



Office of the Washington State Auditor
Pat McCarthy

Financial Statements and Federal Single Audit Report

Housing Authority of Chelan County and the City of Wenatchee

For the period January 1, 2020 through December 31, 2020

Published February 10, 2022

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

February 10, 2022

Board of Commissioners
Housing Authority of Chelan County and the City of Wenatchee
Wenatchee, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on the Housing Authority of Chelan County and the City of Wenatchee'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,

Pat McCarthy, State Auditor
Olympia, WA

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Housing Authority of Chelan County and the City of Wenatchee January 1, 2020 through December 31, 2020

SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audit of the Housing Authority of Chelan County and the City of Wenatchee are summarized below in accordance with Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Financial Statements

We issued an unmodified opinion on the fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP).

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 its major federal program.

We reported no findings that are required to be disclosed in accordance with 2 CFR 200.516(a).

Identification of Major Federal Programs

The following program was selected as a major program in our audit of compliance in accordance with the Uniform Guidance.

<u>CFDA No.</u>	<u>Program or Cluster Title</u>
14.871	Housing Voucher Cluster – Section 8 Housing Choice Vouchers

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by the Uniform Guidance, was \$750,000.

The Housing Authority qualified as a low-risk auditee under the Uniform Guidance.

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

INDEPENDENT AUDITOR'S REPORT

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 Chelan County and the City of Wenatchee January 1, 2020 through December 31, 2020

Board of Commissioners
Housing Authority of Chelan County and the City of Wenatchee
Wenatchee, 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 Housing Authority of Chelan County and the City of Wenatchee, as of and for the year ended December 31, 2020, 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 January 13, 2022.

Our report includes a reference to other auditors who audited the financial statements of the Bello Rio, LLC, as describe in our report of the Housing Authority's financial statements. This report includes consideration of the results of the other auditors' testing of internal controls over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it related to the result of the other auditors, is based solely on the report of the other auditors. The financial statements of the Bello Rio, LLC were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal controls over financial reporting or instances of reportable noncompliance associated with the Bello Rio, LLC.

As discussed in Note 8 to the financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the Authority is unknown.

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 opinion 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 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 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 black ink, reading "Pat McCarthy". The signature is written in a cursive, flowing style with a large initial "P" and "M".

Pat McCarthy, State Auditor

Olympia, WA

January 13, 2022

INDEPENDENT AUDITOR'S REPORT

Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance in Accordance with the Uniform Guidance

Housing Authority of Chelan County and the City of Wenatchee January 1, 2020 through December 31, 2020

Board of Commissioners
Housing Authority of Chelan County and the City of Wenatchee
Wenatchee, Washington

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

We have audited the compliance of the Housing Authority of Chelan County and the City of Wenatchee, with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the Housing Authority's major federal programs for the year ended December 31, 2020. The Housing Authority's major federal programs are identified in the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the 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 the audit requirements of Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the 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, 2020.

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 the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the 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 the Uniform Guidance. 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 black ink that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy, State Auditor

Olympia, WA

January 13, 2022

INDEPENDENT AUDITOR'S REPORT

Report on the Financial Statements

Housing Authority of Chelan County and the City of Wenatchee January 1, 2020 through December 31, 2020

Board of Commissioners
Housing Authority of Chelan County and the City of Wenatchee
Wenatchee, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the Housing Authority of Chelan County and the City of Wenatchee, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed on page 16.

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 did not audit the financial statements of Bello Rio, LLC, which represents 8.7 percent, 10 percent and 2.5 percent, respectively, of the Housing Authority's assets, net position, and revenues. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion insofar as it related to the amounts included for the Bello Rio, 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 Bello Rio, 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 opinion.

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 financial position of the Housing Authority of Chelan County and the City of Wenatchee, as of December 31, 2020, and the 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.

Matters of Emphasis

As discussed in Note 8 to the financial statements, the full extent of the COVID-19 pandemic's direct or indirect financial impact on the Authority is unknown. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Housing Authority's basic financial statements as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The accompanying Financial Data Schedule form is 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. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Housing Authority's basic financial statements as a whole. The Combining Schedule of Net Position, Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position and Combining Schedule of Cash Flows are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2022 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.

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Pat McCarthy, State Auditor

Olympia, WA

January 13, 2022

FINANCIAL SECTION

Housing Authority of Chelan County and the City of Wenatchee January 1, 2020 through December 31, 2020

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis – 2020

BASIC FINANCIAL STATEMENTS

Statement of Net Position – 2020

Statement of Revenues, Expenses and Changes in Net Position – 2020

Statement of Cash Flows – 2020

Notes to Financial Statements – 2020

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Proportionate Share of Net Pension Liability – PERS 1, PERS 2/3 – 2020

Schedule of Employer Contributions – PERS 1, PERS 2/3– 2020

SUPPLEMENTARY AND OTHER INFORMATION

Combining Schedule of Net Position – 2020

Combining Schedule of Revenues, Expenses, and Changes in Fund Net Position – 2020

Combining Schedule of Cash Flows – 2020

Schedule of Expenditures of Federal Awards – 2020

Notes to the Schedule of Expenditures of Federal Awards – 2020

Financial Data Schedule – 2020

**HOUSING AUTHORITY OF CHELAN COUNTY
AND THE CITY OF WENATCHEE**

MANAGEMENT'S DISCUSSION AND ANALYSIS

YEAR ENDED DECEMBER 31, 2020

The Housing Authority of Chelan County and the City of Wenatchee's (the Housing Authority) management's discussion and analysis (MD&A) is designed to:

- Assist the reader in focusing on significant financial issues;
- Provide an overview of the Housing Authority's financial activity;
- Identify changes in the Housing Authority's financial position;
- Provide information on challenges in the next and subsequent years; and
- Identify individual program issues and concerns.

The MD&A focuses on the current year's activities. Please read it in conjunction with the Housing Authority's financial statements.

Financial Statements

The financial statements of the Housing Authority report information about the Housing Authority as a whole using accounting methods similar to those used by private sector companies. They display the financial position and activity of the Housing Authority. These statements include:

1. Statement of Net Position. This reports total assets and deferred outflows of resources and total liabilities and deferred inflows of resources with the difference between the two totals reported as net position. Assets and liabilities are presented in order of liquidity. They are classified as "Current" and "Noncurrent." Current assets are those that will be received or utilized in one year, current liabilities are those that will be paid or performed within one year. The net position is one way to measure the Housing Authority's financial health. Over time, increases or decreases in the Housing Authority's net position are one indicator of its financial health.

Net Position is reported in three broad categories:

- Net Investment in Capital Assets – This component of net position consists of all capital assets, net of accumulated depreciation, and capital-related deferred outflows of resources reduced by the outstanding balances of any capital related borrowings and deferred inflows of resources.
- Restricted – This component of net position consists of assets restricted by creditors, grantors, laws, regulations or others reduced by related liabilities and deferred inflows of resources.
- Unrestricted – This component of net position consists of all net position that does not meet the definition of "Net Investment in Capital Assets" or "Restricted."

Financial Statements (Continued)

2. Statement of Revenues, Expenses, and Changes in Fund Net Position – This statement is similar to an income statement and includes operating revenues, such as rental income and other tenant revenue, operating expenses, such as administrative expenses, utilities, housing assistance payments, maintenance and depreciation, and nonoperating revenues and expenses, which include grant revenue, interest income, and interest expense.

The focus of the Statement of Revenues, Expenses, and Changes in Fund Net Position is the “Change in Net Position.” This is similar to Net Income or Loss.

3. Statement of Cash Flows – This statement shows cash provided by, or used for, operating activities, noncapital financing activities, capital and related financing activities, and investing activities. It presents information regarding where cash came from and what it was used for.
4. Notes to Financial Statements – The notes to the financial statements provide useful information regarding the Housing Authority’s significant accounting policies, explain significant account balances and activities, certain material risks, estimates, obligations, commitments, contingencies, and subsequent events, if any.

Housing Authority Programs

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

The Housing Authority’s programs are as follows:

1. Tenant Based Housing Choice Voucher Program – Under the Tenant Based Housing Choice Voucher Program, the Housing Authority administers contracts with independent landlords. The Housing Authority subsidizes the tenant’s rent through a Housing Assistance Payment (HAP) made to the landlord. This program consists of Housing Choice Vouchers and Veterans Affairs Supportive Housing (VASH). The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides funding to enable the Housing Authority to structure a lease that sets the tenants’ rent at 30% of adjusted household income.
2. Project Based Housing Choice Voucher Program – Under the Project Based Housing Choice Voucher Program, the Housing Authority rents units that it owns to low-income households, Garten Haus is elderly only, Lake Chelan Community Apartments, Emerson Manor, and Wenatchee House are elderly/disabled. They receive Rental Assistance and operate under HUD Regulations. Entiat Gardens is multi-family and receives Rental Assistance through HUD, but the facility is managed following Rural Development regulations. The program is administered under an ACC with HUD. HUD provides funding to enable the Housing Authority to structure a lease that sets the tenants’ rent at 30% of adjusted household income.

Housing Authority Programs (Continued)

3. Rural Development – Under the Rural Development program, the Housing Authority rents units it owns to low-income families. There are a total of 11 projects: Washington Square, Wenatchee II, Applewood, Heritage Glen, Chelan Bluff, Vista Del Rio, and Columbia Pointe are for farmworker families; Man*Sun Villa and Chelan Gardens are for elderly/disabled families; River Run and Gibson Gardens are for multi-family. Rural Development provides funding to enable the Housing Authority to structure a lease that sets the tenant's rent at 30% of adjusted household income.
4. Tax Credit – Bello Rio, LLC is a rent-restricted property for low-income farmworkers.
5. State/Local – The Office of Community Development provided development funding for Vista Del Rio, Bello Rio, LLC, Lake Chelan Community Apartment Apartments, Chelan Bluff, Heritage Glen, and Columbia Pointe in prior years. A portion of Morning Sun Park development costs were funded in prior years with HOME funds.
6. General – This represents non-HUD resources developed from a variety of activities, including management fees from projects and various grants.

Financial Highlights

- The Housing Authority maintained an average occupancy rate of 98%.
- The Housing Authority's revenues increased \$793,106 from 2019 to 2020. Revenues were approximately \$8.8 million and \$8.05 million for 2020 and 2019, respectively. The total expenses for all the Housing Authority's programs increased by \$109,490 (1.3%). Total expenses were approximately \$8.35 million and \$ 8.24 million for 2020 and 2019, respectively.

Financial Analysis of the Housing Authority

The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Fund Net Position report information about the Housing Authority's activities to help determine the overall financial health of the organization. Economic conditions, population growth, and new or changed government legislation would also need to be considered when analyzing the Housing Authority's activities.

Certain resources of the Housing Authority are restricted for future use, such as cash reserves required by the U.S. Department Housing and Urban Development and USDA Rural Development.

An Overview of the Housing Authority-Wide Financial Position and Operations

The Housing Authority's overall financial position and operations for the past two years are summarized below based on the information included in the current and prior financial statements.

STATEMENTS OF NET POSITION

December 31, 2020 and 2019

	2020	2019
ASSETS		
Current and Other Assets	\$ 6,250,951	\$ 4,998,797
Capital Assets	31,156,276	31,856,352
Total Assets	37,407,227	36,855,149
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Outflow of Resources Related to Pensions	165,885	131,117
Total Assets and Deferred Outflows of Resources	<u>\$ 37,573,112</u>	<u>\$ 36,986,266</u>
LIABILITIES		
Current Liabilities	\$ 1,586,662	\$ 1,179,972
Long-Term Liabilities	22,291,651	22,545,810
Total Liabilities	23,878,313	23,725,782
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflow of Resources Related to Pensions	200,912	332,902
Deferred Inflow of Resources Related to HUD	7,539	-
Total Deferred Inflows of Resources	<u>208,451</u>	<u>332,902</u>
NET POSITION		
Net Investment in Capital Assets	8,776,850	9,356,079
Restricted	3,523,389	2,860,973
Unrestricted	1,186,109	710,530
Total Net Position	<u>13,486,348</u>	<u>12,927,582</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 37,573,112</u>	<u>\$ 36,986,266</u>

Total Assets

The Housing Authority's total assets at December 31, 2020 were approximately \$37.3 million, an increase of approximately \$460,000 from December 31, 2019. This is due to an increase in cash and cash equivalents of approximately \$1,070,000 combined with a decrease in capital assets during the year of approximately \$700,000 as well as minor increases and decreases in accounts receivable and prepaid expenses.

An Overview of the Housing Authority-Wide Financial Position and Operations (Continued)

Deferred Outflows of Resources

Deferred outflows of resources related to pensions increased approximately by \$35,000 in 2020. This was due to changes in the Housing Authority's proportionate share of collective deferred outflows related to pensions. See Note 5.

Total Liabilities

Total liabilities increased by approximately \$152,000 primarily due to accounts payable related to predevelopment costs. Current liabilities increased by approximately \$407,000 in 2020. This was primarily due to an increase in accounts payable of approximately \$170,000, the increase relates to predevelopment costs associated with Emerson Manor and Mountainview which as a new project. preconstruction costs. Long term liabilities decreased by approximately \$254,000 due to proceeds received from debt, offset by current year debt payments. See Note 4.

Deferred Inflows of Resources

Deferred inflows of resources related to pensions decreased by \$124,000 in 2020. This was due to changes in the Housing Authority's proportionate share of collective deferred inflows related to pensions. See Note 5.

Total Net Position

The Housing Authority's net position increased by approximately \$467,000 in 2020 due to revenues exceeding expenses.

An Overview of the Housing Authority-Wide Financial Position and Operations (Continued)

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION

Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES		
Tenant Revenue - Rent	\$ 2,376,256	\$ 2,367,673
Other Revenue	75,593	30,475
NONOPERATING REVENUES		
HUD Operating Subsidies	4,892,861	4,733,037
HCV CARES Act Funding	516,364	-
Grants	907,710	805,991
Interest	77,456	77,833
Other Nonoperating Revenue	32,660	39,143
Gain on Disposal of Capital Assets	-	48
Total Revenues	<u>8,878,900</u>	<u>8,054,200</u>
OPERATING EXPENSES		
Administrative	384,646	351,592
Utilities	719,236	678,118
Maintenance	938,342	1,025,927
General	1,145,483	1,335,895
Housing Assistance Payments	3,446,697	3,247,211
Depreciation	1,235,337	1,207,205
Miscellaneous Expense	34,069	24,071
NONOPERATING EXPENSES		
COVID Relief Expenses	61,080	-
Interest Expense	355,244	374,051
Total Expenses	<u>8,320,134</u>	<u>8,244,070</u>
CHANGE IN NET POSITION	558,766	(189,870)
TOTAL NET POSITION - JANUARY 1	<u>12,927,582</u>	<u>13,117,452</u>
TOTAL NET POSITION - DECMEBER 31	<u><u>\$ 13,486,348</u></u>	<u><u>\$ 12,927,582</u></u>

An Overview of the Housing Authority-Wide Financial Position and Operations (Continued)

Major Factors Affecting the Statement of Revenues, Expenses, and Change in Net Position

Total revenues increased approximately \$793,000 in 2020 primarily due to an increase in HUD Operating Subsidies and receipt of HCV CARES Act Funding in response to the COVID-19 Pandemic.

Capital Assets and Debt Administration

Capital Assets

As of year-end, the Housing Authority had approximately \$31.16 million invested, net of depreciation, in a variety of capital assets. This represents a net decrease of approximately \$700,000 from the previous year. The net decrease includes all additions, disposals, and depreciation. The capital assets are reflected in the following schedule:

	2020	2019
Land	\$ 3,782,579	\$ 3,782,579
Buildings and Improvements	44,858,822	44,748,458
Furnishings and Equipment	315,642	315,642
Total	48,957,043	48,846,679
Less: Accumulated Depreciation	(18,457,244)	(17,221,907)
Construction in Progress	656,477	231,580
Total	<u>\$ 31,156,276</u>	<u>\$ 31,856,352</u>

The decrease the capital assets in 2020 was due depreciation. See Note 3 of the financial statements for further information.

Debt Outstanding

At year-end, the Housing Authority had approximately \$22.4 million in notes outstanding, which is a \$110,000 decrease from the prior year.

Additional debt to be issued is based on needs of the Housing Authority and future expected acquisitions.

