11210	Unit Months Leased	-	-	-	6,038	-	64,783
11270	Excess Cash	-	-	-	-	-	973,064
11610	Land Purchases	-	-	-	-	-	-
11620	Building Purchases	-	-	-	-	-	322,519
11630	Furniture & Equipment-Dwelling Purchases	-	-	-	-	-	-
11640	Furniture & Equipment-Administrative Purchases	-	-	-	-	-	-
11650	Leasehold Improvements Purchases	-	-	-	-	-	-
11660	Infrastructure Purchases	-	-	-	-	-	-
13510	CFFP Debt Service Payments	-	-	-	-	-	441,923
13901	Replacement Housing Factor Funds	-	-	-	-	-	441,923

**Actual Comprehensive Grant
Cost Certificate**
Comprehensive Grant Program (CGP)

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

OMB Approval No. 2577-0157
(Exp. 11/30/2008)

PHA/IHA Name	Comprehensive Grant Number
HOUSING AUTHORITY OF THE CITY OF TACOMA 902 SOUTH L STREET, TACOMA, WA 98405	WA19R00550110
	FFY of Grant Approval
	2010

The PHA/IHA 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 Comprehensive Grant, is as shown below:

A. Original Funds Approved	\$ 1,216,978.00
B. Revised Funds Approved	\$
C. Funds Advanced	\$
D. Funds Expended (Actual Modernization Cost)	\$ 1,216,978.00
E. Amount to be Recaptured (A-D)	\$
F. Excess of Funds Advanced (C-D)	\$

2. That all modernization work in connection with the Comprehensive Grant has been completed;

3. That the entire Actual Modernization Cost or liabilities therefor incurred by the PHA have been fully paid;

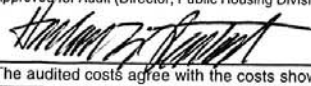
4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and

5. That the time in which such liens could be filed has expired.

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)

Signature	Date
Michael Muna	2.24.14

For HUD Use Only	
The Cost Certificate is approved for audit.	
Approved for Audit (Director, Public Housing Division)	Date
	03.04.2014
The audited costs agree with the costs shown above.	
Verified (Director, Public Housing Division)	Date
Approved (Field Office Manager)	Date

form HUD-52839 (2/92)
ref Handbook 7485.3

**Actual Comprehensive Grant
Cost Certificate**
Comprehensive Grant Program (CGP)

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

OMB Approval No. 2577-0157
(Exp. 11/30/2008)

PHA/IHA Name HOUSING AUTHORITY OF THE CITY OF TACOMA 902 SOUTH L STREET, TACOMA, WA 98405	Comprehensive Grant Number WA19R00550111 FFY of Grant Approval 2011
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The PHA/IHA 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 Comprehensive Grant, is as shown below:

A. Original Funds Approved	\$ 736,395.00
B. Revised Funds Approved	\$
C. Funds Advanced	\$
D. Funds Expended (Actual Modernization Cost)	\$ 736,395.00
E. Amount to be Recaptured (A-D)	\$
F. Excess of Funds Advanced (C-D)	\$

2. That all modernization work in connection with the Comprehensive 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; and

5. That the time in which such liens could be filed has expired.

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)

Signature <i>Michael Mann</i>	Date 2-24-14
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For HUD Use Only

The Cost Certificate is approved for audit.

Approved for Audit (Director, Public Housing Division)

<i>[Signature]</i>	Date 0304-2014
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The audited costs agree with the costs shown above.

Verified (Director, Public Housing Division)

	Date
--	------

Approved (Field Office Manager)

	Date
--	------

form HUD-52839 (2/92)
ref Handbook 7485.3

**Actual Comprehensive Grant
Cost Certificate**
Comprehensive Grant Program (CGP)

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

OMB Approval No. 2577-0157
(Exp. 11/30/2008)

PHA/IHA Name HOUSING AUTHORITY OF THE CITY OF TACOMA 902 SOUTH L STREET, TACOMA, WA 98405	Comprehensive Grant Number WA19R00550211 FFY of Grant Approval 2011
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The PHA/IHA 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 Comprehensive Grant, is as shown below:

A. Original Funds Approved	\$ 549,895.00
B. Revised Funds Approved	\$
C. Funds Advanced	\$
D. Funds Expended (Actual Modernization Cost)	\$ 549,895.00
E. Amount to be Recaptured (A-D)	\$
F. Excess of Funds Advanced (C-D)	\$

2. That all modernization work in connection with the Comprehensive 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; and

5. That the time in which such liens could be filed has expired.

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)

Signature 	Date 2-24-14
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For HUD Use Only

The Cost Certificate is approved for audit.

Approved for Audit (Director, Public Housing Division) 	Date 03-04-2014
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The audited costs agree with the costs shown above.

Verified (Director, Public Housing Division)	Date
Approved (Field Office Manager)	Date

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ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the state's Constitution and is part of the executive branch of state government. The State Auditor is elected by the citizens of Washington and serves four-year terms.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

Our audits look at financial information and compliance with state, federal and local laws on the part of all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits of state agencies and local governments as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

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