



**Office of the Washington State Auditor**  
**Pat McCarthy**

February 18, 2020

Board of Commissioners  
Housing Authority of Kittitas County  
Ellensburg, Washington

**Contracted CPA Firm's Audit Report on Financial Statements**

We have reviewed the audit report issued by a certified public accounting (CPA) firm on the financial statements of the Housing Authority of Kittitas County for the fiscal year ended March 31, 2018. The Housing Authority contracted with the CPA firm for this audit and requested that we accept it in lieu of performing our own audit.

Based on this review, we have accepted this report in lieu of the audit required by RCW 43.09.260. The Office of the Washington State Auditor did not audit the accompanying financial statements and, accordingly, we do not express an opinion on those financial statements.

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

Sincerely,

Pat McCarthy  
State Auditor  
Olympia, WA

HOUSING AUTHORITY OF KITTITAS COUNTY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2018



**Loveridge Hunt & Co., PLLC**  
CERTIFIED PUBLIC ACCOUNTANTS

# **Housing Authority of Kittitas County Ellensburg, Washington**

## **Financial Statements**

April 1, 2017 through March 31, 2018

**For further information please contact:**

Lowel Krueger, Executive Director  
Housing Authority of Kittitas County  
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Ellensburg, WA 98926  
(509) 962-9006

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**Loveridge Hunt & Co., PLLC**  
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners  
Housing Authority of Kittitas County  
Ellensburg, Washington

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Housing Authority of Kittitas County (the Authority) as of and for the year ended March 31, 2018, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated December 4, 2018.

Internal Control Over Financial Reporting

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

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

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS - (CONTINUED)

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

Compliance and Other Matters

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

Purpose of this Report

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

*Loveridge Hunt + Co., PLLC*

Bellevue, Washington  
December 4, 2018



**Loveridge Hunt & Co., PLLC**  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Board of Commissioners  
Housing Authority of Kittitas County  
Ellensburg, Washington

### Report on Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Housing Authority of Kittitas County (the Authority), as of and for the year ended March 31, 2018, and the related notes to the financial statements, which collectively comprise the Authority's financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS - (CONTINUED)

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Authority as of March 31, 2018, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Other Matters

#### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 7 to 11 and pension schedules on pages 32 to 33 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operation, economic or historical context. We have applied certain limited procedures to the required supplemental information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### Other Information

Our audit was conducted for the purpose of forming opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Financial Data Schedule are presented on pages 34 to 41 for the purpose of additional analysis as required by HUD, and are not a required part of the basic financial statements.



## INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS - (CONTINUED)

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

### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2018, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*Loveridge Hunt + Co., PLLC*

Bellevue, Washington  
December 4, 2018

## FINANCIAL SECTION

**Housing Authority of Kittitas County  
Management's Discussion and Analysis  
For the Year Ended March 31, 2018**

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As management of the Housing Authority of Kittitas County ("the Authority"), we offer this narrative and analysis of the financial activities of the authority for the year ended March 31, 2018. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

**FINANCIAL HIGHLIGHTS**

- The Authority's assets exceeded its liabilities as of March 31, 2018 by \$4,734,135 (net position).
- The Authority's unrestricted cash balance as of March 31, 2018 was \$1,099,805 representing an increase of \$229,383 from the prior year.
- The Authority had revenues of \$381,715 in HUD Operating grants for the year ended March 31, 2018.
- The Authority's total revenues were \$1,320,376 as of March 31, 2018, representing an increase of \$263,865. Total expenses were \$1,170,007 representing an increase of \$63,065.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The basic financial statements are comprised of two components: 1) the basic financial statements and 2) notes to the basic financial statements that provide additional information and more detailed data.

The *Statement of Net Position* presents information on assets and deferred outflows of resources, liabilities and deferred inflows of resources, and net position of the Authority at the end of the fiscal year. Assets and liabilities are presented in the order of liquidity and are classified as "current" (convertible to cash within one year) and "noncurrent". The purpose of this statement is to provide readers with a snapshot of the fiscal condition of the Authority as of a certain point in time. Over time, increases or decreases in net position may serve as useful indicators as to whether the Authority's financial health is improving or deteriorating.

The *Statement of Revenues, Expenses and Changes in Net Position* presents information showing how the Authority's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported for some items that will only result in cash flows in future years.

The *Statement of Cash Flows* reports how cash was used in and provided by its operating, noncapital financing, capital and related financing, and investing activities during the year. The net of these activities is added to the beginning year cash balance to reconcile to the cash balance at March 31, 2018. The Authority uses the direct method of presenting cash flows, which includes a reconciliation of operating activities to operating income. This statement provides answers to such questions as where did cash come from, how was cash used, and what was the change in the cash balance during the year.

*Notes to the Basic Financial Statements* provide financial statement disclosures that are an integral part of the basic financial statements. Such disclosures are essential to a comprehensive understanding of the information provided in the basic financial statements.

**Housing Authority of Kittitas County  
Management's Discussion and Analysis  
For the Year Ended March 31, 2018**

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**THE AUTHORITY'S PROGRAMS**

Conventional Public Housing – Under the Conventional Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC) with HUD, and HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to provide the housing at a rent that is based upon 30 percent of household income.

State/Local Programs:

***Alder Terrace Apartments*** – This program is a 51-unit project located near Ellensburg, Washington. It was originally financed with a Multi-family property loan through HUD and continues to operate under a HUD use agreement.

***Unrestricted Funds*** – This program represents proceeds from a 4-unit project, Helena Annex, which was sold in November 2015. The agency purchased land in fiscal year 2018 located in Ellensburg, Washington on Bender Road with these funds and have development plans in progress.

**AUTHORITY WIDE STATEMENTS**

The following table compares the condensed Statement of Net Position for the current and previous fiscal year.

**Table 1 - Condensed Statement of Net Position Compared to Prior Year**

	March 31, 2018	March 31, 2017	Net Change
<b><u>Assets and Deferred Outflows</u></b>			
Current Assets	\$ 1,147,547	\$ 977,250	\$ 170,297
Current Assets - Restricted	749,879	738,879	11,000
Capital Assets - Net	3,542,553	3,271,773	270,780
Deferred Outflows of Resources	39,365	61,215	(21,850)
Total Assets and Deferred Outflows	<u>\$ 5,479,344</u>	<u>\$ 5,049,117</u>	<u>\$ 430,227</u>
<b><u>Liabilities and Deferred Inflows</u></b>			
Current and Other Liabilities	\$ 212,789	\$ 141,264	\$ 71,525
Non Current Liabilities	435,408	314,438	120,970
Deferred Inflows of Resources	97,012	9,649	87,363
Total Liabilities and Deferred Outflows	<u>745,209</u>	<u>465,351</u>	<u>279,858</u>
<b><u>Net Position</u></b>			
Net Investment in Capital Assets	3,225,553	3,271,773	(46,220)
Restricted	688,876	682,125	6,751
Unrestricted	819,706	629,868	189,838
Total Net Position	<u>4,734,135</u>	<u>4,583,766</u>	<u>150,369</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 5,479,344</u>	<u>\$ 5,049,117</u>	<u>\$ 430,227</u>

**Housing Authority of Kittitas County  
Management's Discussion and Analysis  
For the Year Ended March 31, 2018**

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**MAJOR FACTORS AFFECTING THE STATEMENT OF NET POSITION**

Current assets of the Authority increased by \$170,297 mainly due to the rise in dwelling rents received during fiscal year 2018.