Pension Liability

At year-end the Housing Authority's statement of net position includes deferred outflows of resources related to pensions of \$165,885, deferred inflows of resources related to pensions of \$200,912, net pension liability of \$482,031 and pension expense of \$49,246. See Note 5 of the financial statements for further information.

Economic Factors Affecting the Housing Authority's Future

Currently, Chelan and Douglas counties have a 0% vacancy rate making it very difficult for low income families to find suitable housing in a timely fashion. This negatively impacts our overall lease up rate with the Section 8 Housing Choice Voucher Program.

The Housing Authority continues to pursue strategies to strengthen its overall net position by converting the ownership structure of properties, from Housing Authority owned, to LLC by limited partnership with the Housing Authority as general managing partner. This all allows for equity contributions to fund housing activities and shift dependency away from federal programs.

Finally, the Housing Authority continues to seek assistance through Rural Development's MPR program to rehabilitate properties that have deferred maintenance and many accessibility issues that need to be brought into compliance.

Request for Information

This financial report is designed to provide a general overview of the Housing Authority's accountability for all those interested. If you should have additional questions regarding the financial information, please contact our office in writing at the following address:

Housing Authority of Chelan County and the City of Wenatchee
Attn: Tekle Bushen
1555 S. Methow Street
Wenatchee, Washington 98801

HOUSING AUTHORITY OF CHELAN COUNTY AND THE CITY OF WENATCHEE
MCAG NO. 0439
STATEMENT OF NET POSITION
DECEMBER 31, 2020

CURRENT ASSETS

Cash and Cash Equivalents	\$ 2,029,321
Restricted Cash:	
Tenant Deposits	196,313
Family Self-Sufficiency	120,765
Cash Reserves	<u>3,523,389</u>
Total Cash and Cash Equivalents	5,869,788
Accounts Receivable:	
Tenants	173,155
Related Parties	123
Other, Net of Allowance for Doubtful Accounts	174,207
Prepaid Expenses	<u>33,678</u>
Total Current Assets	6,250,951

NONCURRENT ASSETS

Land	3,782,579
Land Improvements	4,548,307
Buildings and Improvements	40,310,515
Furnishings and Equipment	<u>315,642</u>
Total	48,957,043
Less: Accumulated Depreciation	<u>18,457,244</u>
Net Capital Assets	30,499,799
Construction in Progress	<u>656,477</u>
Total Capital Assets	<u>31,156,276</u>
 Total Assets	 <u><u>\$ 37,407,227</u></u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred Outflows of Resources Related to Pensions	<u><u>\$ 165,885</u></u>
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HOUSING AUTHORITY OF CHELAN COUNTY AND THE CITY OF WENATCHEE
MCAG NO. 0439
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2020

CURRENT LIABILITIES

Current Portion of Long-Term Debt	\$ 690,571
Accounts Payable:	
Trade	371,569
Other	109
Unearned Revenue	55,478
Payroll Taxes Payable	26,930
Compensated Absences Payable	78,984
Accrued Payroll Payable	66,013
Accrued Interest Payable	96,121
Tenant Deposits Payable	200,887
Total Current Liabilities	<u>1,586,662</u>

NONCURRENT LIABILITIES

Family Self-Sufficiency Payable	120,765
Long-Term Debt, Net of Current Portion	21,688,855
Net Pension Liability	482,031
Total Noncurrent Liabilities	<u>22,291,651</u>

Total Liabilities	<u><u>\$ 23,878,313</u></u>
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DEFERRED INFLOWS OF RESOURCES

Deferred Inflow of Resources Related to Pensions	\$ 200,912
Deferred Inflow of Resources Related to HUD	7,539
Total Deferred Inflows of Resources	<u>208,451</u>

NET POSITION

Net Investment in Capital Assets	8,776,850
Restricted	3,523,389
Unrestricted	<u>1,186,109</u>
Total Net Position	<u><u>\$ 13,486,348</u></u>

HOUSING AUTHORITY OF CHELAN COUNTY AND THE CITY OF WENATCHEE
MCAG NO. 0439
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
YEAR ENDED DECEMBER 31, 2020

OPERATING REVENUES

Tenant Rental Revenue	\$ 2,376,256
Other Operating Revenue	75,593
Total Operating Revenues	<u>2,451,849</u>

OPERATING EXPENSES

Housing Assistance Payments	3,446,697
Administrative Salaries	358,178
Utilities	719,236
Depreciation	1,235,337
Maintenance Salaries	430,405
Maintenance and Repairs	507,937
Site Manager Salaries	436,777
Office Expense	160,348
Payroll Taxes	130,986
Payroll Benefits	326,054
Administration Fees	26,468
Travel and Training	43,811
Accounting and Auditing Fees	60,314
Insurance	85,183
Advertising	2,364
Legal Fees	17,844
Amortization	30
Bad Debts	(118,198)
Miscellaneous	34,039
Total Operating Expenses	<u>7,903,810</u>

OPERATING LOSS

(5,451,961)

NONOPERATING REVENUES (EXPENSES)

HUD Operating Subsidies	4,892,861
HCV CARES Act Funding	516,364
COVID Relief Expenses	(61,080)
Other Nonoperating Grants	907,710
Interest Income - Reserves	1,468
Interest Income - Other	75,988
Other Nonoperating Revenue	32,660
Interest Expense	(355,244)
Total Nonoperating Revenues and Expenses	<u>6,010,727</u>

CHANGE IN NET POSITION

558,766

Net Position - Beginning of Year

12,927,582

NET POSITION - END OF YEAR

\$ 13,486,348

HOUSING AUTHORITY OF CHELAN COUNTY AND THE CITY OF WENATCHEE
MCAG NO. 0439
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from Tenants	\$ 2,857,744
Cash Paid to Employees	(2,131,288)
Cash Paid to Suppliers	(5,051,975)
Net Cash Used by Operating Activities	<u>(4,325,519)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Nonoperating Grants	5,747,031
CARES Act Funding	516,364
COVID Relief Funding	61,080
COVID Relief Funding Paid to Tenants	(55,470)
COVID Relief Funding Paid to Admin Fee	(5,610)
Net Cash Provided by Noncapital Financing Activities	<u>6,263,395</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Proceeds from Long-Term Debt	181,260
Purchases of Capital Assets	(535,290)
Principal Paid on Capital Debt	(302,107)
Interest Paid on Capital Debt	(321,013)
Other Nonoperating Receipts	32,660
Net Cash Used by Capital and Related Financing Activities	<u>(944,490)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest Received	75,988
Reserve Interest Received	1,468
Net Cash Provided by Investing Activities	<u>77,456</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS

1,070,842

Cash and Cash Equivalents - Beginning of Year

4,798,946

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 5,869,788

HOUSING AUTHORITY OF CHELAN COUNTY AND THE CITY OF WENATCHEE
MCAG NO. 0439
STATEMENT OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

**RECONCILIATION OF OPERATING LOSS TO NET CASH
USED BY OPERATING ACTIVITIES**

Operating Loss	\$ (5,451,961)
Adjustments to Reconcile Operating Loss to Net Cash	
Used by Operating Activities:	
Depreciation	1,235,337
Amortization	30
Bad Debts	(118,198)
(Increase) Decrease in Operating Assets and Deferred Outflows:	
Accounts Receivable	(47,398)
Prepaid Expenses	18,322
Deferred Outflows Related to Pensions	(34,768)
Increase (Decrease) in Operating Liabilities and Deferred Inflows:	
Accounts Payable	136,270
Unearned Revenue	8,565
Payroll Taxes Payable	(10,836)
Compensated Absences Payable	304
Accrued Payroll Payable	8,474
Tenant Deposits Payable	3,124
Family Self-Sufficiency Payable	22,489
Net Pension Liability	36,717
Deferred Inflows Related to Pensions	(131,990)
Net Cash Used by Operating Activities	<u><u>\$ (4,325,519)</u></u>

HOUSING AUTHORITY OF CHELAN COUNTY AND THE CITY OF WENATCHEE
MCAG NO. 0439
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Operations

The Housing Authority is a municipal corporation established pursuant to Chapter 35.82 RCW as a special purpose government entity that provides low-income housing to a variety of individuals in Chelan and Douglas Counties and is supported primarily through user charges and government grants. The Housing Authority was incorporated on April 21, 1981 and is governed by an 11-member board of directors appointed by the Chelan County Commissioners and the mayors of various cities within the counties. The following is a summary of the most significant policies:

A. Reporting Entity

These financial statements present the Housing Authority and its component unit. The component unit discussed below is included in the Housing Authority's reporting entity as a blended component unit because of the significance of its operational or financial relationship with the Housing Authority.

B. Low Income Housing Tax Credit Entity (Component Unit)

Bello Rio, LLC, an entity legally separate from the Housing Authority, is governed by the 11-member board comprised of the commissioners of the Housing Authority. For financial reporting purposes, Bello Rio, LLC is reported as if it were part of the Housing Authority's operations because it shares the same governing body as the Housing Authority.

C. 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 (HUD). The Housing Authority must report using accounting principles generally accepted in the United States of America; however, it has the option to use either the single enterprise proprietary fund or special purpose government fund model.

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

HOUSING AUTHORITY OF CHELAN COUNTY AND THE CITY OF WENATCHEE
MCAG NO. 0439
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organization and Operations (Continued)

C. Basis of Accounting and Presentation (Continued)

The Housing Authority constructed and operates apartment units at sites in Chelan County for low-income agricultural workers. Funds for construction were provided by a combination of grants and mortgage notes from Rural Development, a division of the United States Department of Agriculture. Thirty-six units in the Washington Square project were ready for occupancy, and rental operations began May 1, 1984. Thirty-four units in the Wenatchee II project were placed into operation on January 22, 1987. Thirty-five units in the Applewood project were placed into operation on December 1, 1994. Thirty-five units in the Heritage Glen project were placed into operation on June 1, 2002. Eighteen of these units are set aside for seasonal workers. Twenty-two units in the Chelan Bluff project were placed into operation September 2007. Twenty-four units in the Vista Del Rio project were placed into operation in June 2009. Twenty-four units in the Columbia Pointe project were placed into operation in June 2009.

Twenty-one units in the Man*Sun Villa project were acquired from Chelan-Douglas Housing Association on September 1, 1993. The project provides housing for low-income senior citizens and the disabled in Manson, Washington. Thirty-two units in the Garten Haus project were acquired from Garten Haus Associates Limited Partnership on September 22, 1998. The project provides housing for low-income senior citizens in Leavenworth, Washington. Eighteen units in the River Run project were acquired from Nahahum Cove Associates on February 29, 2000. The project provides housing for low-income families in Cashmere, Washington. Twenty units in the Gibson Gardens project were acquired from Gibson Gardens Limited Partnership on May 2, 2003. The project provides housing for low-income families in Chelan, Washington. Sixteen units in the Chelan Gardens project were acquired from Chelan Gardens Limited Partnership on May 2, 2003. The project provides housing for low-income senior citizens and the disabled in Chelan, Washington. Twenty-six units in the Entiat Gardens project were acquired from Entiat Gardens Limited Partnership on May 2, 2003. The project provides housing for low-income families in Entiat, Washington.

Fifty units in the Wenatchee House Apartments project were acquired on February 25, 2014. The project provides housing for low-income senior citizens and the disabled in Wenatchee, Washington. Thirty-five units in the Emerson Manor project were acquired on February 25, 2014. The project provides housing for low-income senior citizens and the disabled in Wenatchee, Washington. Twenty-eight units in the Lake Chelan Community apartments were acquired on March 26, 2015. The project provides housing for low-income senior citizens and the disabled in Chelan, Washington.

In addition, the Housing Authority operates the Housing Choice Voucher Program (formerly Section Rental/Certificate Program) and the Veterans Affairs Supportive Housing (VASH) Program to provide rental assistance to low-income tenants of nonproject housing as a contract agency through HUD.

HOUSING AUTHORITY OF CHELAN COUNTY AND THE CITY OF WENATCHEE
MCAG NO. 0439
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organization and Operations (Continued)

D. 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 to be cash equivalents.

E. Accounts Receivable & Allowance for Uncollectible Accounts

Accounts receivable include amounts due from tenants and other government entities. The Housing Authority utilizes the allowance method for recording bad debts. Accounts receivable are carried at the amount considered by management to be collectible. Net other accounts receivable as of December 31, 2020 consisted of gross other accounts receivable of \$198,579, less allowance for doubtful accounts of \$24,372.

F. Capital Assets

Capital assets are defined by the Housing Authority as assets with an initial, individual cost of more than \$5,000 and an anticipated life of more than one year. Capital assets are recorded at cost. 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. Donated capital assets are recorded at acquisition value at the date of donation. In the case of the sale of a significant operating unit or system, the original cost is removed from the capital asset accounts, accumulated depreciation is charged with the accumulated depreciation related to the property sold, and the net gain or loss on disposition is credited or charged to income.

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

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

G. Operating Revenues/Expenses

Operating revenues result from fees and charges from providing services in connection with the ongoing operations of providing low-income housing. Operating subsidies and grants are reported as nonoperating revenues and are presented as cash flows from noncapital financing activities in the statement of cash flows. Operating expenses are those expenses that are directly incurred in the operation of providing low-income housing.

HOUSING AUTHORITY OF CHELAN COUNTY AND THE CITY OF WENATCHEE
MCAG NO. 0439
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organization and Operations (Continued)

H. Compensated Absences

Compensated absences are absences for which employees will be paid for vacation. The Housing Authority records unpaid leave for compensated absences as an expense and liability when incurred.

Vacation pay, which may be accumulated up to 240 hours, is payable upon resignation, retirement, or death.

I. Pensions

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

J. Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense) until that time. Deferred outflows of resources consist of contributions to pension plans subsequent to the June 30 measurement date and the District's proportionate share of deferred outflows related to those plans. Pension plan contributions subsequent to the measurement date are recognized as a reduction of the total net pension liability in the following year. Deferred outflows of resources related to pensions for the net difference between projected and actual earnings on plan investments are amortized over a closed five-year period. The remaining deferred outflows of resources related to pensions are amortized over the average expected service lives of all employees provided with pensions through each plan.

Deferred inflows of resources represent an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources consist of the Housing Authority's proportionate share of deferred inflows related to pension plans. Deferred inflows of resources related to pensions for the net difference between projected and actual earnings on plan investments are amortized over a closed five-year period. The remaining deferred inflows of resources related to pensions are amortized over the average expected service lives of all employees provided with pensions through each plan.

HOUSING AUTHORITY OF CHELAN COUNTY AND THE CITY OF WENATCHEE
MCAG NO. 0439
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Organization and Operations (Continued)

K. Net Position

Net Investment in Capital Assets – This component of net position consists of all capital assets, net of accumulated depreciation, and capital related deferred outflows of resources reduced by the outstanding balances of any capital related borrowings and deferred inflows of resources.

Restricted – This component of net position consists of assets restricted by creditors, grantors, laws, regulations or others reduced by related liabilities and deferred inflows of resources.

At December 31, 2020, restricted net position attributable to Housing Choice Vouchers consists of the following:

Housing Choice Voucher (Unspent)	\$ 418,831
Other Cash Reserves	3,104,558
Total Restricted Net Position	<u><u>\$ 3,523,389</u></u>

a) Housing Choice Voucher Cash Balance at Year-End:

Unspent Housing Choice Voucher funding at year-end is considered restricted. The amount of unspent funds or restricted balance at December 31, 2020 is \$418,831.

b) Required Cash Reserves

Replacement reserves required by HUD and USDA are considered restricted. The amount of required cash reserves at December 31, 2020 is \$3,104,558

Unrestricted – This component of net position consists of all net position that does not meet the definitions for “Net Investment in Capital Assets” or “Restricted.”

L. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

M. Interproject Eliminations

The Housing Authority presents its financial information for the entire government, which includes several projects. Interproject transactions and balances have been eliminated. See supplemental schedules for project presentations and eliminations.

HOUSING AUTHORITY OF CHELAN COUNTY AND THE CITY OF WENATCHEE
MCAG NO. 0439
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 2 DEPOSITS

The Housing Authority's bank balance at December 31, 2020 was \$5,727,223.

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Housing Authority would not be able to recover deposits or will not be able to recover collateral securities that are in possession of an outside party. The Housing Authority deposits and certificates of deposit are covered by federal depository insurance (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC).