Current liabilities increased by \$71,525 which is attributed to the accrual of \$67,000 in pre-development costs.

Net position increased by a combined total of \$150,369. The overall \$46,220 decrease in net investment in capital assets is attributed to the change in capital assets of \$270,780 less related debt of \$317,000. Unrestricted net position increased by \$189,838 mainly due to the rise in operating revenues.

**Statement of Revenues, Expenses, and Changes in Net Position**

The following schedule compares the revenues and expenses for the current and previous fiscal year.

**Table 2 – Condensed Statement of Revenues, Expenses, and Changes in Net Position**

	<u>March 31, 2018</u>	<u>March 31, 2017</u>	<u>Net Change</u>
Operating Revenues			
Tenant Revenues	\$ 832,160	\$ 699,574	\$ 132,586
Government Operating Grants and Subsidies	381,715	290,062	91,653
Other Revenues	<u>76,040</u>	<u>18,333</u>	<u>57,707</u>
Total Operating Revenues	1,289,915	1,007,969	281,946
Operating Expenses			
Administration	346,003	300,834	45,169
Utilities	128,116	129,948	(1,832)
Ordinary Maintenance and Operations	364,098	359,401	4,697
General Expenses	95,037	64,072	30,965
Depreciation	<u>236,753</u>	<u>252,687</u>	<u>(15,934)</u>
Total Operating Expenses	1,170,007	1,106,942	63,065
Non Operating Revenues (Expenses)			
Interest and Investment Revenue	1,782	2,603	(821)
Gain (Loss) on Sale of Capital Assets	28,679	(7,480)	36,159
Capital Grants	<u>-</u>	<u>53,419</u>	<u>(53,419)</u>
Total Non Operating Revenues (Expenses)	<u>30,461</u>	<u>48,542</u>	<u>(18,081)</u>
Changes in Net Position	150,369	(50,431)	200,800
Net Position, Beginning of Year	4,583,766	4,634,197	(50,431)
Net Position, End of Year	<u>\$ 4,734,135</u>	<u>\$ 4,583,766</u>	<u>\$ 150,369</u>

**Housing Authority of Kittitas County  
Management's Discussion and Analysis  
For the Year Ended March 31, 2018**

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**MAJOR FACTORS AFFECTING THE STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**

The major factors increasing the overall revenue were an improved proration for both Public Housing and Capital Fund operating subsidies; the rise in Dwelling Rents charged at Alder Terrace and Public Housing; and a litigation settlement of \$56,603 with HUD for the 2012 recapture of PH operating funds. The increase in gain on sale of capital of assets is attributed to the sale of obsolete equipment for both Public Housing and Alder Terrace.

The overall increase in expenses is attributed to the change in the capitalization policy to \$5,000 from \$1,000 during fiscal year 2018. Administrative expenses increased by \$45,169 due to the addition of a part-time employee, employee raises, and computer expenses. General expenses increased by \$30,965 due to compensated absences and property taxes related to the Bender property. However, employee benefits decreased significantly in fiscal year 2018 due to the changes in net pension liability, deferred outflows, and deferred inflows for GASB 68.

**Capital Asset**

The following table summarizes the changes in capital assets between March 31, 2018 and 2017:

**Table 3 - Condensed Statement of Changes in Capital Assets**

	<u>March 31, 2018</u>	<u>March 31, 2017</u>	<u>Net Change</u>
Land	\$ 774,791	\$ 424,791	\$ 350,000
Construction in Progress	141,982	27,516	114,466
Total Non Depreciable Capital Assets	<u>916,773</u>	<u>452,307</u>	<u>464,466</u>
Buildings	5,853,691	5,810,625	43,066
Equipment, Dwelling	237,011	237,011	-
Equipment, Non Dwelling	405,299	493,871	(88,572)
Site Improvements	<u>4,704,434</u>	<u>4,704,434</u>	<u>-</u>
Subtotal Depreciable Capital Assets	11,200,435	11,245,941	(45,506)
Accumulated Depreciation	<u>(8,574,655)</u>	<u>(8,426,474)</u>	<u>(148,181)</u>
Total Depreciable Capital Assets, Net	<u>2,625,780</u>	<u>2,819,467</u>	<u>(193,687)</u>
Total Capital Assets, Net	<u><u>\$ 3,542,553</u></u>	<u><u>\$ 3,271,774</u></u>	<u><u>\$ 270,779</u></u>

Major changes in capital assets include the \$350,000 purchase of land for the Bender Property; the disposal of obsolete equipment for both PH and Alder Terrace; and roofs for Alder Terrace. Construction in progress increased due to Authority-wide predevelopment costs; and parking lot improvements for Alder Terrace.

**Debt**

As of March 31, 2018, the Authority had \$317,000 in long-term debt outstanding. The increase in long-term debt is attributable to financing the purchase of land on Bender Road in Ellensburg, Washington during fiscal year 2018. There was no interest expense incurred related to the outstanding debt. For more detailed information on debt outstanding, please refer to the notes in the financial statements.

**Housing Authority of Kittitas County  
Management's Discussion and Analysis  
For the Year Ended March 31, 2018**

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**Economic Factors and Future Events**

Significant economic factors affecting the Authority are as follows:

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

Significant future event affecting the Authority is as follows:

- CHAP Commitment Pursuant to RAD Conversion - On October 6, 2017, the Authority received from HUD a Commitment to Enter into a Housing Assistance Payment (CHAP) pursuant to a Rental Assistance Demonstration (RAD) conversion to Project Based Vouchers of assistance for 110 units at the Mt. Stuart Vista development. In order to convert the project, the Authority must fulfill certain milestones and deadlines outlined in the CHAP.

**Financial Contact**

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest. The individual to be contacted regarding this report is Lowel Krueger, Executive Director of the Housing Authority of Kittitas County. Specific requests may be submitted to Housing Authority of Kittitas County at 107 West 11<sup>th</sup> Avenue, Ellensburg, WA 98926.