NOTE 3 CAPITAL ASSETS

Capital asset activities for the year ended December 31, 2020 were as follows:

	Balance January 1, 2020	Increases	Deletions	Balance December 31, 2020
CAPITAL ASSETS NOT BEING DEPRECIATED				
Land	\$ 3,782,579	\$ -	\$ -	\$ 3,782,579
Construction in Progress	231,580	549,657	(124,760)	656,477
Total Capital Assets Not Being Depreciated	4,014,159	549,657	(124,760)	4,439,056
CAPITAL ASSETS BEING DEPRECIATED				
Land Improvements	4,548,307	-	-	4,548,307
Apartment Buildings and Furnishings	40,200,150	110,365	-	40,310,515
Nondwelling Furniture and Equipment	315,642	-	-	315,642
Total Capital Assets Being Depreciated	45,064,099	110,365	-	45,174,464
Less: Accumulated Depreciation				
Land Improvements	(2,408,503)	(145,626)	-	(2,554,129)
Apartment Buildings and Furnishings	(14,502,514)	(1,086,654)	-	(15,589,168)
Nondwelling Furniture and Equipment	(310,890)	(3,057)	-	(313,947)
Total Accumulated Depreciation	(17,221,907)	(1,235,337)	-	(18,457,244)
Net Capital Assets Being Depreciated	27,842,192	(1,124,972)	-	26,717,220
TOTAL NET CAPITAL ASSETS	<u>\$ 31,856,351</u>	<u>\$ (575,315)</u>	<u>\$ (124,760)</u>	<u>\$ 31,156,276</u>

HOUSING AUTHORITY OF CHELAN COUNTY AND THE CITY OF WENATCHEE
MCAG NO. 0439
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 3 CAPITAL ASSETS (CONTINUED)

As part of the rehabilitation of Wenatchee House the Housing Authority placed \$110,365 in service to Apartment Buildings and Furnishings which was transferred out of work in process.

NOTE 4 LONG-TERM DEBT

The Housing Authority has direct borrowings secured by capital assets. These loans were used to acquire capital assets that provide low-income housing. They are being repaid from revenues generated by the Housing Authority.

<u>Description</u>	<u>Amount</u>
A note to Rural Development, payable at \$681 per month, including interest at 1%, is due September 2039. The note is secured by the land and apartment buildings of the Washington Square project.	\$ 139,680
A note to Rural Development, payable at \$1,563 per month, including interest at 1%, is due September 2039. The note is secured by the land and apartment buildings of the Washington Square project.	320,510
A note to Rural Development, payable at \$354 per month, including interest at 1%, is due September 2039. The note is secured by the land and apartment buildings of the Wenatchee II project.	72,651
A note to Rural Development, payable at \$141 per month, including interest at 1%, is due September 2039. The note is secured by the land and apartment buildings of the Wenatchee II project.	28,895
A note to Rural Development, payable at \$1,953 per month, including interest at 1%, is due September 2039. The note is secured by the land and apartment buildings of the Wenatchee II project.	400,553
A note to Rural Development, payable at \$1,378 per month, including interest at 13.25% adjusted by an interest credit to 1%, is due August 2032. The note is secured by the land and apartment buildings of the Man*Sun Villa project.	420,739
A note to Rural Development, payable at \$714 per month, including interest at 5.75% adjusted by an interest credit to 1%, is due February 2044. The note is secured by the land and apartment buildings of the Man*Sun Villa project.	230,673
A note to Rural Development, payable at \$2,985 per month, including interest at 1%, is due November 2027. The note is secured by the land and apartment buildings of the Applewood project.	222,459

HOUSING AUTHORITY OF CHELAN COUNTY AND THE CITY OF WENATCHEE
MCAG NO. 0439
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 4 LONG-TERM DEBT (CONTINUED)

<u>Description</u>	<u>Amount</u>
A note to Rural Development, payable at \$960 per month, including interest at 7.125% adjusted by an interest credit to 1%, is due October 2047. The note is secured by the land and apartment buildings of the River Run project.	\$ 277,039
A note to Rural Development, is deferred for 20 years. The full principal and interest at 7.125% will be due and payable in October 2037. The note is secured by the land and apartment buildings of the River Run project.	87,638
A note to Rural Development, payable in one regular installment, including interest at 1.0% is due on or before October 2047 The note is secured by the land and apartment buildings of the River Run project.	974,980
A note to the Office of Rural and Farmworker Housing (ORFH), payable at \$1,461 for the first five quarters, including interest at 3.5%, plus one final payment due October 15, 2021. The note is secured by the land and apartment buildings of the Garten Haus project.	166,917
A noninterest bearing note to Washington State Department of Commerce, payable at \$4,598 per year, is due December 2051. The note is secured land of the Heritage Glen project, but takes a subordinate position to the Rural Development loan on this project.	149,382
A note to Washington State Department of Commerce, payable at \$15,203 per year, including Interest at 1%, is due December 2051. The note is secured by the apartment buildings of the Heritage Glen project, but takes a subordinate position to the Rural Development loan on this project.	420,133
A note to Rural Development, payable at \$2,382 per month, including interest at 1%, is due June 1, 2034. The note is secured by the apartment buildings of the Heritage Glen project.	372,155
A note to Washington State Department of Commerce, payable at \$3,476 per quarter, including interest at 1%, is due October 2047. The funds are for predevelopment costs associated with Chelan Bluff.	333,882
A note to Rural Development, payable at \$2,295 per month, including interest at 1%, is due November 2038. The note is secured by the land and apartment buildings of the Chelan Bluff project.	455,384
A note to Rural Development, payable at \$665 per month, including interest at 1%, is due in November 2039. The note is secured by the land and apartment buildings of the Vista Del Rio project.	139,078

HOUSING AUTHORITY OF CHELAN COUNTY AND THE CITY OF WENATCHEE
MCAG NO. 0439
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 4 LONG-TERM DEBT (CONTINUED)

<u>Description</u>	<u>Amount</u>
A note to Washington Community Reinvestment Association, payable at \$1,266 per month, including interest at 6.25%, is due June 2049. The note is secured by the land, apartment buildings, and revenues of the Vista Del Rio project.	\$ 202,164
A noninterest bearing note to Washington State Department of Commerce is deferred for 40 years. The full principal loan amount will be due and payable on or before October 31, 2045. The note is secured by the land of the Bello Rio, LLC project.	1,846,986
A note to Rural Development, payable at \$509 per month, including interest at 6% adjusted by an interest credit to 1%, is due May 2033. The note is secured by the land and apartment buildings of the Chelan Gardens project.	163,464
A note to Banner Bank, payable at \$1,730 per month, including interest at 4.5%, is due May 2033. The note is secured by the land and apartment buildings of the Entiat Gardens project.	196,668
A note to Rural Development, payable at \$2,322 per month, including interest at 6%, is due May 2031. The note is secured by the land and apartment buildings of the Entiat Gardens project.	215,478
A note to Rural Development, is deferred until future years. A balloon payment of deferred principal and interest at 6% adjusted by an interest credit to 1%, is due January 2039. The final installment is due October 2047. The note is secured by the land and apartment buildings of the Gibson Gardens project.	210,491
A note to Rural Development, payable at \$623 per month, including interest at 3.25% adjusted by an interest credit to 1%, is due October 2047. The note is secured by the land and apartment buildings of the Gibson Gardens project.	1,093,424
A note to the Office of Rural Farmworker Housing, payable at \$1,319 per month, including interest at 3.5% is due November 2035. The note is secured by the land and apartment buildings of the Gibson Gardens project.	183,768
A note to Rural Development, payable at \$900 per month, including interest at 1%, is due October 2041. The note is secured by the land and apartment buildings of the Columbia Pointe project.	199,451
A note to Banner Bank, payable at \$10,464 per month, including interest at 4.25%, is due February 28, 2044. The note is secured by the land and building of Wenatchee House.	1,852,643

HOUSING AUTHORITY OF CHELAN COUNTY AND THE CITY OF WENATCHEE
MCAG NO. 0439
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

NOTE 4 LONG-TERM DEBT (CONTINUED)

<u>Description</u>	<u>Amount</u>
A note to Banner Bank, payable at \$7,059 per month, including interest at 4.25% is due February 28, 2044. The note is secured by the land and building of Emerson Manor.	\$ 1,249,902
A noninterest bearing note to Washington State Department of Commerce. Repayment is deferred until sale, refinance, transfer, change of use, if the contractor is out of compliance with terms of the contract, or October 31, 2047. Upon completion of the deferral period, the loan will be converted to a grant with no expectation of repayment. The loan is evidenced by a Promissory Note and secured by a first Deed of Trust. The note is secured by the land and building of Chelan Bluff.	595,500
A noninterest bearing note to Washington State Department of Commerce. Repayment is deferred until sale, refinance, transfer, change of use, if the contractor is out of compliance with terms of the contract, or October 31, 2047. Upon completion of the deferral period, the loan will be converted to a grant with no expectation of repayment. The loan is evidenced by a Promissory Note and secured by a first Deed of Trust. The note is secured by the land and building of Vista Del Rio.	1,435,000
A noninterest bearing note to Washington State Department of Commerce. Repayment is deferred until sale, refinance, transfer, change of use, if the contractor is out of compliance with terms of the contract, or March 31, 2049. Upon completion of the deferral period, the loan will be converted to a grant with no expectation of repayment. The loan is evidenced by a Promissory Note and secured by a first Deed of Trust. The note is secured by the land and building of Columbia Pointe.	1,533,773
A noninterest bearing note to Washington State Department of Commerce. Repayment is deferred until sale, refinance, change of use or ownership, destruction of the property or December 31, 2049. Upon completion of the deferral period, the loan will be converted to a grant with no expectation of repayment. The loan is evidenced by a Promissory Note and secured by a first Deed of Trust. The note is secured by the land and building of Morning Sun Park.	906,942
A noninterest bearing note to Washington State Department of Commerce is deferred for 40 years. The full principal loan amount will be due and payable on or before January 31, 2054. The note is secured by the land and building of Wenatchee House.	1,173,000
A noninterest bearing note to Washington State Department of Commerce is deferred for 40 years. The full principal loan amount will be due and payable on or before January 31, 2054. The note is secured by the land and building of Emerson Manor.	829,000

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NOTE 4 LONG-TERM DEBT (CONTINUED)

<u>Description</u>	<u>Amount</u>
A noninterest bearing note to Washington State Department of Commerce is deferred for 40 years. The full principal loan amount will be due and payable on or before January 31, 2056. The note is secured by the land and building of Lake Chelan Community Apartments.	\$ 2,100,000
A note to the Office of Rural Farmworker Housing, payable at \$562 per month, including interest of 3.5%, due in November 2049. The note is secured by the land and building of ManSun Villa.	122,336
A note to Office of Rural Farmworker Housing, payable at \$736 per month, including interest of 3.5%, due in November 2049. The note is secured by the land and building of Chelan Gardens Property.	160,305
A note to the Office of Rural Farmworker Housing, payable at \$1,963 per month, including interest of 3.5%, due September 2024. The note is secured by the land and building of Garten House.	426,596
A note to Banner Bank, payable at \$911 per month, including interest of 5.75%, due December 2022. The note is secured by the land purchased for the Entiat Development.	20,527
A noninterest bearing note to Washington State Housing Finance Commission is deferred for eight years. The full principal loan amount will be due and payable on or before 2027. The note is secured by the land purchased for the Entiat Development	268,000
A note to Impact Capital, with monthly interest payments only. The Loan is payable in full on August 31, 2021. The note is unsecured.	100,093
A note to Impact Capital, with monthly interest payments only. The Loan is payable in full on August 31, 2021. The note is unsecured.	81,167
Total Long-Term Debt	<u>22,379,426</u>
Long-Term Debt Payable within One Year	<u>690,571</u>
Long-Term Debt Payable after One Year	<u><u>\$ 21,688,855</u></u>

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NOTE 4 LONG-TERM DEBT (CONTINUED)

Service requirements to maturity for mortgages are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 690,571	\$ 240,415
2022	353,609	227,958
2023	371,191	219,029
2024	366,120	210,095
2025	378,805	200,804
2026-2030	2,253,776	853,575
2031-2035	1,874,787	600,578
2036-2040	1,954,798	380,244
2041-2045	2,969,835	129,118
2046-2050	7,029,844	72,902
2051-2055	2,036,103	168
2056-2060	2,099,988	-
Total	<u>\$ 22,379,426</u>	<u>\$ 3,134,886</u>

Changes in long-term debt are as follows:

<u>Type of Debt</u>	<u>Balance</u> <u>1/1/2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2020</u>	<u>Due Within</u> <u>One Year</u>
Rural Development	\$ 6,194,850	\$ -	\$ 170,357	\$ 6,024,493	\$ 187,370
Bank Loans	3,416,605	-	96,865	3,319,740	101,957
WSHFC	268,000	-	-	268,000	-
WA Department of Commerce	11,332,742	-	9,144	11,323,598	26,339
WCRA	204,638	-	2,474	202,164	2,632
ORFH	1,083,438	-	23,267	1,060,171	191,013
Impact Capital	-	181,260	-	181,260	181,260
Net Pension Liability	445,314	-	(36,717)	482,031	-
Family Self Sufficiency Payable	98,276	22,489	-	120,765	-
Total Long-Term Liabilities	<u>\$ 23,043,863</u>	<u>\$ 203,749</u>	<u>\$ 265,390</u>	<u>\$ 22,982,222</u>	<u>\$ 690,571</u>

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NOTE 5 PENSION PLANS

The following table represents the aggregate pension amounts for all plans as of and for the year ended December 31, 2020:

Aggregate Pension Amounts - All Plans	
Pension Liabilities	\$ (482,031)
Pension Assets	-
Deferred Outflows of Resources	165,885
Deferred Inflows of Resources	(200,912)
Pension Expense	49,246

State Sponsored Pension Plans

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

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

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

Or the DRS CAFR may be downloaded from the DRS website at www.drs.wa.gov.

Public Employees' Retirement System (PERS)

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

PERS Plan 1

PERS Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined as 2% 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.

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NOTE 5 PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

Other benefits include duty and nonduty 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%. 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%. 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 2020 were as follows:

PERS Plan 1	Employer	Employee*
January - August 2020:		
PERS Plan 1	7.92%	6.00%
PERS Plan 1 UAAL	4.76%	
Administrative Fee	0.18%	
Total	12.86%	6.00%
September - December 2020:		
PERS Plan 1	7.92%	6.00%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
Total	12.97%	6.00%

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NOTE 5 PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (Continued)

PERS Plan 2/3

PERS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits are determined as 2% of the member's average final compensation (AFC) times the member's years of service for Plan 2 and 1% 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 3% 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 5% 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 nonduty disability payments, a cost-of-living allowance (based on the CPI), capped at 3% 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

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% and escalate to 15% 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.

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NOTE 5 PENSION PLANS (CONTINUED)

Public Employees' Retirement System (PERS) (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%. 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 2020 were as follows:

<u>PERS Plan 2/3</u>	<u>Employer</u>	<u>Employee*</u>
January - August 2020:		
PERS Plan 2/3	7.92%	7.90%
PERS Plan 1 UAAL	4.76%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
Total	12.86%	7.90%
September - December 2020:		
PERS Plan 2/3	7.92%	7.90%
PERS Plan 1 UAAL	4.87%	
Administrative Fee	0.18%	
Employee PERS Plan 3		Varies
Total	12.97%	7.90%

The Housing Authorities' actual PERS plan contributions were \$67,733 to PERS Plan 1 and \$111,824 to PERS Plan 2/3 for the year ended December 31, 2020.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2020 with a valuation date of June 30, 2019. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) 2013-2018 Experience Study and the 2019 Economic Experience Study.

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NOTE 5 PENSION PLANS (CONTINUED)

Actuarial Assumptions (Continued)

Additional assumptions for subsequent events and law changes are current as of the 2019 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2020. Plan liabilities were rolled forward from June 30, 2019, to June 30, 2020, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- Inflation: 2.75% total economic inflation; 3.50% salary inflation
- Salary increases: In addition to the base 3.50% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- Investment rate of return: 7.4%

Mortality rates were developed using the Society of Actuaries' Pub. H-2020 mortality rates, which vary by member status, as the base table. The OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society Actuaries, to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime.