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**Housing Authority of Kittitas County**  
**Statement of Net Position**  
**March 31, 2018**

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**ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

**Current Assets**

Cash and Cash Equivalents	\$ 1,099,805
Accounts Receivable, net	3,637
Inventories	11,638
Prepaid Expenses and Other Assets	32,467
Restricted Assets:	
Cash and Cash Equivalents	749,879
Total Current Assets	<u>1,897,426</u>

**NonCurrent Assets**

Capital Assets:	
Land	774,791
Property and Equipment, net	2,625,780
Construction in Progress	141,982
Total Capital Assets	<u>3,542,553</u>
Total NonCurrent Assets	<u>3,542,553</u>

**TOTAL ASSETS** 5,439,979

**Deferred Outflows of Resources** 39,365

**TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES** \$ 5,479,344

**LIABILITIES**

**Current Liabilities**

Accounts Payable	23,432
Accrued Liabilities	85,501
Accrued Compensated Absences	33,487
Tenant Security Deposits	61,003
Unearned Revenue	9,366
Total Current Liabilities	<u>212,789</u>

**NonCurrent Liabilities**

NonCurrent Capital Debt	317,000
Net Pension Liability	118,408
Total NonCurrent Liabilities	<u>435,408</u>

**TOTAL LIABILITIES** 648,197

**Deferred Inflows of Resources** 97,012

**NET POSITION**

Net Investment in Capital Assets	3,225,553
Restricted	688,876
Unrestricted	819,706
<b>TOTAL NET POSITION</b>	<u>4,734,135</u>

**TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES  
AND NET POSITION** \$ 5,479,344



**Housing Authority of Kittitas County**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**For the Year Ended March 31, 2018**

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**Operating Revenues**

Tenant Revenues	\$ 832,160
Government Operating Grants and Subsidies	381,715
Other Revenues	<u>76,040</u>
<b>Total Operating Revenues</b>	<u><u>1,289,915</u></u>

**Operating Expenses**

Administrative	346,003
Utilities	128,116
Maintenance	364,098
General	95,037
Depreciation	<u>236,753</u>
<b>Total Operating Expenses</b>	<u><u>1,170,007</u></u>
Operating Income (Loss)	<u><u>119,908</u></u>

**Non-Operating Revenues (Expenses):**

Interest and Investment Revenue	1,782
Gain (Loss) on Sale of Capital Assets	<u>28,679</u>
<b>Total Non-Operating Revenues (Expenses)</b>	<u><u>30,461</u></u>

Change in Net Position	150,369
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<b>Total Net Position at Beginning of Year</b>	<b>4,583,766</b>
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<b>Total Net Position at End of Year</b>	<b><u><u>\$ 4,734,135</u></u></b>
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**Housing Authority of Kittitas County**  
**Statement of Cash Flows**  
**For the Year Ended March 31, 2018**

**Cash Flows from Operating Activities**

Operating Grants Received	\$ 381,715
Tenant Revenue Received	840,581
Other Revenue Received	76,040
Operating Expenses	(1,044,891)

<b>Net Cash Provided (Used) by Operating Activities</b>	<b><u>253,445</u></b>
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**Cash Flows from Investing Activities**

Proceeds from Sale of Investments	80,668
Interest Income	1,782

<b>Net Cash Provided (Used) by Investing Activities</b>	<b><u>82,450</u></b>
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**Cash Flows from Capital and Financing Activities**

Proceeds from Long-Term Debt	317,000
Acquisition of Capital Assets	(441,191)
Gain from Sale of Capital Assets	28,679

<b>Net Cash Provided (Used) by Capital and Related Activities</b>	<b><u>(95,512)</u></b>
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Net Increase (Decrease) in Cash	240,383
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Cash and Cash Equivalents at Beginning of Year	<u>1,609,301</u>
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<b>Cash and Cash Equivalents at End of Year</b>	<b><u>\$1,849,684</u></b>
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**Reconciliation of Operating Income to Net Cash Provided by Operating Activities**

Net Operating Income (Loss)	\$ 119,908
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	

Depreciation expense	236,753
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**(Increase) Decrease in:**

Accounts Receivable	(2,555)
Inventories	8,286
Prepaid Assets	(27,313)
Deferred Outflows	21,850

**Increase (Decrease) in:**

Accounts Payable	(4,475)
Accrued Liabilities	(4,152)
Accrued Compensated Absences	2,834
Tenant Security Deposits	4,249
Unearned Revenue	6,727
Net Pension Liability	(196,030)
Deferred Inflows	87,363

<b>Net Cash Provided by Operating Activities</b>	<b><u>\$ 253,445</u></b>
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**Supplemental Schedule of Non-Cash Investing and Financing Activities**

Acquisition of Capital Assets through accrued liabilities	<b><u>\$ 66,342</u></b>
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**Housing Authority of Kittitas County  
Schedules of Required Supplementary Information  
For the Year Ended March 31, 2018**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Housing Authority of Kittitas County (the 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. The following is a summary of the most significant policies (including identification of those policies which result in departures from generally accepted accounting principles):

**Reporting Entity**

The Housing Authority was incorporated in 1971 and operates under the laws of the State of Washington applicable to public housing authorities. The Housing Authority is a general-purpose government entity providing low-income housing and rental assistance to elderly, disabled and low-income families. The Housing Authority's financial statements include the financial position and results of operations of all funds that are controlled by, or departments of, the Housing Authority.

**Basis of Accounting**

The accounting records of the authority are maintained and reported in accordance with methods prescribed by the State Auditor under the authority of Chapter 43.09 RCW and the Federal Department of Housing and Urban Development. The 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 Authority has elected to report as a single-enterprise proprietary fund and uses the accrual basis of accounting. The measurement focus is on the flow of economic resources. The proprietary fund is composed of a number of programs. These programs are designed to provide low income individuals with housing

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

**Budgetary Accounting**

The Authority annually prepares its budget as prescribed by the Department of Housing and Urban Development. Budgets are submitted to the Department of Housing and Urban Development when applicable. Budgets are adopted by the Board of the Housing Authority.

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash and cash equivalents**

For purposes of the Statement of Cash Flows, the Housing Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased or available on demand to be cash equivalents. As required by HUD, all of the bank balance amounts are fully insured by the Federal Government or covered by collateral under the terms of a Depository Agreement executed between the Authority and the financial institution.

**Restricted Funds**

In accordance with bond resolutions (and certain related agreements) separate restricted accounts are required to be established. The assets held in these accounts are restricted for specific uses, including construction and other special reserve requirements. The Housing Authority receives security deposits when tenants move into their units. These deposits have been segregated in the general checking account and considered a liability of the Housing Authority. Restricted resources currently include the following:

Residual Reserves	\$	88,396
Replacement Reserves		600,480
Tenant Security Deposits		61,003
	\$	<u>749,879</u>

**Accounts Receivable**

Accounts receivable consist primarily of amounts due from tenants for rent and other charges. 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. A total of \$2,420 in allowances existed at March 31, 2018, including allowance for tenant accounts receivable and allowance for tenant repayment agreements.

**Prepaid and Other Assets**

Prepaid and other assets represent amounts paid in advance of the period which the expenses benefit. As of March 31, 2018, prepaids consist of water and insurance expenses paid in advance.

**Inventories**

Inventories consist of expendable supplies held for consumption and are valued by the FIFO method which approximates the market value. A total allowance for obsolete inventory of \$1,293 existed at March 31, 2018.

**Capital Assets**

See Note 4.

**Housing Authority of Kittitas County  
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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Accounts Payable**

Accounts payable consists of invoices less than 90 days old which the Housing Authority has accrued as of March 31, 2018.

**Accrued Compensated Absences**

Compensated absences are absences for which employees will be paid, such as vacation, comp and sick leave. All vacation, comp and sick pay are accrued when incurred in the financial statements. Vacation and comp pay, which each may be accumulated up to 240 hours, is payable upon resignation, retirement or death. Sick pay, for employees of the Housing Authority is payable at 25% of accumulated time upon resignation, retirement or death, unless used in subsequent years. The Housing Authority has accrued compensated absences of \$33,487 as of March 31, 2018.

	Balance 4/1/17	Additions	Payments	Balance 3/31/18	Due Within One Year
Compensated Absences	30,653	24,021	(21,187)	33,487	33,487

**Unearned Revenue**

Unearned revenue arises when revenues are received before revenue recognition criteria have been satisfied.

**Net Position**

Net Position represents the difference between assets and liabilities. Net investment in capital assets, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is recorded as restricted when there are limitations imposed on its use by internal or external restrictions.

**Operating Revenues and Expenses**

Operating revenues are those revenues that are generated directly from the primary activities of the proprietary fund and expenses incurred for the day to day operation. For the Authority, operating revenues are tenant rent charges, operating subsidy from HUD, and other miscellaneous revenue.

Operating expenses are those expenses that are generated from the primary activity of the proprietary fund. For the Authority, these expenses are administrative, utilities, maintenance, PILOT, insurance, bad debt and housing assistance payments.

**Capital Grant**

This represents grants provided by HUD that the Authority spends on capital assets.

**Housing Authority of Kittitas County**  
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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the Authority, deferred outflows of resources are reported on the government-wide statement of net position for pension. The deferred outflows of resources related to pension are explained in Note 6.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the Authority, deferred inflows of resources include pension. Deferred inflows of resources related to pension are reported on the government-wide statement of net position. (See Note 6)

**Pension**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the pension plans and additions to/deductions from their fiduciary net position have been determined on the same basis as they are reported by the pension systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension systems report investments at fair value.

**Subsequent Events**

Subsequent events have been evaluated and disclosed through December 4, 2018, which is the date the financial statements were available to be issued. See Note 9.

**NOTE 2 – DEPOSITS AND INVESTMENTS**

Deposits, including those in restricted assets, are defined as cash or cash equivalents on deposit with financial institutions. At March 31, 2018, the carrying amount of the Agency's cash accounts deposited with financial institutions was \$1,849,584 and the bank balance was \$1,859,255. The bank deposits are held with financial institutions and are entirely insured or collateralized.

Cash and cash equivalents consist of the following at March 31, 2018:

Cash and cash equivalents - unrestricted	\$	1,099,805
Cash and cash equivalents - restricted		749,879
Total cash and cash equivalents		<u>1,849,684</u>
Less: cash on hand		(100)
Total deposits	\$	<u><u>1,849,584</u></u>

**Housing Authority of Kittitas County  
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**NOTE 2 – DEPOSITS AND INVESTMENTS (CONTINUED)**

The Authority's investment practice is to follow all HUD guidelines with regard to depository accounts. As a result, the authority restricts its investments to direct obligations of the U.S. Government, fully insured or collateralized investments at commercial banks and savings and loan associations, collateralized repurchase agreements, state-approved investment pools, or money market funds consisting entirely of U.S. Government securities. All investments are reported at fair market value, which is obtained from quoted market prices of the exact same investments trading in public markets.

Investments held by the Housing Authority of Kittitas (HAKC) are as follows:

Money Market bank account	\$	196,548
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**Custodial Credit Risk** – Custodial credit risk is the risk that in the event of bank failure, HAKC's deposits may not be returned. HAKC follows HUD policies, which requires collateral for all deposits not covered by federal depository insurance. At March 31, 2018 and 2017, none of HAKC's deposits and investments were exposed to custodial credit risk.

**Concentration of Credit Risk** – Concentration of credit risk is the risk of loss that may occur due to the amount of investments in a single issuer (not including investments issued or guaranteed by the U.S. government). Since HAKC follows HUD policies, and all held investments are in investments issued or guaranteed by the U.S. government, there is no concentration of credit risk.

**Credit Risk of Investments** – Credit risk of investments is the risk that the issuer or other counterparty will not meet its obligations. This credit risk is measured by the credit quality rating of investments in debt securities as rated by a nationally recognized rating agency.

The following table summarizes the credit quality and credit risk as a percentage of total investments:

Money market account	100%
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**Concentration of Interest Rate Risk** – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. 100% of HAKC's investments have a maturity of less than one year.

*This space intentionally left blank.*

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**NOTE 3 – CAPITAL ASSETS**

Capital asset purchases greater than \$5,000 are capitalized and recorded at cost. Capitalized purchases may also include capital leases and major repairs that increase useful lives. Maintenance, repair and minor renewals are accounted for as operating expenses when incurred.

The Housing Authority has acquired certain assets with funding provided by federal assistance programs. Depending on the terms of the agreements involved, the federal government could retain an equity interest in these assets. However, the Housing Authority has sufficient legal interest to accomplish the purposes for which the assets were acquired and has included such assets within the applicable accounting group or fund.

Capital assets are depreciated using the straight-line method over the useful lives of the assets as follows:

Computers	3 years
Vehicles	5 years
Equipment	8 years
Leasehold Improvements	15 - 25 years
Buildings	50 years

Capital asset summary for the year ended March 31, 2018 is as follows:

	<b>4/1/2017</b>	<b>Additions</b>	<b>Disposals</b>	<b>3/31/2018</b>
Land	\$ 424,791	\$ 350,000	\$ -	\$ 774,791
Construction in Progress	27,516	114,466	-	141,982
Total Non Depreciable Capital Assets	<u>452,307</u>	<u>464,466</u>	<u>-</u>	<u>916,773</u>
Buildings	5,810,625	43,066	-	5,853,691
Equipment, Dwelling	237,011	-	-	237,011
Equipment, Non Dwelling	493,871	-	(88,572)	405,299
Site Improvements	4,704,434	-	-	4,704,434
Subtotal Depreciable Capital Assets	<u>11,245,941</u>	<u>43,066</u>	<u>(88,572)</u>	<u>11,200,435</u>
Accumulated Depreciation	<u>(8,426,474)</u>	<u>(236,753)</u>	<u>88,572</u>	<u>(8,574,655)</u>
Total Depreciable Capital Assets, Net	<u>2,819,467</u>	<u>(193,687)</u>	<u>-</u>	<u>2,625,780</u>
Total Capital Assets, net	<u><u>\$ 3,271,774</u></u>	<u><u>\$ 270,779</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 3,542,553</u></u>

**NOTE 4 – RESTRICTED NET POSITION**

Restricted net position of \$688,876 consists of funds that are restricted for the following purposes:

- Residual Reserves – Funds totaling \$88,396 held by the Housing Authority in compliance with legal, regulatory, or lending requirements.
- Replacement Reserves – Funds totaling \$600,480 restricted for future capital improvements, and require the approval from the governmental agency prior to expenditure of the funds.