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

- OSA updated its demographic assumptions based on the results of its latest demographic experience study. See OSA's 2013-2018 Demographic Experience Study at leg.wa.gov/osa.
- OSA updated the Early Retirement Factors and Joint-and-Survivor factors used in its model to match the ones implemented by DRS on October 1, 2020. These factors are used to value benefits for members who elect to retire early and for survivors of members that die prior to retirement.
- The valuation includes liabilities and assets for Plan 3 members purchasing Total Allocation Portfolio annuities when determining contribution rates and funded status.
- OSA changed its method of updating certain data items that change annually, including the public safety duty-related death lump sum and Washington state average wage. OSA set these values at 2018 and will project them into the future using assumptions until the next Demographic Experience Study in 2025. See leg.wa.gov/osa for more information on this method change.

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NOTE 5 PENSION PLANS (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.4%.

To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on OSA's 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 7.4% 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 7.4% 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 (CMA's) and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the CMA's and their target asset allocation to simulate future investment returns at various future times.

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, 2020, are summarized in the table below. The inflation component used to create the table is 2.2% and represents the WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	2.20%
Tangible Assets	7%	5.10%
Real Estate	18%	5.80%
Global Equity	32%	6.30%
Private Equity	23%	9.30%
	100%	

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NOTE 5 PENSION PLANS (CONTINUED)

Sensitivity of NPL

The table below presents the Housing Authorities proportionate share of the net pension liability calculated using the discount rate of 7.4%, as well as what the Housing Authorities proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.4%) or 1-percentage point higher (8.4%) than the current rate.

Plan	1% Decrease (6.4%)	Current Discount Rate (7.4%)	1% Increase (8.4%)
PERS 1	\$ 410,159	\$ 327,458	\$ 255,333
PERS 2/3	961,795	154,573	(510,175)

Pension Plan Fiduciary Net Position

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

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

At June 30, 2020, the Housing Authority reported a total pension liability of \$482,031 for its proportionate share of the net pension liabilities as follows:

Plan	Liability
PERS 1	\$ (327,458)
PERS 2/3	(154,573)
Total	<u>\$ (482,031)</u>

At June 30, 2020, the Housing Authorities proportionate share of the collective net pension liabilities was as follows:

Plan	Proportionate Share 6/30/2019	Proportionate Share 6/30/2020	Change in Proportion
PERS 1	0.008733%	0.009275%	0.000542%
PERS 2/3	0.011273%	0.012086%	0.000813%

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

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NOTE 5 PENSION PLANS (CONTINUED)

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

The collective net pension liability (asset) was measured as of June 30, 2020, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2019, with update procedures used to roll forward the total pension liability to the measurement date.

Pension Expense

For the year ended December 31, 2020, the Housing Authority recognized pension expense as follows:

Plan	Pension Expense
PERS 1	\$ 35,725
PERS 2/3	13,521
Total	<u>\$ 49,246</u>

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2020, the Housing Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PERS 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ -
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	(1,823)
Changes of Assumptions	-	-
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	-	-
Contributions Subsequent to the Measurement Date	33,910	-
Total	<u>\$ 33,910</u>	<u>\$ (1,823)</u>

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NOTE 5 PENSION PLANS (CONTINUED)

Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

<u>PERS 2/3</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 55,335	\$ (19,372)
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	(7,850)
Changes of Assumptions	2,202	(105,587)
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	18,891	(66,280)
Contributions Subsequent to the Measurement Date	55,547	-
Total	<u>\$ 131,975</u>	<u>\$ (199,089)</u>
<u>All Plans</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 55,335	\$ (19,372)
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	-	(9,673)
Changes of Assumptions	2,202	(105,587)
Changes in Proportion and Differences Between Contributions and Proportionate Share of Contributions	18,891	(66,280)
Contributions Subsequent to the Measurement Date	89,457	-
Total	<u>\$ 165,885</u>	<u>\$ (200,912)</u>

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NOTE 5 PENSION PLANS (CONTINUED)

Deferred Outflows of Resources and Deferred Inflows of Resources (Continued)

Deferred outflows of resources related to pensions resulting from the Housing Authorities contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the following year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>PERS 1</u>
2021	\$ (8,274)
2022	(260)
2023	2,524
2024	4,187
2025	-
Thereafter	-
Total	<u>\$ (1,823)</u>

<u>Year Ending December 31,</u>	<u>PERS 2/3</u>
2021	\$ (76,394)
2022	(27,586)
2023	(9,508)
2024	4,797
2025	(10,033)
Thereafter	(3,937)
Total	<u>\$ (122,661)</u>

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NOTE 6 RELATED PARTIES

The Columbia Valley Housing Association (CVHA), an affiliate, was organized as a separate nonprofit entity in 1996 to purchase land for development of low-income, single family, dwelling units. CVHA contracts with the Housing Authority to provide bookkeeping and accounting services. As of December 31, 2020, the Housing Authority had recorded receivables of \$123 from the CVHA.

NOTE 7 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 ninety-two members in the states of Washington, Oregon, Nevada, and California. Thirty-six of the ninety two 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.

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

Coverage limits for General Liability, Errors & Omissions, and Property are \$2,000,000 per occurrence and \$2,000,000 annual aggregate. (Some members have chosen greater Property limits for higher valued properties.) Limits for Automobile Liability are \$1,000,000/\$1,000,000.

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NOTE 7 RISK MANAGEMENT (CONTINUED)

HARRP self-insures the full layer of coverage for liability lines (\$2,000,000 per occurrence and \$2,000,000 annual aggregate). There is no purchased reinsurance above this limit. For property, HARRP retains \$2,000,000 and \$63,000,000 of reinsurance from St. Paul/Travelers Insurance Company for a combined total of \$65,000,000. The HARRP Board of Directors determines the limits and coverage terms, at its sole discretion.

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

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

In the past three years (2020, 2019, and 2018), there have been no claim settlements, per occurrence or in aggregate, that have exceeded the coverage provided by excess/reinsurance contracts.

NOTE 8 RISKS AND UNCERTAINTIES

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of the deadly new virus known as COVID-19. In the months following the declaration, precautionary measures to slow the spread of the virus were ordered. These measures included closing schools, cancelling public events, limiting public and private gatherings, and restricting business operations, travel and non-essential activities.

The length of time these measures will continue to be in place, and the full extent of the financial impact on the Housing Authority is unknown at this time.

HOUSING AUTHORITY OF CHELAN COUNTY AND THE CITY OF WENATCHEE
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SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
PENSION PLANS, PERS 1 AND PERS 2/3
AS OF JUNE 30, 2020

PERS Plan 1

	2020	2019	2018	2017	2016	2015
Employer's Proportion of the Net Pension Liability (Asset)	0.009275%	0.008733%	0.009894%	0.010439%	0.011065%	0.530100%
Employer's Proportionate Share of the Net Pension Liability	\$ 327,458	\$ 335,815	\$ 441,869	\$ 495,339	\$ 349,451	\$ 277,292
Employer's Covered Payroll	\$ 1,359,112	\$ 1,227,050	\$ 1,312,520	\$ 1,368,849	\$ 1,315,536	\$ 609,040
Employer's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	24.09%	27.37%	33.67%	36.19%	26.56%	26.56%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	68.64%	67.12%	63.22%	61.24%	57.03%	59.10%

PERS Plan 2/3

Employer's Proportion of the Net Pension Liability (Asset)	0.012086%	0.011273%	0.012703%	0.013427%	0.014197%	0.687700%
Employer's Proportionate Share of the Net Pension Liability	\$ 154,573	\$ 109,499	\$ 216,892	\$ 466,524	\$ 236,601	\$ 245,719
Employer's Covered Payroll	\$ 1,359,112	\$ 1,227,050	\$ 1,312,520	\$ 1,368,849	\$ 1,315,536	\$ 609,040
Employer's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	11.37%	8.92%	16.52%	34.08%	17.99%	17.99%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	97.22%	97.77%	95.77%	90.97%	85.82%	89.20%

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the Housing Authority will present information for only those years for which information is available.

HOUSING AUTHORITY OF CHELAN COUNTY AND THE CITY OF WENATCHEE
MCAG NO. 0439
SCHEDULE OF EMPLOYER CONTRIBUTIONS
PENSION PLANS, PERS 1 AND PERS 2/3
AS OF DECEMBER 31, 2020

	2020	2019	2018	2017	2016	2015
PERS Plan 1						
Statutorily or Contractually Required Contributions	\$ 67,733	\$ 62,785	\$ 62,458	\$ 67,236	\$ 64,635	\$ 54,935
Contributions in Relation to the Statutorily or Contractually Required Contributions	(67,733)	(62,785)	(62,458)	(67,236)	(64,635)	(54,935)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 1,411,914	\$ 1,270,667	\$ 1,233,575	\$ 1,372,279	\$ 1,355,035	\$ 1,249,985
Contributions as a Percentage of Covered Payroll	4.80%	4.94%	5.06%	4.90%	4.77%	4.39%
PERS Plan 2/3						
Statutorily or Contractually Required Contributions	\$ 111,824	\$ 98,149	\$ 92,517	\$ 94,110	\$ 84,419	\$ 70,566
Contributions in Relation to the Statutorily or Contractually Required Contributions	(111,824)	(98,149)	(92,517)	(94,110)	(84,419)	(70,566)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 1,411,914	\$ 1,270,667	\$ 1,233,575	\$ 1,372,279	\$ 1,355,035	\$ 1,249,985
Contributions as a Percentage of Covered Payroll	7.92%	7.72%	7.50%	6.86%	6.23%	5.65%

Note: Information is required to be presented for 10 years. However, until a full 10-year trend is compiled, the Housing Authority will present information for only those years for which information is available.

HOUSING AUTHORITY OF CHELAN COUNTY AND THE CITY OF WENATCHEE
MCAG NO. 0439
COMBINING SCHEDULE OF NET POSITION
DECEMBER 31, 2020

	Washington Square	Wenatchee II	Applewood	Man'Sun Villa	River Run	Heritage Glen	Chelan Gardens	Entiat Gardens	Gibson Gardens	Vista Del Rio
ASSETS AND DEFERRED OUTFLOWS										
CURRENT ASSETS										
Cash and Cash Equivalents	\$ 17,289	\$ 41,677	\$ 122,108	\$ 141,812	\$ 73,376	\$ 57,534	\$ 74,350	\$ 215,412	\$ 108,120	\$ 24,044
Restricted Cash:										
Tenant Deposits	20,631	17,527	18,846	10,481	8,537	18,560	-	6,289	11,090	-
Family Self-Sufficiency	-	-	-	-	-	-	-	-	-	-
Cash Reserves	190,446	302,986	236,890	21,843	127,678	195,372	26,185	249,814	107,699	294,718
Total Cash and Cash Equivalents	228,366	362,190	377,844	174,136	209,591	271,466	107,546	471,515	226,909	318,762
Accounts Receivable:										
Tenants	22,842	6,758	23,008	4,909	4,608	15,695	3,828	17,482	17,531	7,702
Related Parties	-	-	-	-	-	-	-	52	-	-
Other, net of allowance for doubtful accounts	-	-	-	-	-	-	-	-	-	-
Investment in Limited Partnership	-	-	-	-	-	-	-	-	-	-
Prepaid Expenses	526	496	511	307	263	511	234	380	292	1,869
Total Current Assets	251,734	369,444	401,363	179,352	214,462	287,672	111,608	489,429	244,732	328,333
NONCURRENT ASSETS										
Land	159,463	307,860	228,311	103,100	90,000	220,606	45,000	88,860	100,280	183,365
Land Improvements	454,025	552,170	308,228	37,549	15,924	14,008	55,508	95,542	137,791	807,384
Construction in Progress	-	-	-	21,364	-	-	68,467	-	-	-
Apartment Buildings and Furnishings	1,647,605	1,899,487	3,234,791	961,296	1,660,148	3,385,944	555,157	985,584	1,645,170	3,560,854
Non dwelling Furniture and Equipment	12,080	13,670	26,073	8,710	5,385	21,139	4,364	8,097	3,860	8,086
Total	2,273,173	2,773,187	3,797,403	1,132,019	1,771,457	3,641,697	728,496	1,178,083	1,887,101	4,559,689
Less: Accumulated Depreciation	1,555,801	1,789,784	2,266,233	721,622	402,472	1,654,564	286,982	532,549	383,978	1,277,852
Net Capital Assets	717,372	983,403	1,531,170	410,397	1,368,985	1,987,133	461,514	645,534	1,503,123	3,281,837
Total Assets	\$ 969,106	\$ 1,352,847	\$ 1,932,533	\$ 589,749	\$ 1,583,447	\$ 2,274,805	\$ 573,122	\$ 1,134,963	\$ 1,747,855	\$ 3,610,170
DEFERRED OUTFLOWS OF RESOURCES										
Deferred Outflow of Resources Related to Pensions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

HOUSING AUTHORITY OF CHELAN COUNTY AND THE CITY OF WENATCHEE
MCAG NO. 0439
COMBINING SCHEDULE OF NET POSITION (CONTINUED)
DECEMBER 31, 2020

ASSETS AND DEFERRED OUTFLOWS

	Chelan Bluff	Garten Haus	Housing Choice Voucher	HCV CARES Act Funding	Morning Sun Park, LP	Bello Rio, LLC	Columbia Pointe	Emerson Manor
CURRENT ASSETS								
Cash and Cash Equivalents	\$ 11,672	\$ 206,933	\$ 448,592	\$ -	\$ 107,083	\$ 23,148	\$ (6,409)	\$ 82,637
Restricted Cash:								
Tenant Deposits	9,866	9,005	-	-	8,904	15,048	-	9,948
Family Self-Sufficiency	-	-	120,765	-	-	-	-	-
Cash Reserves	38,199	24,064	418,831	-	-	102,304	367,540	259,051
Total Cash and Cash Equivalents	59,737	240,002	986,188	-	115,987	140,500	361,131	351,636
Accounts Receivable:								
Tenants	3,272	2,109	6,174	-	7,763	5,992	4,942	4,467
Related Parties	-	-	-	-	-	-	-	-
Other, net of allowance for doubtful accounts	-	-	134,166	-	-	-	-	-
Investment in Limited Partnership								
Prepaid Expenses	321	467	8,236	-	277	11,629	1,869	511
Total Current Assets	63,330	242,578	1,134,764	-	124,027	158,121	367,942	356,614
NONCURRENT ASSETS								
Land	123,309	285,000	-	-	-	220,582	179,090	285,000
Land Improvements	12,626	20,515	-	-	344,932	778,438	872,706	2,643
Construction in Progress	-	151,636	-	-	-	-	-	124,372
Apartment Buildings and Furnishings	3,890,803	790,974	-	-	1,848,079	3,857,070	3,516,048	2,095,606
Non dwelling Furniture and Equipment	3,293	14,041	16,226	-	20,396	17,654	50,470	222
Total	4,030,031	1,262,166	16,226	-	2,213,407	4,873,744	4,618,314	2,507,843
Less: Accumulated Depreciation	1,307,903	631,252	13,575	-	1,290,556	1,794,103	1,331,464	358,688
Net Capital Assets	2,722,128	630,914	2,651	-	922,851	3,079,641	3,286,850	2,149,155
Total Assets	\$ 2,785,458	\$ 873,492	\$ 1,137,415	\$ -	\$ 1,046,878	\$ 3,237,762	\$ 3,654,792	\$ 2,505,769
DEFERRED OUTFLOWS OF RESOURCES								
Deferred Outflow of Resources Related to Pensions	\$ -	\$ -	\$ -	-	\$ -	\$ -	\$ -	\$ -

HOUSING AUTHORITY OF CHELAN COUNTY AND THE CITY OF WENATCHEE
MCAG NO. 0439
COMBINING SCHEDULE OF NET POSITION (CONTINUED)
DECEMBER 31, 2020