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**NOTE 5 – LONG TERM OBLIGATIONS**

On February 2, 2018, the Authority financed \$317,000 with the Washington State Housing Finance Commission for the purchase of land on Bender Road in Ellensburg, Washington for future development into a facility that furthers the goals and objectives of low income housing. The note bears interest at the rate of 1% per annum compounded quarterly or a 4.06% annual compound interest rate. All interest and payments under the Loan shall be deferred until the maturity date of February 28, 2026.

Debt service requirements are as follows:

<b>Year Ending March 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2026	\$317,000	\$26,367	\$343,367

**NOTE 6 – PENSION PLANS**

The following table represents the aggregate pension amounts for all plans subject to the requirements of GASB 68 for the year 2018:

<b>Aggregate Pension Amounts</b>	<b>Total</b>	<b>PERS 1</b>	<b>PERS 2 &amp; 3</b>
Pension Liabilities	118,408	60,974	57,434
Deferred Outflow of Resources	39,365	8,785	30,580
Deferred Inflow of Resources	97,012	2,275	94,737
Pension expense	11,792	3,806	7,986

Substantially all of the Housing Authority's full-time and qualifying part-time employees participate in the Public Employees Retirement System (PERS). The plan is 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](http://www.drs.wa.gov).

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**NOTE 6 – PENSION PLANS (CONTINUED)**

**Public Employees' Retirement System (PERS) Plans I, II and III**

**Plan Description**

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

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

**Contributions**

The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the State Pension Funding Council adopts Plan 1 employer contribution rates.

The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2017/2018 were as follows:

<u>Actual Contribution Rates:</u>	<u>Employer</u>	<u>Employee*</u>
April 2017 through June 2017	11.18%	6.00%
July 2017 through March 2018	12.70%	6.00%

\*The Housing Authority has no current participants in Plan 1 for the year ending March 31, 2018. The Housing Authority's actual contributions to the plan were \$7,733 to PERS Plan 1 for the year ended March 31, 2018.

**Housing Authority of Kittitas County  
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**NOTE 6 – PENSION PLANS (CONTINUED)**

**Plan Description**

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

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

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

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

**Housing Authority of Kittitas County  
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**NOTE 6 – PENSION PLANS (CONTINUED)**

**Contributions**

The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2017/2018 were as follows:

<u>Actual Contribution Rates:</u>	<u>Employer 2/3</u>	<u>Employee 2/3</u>
April 2017 through June 2017	11.18%	6.12%
July 2017 through March 2018	12.70%	7.38%
Employee PERS Plan 3		Varies

The Housing Authority's actual contributions to the plan were \$10,099 to PERS Plan 2/3 for the year ended March 31, 2018.

**Actuarial Assumptions**

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2017 with a valuation date of June 30, 2016. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2007-2012 Experience Study* and the *2015 Experience Study*.

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

- **Inflation:** 3% total economic inflation; 3.75% salary inflation
- **Salary increases:** In addition to the base 3.75% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.5%

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

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**NOTE 6 – PENSION PLANS (CONTINUED)**

There were changes in methods and assumptions since the last valuation.

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

**Discount Rate**

The discount rate used to measure the total pension liability for all DRS plans was 7.5 percent.

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

**Long-Term Expected Rate of Return**

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

**Estimated Rates of Return by Asset Class**

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

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**NOTE 6 – PENSION PLANS (CONTINUED)**

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	1.70%
Tangible Assets	5%	4.90%
Real Estate	15%	5.80%
Global Entity	37%	6.30%
Private Entity	23%	9.30%
	100%	

**Sensitivity of the Net Pension Liability / (Asset)**

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

Authority's proportionate share of the net pension liability (asset)	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
PERS 1	\$ 74,278	\$ 60,974	\$ 49,450
PERS 2/3	154,733	57,434	(22,288)
Total	<u>\$ 229,011</u>	<u>\$ 118,408</u>	<u>\$ 27,162</u>

**Pension Plan Fiduciary Net Position**

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

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

At March 31, 2018, the Authority reported a total pension liability of \$118,408 for its proportionate share of the net pension liabilities as follows:

Net Pension Liability (NPL)	Plan 1	Plan 2/3	Total
Proportionate Share of the NPL	\$ 60,974	\$ 57,434	\$ 118,408
Proportionate Share 6/30/16	0.002658%	0.003410%	
Proportionate Share 6/30/17	0.001285%	0.001653%	
Change in Proportion	-0.001373%	-0.001757%	

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

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**NOTE 6 – PENSION PLANS (CONTINUED)**

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

Pension Expense for the year ended March 31, 2018, the Authority recognized pension expense as follows:

	<u>Plan 1</u>	<u>Plan 2/3</u>	<u>Total</u>
<b>Pension Expense</b>	<b>\$ 3,806</b>	<b>\$ 7,986</b>	<b>\$ 11,792</b>

**Deferred Outflows of Resources and Deferred Inflows of Resources**

At March 31, 2018, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Deferred Outflows of Resources</u>	<u>Plan 1</u>	<u>Plan 2/3</u>	<u>Total</u>
<b>Difference between expected and actual experience</b>	<b>\$ -</b>	<b>\$ 5,819</b>	<b>\$ 5,819</b>
<b>Change in assumptions</b>	<b>-</b>	<b>610</b>	<b>610</b>
<b>Changes in proportion and differences between Authority contributions and proportionate share of contributions</b>	<b>-</b>	<b>12,678</b>	<b>12,678</b>
<b>Authority contributions subsequent to the measurement date</b>	<b>8,785</b>	<b>11,473</b>	<b>20,258</b>
<b>Total Deferred Outflows of Resources</b>	<b><u>\$ 8,785</u></b>	<b><u>\$ 30,580</u></b>	<b><u>\$ 39,365</u></b>
 <u>Deferred Inflows of Resources</u>	 <u>Plan 1</u>	 <u>Plan 2/3</u>	 <u>Total</u>
<b>Difference between expected and actual experience</b>	<b>\$ -</b>	<b>\$ 1,889</b>	<b>\$ 1,889</b>
<b>Net difference between projected and actual earnings on pension plan investments</b>	<b>2,275</b>	<b>15,310</b>	<b>17,585</b>
<b>Changes in proportion and differences between Authority contributions and proportionate share of contributions</b>	<b>-</b>	<b>77,538</b>	<b>77,538</b>
<b>Total Deferred Inflows of Resources</b>	<b><u>\$ 2,275</u></b>	<b><u>\$ 94,737</u></b>	<b><u>\$ 97,012</u></b>

**Housing Authority of Kittitas County**  
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**NOTE 6 – PENSION PLANS (CONTINUED)**

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

<u>Year ended March 31</u>	<u>Plan 1</u>	<u>Plan 2/3</u>	<u>Total</u>
2019	(1,538)	(15,611)	(17,149)
2020	486	(7,881)	(7,395)
2021	(113)	(13,447)	(13,560)
2022	(1,110)	(17,532)	(18,642)
2023	-	(10,856)	(10,856)
2024	-	(8,792)	(8,792)
		(1,511)	(1,511)
Total	\$ (2,275)	\$ (75,630)	\$ (77,905)

**NOTE 7 – CONTINGENCIES AND LITIGATION**

In the opinion of management, the Housing Authority's insurance policies are adequate to pay all known or pending claims.

The Housing Authority participates in federally assisted programs. These programs are subject to audit by the grantors or their representatives. Such audits could result in disallowed requests for expenditure reimbursement to grantor agencies, under the terms of the grants. The Housing Authority's management believes that such disallowances, if any, are immaterial.

**NOTE 8 – PARTICIPATION IN HOUSING AUTHORITY RISK RETENTION POOL**

The Housing Authority is a member of the Housing Authorities Risk Retention Pool (HARRP). Utilizing Chapter 190.080 ORS and 48.62 RCW (self-insurance regulation) and Chapter 39.34 (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 purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and/or jointly contracting for risk management services. HARRP is a U.S. Department of Housing and Urban Development (HUD) approved self-insurance entity for utilization by public housing authorities. HARRP has a total of eighty-three member/owner housing authorities in the states of Washington, Oregon, California and Nevada.

New members are underwritten at their original membership and thereafter automatically renew on an annual basis. Members may quit upon giving notice to HARRP prior to their renewal date. Members terminating membership are not eligible to rejoin HARRP for three years. 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.



**Housing Authority of Kittitas County  
Schedules of Required Supplementary Information  
For the Year Ended March 31, 2018**

**NOTE 8 – PARTICIPATION IN HOUSING AUTHORITY RISK RETENTION POOL  
(CONTINUED)**

General and Automobile Liability Coverage is written on an occurrence basis, without member deductibles. Errors and Omissions coverage (which includes Employment Practices Liability) is written on claims made basis, and the members are responsible for 10% of the incurred costs of the claims. The Property coverage offered by HARRP is on a replacement cost basis, with deductibles ranging from \$2,500 to \$25,000. (Due to special underwriting circumstances, some members may be subject to greater deductibles and E & O co-payments). Our property coverages include: Vandalism & Malicious Mischief, Crime, Equipment Breakdown Coverages, as well as Fidelity coverage with limits of \$100,000 (with options up to \$500,000) for employee dishonesty, forgery or alteration and \$10,000 for theft with deductibles similar to the retention of Property.

Coverage limits for General Liability, as well as Errors and Omissions are \$2,000,000 per occurrence and \$2,000,000 annual aggregate. Higher Limits are available by purchasing an umbrella through our insurance agency. Property limits are offered on an agreed amount, based on each structure's value. Limits for Automobile Liability are covered at \$2,000,000, with \$2,000,000 aggregate. HARRP self-insures the first \$1million of coverage for liability lines and purchases an additional \$1 million in reinsurance for a total of \$2 million. For property, HARRP retains the first \$1,000,000 and purchases an additional \$1million reinsurance policy and then purchases \$45 million of excess insurance from Munich Reinsurance for a combined total of \$47,000,000. The HARRP Board of Directors determines the limits and coverage terms, at its sole discretion.

HARRP provides loss control and claim services with in-house staff and retained third party contractors.

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

The Housing Authority has opted to have the \$1,000,000 excess auto liability insurance and has chosen the \$1,000 per occurrence deductible in the property insurance option. In the past three years, the Housing Authority has not had any insurance settlements which exceed this coverage.

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**Housing Authority of Kittitas County  
Schedules of Required Supplementary Information  
For the Year Ended March 31, 2018**

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**NOTE 9: COMMITMENTS AND SUBSEQUENT EVENTS**

**Contracts**

- During fiscal year 2018, the Authority entered into a consulting contract with J. H. Brawner & Company to provide financial and development services for Alder Terrace and Public Housing in the amount of \$426,500. As of March 31, 2018, predevelopment costs earned and paid totaled \$42,491.
- In December 2017, the Authority contracted with Wilcox LaMotte Valuation & Advisory for appraisals and combined market study for both Alder Terrace and Public Housing in the amount of \$28,500. As of March 31, 2018, the agency accrued the total contract amount of \$28,500.
- In December 2017, the Authority contracted with EMG for Capital Needs Assessments (CNAs) for both Alder Terrace and Public Housing in the amount of \$19,250. As of March 31, 2018, the agency accrued the total contract amount of \$19,250.

**Commercial & Investment Real Estate Purchase & Sale Agreement**

On March 21, 2018, the Authority entered into a Commercial & Investment Real Estate Purchase & Sale Agreement with Cle Elum Associates, AWLP, Annette Wood-Brannen, GP to purchase Pine Terrace Apartments located at 906 W. 2<sup>nd</sup> Street, Cle Elum, Washington. As of March 31, 2018, earnest money paid under the agreement totaled \$10,125. Additional earnest money was paid in October 2018 in the amount of \$9,000. Buyer's obligations under the Agreement are contingent upon Buyer obtaining financing, including the assumption of the Rural Development Loan (as defined in agreement) on or before one hundred twenty (120) days following mutual acceptance of the Agreement (the "Financing Period") in order to purchase the Property (the "Financing Contingency").

**Subsequent Events**

Management of the Housing Authority has evaluated events occurring after March 31, 2018 through the audit report date of December 4, 2018, the date the financial statements were available for issuance, for recognition or disclosure in the financial statements.

The following events and transitions is required for recognition in the financial statements:

- **CHAP Commitment Pursuant to RAD Conversion and Subsequent Event** – On October 6, 2017, the Authority received from HUD a Commitment to Enter into a Housing Assistance Payment (CHAP) pursuant to a Rental Assistance Demonstration (RAD) conversion to Project Based Vouchers of assistance for 110 units at the Mt. Stuart Vista development. In order to convert the project, the Authority must fulfill certain milestones and deadlines outlined in the CHAP.

**Housing Authority of Kittitas County  
Schedules of Required Supplementary Information  
For the Year Ended March 31, 2018**

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**NOTE 9: COMMITMENTS AND SUBSEQUENT EVENTS (CONTINUED)**

- **Fiscal Year End Change and Subsequent Event** – On March 30, 2018, the Authority received HUD approval for the Fiscal Year End change from March 31<sup>st</sup> to December 31<sup>st</sup>. The Housing Authority's current fiscal year will be extended to a period of 21 months commencing April 1, 2018 through Fiscal Year End December 31, 2019.
  