	Wenatchee House	Lake Chelan	Family Self Sufficiency	General	General COVID Relief Fund	Interproject Eliminations	Total
ASSETS AND DEFERRED OUTFLOWS							
CURRENT ASSETS							
Cash and Cash Equivalents	\$ 112,163	\$ 21,643	\$ 7,539	\$ 140,598	\$ -	\$ -	\$ 2,029,321
Restricted Cash:							
Tenant Deposits	14,388	10,182	-	-	-	-	196,313
Family Self-Sufficiency	-	-	-	-	-	-	120,765
Cash Reserves	391,101	168,668	-	-	-	-	3,523,389
Total Cash and Cash Equivalents	517,652	200,493	7,539	140,598	-	-	5,869,788
Accounts Receivable:							
Tenants	5,412	8,661	-	-	-	-	173,155
Related Parties	-	-	-	50,570	-	(50,499)	123
Other, net of allowance for doubtful accounts	-	-	-	40,041	-	-	174,207
Investment in Limited Partnership	-	-	-	-	-	-	-
Prepaid Expenses	730	467	-	3,782	-	-	33,678
Total Current Assets	523,794	209,621	7,539	234,991	-	(50,499)	6,250,951
NONCURRENT ASSETS							
Land	423,750	197,200	-	541,803	-	-	3,782,579
Land Improvements	-	4,206	-	34,112	-	-	4,548,307
Construction in Progress	-	-	-	290,638	-	-	656,477
Apartment Buildings and Furnishings	3,037,987	1,737,912	-	-	-	-	40,310,515
Nondwelling Furniture and Equipment	370	296	-	81,210	-	-	315,642
Total	3,462,107	1,939,614	-	947,763	-	-	49,613,520
Less: Accumulated Depreciation	536,686	235,391	-	105,789	-	-	18,457,244
Net Capital Assets	2,925,421	1,704,223	-	841,974	-	-	31,156,276
Total Assets	\$ 3,449,215	\$ 1,913,844	\$ 7,539	\$ 1,076,965	\$ -	\$ (50,499)	\$ 37,407,227
DEFERRED OUTFLOWS OF RESOURCES							
Deferred Outflow of Resources Related to Pensions	\$ -	\$ -	\$ -	\$ 165,885	\$ -	\$ -	\$ 165,885

HOUSING AUTHORITY OF CHELAN COUNTY AND THE CITY OF WENATCHEE
MCAG NO. 0439
COMBINING SCHEDULE OF NET POSITION (CONTINUED)
DECEMBER 31, 2020

**LIABILITIES, DEFERRED INFLOWS
AND NET POSITION**

	Washington Square	Wenatchee II	Applewood	Man*Sun Villa	River Run	Heritage Glen	Chelan Gardens	Entiat Gardens	Gibson Gardens	Vista Del Rio
CURRENT LIABILITIES										
Current Portion of Long-Term Debt	\$ 22,427	\$ 24,470	\$ 33,829	\$ 23,630	\$ 2,558	\$ 41,391	\$ 6,847	\$ 27,421	\$ 9,552	\$ 9,265
Accounts Payable:										
Trade	5,234	5,227	7,893	18,548	5,953	3,941	25,632	6,280	7,547	6,475
Other	-	-	-	-	-	-	-	-	-	-
Unearned Revenue	1,759	3,847	4,055	2,358	24	7,622	2,659	1,992	3,454	5,001
Payroll Taxes Payable	-	-	-	-	-	-	-	-	-	-
Compensated Absences Payable	4,111	5,016	2,182	1,434	3,171	3,763	902	2,571	1,113	3,990
Accrued Payroll Payable	-	-	-	-	-	-	-	-	-	-
Accrued Interest Payable	383	418	770	779	30,430	7,238	687	1,823	35,714	1,522
Tenant Deposits Payable	20,653	17,790	19,927	11,281	9,275	19,023	7,171	6,328	11,209	37
Total Current Liabilities	54,567	56,768	68,656	58,030	51,411	82,978	43,898	46,415	68,589	26,290
NONCURRENT LIABILITIES										
Family Self-Sufficiency Payable	-	-	-	-	-	-	-	-	-	-
Related Party Payable	-	-	625	625	625	625	625	625	625	-
Long-Term Debt, Net Current Portion	437,763	477,629	188,630	750,118	1,337,099	900,279	316,922	384,725	1,478,131	1,766,977
Net Pension Liability	-	-	-	-	-	-	-	-	-	-
Total Noncurrent Liabilities	437,763	477,629	189,255	750,743	1,337,724	900,904	317,547	385,350	1,478,756	1,766,977
Total Liabilities	\$ 492,330	\$ 534,397	\$ 257,911	\$ 808,773	\$ 1,389,135	\$ 983,882	\$ 361,445	\$ 431,765	\$ 1,547,345	\$ 1,793,267
DEFERRED INFLOWS OF RESOURCES										
Deferred Inflow of Resources Related to Pensions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Inflow of Resources - HUD	-	-	-	-	-	-	-	-	-	-
Total Deferred Inflow of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET POSITION										
Net Investment in Capital Assets	\$ 257,182	\$ 481,304	\$ 1,308,711	\$ (363,351)	\$ 29,328	\$ 1,045,463	\$ 137,745	\$ 233,388	\$ 15,440	\$ 1,505,595
Restricted	190,446	302,986	236,890	21,843	127,678	195,372	26,185	249,814	107,699	294,718
Unrestricted	29,148	34,160	129,021	122,484	37,306	50,088	47,747	219,996	77,371	16,590
Total Net Position	\$ 476,776	\$ 818,450	\$ 1,674,622	\$ (219,024)	\$ 194,312	\$ 1,290,923	\$ 211,677	\$ 703,198	\$ 200,510	\$ 1,816,903

HOUSING AUTHORITY OF CHELAN COUNTY AND THE CITY OF WENATCHEE
MCAG NO. 0439
COMBINING SCHEDULE OF NET POSITION (CONTINUED)
DECEMBER 31, 2020

**LIABILITIES, DEFERRED INFLOWS
AND NET POSITION**

	Chelan Bluff	Garten Haus	Housing Choice Voucher	CARES Act Funding	Morning Sun Park, LP	Bello Rio, LLC	Columbia Pointe	Emerson Manor
CURRENT LIABILITIES								
Current Portion of Long-Term Debt	\$ 33,746	\$ 175,681	\$ -	\$ -	\$ -	\$ -	\$ 8,600	\$ 132,307
Accounts Payable:								
Trade	7,316	4,667	6,841	-	5,815	31,032	4,831	15,619
Other	-	-	109	-	-	-	-	-
Unearned Revenue	4,420	2,758	-	-	1,965	3,564	1,395	1,991
Payroll Taxes Payable	-	-	-	-	-	-	-	-
Compensated Absences Payable	1,119	1,665	12,663	-	749	2,863	2,339	3,837
Accrued Payroll Payable	-	-	-	-	-	-	-	-
Accrued Interest Payable	2,864	1,731	-	-	-	-	672	4,427
Tenant Deposits Payable	10,315	9,286	-	-	8,803	15,047	-	9,903
Total Current Liabilities	59,780	195,788	19,613	-	17,332	52,506	17,837	168,084
NONCURRENT LIABILITIES								
Family Self-Sufficiency Payable	-	-	120,765	-	-	-	-	-
Related Party Payable	625	-	-	-	-	29,131	-	-
Long-Term Debt, Net Current Portion	1,351,020	417,832	-	-	906,942	1,846,986	1,724,624	2,046,688
Net Pension Liability	-	-	-	-	-	-	-	-
Total Noncurrent Liabilities	1,351,645	417,832	120,765	-	906,942	1,876,117	1,724,624	2,046,688
Total Liabilities	\$ 1,411,425	\$ 613,620	\$ 140,378	\$ -	\$ 924,274	\$ 1,928,623	\$ 1,742,461	\$ 2,214,772
DEFERRED INFLOWS OF RESOURCES								
Deferred Inflow of Resources Related to Pensions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Inflow of Resources - HUD	-	-	-	-	-	-	-	-
Total Deferred Inflow of Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
NET POSITION								
Net Investment in Capital Assets	\$ 1,337,362	\$ 37,401	\$ 2,651	\$ -	\$ 15,909	\$ 1,232,655	\$ 1,553,626	\$ (29,840)
Restricted	38,199	24,064	418,831	-	-	102,304	367,540	259,051
Unrestricted	(1,528)	198,407	575,555	-	106,695	(25,820)	(8,835)	61,786
Total Net Position	\$ 1,374,033	\$ 259,872	\$ 997,037	\$ -	\$ 122,604	\$ 1,309,139	\$ 1,912,331	\$ 290,997

HOUSING AUTHORITY OF CHELAN COUNTY AND THE CITY OF WENATCHEE
MCAG NO. 0439
COMBINING SCHEDULE OF NET POSITION (CONTINUED)
DECEMBER 31, 2020

	LIABILITIES, DEFERRED INFLOWS AND NET POSITION					
	Wenatchee House	Lake Chelan	Family Self Sufficiency	General	General COVID Relief Fund	Interproject Eliminations
						Total
CURRENT LIABILITIES						
Current Portion of Long-Term Debt	\$ 47,748	\$ -	\$ -	\$ 91,099	\$ -	\$ 690,571
Accounts Payable:						
Trade	11,005	4,319	-	203,762	-	371,569
Other	-	-	-	-	(16,368)	109
Unearned Revenue	3,367	3,247	-	-	-	55,478
Payroll Taxes Payable	-	-	-	26,930	-	26,930
Compensated Absences Payable	4,660	3,249	-	17,587	-	78,984
Accrued Payroll Payable	-	-	-	66,013	-	66,013
Accrued Interest Payable	6,561	-	-	102	-	96,121
Tenant Deposits Payable	14,951	9,888	-	-	-	200,887
Total Current Liabilities	88,292	20,703	-	405,493	-	1,586,662
NONCURRENT LIABILITIES						
Family Self-Sufficiency Payable	-	-	-	-	-	120,765
Related Party Payable	-	-	-	-	(34,131)	-
Long-Term Debt, Net Current Portion	2,977,895	2,100,000	-	278,595	-	21,688,855
Net Pension Liability	-	-	-	482,031	-	482,031
Total Noncurrent Liabilities	2,977,895	2,100,000	-	760,626	(34,131)	22,291,651
Total Liabilities	3,066,187	2,120,703	-	1,166,119	(50,499)	23,878,313
DEFERRED INFLOWS OF RESOURCES						
Deferred Inflow of Resources Related to Pensions	\$ -	\$ -	\$ -	\$ 200,912	\$ -	\$ 200,912
Deferred Inflow of Resources - HUD	-	-	7,539	-	-	7,539
Total Deferred Inflow of Resources	-	-	7,539	200,912	-	208,451
NET POSITION						
Net Investment in Capital Assets	\$ (100,222)	\$ (395,777)	\$ -	\$ 472,280	\$ -	\$ 8,776,850
Restricted	391,101	168,668	-	-	-	3,523,389
Unrestricted	92,149	20,250	-	(596,461)	-	1,186,109
Total Net Position	383,028	(206,859)	-	(124,181)	-	13,486,348

HOUSING AUTHORITY OF CHELAN COUNTY AND THE CITY OF WENATCHEE
MCAG NO. 0439
COMBINING SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
YEAR ENDED DECEMBER 31, 2020

	Washington Square	Wenatchee II	Applewood	Man'Sun Villa	River Run	Heritage Glen	Chelan Gardens	Entiat Gardens
OPERATING REVENUES								
Tenant Rental Revenue	\$ 230,358	\$ 226,060	\$ 218,871	\$ 75,739	\$ 53,576	\$ 215,383	\$ 50,638	\$ 91,189
Other Operating Revenue	-	-	-	-	-	-	-	-
Total Operating Revenue	230,358	226,060	218,871	75,739	53,576	215,383	50,638	91,189
OPERATING EXPENSES								
Housing Assistance Payments	-	-	-	-	-	-	-	-
Administrative Salaries	-	-	-	-	-	-	-	-
Utilities	50,847	47,311	52,793	18,819	15,004	38,064	23,910	59,284
Depreciation	54,765	63,290	96,823	25,367	55,659	87,709	15,627	40,792
Maintenance Salaries	42,506	52,696	26,675	14,242	16,395	36,328	16,536	16,711
Maintenance and Repairs	53,592	46,837	67,537	16,907	7,200	33,960	14,579	23,205
Management Fees	27,392	25,792	27,505	16,753	14,001	27,441	12,657	20,593
Site Manager Salaries	13,331	10,115	10,097	8,197	13,031	12,927	7,774	13,845
Office Expense	3,792	3,767	3,864	2,794	2,791	3,823	2,438	4,156
Payroll Taxes	7,689	8,795	5,260	2,861	3,480	6,509	3,213	3,887
Payroll Benefits	25,973	22,042	18,430	9,080	17,506	19,968	9,084	15,645
Administration Fees	-	-	-	-	-	-	-	-
Travel and Training	1,520	3,575	832	2,919	3,049	2,023	2,017	6,570
Accounting and Auditing Fees	3,165	2,898	2,898	552	552	2,346	544	820
Insurance	4,026	3,826	5,259	1,870	1,725	3,673	1,299	2,785
Advertising	62	73	62	15	130	62	15	214
Office Rent	-	-	42	37	330	37	111	361
Legal Fees	148	111	-	-	-	-	-	-
Amortization	-	-	-	-	-	-	-	-
Bad Debts	-	-	-	-	-	-	-	-
Miscellaneous	252	256	256	255	253	252	302	(1)
Total Operating Expenses	289,060	291,384	318,333	120,668	151,106	275,122	110,106	208,867
	(58,702)	(65,324)	(99,462)	(44,929)	(97,530)	(59,739)	(59,468)	(117,678)
OPERATING (LOSS) INCOME								
NONOPERATING REVENUES (EXPENSES)								
HUD Operating Subsidies	-	-	-	-	-	-	-	224,335
HCV CARES Act Funding	-	-	-	-	-	-	-	-
COVID Relief Expenses	-	-	-	-	-	-	-	-
Other Nonoperating Grants	64,174	50,946	62,307	68,396	68,760	81,436	63,116	-
Interest Income - Reserves	70	115	94	8	45	76	10	86
Interest Income - Other	16	22	48	63,960	4,322	14	7,087	76
Other Nonoperating Revenue	3,098	1,232	(648)	(1,042)	3,912	1,326	3,159	2,173
(Loss) Gain on Disposal of Capital Assets	-	-	-	-	-	-	-	-
Interest Expense	(4,704)	(5,132)	(2,288)	(74,340)	(20,063)	(11,464)	(15,564)	(22,521)
Total Nonoperating Revenue	62,654	47,183	59,513	56,982	56,976	71,388	57,808	204,149
CHANGES IN NET POSITION								
Net Position - Beginning of Year	3,952	(18,141)	(39,949)	12,053	(40,554)	11,649	(1,660)	86,471
	472,824	836,591	1,714,571	(231,077)	234,866	1,279,274	213,337	616,727
NET POSITION - END OF YEAR	\$ 476,776	\$ 818,450	\$ 1,674,622	\$ (219,024)	\$ 194,312	\$ 1,290,923	\$ 211,677	\$ 703,198

HOUSING AUTHORITY OF CHELAN COUNTY AND THE CITY OF WENATCHEE
MCAG NO. 0439
COMBINING SCHEDULE OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

	Gibson Gardens	Vista Del Rio	Chelan Bluff	Garten Haus	Housing Choice Voucher	HCV CARES Act Funding	Morning Sun Park, LP	Bello Rio, LLC
OPERATING REVENUES								
Tenant Rental Revenue	\$ 74,060	\$ 75,587	\$ 132,624	\$ 122,637	\$ -	\$ -	\$ 134,667	\$ 188,116
Other Operating Revenue	-	-	-	-	-	-	-	-
Total Operating Revenue	<u>74,060</u>	<u>75,587</u>	<u>132,624</u>	<u>122,637</u>	<u>-</u>	<u>-</u>	<u>134,667</u>	<u>188,116</u>
OPERATING EXPENSES								
Housing Assistance Payments	-	-	-	-	3,106,498	340,199	-	-
Administrative Salaries	-	-	-	16,352	49,532	48,492	-	-
Utilities	36,521	46,502	51,219	35,127	799	-	37,803	49,404
Depreciation	61,506	108,204	98,482	28,918	740	-	47,352	135,316
Maintenance Salaries	13,072	28,242	14,276	26,250	68	-	10,504	23,285
Maintenance and Repairs	13,109	22,950	22,119	18,669	19,125	-	15,848	24,925
Management Fees	15,921	18,432	16,753	22,115	-	-	10,687	18,923
Site Manager Salaries	13,203	16,331	9,006	31,724	25,806	84,506	14,661	22,998
Office Expense	2,887	6,042	2,956	4,256	37,196	-	2,880	4,325
Payroll Taxes	3,124	4,174	2,926	6,088	9,970	7,761	1,191	4,706
Payroll Benefits	12,513	16,193	10,078	12,932	40,855	35,406	11,394	16,114
Administration Fees	-	-	-	-	23,615	-	-	9,983
Travel and Training	2,105	1,489	2,236	463	3,659	-	1,584	2,368
Accounting and Auditing Fees	552	552	2,112	1,169	22,039	-	552	11,903
Insurance	1,962	4,596	3,689	2,760	790	-	3,089	11,463
Advertising	320	-	102	272	-	-	402	299
Office Rent	-	-	-	-	12,000	-	6,000	-
Legal Fees	148	-	1,277	940	4,424	-	185	189
Amortization	30	-	-	-	-	-	-	-
Bad Debts	-	-	-	-	(118,198)	-	-	-
Miscellaneous	255	823	260	74	3,833	-	1	25,678
Total Operating Expenses	<u>177,228</u>	<u>274,510</u>	<u>237,491</u>	<u>208,109</u>	<u>3,242,751</u>	<u>516,364</u>	<u>164,133</u>	<u>361,879</u>
OPERATING (LOSS) INCOME	<u>(103,168)</u>	<u>(198,923)</u>	<u>(104,867)</u>	<u>(85,472)</u>	<u>(3,242,751)</u>	<u>(516,364)</u>	<u>(29,466)</u>	<u>(173,763)</u>
NONOPERATING REVENUES (EXPENSES)								
HUD Operating Subsidies	-	-	-	163,764	3,867,981	-	-	-
HCV CARES Act Funding	-	-	-	-	-	516,364	-	-
COVID Relief Expenses	-	-	-	-	-	-	-	-
Other Nonoperating Grants	95,986	123,054	43,420	-	-	-	-	-
Interest Income - Reserves	35	111	13	10	-	-	31	165
Interest Income - Other	42	3	8	81	177	-	17	8
Other Nonoperating Revenue	5,481	(238)	(419)	1,178	870	-	-	4,309
(Loss) Gain on Disposal of Capital Assets	-	-	-	-	-	-	-	-
Interest Expense	(20,823)	(14,109)	(7,986)	(19,449)	-	-	-	-
Total Nonoperating Revenue	<u>80,721</u>	<u>108,821</u>	<u>35,036</u>	<u>145,584</u>	<u>3,869,028</u>	<u>516,364</u>	<u>48</u>	<u>4,482</u>
CHANGES IN NET POSITION								
Net Position - Beginning of Year	(22,447)	(90,102)	(69,831)	60,112	626,277	-	(29,418)	(169,281)
	222,957	1,907,005	1,443,864	199,760	370,760	-	152,022	1,478,420
NET POSITION - END OF YEAR	<u>\$ 200,510</u>	<u>\$ 1,816,903</u>	<u>\$ 1,374,033</u>	<u>\$ 259,872</u>	<u>\$ 997,037</u>	<u>\$ -</u>	<u>\$ 122,604</u>	<u>\$ 1,309,139</u>

HOUSING AUTHORITY OF CHELAN COUNTY AND THE CITY OF WENATCHEE
MCAG NO. 0439
COMBINING SCHEDULE OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

	Columbia Pointe	Emerson Manor	Wenatchee House	Lake Chelan	Family Self Sufficiency	General	General COVID Relief Fund
OPERATING REVENUES							
Tenant Rental Revenue	\$ 62,510	\$ 125,421	\$ 186,316	\$ 112,504	\$ -	\$ -	\$ -
Other Operating Revenue	-	-	-	-	-	519,491	-
Total Operating Revenue	62,510	125,421	186,316	112,504	-	519,491	-
OPERATING EXPENSES							
Housing Assistance Payments	-	-	-	-	-	-	-
Administrative Salaries	-	16,179	22,288	12,471	-	192,864	-
Utilities	40,706	29,862	43,183	42,078	-	-	-
Depreciation	109,755	60,486	90,796	50,740	-	3,010	-
Maintenance Salaries	18,438	21,948	27,155	23,987	-	1,091	-
Maintenance and Repairs	26,764	32,568	41,354	24,770	-	14,880	-
Management Fees	18,432	20,827	30,302	17,530	-	-	-
Site Manager Salaries	14,650	23,729	26,244	14,622	41,302	8,678	-
Office Expense	6,064	6,838	8,639	4,441	-	70,150	-
Payroll Taxes	4,550	6,522	8,774	6,071	-	23,435	-
Payroll Benefits	9,836	21,210	25,422	18,507	-	(42,134)	-
Administration Fees	-	-	-	-	-	-	-
Travel and Training	3,453	1,003	1,280	1,035	-	651	-
Accounting and Auditing Fees	553	1,169	1,714	1,169	-	3,055	-
Insurance	5,018	4,184	4,780	3,320	-	15,069	-
Advertising	-	14	14	308	-	-	-
Office Rent	-	-	-	-	-	-	-
Legal Fees	-	2,228	185	443	-	6,648	-
Amortization	-	-	-	-	-	-	-
Bad Debts	-	-	-	-	-	-	-
Miscellaneous	1,009	144	143	(4)	-	(2)	-
Total Operating Expenses	259,228	248,911	332,273	221,488	41,302	297,395	-
OPERATING (LOSS) INCOME	(196,718)	(123,490)	(145,957)	(108,984)	(41,302)	222,096	-
NONOPERATING REVENUES (EXPENSES)							
HUD Operating Subsidies	-	218,333	293,634	83,512	41,302	-	-
HCV CARES Act Funding	-	-	-	-	-	-	-
COVID Relief Expenses	-	-	-	-	-	-	(61,080)
Other Nonoperating Grants	125,035	-	-	-	-	-	61,080
Interest Income - Reserves	137	149	234	79	-	-	-
Interest Income - Other	(7)	34	49	11	-	20	-
Other Nonoperating Revenue	2,816	832	4,225	396	-	-	-
(Loss) Gain on Disposal of Capital Assets	-	-	-	-	-	-	-
Interest Expense	(2,011)	(53,727)	(79,636)	-	-	(1,427)	-
Total Nonoperating Revenue	125,970	165,621	218,506	83,998	41,302	(1,407)	-
CHANGES IN NET POSITION							
Net Position - Beginning of Year	(70,748)	42,131	72,549	(24,986)	-	220,689	-
	1,983,079	248,866	310,479	(181,873)	-	(344,870)	-
NET POSITION - END OF YEAR	\$ 1,912,331	\$ 290,997	\$ 383,028	\$ (206,859)	\$ -	\$ (124,181)	\$ -

HOUSING AUTHORITY OF CHELAN COUNTY AND THE CITY OF WENATCHEE
MCAG NO. 0439
COMBINING SCHEDULE OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

	Interproject Eliminations	Total
OPERATING REVENUES		
Tenant Rental Revenue	-	\$ 2,376,256
Other Operating Revenue	(443,898)	75,593
Total Operating Revenue	(443,898)	2,451,849
OPERATING EXPENSES		
Housing Assistance Payments	-	3,446,697
Administrative Salaries	-	358,178
Utilities	-	719,236
Depreciation	-	1,235,337
Maintenance Salaries	-	430,405
Maintenance and Repairs	(32,961)	507,937
Management Fees	(362,056)	-
Site Manager Salaries	-	436,777
Office Expense	(23,751)	160,348
Payroll Taxes	-	130,986
Payroll Benefits	-	326,054
Administration Fees	(7,130)	26,468
Travel and Training	-	43,811
Accounting and Auditing Fees	-	60,314
Insurance	-	85,183
Advertising	-	2,364
Office Rent	(18,000)	-
Legal Fees	-	17,844
Amortization	-	30
Bad Debts	-	(118,198)
Miscellaneous	-	34,039
Total Operating Expenses	(443,898)	7,903,810
OPERATING (LOSS) INCOME	-	(5,451,961)
NONOPERATING REVENUES (EXPENSES)		
HUD Operating Subsidies	-	4,892,861
HCV CARES Act Funding	-	516,364
COVID Relief Expenses	-	(61,080)
Other Nonoperating Grants	-	907,710
Interest Income - Reserves	-	1,468
Interest Income - Other	-	75,988
Other Nonoperating Revenue	-	32,660
(Loss) Gain on Disposal of Capital Assets	-	-
Interest Expense	-	(355,244)
Total Nonoperating Revenue	-	6,010,727
CHANGES IN NET POSITION		
Net Position - Beginning of Year	-	558,766
NET POSITION - END OF YEAR		
	-	12,927,582
	\$ -	\$ 13,486,348

HOUSING AUTHORITY OF CHELAN COUNTY AND THE CITY OF WENATCHEE
MCAG NO. 0439
COMBINING SCHEDULE OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

	Washington Square	Wenatchee II	Applewood	Man'Sun Villa	River Run	Heritage Glen	Chelan Gardens	Entiat Gardens
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts from Tenants	\$ 221,859	\$ 226,203	\$ 213,139	\$ 76,281	\$ 51,971	\$ 209,399	\$ 50,786	\$ 95,501
Cash Paid to Employees	(109,595)	(114,476)	(83,583)	(51,070)	(63,344)	(98,719)	(48,083)	(73,151)
Cash Paid to Suppliers	(132,985)	(116,189)	(136,510)	(44,552)	(27,532)	(86,624)	(38,251)	(94,160)
Net Cash Provided (Used) by Operating Activities	(20,721)	(4,462)	(6,954)	(19,341)	(38,905)	24,056	(35,548)	(71,810)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Nonoperating Grants	64,173	50,947	62,307	68,397	68,759	81,435	63,116	224,337
CARES Act Funding	-	-	-	-	-	-	-	-
COVID Relief Funding	-	-	-	-	-	-	-	-
COVID Relief Funding Paid to Tenants	-	-	-	-	-	-	-	-
COVID Relief Funding Paid to Admin Fee	-	-	-	-	-	-	-	-
Net Cash Provided by Noncapital Financing Activities	64,173	50,947	62,307	68,397	68,759	81,435	63,116	224,337
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Proceeds from Long-Term Debt	-	-	-	-	-	-	-	-
Purchases of Capital Assets	-	-	-	(6,060)	-	-	(51,476)	-
Principal Paid on Capital Debt	(22,205)	(24,226)	(25,137)	(21,268)	(2,477)	(29,335)	(6,525)	(25,995)
Interest Paid on Capital Debt	(4,723)	(5,153)	(1,724)	(74,526)	(9,048)	(4,916)	(15,590)	(22,637)
Other Nonoperating Receipts	3,098	1,232	(648)	(1,042)	3,912	1,326	3,159	2,173
Net Cash Provided (Used) by Capital and Related Financing Activities	(23,830)	(28,147)	(27,509)	(102,896)	(7,613)	(32,925)	(70,432)	(46,459)
CASH FLOWS FROM INVESTING ACTIVITIES								
Interest Received	16	22	48	63,960	4,322	14	7,087	76
Reserve Interest Received	70	115	94	8	45	76	10	86
Net Cash Provided by Investing Activities	86	137	142	63,968	4,367	90	7,097	162
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS								
Cash and Cash Equivalents - Beginning of Year	19,708	18,475	27,986	10,128	26,608	72,656	(35,767)	106,230
CASH AND CASH EQUIVALENTS - END OF YEAR	208,658	343,715	349,858	164,008	182,983	198,810	143,313	365,285
RECONCILIATION OF OPERATING (LOSS) INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES								
Operating (Loss) Income	\$ (58,702)	\$ (65,324)	\$ (99,462)	\$ (44,929)	\$ (97,530)	\$ (59,739)	\$ (59,468)	\$ (117,678)
Adjustments to Reconcile Operating (Loss) Income to Net Cash Provided (Used) by Operating Activities:								
Depreciation	54,765	63,290	96,823	25,367	55,659	87,709	15,627	40,792
Amortization	-	-	-	-	-	-	-	-
Bad Debts	-	-	-	-	-	-	-	-
(Increase) Decrease in Operating Assets and Deferred Outflows:								
Accounts Receivable	(7,874)	873	(4,986)	58	(1,093)	(7,159)	(67)	3,219
Prepaid Expenses	(2)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Deferred Outflows Related to Pensions								
Increase (Decrease) in Operating Liabilities and Deferred Inflows:								
Accounts Payable	(10,095)	(2,314)	1,462	184	3,934	2,728	8,161	552
Unearned Revenue	(2,101)	(1,234)	(1,748)	(76)	(610)	1,370	1,555	1,427
Payroll Taxes Payable	-	-	-	-	638	(657)	(15)	213
Compensated Absences Payable	1,752	(256)	(44)	(504)	-	-	-	-
Accrued Payroll Payable	-	-	-	-	-	-	-	-
Tenant Deposits Payable	-	-	-	-	98	(195)	(1,340)	(334)
Accounts Payable Other	1,476	504	1,002	560	-	-	-	-
Family Self-Sufficiency Payable	-	-	-	-	-	-	-	-
Net Pension Liability	-	-	-	-	-	-	-	-
Deferred Inflows Related to Pensions	-	-	-	-	-	-	-	-
Net Cash Provided (Used) by Operating Activities	(20,721)	(4,462)	(6,954)	(19,341)	(38,905)	24,056	(35,548)	(71,810)

HOUSING AUTHORITY OF CHELAN COUNTY AND THE CITY OF WENATCHEE
MCAG NO. 0439
COMBINING SCHEDULE OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES										
Receipts from Tenants										
Cash Paid to Employees										
Cash Paid to Suppliers										
Net Cash Provided (Used) by Operating Activities										
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES										
Nonoperating Grants										
CARES Act Funding										
COVID Relief Funding										
COVID Relief Funding Paid to Tenants										
COVID Relief Funding Paid to Admin Fee										
Net Cash Provided by Noncapital Financing Activities										
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES										
Proceeds from Long-Term Debt										
Purchases of Capital Assets										
Principal Paid on Capital Debt										
Interest Paid on Capital Debt										
Other Nonoperating Receipts										
Net Cash Provided (Used) by Capital and Related Financing Activities										
CASH FLOWS FROM INVESTING ACTIVITIES										
Interest Received										
Reserve Interest Received										
Net Cash Provided by Investing Activities										
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS										
Cash and Cash Equivalents - Beginning of Year										
CASH AND CASH EQUIVALENTS - END OF YEAR										
RECONCILIATION OF OPERATING (LOSS) INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES										
Operating (Loss) Income										
Adjustments to Reconcile Operating (Loss) Income to Net Cash Provided (Used) by Operating Activities:										
Depreciation										
Amortization										
Bad Debts										
(Increase) Decrease in Operating Assets and Deferred Outflows:										
Accounts Receivable										
Prepaid Expenses										
Deferred Outflows Related to Pensions										
Increase (Decrease) in Operating Liabilities and Deferred Inflows:										
Accounts Payable										
Unearned Revenue										
Payroll Taxes Payable										
Compensated Absences Payable										
Accrued Payroll Payable										
Tenant Deposits Payable										
Accounts Payable Other										
Family Self-Sufficiency Payable										
Net Pension Liability										
Deferred Inflows Related to Pensions										
Net Cash Provided (Used) by Operating Activities										

HOUSING AUTHORITY OF CHELAN COUNTY AND THE CITY OF WENATCHEE
MCAG NO. 0439
COMBINING SCHEDULE OF CASH FLOWS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