- **Formation of Limited Liability Limited Partnerships and Subsequent Event** – On June 6, 2018, the agency received notice of approval from Internal Revenue Service of the formation of the Alder Terrace Affordable Housing Limited Liability Limited Partnership (LLLP) and the Kittitas RAD Affordable Housing LLLP. The LLLPs were formed in order to maximize the benefits and minimize the risks to the Authority with the anticipated financing for the acquisition, rehabilitation, operation and maintenance of the upcoming projects for Public Housing (RAD) and low-income housing tax credit applications for both Public Housing & Alder Terrace.

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**Housing Authority of Kittitas County**  
**Schedules of Required Supplementary Information**  
**For the Year Ended March 31, 2018**

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Schedule of the Housing Authority's Proportionate Share of the Net Pension Liability  
Pension Plans  
Last 10 Fiscal Years\*

These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

\* The amounts presented for each fiscal year were determined as of the June year-end that occurred within the fiscal year.

<b><u>PERS # 1</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Housing Authority's proportion of the net pension liability (asset)	0.001285%	0.002658%	0.002737%	0.002860%
Housing Authority's proportionate share of the net pension liability (asset)	60,974	142,747	143,171	144,074
Housing Authority's covered-employee payroll	-	-	-	-
Housing Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	61.24%	57.03%	59.10%	61.19%

<b><u>PERS # 2/3</u></b>	<b><u>2017</u></b>	<b><u>2016</u></b>	<b><u>2015</u></b>	<b><u>2014</u></b>
Housing Authority's proportion of the net pension liability (asset)	0.001653%	0.003410%	0.003536%	0.003682%
Housing Authority's proportionate share of the net pension liability (asset)	57,434	171,691	126,343	74,427
Housing Authority's covered-employee payroll	239,515	202,890	303,139	304,593
Housing Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	23.98%	84.62%	41.68%	24.43%
Plan fiduciary net position as a percentage of the total pension liability	90.97%	85.82%	89.20%	93.29%

**Housing Authority of Kittitas County**  
**Schedules of Required Supplementary Information**  
**For the Year Ended March 31, 2018**

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Schedule of the Housing Authority Contributions  
Pension Plans  
Last 10 Fiscal Years as of March 31\*

<b><u>PERS # 1</u></b>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	7,733	15,073	12,581	12,658
Contributions in relation to the contractually required contribution	<u>(7,733)</u>	<u>(15,073)</u>	<u>(12,581)</u>	<u>(12,658)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Housing Authority's covered-employee payroll	-	-	-	-
Contributions as a percentage of covered-employee payroll	0.00%	0.00%	0.00%	0.00%
 <b><u>PERS # 2/3</u></b>	 <u>2018</u>	 <u>2017</u>	 <u>2016</u>	 <u>2015</u>
Contractually required contribution	10,099	19,686	15,751	15,553
Contributions in relation to the contractually required contribution	<u>(10,099)</u>	<u>(19,686)</u>	<u>(15,751)</u>	<u>(15,553)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Housing Authority's covered-employee payroll	239,515	202,890	303,139	304,593
Contributions as a percentage of covered-employee payroll	4.22%	9.70%	5.20%	5.11%

Notes to Required Supplementary Information  
For the Year Ended March 31, 2018

**Changes of benefit terms:** There were no changes in the benefit terms for the pension plans.

**Changes of assumptions:** There were no changes in the assumptions for the pension plans.

**Covered Payroll:** Covered payroll has been retrospectively presented in accordance with GASB 82, *Pension Issues*. Covered payroll now includes all payroll on which a contribution is based. In prior reports, UAAL covered payroll was included for plans other than PERS 1.

Housing Authority of Kittitas County (WA009)

Ellensburg, WA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 03/31/2018

	Project Total	2 State/Local	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$815,715	\$284,090	\$1,099,805		\$1,099,805
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted		\$688,876	\$688,876		\$688,876
114 Cash - Tenant Security Deposits	\$32,662	\$28,341	\$61,003		\$61,003
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$848,377	\$1,001,307	\$1,849,684		\$1,849,684
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects					
124 Accounts Receivable - Other Government					
125 Accounts Receivable - Miscellaneous					
126 Accounts Receivable - Tenants	\$192	\$432	\$624		\$624
126.1 Allowance for Doubtful Accounts -Tenants	-\$13	\$0	-\$13		-\$13
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$1,863	\$1,163	\$3,026		\$3,026
128 Fraud Recovery					
128.1 Allowance for Doubtful Accounts - Fraud					
129 Accrued Interest Receivable					
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$2,042	\$1,595	\$3,637		\$3,637
131 Investments - Unrestricted					
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets	\$22,623	\$9,844	\$32,467		\$32,467
143 Inventories	\$12,931		\$12,931		\$12,931

143.1 Allowance for Obsolete Inventories	-\$1,293		-\$1,293		-\$1,293
144 Inter Program Due From					
145 Assets Held for Sale					
150 Total Current Assets	\$884,680	\$1,012,746	\$1,897,426		\$1,897,426
161 Land	\$187,976	\$586,815	\$774,791		\$774,791
162 Buildings	\$3,869,760	\$1,983,931	\$5,853,691		\$5,853,691
163 Furniture, Equipment & Machinery - Dwellings	\$129,462	\$107,549	\$237,011		\$237,011
164 Furniture, Equipment & Machinery - Administration	\$365,212	\$40,087	\$405,299		\$405,299
165 Leasehold Improvements	\$4,486,549	\$217,885	\$4,704,434		\$4,704,434
166 Accumulated Depreciation	-\$6,728,185	-\$1,846,470	-\$8,574,655		-\$8,574,655
167 Construction in Progress	\$77,432	\$64,550	\$141,982		\$141,982
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$2,388,206	\$1,154,347	\$3,542,553		\$3,542,553
171 Notes, Loans and Mortgages Receivable - Non-Current					
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due					
173 Grants Receivable - Non Current					
174 Other Assets					
176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$2,388,206	\$1,154,347	\$3,542,553		\$3,542,553
200 Deferred Outflow of Resources	\$39,365		\$39,365		\$39,365
290 Total Assets and Deferred Outflow of Resources	\$3,312,251	\$2,167,093	\$5,479,344		\$5,479,344
311 Bank Overdraft					
312 Accounts Payable <= 90 Days	\$17,103	\$6,329	\$23,432		\$23,432
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable	\$14,208		\$14,208		\$14,208
322 Accrued Compensated Absences - Current Portion	\$33,487		\$33,487		\$33,487
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	\$32,662	\$28,341	\$61,003		\$61,003
342 Unearned Revenue	\$5,223	\$4,143	\$9,366		\$9,366
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue					
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities					
346 Accrued Liabilities - Other	\$51,569	\$19,724	\$71,293		\$71,293
347 Inter Program - Due To					
348 Loan Liability - Current					
310 Total Current Liabilities	\$154,252	\$58,537	\$212,789		\$212,789
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		\$317,000	\$317,000		\$317,000
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other					
354 Accrued Compensated Absences - Non Current					
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities	\$118,408		\$118,408		\$118,408
350 Total Non-Current Liabilities	\$118,408	\$317,000	\$435,408		\$435,408
300 Total Liabilities	\$272,660	\$375,537	\$648,197		\$648,197
400 Deferred Inflow of Resources	\$97,012		\$97,012		\$97,012
508.4 Net Investment in Capital Assets	\$2,388,206	\$837,347	\$3,225,553		\$3,225,553
511.4 Restricted Net Position		\$688,876	\$688,876		\$688,876
512.4 Unrestricted Net Position	\$554,373	\$265,333	\$819,706		\$819,706
513 Total Equity - Net Assets / Position	\$2,942,579	\$1,791,556	\$4,734,135		\$4,734,135
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$3,312,251	\$2,167,093	\$5,479,344		\$5,479,344



Housing Authority of Kittitas County (WA009)  
Ellensburg, WA

**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Non Single Audit

Fiscal Year End: 03/31/2018

	Project Total	2 State/Local	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$393,717	\$389,042	\$782,759		\$782,759
70400 Tenant Revenue - Other	\$35,560	\$13,841	\$49,401		\$49,401
70500 Total Tenant Revenue	\$429,277	\$402,883	\$832,160	\$0	\$832,160
70600 HUD PHA Operating Grants	\$381,715		\$381,715		\$381,715
70610 Capital Grants					
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue			\$0	\$0	\$0
70800 Other Government Grants					
71100 Investment Income - Unrestricted	\$1,045		\$1,045		\$1,045
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	\$106,155	\$63,536	\$169,691	-\$93,651	\$76,040
71600 Gain or Loss on Sale of Capital Assets	\$28,253	\$426	\$28,679		\$28,679
72000 Investment Income - Restricted		\$737	\$737		\$737
70000 Total Revenue	\$946,445	\$467,582	\$1,414,027	-\$93,651	\$1,320,376
91100 Administrative Salaries	\$106,275		\$106,275		\$106,275

91200 Auditing Fees	\$8,742	\$4,114	\$12,856		\$12,856
91300 Management Fee	\$90,440	\$41,548	\$131,988		\$131,988
91310 Book-keeping Fee					
91400 Advertising and Marketing	\$1,171	\$116	\$1,287		\$1,287
91500 Employee Benefit contributions - Administrative	\$7,871		\$7,871		\$7,871
91600 Office Expenses	\$40,883	\$59,010	\$99,893	-\$42,395	\$57,498
91700 Legal Expense	\$7,683	\$7,745	\$15,428		\$15,428
91800 Travel	\$3,250	\$1,576	\$4,826		\$4,826
91810 Allocated Overhead					
91900 Other	\$3,853	\$10,765	\$14,618	-\$6,925	\$7,693
91000 Total Operating - Administrative	\$270,168	\$124,874	\$395,042	-\$49,320	\$345,722
92000 Asset Management Fee					
92100 Tenant Services - Salaries					
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services					
92400 Tenant Services - Other	\$217	\$64	\$281		\$281
92500 Total Tenant Services	\$217	\$64	\$281	\$0	\$281
93100 Water	\$43,875	\$18,556	\$62,431		\$62,431
93200 Electricity	\$13,493	\$4,348	\$17,841		\$17,841
93300 Gas	\$394	\$869	\$1,263		\$1,263
93400 Fuel					
93500 Labor					
93600 Sewer	\$33,944	\$12,637	\$46,581		\$46,581
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense					
93000 Total Utilities	\$91,706	\$36,410	\$128,116	\$0	\$128,116
94100 Ordinary Maintenance and Operations - Labor	\$133,839		\$133,839		\$133,839
94200 Ordinary Maintenance and Operations - Materials and Other	\$44,363	\$22,647	\$67,010		\$67,010
94300 Ordinary Maintenance and Operations Contracts	\$104,008	\$91,680	\$195,688	-\$44,331	\$151,357
94500 Employee Benefit Contributions - Ordinary Maintenance	\$11,892		\$11,892		\$11,892
94000 Total Maintenance	\$294,102	\$114,327	\$408,429	-\$44,331	\$364,098

95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs					
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance	\$12,859	\$5,625	\$18,484		\$18,484
96120 Liability Insurance	\$2,518	\$1,059	\$3,577		\$3,577
96130 Workmen's Compensation					
96140 All Other Insurance	\$6,415	\$1,754	\$8,169		\$8,169
96100 Total Insurance Premiums	\$21,792	\$8,438	\$30,230	\$0	\$30,230
96200 Other General Expenses		\$16,745	\$16,745		\$16,745
96210 Compensated Absences	\$24,022		\$24,022		\$24,022
96300 Payments in Lieu of Taxes					
96400 Bad debt - Tenant Rents	\$18,402	\$5,638	\$24,040		\$24,040
96500 Bad debt - Mortgages					
96600 Bad debt - Other					
96800 Severance Expense					
96000 Total Other General Expenses	\$42,424	\$22,383	\$64,807	\$0	\$64,807
96710 Interest of Mortgage (or Bonds) Payable					
96720 Interest on Notes Payable (Short and Long Term)					
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$720,409	\$306,496	\$1,026,905	-\$93,651	\$933,254
97000 Excess of Operating Revenue over Operating Expenses	\$226,036	\$161,086	\$387,122	\$0	\$387,122
97100 Extraordinary Maintenance					
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments					

97350 HAP Portability-In					
97400 Depreciation Expense	\$178,212	\$58,541	\$236,753		\$236,753
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$898,621	\$365,037	\$1,263,658	-\$93,651	\$1,170,007
10010 Operating Transfer In	\$92,324		\$92,324	-\$92,324	\$0
10020 Operating transfer Out	-\$92,324		-\$92,324	\$92,324	\$0
10030 Operating Transfers from/to Primary Government					
10040 Operating Transfers from/to Component Unit					
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss					
10080 Special Items (Net Gain/Loss)					
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)	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$47,824	\$102,545	\$150,369	\$0	\$150,369
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0		\$0
11030 Beginning Equity	\$2,894,755	\$1,689,011	\$4,583,766		\$4,583,766
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0		\$0		\$0
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity					

11180 Housing Assistance Payments Equity					
11190 Unit Months Available	1298	612	1910		1910
11210 Number of Unit Months Leased	1291	598	1889		1889
11270 Excess Cash	\$636,323		\$636,323		\$636,323
11610 Land Purchases	\$0		\$0		\$0
11620 Building Purchases	\$0		\$0		\$0
11630 Furniture & Equipment - Dwelling Purchases	\$0		\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$0		\$0		\$0
11650 Leasehold Improvements Purchases	\$0		\$0		\$0
11660 Infrastructure Purchases	\$0		\$0		\$0
13510 CFFP Debt Service Payments	\$0		\$0		\$0
13901 Replacement Housing Factor Funds	\$0		\$0		\$0