	Columbia Pointe	Emerson Manor	Wenatchee House	Lake Chelan	Family Self Sufficiency	General	General COVID Relief Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts from Tenants	\$ 58,869	\$ 123,745	\$ 185,572	\$ 108,291	\$ -	\$ 519,491	\$ -	\$ 2,857,744
Cash Paid to Employees	(64,575)	(104,904)	(132,761)	(87,990)	(41,302)	(296,015)	-	(2,131,288)
Cash Paid to Suppliers	(84,079)	(82,001)	(101,495)	(87,652)	-	27,699	-	(5,051,975)
Net Cash Provided (Used) by Operating Activities	(89,785)	(63,160)	(48,684)	(67,351)	(41,302)	251,175	-	(4,325,519)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Nonoperating Grants	125,035	218,333	293,634	83,512	48,841	-	-	5,747,031
CARES Act Funding	-	-	-	-	-	-	-	516,364
COVID Relief Funding	-	-	-	-	-	-	61,080	61,080
COVID Relief Funding Paid to Tenants	-	-	-	-	-	-	(55,470)	(55,470)
COVID Relief Funding Paid to Admin Fee	-	-	-	-	-	-	(5,610)	(5,610)
Net Cash Provided by Noncapital Financing Activities	125,035	218,333	293,634	83,512	48,841	-	-	6,263,395
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Proceeds from Long-Term Debt	-	100,093	-	-	-	81,167	-	181,260
Purchases of Capital Assets	-	(124,372)	(83,252)	-	-	(231,081)	-	(535,290)
Principal Paid on Capital Debt	(6,391)	(30,876)	(45,765)	-	-	(8,696)	-	(302,107)
Interest Paid on Capital Debt	(1,511)	(53,836)	(79,799)	-	-	(1,326)	-	(321,013)
Other Nonoperating Receipts	2,816	832	4,225	395	-	-	-	32,660
Net Cash Provided (Used) by Capital and Related Financing Activities	(5,086)	(108,159)	(204,591)	395	-	(159,336)	-	(944,490)
CASH FLOWS FROM INVESTING ACTIVITIES								
Interest Received	(7)	34	49	11	-	20	-	75,988
Reserve Interest Received	137	149	234	79	-	-	-	1,468
Net Cash Provided by Investing Activities	130	183	283	90	-	20	-	77,456
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS								
Cash and Cash Equivalents - Beginning of Year	30,294	47,197	40,642	16,646	7,539	91,259	-	1,070,842
CASH AND CASH EQUIVALENTS - END OF YEAR	330,837	304,439	477,010	183,847	-	49,339	-	4,798,946
RECONCILIATION OF OPERATING (LOSS) INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES								
Operating (Loss) Income	\$ 361,131	\$ 351,636	\$ 517,652	\$ 200,493	\$ 7,539	\$ 140,598	\$ -	\$ 5,869,788
Adjustments to Reconcile Operating (Loss) Income to Net Cash Provided (Used) by Operating Activities:								
Depreciation	\$ (196,718)	\$ (123,490)	\$ (145,957)	\$ (108,984)	\$ (41,302)	\$ 222,096	\$ -	\$ (5,451,961)
Amortization	109,755	60,486	90,796	50,740	-	3,010	-	1,235,337
Bad Debts	-	-	-	-	-	-	-	30
(Increase) Decrease in Operating Assets and Deferred Outflows:								
Accounts Receivable	(3,527)	(2,193)	(2,668)	(4,463)	-	(2,380)	-	(47,398)
Prepaid Expenses	(5)	(1)	(2)	(1)	-	20,014	-	18,322
Deferred Outflows Related to Pensions						(34,768)	-	(34,768)
Increase (Decrease) in Operating Liabilities and Deferred Inflows:								
Accounts Payable	590	1,529	7,293	(5,055)	-	143,300	-	136,270
Unearned Revenue	(114)	869	2,148	(730)	-	-	-	8,565
Payroll Taxes Payable	-	-	-	-	-	(10,836)	-	(10,836)
Compensated Absences Payable	234	(8)	(70)	162	-	(2,462)	-	304
Accrued Payroll Payable	-	-	-	-	-	8,474	-	8,474
Tenant Deposits Payable	-	(352)	(224)	980	-	-	-	3,124
Accounts Payable Other	-	-	-	-	-	-	-	-
Family Self-Sufficiency Payable	-	-	-	-	-	-	-	22,489
Net Pension Liability	-	-	-	-	-	36,717	-	36,717
Deferred Inflows Related to Pensions	-	-	-	-	-	(131,990)	-	(131,990)
Net Cash Provided (Used) by Operating Activities	\$ (89,785)	\$ (63,160)	\$ (48,684)	\$ (67,351)	\$ (41,302)	\$ 251,175	\$ -	\$ (4,325,519)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**For the Year Ended December 31, 2020**

Federal Agency Name/ Agency Name	Pass-Through	Federal Program Name	CFDA Number	Other Award Number	Expenditures			Footnote Ref
					From Pass- Through Awards	From Direct Awards	Total Amount	
Rural Housing Service, Department Of Agriculture/		Farm Labor Housing Loans and Grants	10.405	56-004-778255888 01 1		320,510	320,510	2
Rural Housing Service, Department Of Agriculture/		Farm Labor Housing Loans and Grants	10.405	56-004-778255888 01 1		139,680	139,680	2
Rural Housing Service, Department Of Agriculture/		Farm Labor Housing Loans and Grants	10.405	56-004-778255888 02 5		400,553	400,553	2
Rural Housing Service, Department Of Agriculture/		Farm Labor Housing Loans and Grants	10.405	56-004-778255888 02 5		72,651	72,651	2
Rural Housing Service, Department Of Agriculture/		Farm Labor Housing Loans and Grants	10.405	56-004-778255888 02 5		28,895	28,895	2
Rural Housing Service, Department Of Agriculture/		Farm Labor Housing Loans and Grants	10.405	56-004-778255888 04 9		222,459	222,459	2
Rural Housing Service, Department Of Agriculture/		Farm Labor Housing Loans and Grants	10.405	56-004-778255888 07 4		372,155	372,155	2
Rural Housing Service, Department Of Agriculture/		Farm Labor Housing Loans and Grants	10.405	56-004-778255888 11 6		455,384	455,384	2
Rural Housing Service, Department Of Agriculture/		Farm Labor Housing Loans and Grants	10.405	56-004-778255888 12 8		139,078	139,078	2
Rural Housing Service, Department Of Agriculture/		Farm Labor Housing Loans and Grants	10.405	56-004-778255888 13-0		199,451	199,451	2
Total CFDA 10.405					0	2,350,816	2,350,816	

The accompanying notes to the Schedule of Expenditures are an integral part of this schedule

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**For the Year Ended December 31, 2020**

Federal Agency Name/ Agency Name	Pass-Through	Federal Program Name	CFDA Number	Other Award Number	Expenditures			Footnote Ref
					From Pass- Through Awards	From Direct Awards	Total Amount	
Rural Housing Service, Department Of Agriculture/		Rural Rental Housing Loans	10.415	56-004-778255888 03 7		420,739	420,739	2
Rural Housing Service, Department Of Agriculture/		Rural Rental Housing Loans	10.415	56-004-778255888 03 7		230,673	230,673	2
Rural Housing Service, Department Of Agriculture/		Rural Rental Housing Loans	10.415	56-004-778255888 03-7		63,949	63,949	3
Rural Housing Service, Department Of Agriculture/		Rural Rental Housing Loans	10.415	56-004-778255888 06 2		277,039	277,039	2
Rural Housing Service, Department Of Agriculture/		Rural Rental Housing Loans	10.415	56-004-778255888 06 2		87,638	87,638	2
Rural Housing Service, Department Of Agriculture/		Rural Rental Housing Loans	10.415	56-004-778255888 06-2		4,289	4,289	3
Rural Housing Service, Department Of Agriculture/		Rural Rental Housing Loans	10.415	56-004-778255888 06-2		974,980	974,980	2
Rural Housing Service, Department Of Agriculture/		Rural Rental Housing Loans	10.415	56-004-778255888 08 6		163,464	163,464	2
Rural Housing Service, Department Of Agriculture/		Rural Rental Housing Loans	10.415	56-009-778255888 08-6		7,054	7,054	3
Rural Housing Service, Department Of Agriculture/		Rural Rental Housing Loans	10.415	56-004-778255888 10 4		215,478	215,478	2
Rural Housing Service, Department Of Agriculture/		Rural Rental Housing Loans	10.415	56-004-778255888 09 8		210,491	210,491	2
Rural Housing Service, Department Of Agriculture/		Rural Rental Housing Loans	10.415	56-009-778255888 09-9		1,093,424	1,093,424	2
Total CFDA 10.415					0	3,749,218	3,749,218	

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**For the Year Ended December 31, 2020**

Federal Agency Name/ Agency Name	Federal Program Name	CFDA Number	Other Award Number	Expenditures			Footnote Ref
				From Pass- Through Awards	From Direct Awards	Total Amount	
Rural Housing Service, Department Of Agriculture/	Rural Rental Assistance Payments	10.427	56-004-778255888 01 1		64,174	64,174	2
Rural Housing Service, Department Of Agriculture/	Rural Rental Assistance Payments	10.427	56-004-778255888 02 5		50,946	50,946	2
Rural Housing Service, Department Of Agriculture/	Rural Rental Assistance Payments	10.427	56-004-778255888 03 7		57,724	57,724	2
Rural Housing Service, Department Of Agriculture/	Rural Rental Assistance Payments	10.427	56-004-778255888 04 9		62,307	62,307	2
Rural Housing Service, Department Of Agriculture/	Rural Rental Assistance Payments	10.427	56-004-778255888 06 2		68,760	68,760	2
Rural Housing Service, Department Of Agriculture/	Rural Rental Assistance Payments	10.427	56-004-778255888 07 4		81,436	81,436	2
Rural Housing Service, Department Of Agriculture/	Rural Rental Assistance Payments	10.427	56-004-778255888 08 6		63,116	63,116	2
Rural Housing Service, Department Of Agriculture/	Rural Rental Assistance Payments	10.427	56-004-778255888 09 8		95,986	95,986	2
Rural Housing Service, Department Of Agriculture/	Rural Rental Assistance Payments	10.427	56-004-778255888 11 6		43,420	43,420	2
Rural Housing Service, Department Of Agriculture/	Rural Rental Assistance Payments	10.427	56-009-778255888 12 8		123,054	123,054	2
Rural Housing Service, Department Of Agriculture/	Rural Rental Assistance Payments	10.427	56-004-778255888 13 0		125,034	125,034	2
Total CFDA 10.427				0	835,957	835,957	

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**For the Year Ended December 31, 2020**

Federal Agency Name/ Agency Name	Federal Program Name	CFDA Number	Other Award Number	Expenditures			Footnote Ref
				From Pass- Through Awards	From Direct Awards	Total Amount	
Office Of Housing-federal Housing Commissioner, Department Of Housing And Urban Development/	Section 8 Housing Assistance Payments Program	14.195	WA19M000104		163,764	163,764	2
Office Of Housing-federal Housing Commissioner, Department Of Housing And Urban Development/	Section 8 Housing Assistance Payments Program	14.195	WA19R000018		224,335	224,335	2
Office Of Housing-federal Housing Commissioner, Department Of Housing And Urban Development/	Section 8 Housing Assistance Payments Program	14.195	WA190038002		218,333	218,333	2
Office Of Housing-federal Housing Commissioner, Department Of Housing And Urban Development/	Section 8 Housing Assistance Payments Program	14.195	WA19M000050		83,512	83,512	2
Office Of Housing-federal Housing Commissioner, Department Of Housing And Urban Development/	Section 8 Housing Assistance Payments Program	14.195	WA190015002		293,634	293,634	2
Total Section 8 Project-Based Cluster CFDA 14.195				0	983,578	983,578	
Office Of Public And Indian Housing, Department Of Housing And Urban Development/	Section 8 Housing Choice Vouchers	14.871	WA064		3,360,947	3,360,947	4
Office Of Public And Indian Housing, Department Of Housing And Urban Development/	HCV CARES Act Funding (HAP and Administrative Fee)	14.871	WA064		516,364	516,364	4
Total Housing Voucher Cluster CFDA 14.871				0	3,877,311	3,877,311	
Office Of Public And Indian Housing, Department Of Housing And Urban Development/	Family Self-Sufficiency Program	14.896	WA064		41,302	41,302	5
Total CFDA 14.896					41,302	41,302	

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**For the Year Ended December 31, 2020**

Federal Agency Name/ Agency Name	Federal Program Name	CFDA Number	Other Award Number	Expenditures			Footnote Ref
				From Pass- Through Awards	From Direct Awards	Total Amount	
Washington State Department of Commerce/City of East Wenatchee	COVID 19-Corona Virus Relief Fund	20.019		61,080		61,080	
Total CFDA 20.019				61,080	0	61,080	
Total Federal Awards Expended:				61,080	11,838,182	11,899,262	

Housing Authority of Chelan County and the City of Wenatchee
Notes to the Schedule of Expenditures of Federal Awards
For Year Ended December 31, 2020

NOTE 1 – BASIS OF ACCOUNTING

The Housing Authority prepares the Schedule of Expenditures of Federal Awards on the same basis of accounting as the Housing Authority's financial statements. The Housing Authority uses the accrual basis of accounting for all programs receiving federal financial assistance.

NOTE 2 – PROGRAM COSTS

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

NOTE 3 – RURAL RENTAL HOUSING LOAN SUBSIDY CREDIT

The Rural Housing Service provides the Rural Rental Housing Loan Subsidy Credit for ManSun Villa, River Run, Chelan Gardens, and Gibson Gardens to reduce the effective interest rate of the loan. The Housing Authority records interest expense on the loan net of the subsidy credit.

NOTE 4 – HOUSING CHOICE VOUCHER PROGRAM EXPENDITURES

HUD interprets federal awards expended for the Housing Choice Voucher program (CFDA 14.871) as the net ACC subsidy for the fiscal year (Section 8 dollars received net of year-end adjustments) which was \$3,867,981 in 2020. Actual expenditures for 2020 were \$3,334,503.

NOTE 5 – FAMILY SELF-SUFFICIENCY PROGRAM

The amount shown as current year expenditure represents the wage/benefits expense for a FSS Coordinator (CFDA 14.896). Total grant award was \$48,973. Actual expenses were \$41,302.

NOTE 6 – INDIRECT COST RATE

The Housing Authority of Chelan County and the City of Wenatchee uses the Cost Allocation Plan option for charging indirect expenses allowed under Uniform Guidance.

HA Of Chelan Co and the City of Wenatchee (WA064)

Wenatchee, WA
Entity Wide Balance Sheet Summary
12/31/2020

	14.896 PIH Family Self- Sufficiency Program	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	14.HCC CARES Act Funding	6.2 Component Unit - Blended	1 Business Activities	20.019 COVID Relief Funding	14.195 Section 8 Housing Assistance Program, Special Allocations	10.427 Rental Assistance Payments	10.405 Farm Labor Housing Loans and Grants	Subtotal	Total
111 Cash - Unrestricted	7,539	613,070	446,592		23,148	247,681		423,376	-	267,915	-	2,029,321
112 Cash - Restricted - Modernization and Development												
113 Cash - Other Restricted		533,219	539,596		102,304			842,884	-	1,626,151	-	3,644,154
114 Cash - Tenant Security Deposits		43,406			15,048	8,904		43,523	-	85,430	-	196,313
115 Cash - Restricted for Payment of Current Liabilities												
100 Total Cash	7,539	1,189,697	986,188		140,500	256,585		1,309,783	-	1,979,496	-	5,869,788
121 Accounts Receivable - PHA Projects												
122 Accounts Receivable - HUD Other Projects												
124 Accounts Receivable - Other Government												
125 Accounts Receivable - Miscellaneous						40,041						40,041
126 Accounts Receivable - Tenants												
126.1 Allowance for Doubtful Accounts - Tenants												
126.2 Allowance for Doubtful Accounts - Other												
127 Notes, Loans, & Mortgages Receivable - Current												
128.1 Allowance for Doubtful Accounts - Fraud												
128.2 Accrued Interest Receivable												
129 Fraud Recovery						158,538						158,538
130 Total Receivables, Net of Allowances for Doubtful						(24,372)						(24,372)
120 Total Receivables, Net of Allowances for Doubtful		48,358	140,340		5,992	47,804		20,649		84,219		347,362
131 Investments - Unrestricted												
132 Investments - Restricted												
135 Investments - Restricted for Payment of Current Liability												
142 Prepaid Expenses and Other Assets						4,059						
143 Inventories												
143.1 Allowance for Obsolete Inventories												
144 Inter Program Due From						50,570						50,570
145 Assets Held for Sale												
150 Total Current Assets	7,539	1,239,683	1,134,764		158,121	399,018		1,332,607	-	2,069,818	-	6,301,450
161 Land		427,240			220,582	541,803		1,190,950		1,402,004		3,782,579
162 Buildings		5,807,355			3,857,070	1,848,079		7,662,479		21,133,532		40,310,515
163 Furniture, Equipment & Machinery - Dwellings												
164 Furniture, Equipment & Machinery - Administration												
165 Leasehold Improvements		30,416	16,226		17,654	101,606		14,929		134,811		315,642
166 Accumulated Depreciation		342,314			778,438	379,044		27,364		3,021,147		4,548,307
167 Construction in Progress		(2,307,609)	(13,575)		(1,794,109)	(1,396,345)		(1,762,017)		(11,183,601)		(18,457,244)
168 Infrastructure		89,831				290,638		276,008				656,477
160 Total Capital Assets, Net of Accumulated		4,389,553	2,651		3,079,641	1,764,825		7,409,713		14,509,893		31,156,276
171 Notes, Loans and Mortgages Receivable - Non-Current												
172 Notes, Loans, & Mortgages Receivable - Non Current -												
173 Grants Receivable - Non Current												
174 Other Assets												
176 Investments in Joint Ventures												
180 Total Non-Current Assets	-	4,389,553	2,651		3,079,641	1,764,825		7,409,713	-	14,509,893	-	31,156,276
200 Deferred Outflow of Resources												
290 Total Assets and Deferred Outflow of Resources	7,539	5,629,136	1,137,415		3,237,762	2,289,728		8,742,320	-	16,579,711	-	37,623,611

HA Of Chelan Co and the City of Wenatchee (WA064)

Wenatchee, WA
Entity Wide Balance Sheet Summary
12/31/2020

	14.896 PIH Family Self- Sufficiency Program	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	14.HCC CARES Act Funding	6.2 Component Unit - Blended	1 Business Activities	20.019 COVID Relief Funding	14.135 Section 8 Housing Assistance Payments Program, Special Allocations	10.427 Rental Assistance Payments	10.405 Farm Housing Loans and Grants	Subtotal	Total
311 Bank Overdraft	-	-	-	-	-	-	-	-	-	-	-	-
312 Accounts Payable <= 90 Days	-	63,960	6,950	-	31,032	209,577	-	35,610	-	40,917	-	388,046
313 Accounts Payable >90 Days Past Due	-	-	-	-	-	-	-	-	-	-	-	-
321 Accrued Wage/Payroll Taxes Payable	-	-	-	-	-	92,943	-	-	-	-	-	92,943
322 Accrued Compensated Absences - Current Portion	-	9,191	12,663	-	2,863	18,336	-	13,411	-	22,520	-	78,994
324 Accrued Contingency Liability	-	-	-	-	-	-	-	-	-	-	-	-
325 Accrued Interest Payable	-	69,433	-	-	-	102	-	12,719	-	13,867	-	96,121
331 Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-	-	-	-	-	-
332 Account Payable - PHA Projects	-	-	-	-	-	-	-	-	-	-	-	-
333 Accounts Payable - Other Government	-	-	-	-	-	-	-	-	-	-	-	-
341 Tenant Security Deposits	-	-	-	-	-	8,803	-	44,023	-	87,745	-	200,897
342 Unearned Revenue	-	45,264	-	-	15,047	1,965	-	11,363	-	28,099	-	55,478
343 Current Portion of Long-term Debt - Capital	-	10,487	-	-	3,564	91,099	-	355,736	-	173,728	-	690,571
344 Current Portion of Long-term Debt - Operating	-	70,008	-	-	-	-	-	-	-	-	-	-
345 Other Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
346 Accrued Liabilities - Other	-	-	-	-	-	-	-	-	-	-	-	-
347 Inter Program - Due To	-	3,125	-	-	29,131	-	-	-	-	1,875	-	34,131
348 Loan Liability - Current	-	-	-	-	-	-	-	-	-	-	-	-
310 Total Current Liabilities	-	271,460	19,613	-	81,637	422,825	-	472,867	-	368,751	-	1,637,161
351 Long-term Debt, Net of Current - Capital	-	-	-	-	1,846,986	1,185,537	-	7,542,415	-	6,846,922	-	21,688,855
352 Long-term Debt, Net of Current - Operating Borrowings	-	4,266,995	-	-	-	-	-	-	-	-	-	-
353 Non-current Liabilities - Other	-	-	120,765	-	-	-	-	-	-	-	-	120,765
354 Accrued Compensated Absences - Non Current	-	-	-	-	-	-	-	-	-	-	-	-
355 Loan Liability - Non Current	-	-	-	-	-	-	-	-	-	-	-	-
356 FASB 5 Liabilities	-	-	-	-	-	-	-	-	-	-	-	-
357 Accrued Pension and OPEB Liabilities	-	-	-	-	-	482,031	-	-	-	-	-	482,031
350 Total Non-Current Liabilities	-	4,266,995	120,765	-	1,846,986	1,667,568	-	7,542,415	-	6,846,922	-	22,291,651
300 Total Liabilities	-	4,538,463	140,378	-	1,928,623	2,090,393	-	8,015,282	-	7,215,673	-	23,928,812
400 Deferred Inflow of Resources	7,539	-	-	-	-	200,912	-	-	-	-	-	208,451
508.4 Net Investment in Capital Assets	-	52,550	2,651	-	1,232,655	488,189	-	(488,438)	-	7,483,243	-	8,776,850
511.4 Restricted Net Position	-	533,219	418,831	-	102,304	-	-	842,884	-	1,626,151	-	3,523,389
512.4 Unrestricted Net Position	-	504,904	575,555	-	(25,820)	(489,766)	-	372,592	-	248,644	-	1,186,109
513 Total Equity - Net Assets / Position	-	1,090,673	997,037	-	1,309,139	(1,577)	-	727,036	-	9,364,038	-	13,486,348
600 Total Liabilities, Deferred Inflows of Resources and	7,539	5,629,136	1,137,415	-	3,237,762	2,289,728	-	8,742,320	-	16,579,711	-	37,623,611

HA Of Chelan Co and the City of Wenatchee (WA064)											
Wenatchee, WA											
Entity Wide Revenue and Expense Summary											
12/31/2020											
	14.896 PIH Family Self-Sufficiency Program	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	14.HCC CARES Act Funding	6.2 Component Unit - Blended	1 Business Activities	20.019 COVID Relief Funding	14.195 Section 8 Housing Assistance Payments Program - Special Allocations	10.427 Rental Assistance Payments	10.405 Farm Labor Housing Loans and Grants	Total
70300 Net Tenant Rental Revenue		345,202			188,116	134,667		546,878		1,161,393	2,376,256
70400 Tenant Revenue - Other											
70500 Total Tenant Revenue	-	345,202		-	188,116	134,667		546,878	-	1,161,393	2,376,256
70600 HUD PHA Operating Grants	41,302	224,335	3,837,167	516,364	-	-	-	759,243	-	-	5,378,411
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											
70800 Other Government Grants		10,672					61,080		835,958		907,710
71100 Investment Income - Unrestricted		196	177		8	37		175		104	697
71200 Mortgage Interest Income											
71300 Proceeds from Disposition of Assets Held for Sale											
71310 Cost of Sale of Assets											
71400 Fraud Recovery			810								810
71500 Other Revenue		13,683	30,874		4,309	75,593		6,631		7,167	138,257
71600 Gain or Loss on Sale of Capital Assets											
72000 Investment Income - Restricted		184			165	31		472		616	1,468
70000 Total Revenue	41,302	594,272	3,869,028	516,364	192,598	210,328	61,080	1,313,399	835,958	1,169,280	8,803,609
91100 Administrative Salaries			49,532	48,492		192,864		67,290			358,178
91200 Auditing Fees		3,020	22,039		11,903	3,607		5,221		14,524	60,314
91300 Management Fee											
91310 Book-keeping Fee											
91400 Advertising and Marketing		694			299	402		608		361	2,364
91500 Employee Benefit contributions - Administrative				6,527		(34,084)		14,392			(13,165)
91600 Office Expenses		9,880	39,779		5,928	71,779		19,531		24,666	171,563
91700 Legal Expense		987	4,424		189	6,833		3,796		1,615	17,844
91800 Travel		16,660	3,659		2,368	2,235		3,781		15,108	43,811
91810 Allocated Overhead											
91900 Other											
91000 Total Operating - Administrative	-	31,241	119,433	55,019	20,687	243,636	-	114,619	-	56,274	640,909
92000 Asset Management Fee											
92100 Tenant Services - Salaries	41,302	56,050	25,806	84,506	22,998	23,339		96,319		86,457	436,777
92200 Relocation Costs											
92300 Employee Benefit Contributions - Tenant Services		28,856	28,918	36,640	5,345	3,909		33,021		34,301	170,990
92400 Tenant Services - Other			8,651							8,651	
92500 Total Tenant Services	41,302	84,906	63,375	121,146	28,343	27,248	-	129,340		120,758	616,418

HA Of Chelan Co and the City of Wenatchee (WA064)											
Wenatchee, WA											
Entity Wide Revenue and Expense Summary											
12/31/2020											
	14.896 PIH Family Self-Sufficiency Program	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	14.HCC CARES Act Funding	6.2 Component Unit - Blended	1 Business Activities	20.019 COVID Relief Funding	14.195 Section 8 Housing Assistance Payments Program, Special Allocations	10.427 Rental Assistance Payments	10.405 Farm Labor Housing Loans and Grants	Total
93100 Water	-	51,812	799	-	18,824	13,525	-	33,286	145,702	-	263,948
93200 Electricity	-	14,002	-	-	1,697	1,659	-	41,664	26,163	-	85,185
93300 Gas	-	-	-	-	-	-	-	-	-	-	-
93400 Fuel	-	-	-	-	-	-	-	-	-	-	-
93500 Labor	-	-	-	-	-	-	-	-	-	-	-
93600 Sewer	-	59,440	-	-	13,932	13,560	-	56,442	79,119	-	222,493
93700 Employee Benefit Contributions - Utilities	-	-	-	-	-	-	-	-	-	-	-
93800 Other Utilities Expense	-	28,284	-	-	14,951	9,087	-	18,858	76,458	-	147,638
93000 Total Utilities	-	153,538	799	-	49,404	37,831	-	150,250	327,442	-	719,264
94100 Ordinary Maintenance and Operations - Labor	-	76,956	68	-	23,285	11,595	-	99,340	219,161	-	430,405
94200 Ordinary Maintenance and Operations - Materials	-	67,865	19,125	-	21,325	27,128	-	102,961	269,533	-	507,937
94300 Ordinary Maintenance and Operations Contracts	-	-	-	-	-	-	-	-	-	-	-
94500 Employee Benefit Contributions - Ordinary	-	42,270	-	-	12,874	6,507	-	49,147	111,505	-	222,303
94000 Total Maintenance	-	187,091	19,193	-	57,484	45,230	-	251,448	600,199	-	1,160,645
95100 Protective Services - Labor	-	-	-	-	-	-	-	-	-	-	-
95200 Protective Services - Other Contract Costs	-	-	-	-	-	-	-	-	-	-	-
95300 Protective Services - Other	-	-	-	-	-	-	-	-	-	-	-
95500 Employee Benefit Contributions - Protective	-	-	-	-	-	-	-	-	-	-	-
95000 Total Protective Services	-	-	-	-	-	-	-	-	-	-	-
96110 Property Insurance	-	9,641	-	-	11,463	18,158	-	15,044	30,087	-	84,393
96120 Liability Insurance	-	-	790	-	-	-	-	-	-	-	790
96130 Workmen's Compensation	-	-	-	-	-	-	-	-	-	-	-
96140 All Other Insurance	-	-	-	-	-	-	-	-	-	-	-
96100 Total Insurance Premiums	-	9,641	790	-	11,463	18,158	-	15,044	30,087	-	85,183
96200 Other General Expenses	-	-	-	-	-	-	-	-	-	-	-
96210 Compensated Absences	-	-	23,615	-	-	-	61,080	-	-	-	84,695
96300 Payments in Lieu of Taxes	-	9,267	13,256	-	2,601	17,554	-	8,966	16,617	-	68,261
96400 Bad debt - Tenant Rents	-	-	-	-	25,678	-	-	-	-	-	25,678
96500 Bad debt - Mortgages	-	-	-	-	-	-	-	-	-	-	-
96600 Bad debt - Other	-	-	(118,198)	-	-	-	-	-	-	-	(118,198)
96800 Severance Expense	-	-	-	-	-	-	-	-	-	-	-
96000 Total Other General Expenses	-	9,267	(81,327)	-	28,279	17,554	61,080	8,966	16,617	-	60,436
96710 Interest of Mortgage (or Bonds) Payable	-	-	-	-	-	-	-	-	-	-	-
96720 Interest on Notes Payable (Short and Long Term)	-	78,020	-	-	-	1,427	-	152,812	47,694	-	279,953
96730 Amortization of Bond Issue Costs	-	-	-	-	-	-	-	-	-	-	-
96700 Total Interest Expense and Amortization Cost	-	78,020	-	-	-	1,427	-	152,812	47,694	-	279,953
96900 Total Operating Expenses	41,302	553,704	122,263	176,165	195,660	391,084	61,080	822,479	1,199,071	-	3,562,808
97000 Excess of Operating Revenue over Operating	-	40,568	3,746,765	340,199	(3,062)	(180,756)	-	490,920	835,958	(29,791)	5,240,901

HA Of Chelan Co and the City of Wenatchee (WA064)											
Wenatchee, WA											
Entity Wide Revenue and Expense Summary											
12/31/2020											
	14.896 PIH Family Self-Sufficiency Program	10.415 Rural Rental Housing Loans	14.871 Housing Choice Vouchers	14.HCC CARES Act Funding	6.2 Component Unit - Blended	1 Business Activities	20.019 COVID Relief Funding	14.195 Section 8 Housing Assistance Payments Program Special Allocations	10.427 Rental Assistance Payments	10.405 Farm Labor Housing Loans and Grants	Total
97100 Extraordinary Maintenance	-	-	-	-	-	-	-	-	-	-	-
97200 Casualty Losses - Non-capitalized	-	-	-	-	-	-	-	-	-	-	-
97300 Housing Assistance Payments	-	-	3,077,797	340,199	-	-	-	-	-	-	3,417,996
97350 HAP Portability-In	-	-	28,701	-	-	-	-	-	-	-	28,701
97400 Depreciation Expense	-	198,981	740	-	135,316	50,334	-	230,940	-	619,027	1,235,338
97500 Fraud Losses	-	-	-	-	-	-	-	-	-	-	-
97600 Capital Outlays - Governmental Funds	-	-	-	-	-	-	-	-	-	-	-
97700 Debt Principal Payment - Governmental Funds	-	-	-	-	-	-	-	-	-	-	-
97800 Dwelling Units Rent Expense	-	-	-	-	-	-	-	-	-	-	-
90000 Total Expenses	41,302	752,685	3,229,501	516,364	330,976	441,418	61,080	1,053,419	-	1,818,098	8,244,843
10010 Operating Transfer In	-	285,586	-	-	-	443,898	-	-	-	550,372	1,279,856
10020 Operating transfer Out	-	(93,310)	(13,250)	-	(30,903)	(21,537)	-	(110,174)	(835,958)	(174,724)	(1,279,856)
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)	-	192,276	(13,250)	-	(30,903)	422,361	-	(110,174)	(835,958)	375,648	-
10000 Excess (Deficiency) of Total Revenue Over	-	33,863	626,277	-	(169,281)	191,271	-	149,806	-	(273,170)	558,766
11020 Required Annual Debt Principal Payments	-	65,487	-	-	-	-	-	85,104	-	142,797	293,388
11030 Beginning Equity	-	1,056,810	370,760	-	1,478,420	(192,848)	-	577,232	-	9,637,208	12,927,582
11040 Prior Period Adjustments, Equity Transfers and	-	-	-	-	-	-	-	-	-	-	-
11050 Changes in Compensated Absence Balance	-	-	-	-	-	-	-	-	-	-	-
11060 Changes in Contingent Liability Balance	-	-	-	-	-	-	-	-	-	-	-
11070 Changes in Unrecognized Pension Transition	-	-	-	-	-	-	-	-	-	-	-
11080 Changes in Special Term/Severance Benefits	-	-	-	-	-	-	-	-	-	-	-
11090 Changes in Allowance for Doubtful Accounts -	-	-	-	-	-	-	-	-	-	-	-
11100 Changes in Allowance for Doubtful Accounts -	-	-	-	-	-	-	-	-	-	-	-
11170 Administrative Fee Equity	-	-	578,206	-	-	-	-	-	-	-	578,206

ABOUT THE STATE AUDITOR'S OFFICE

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

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, www.sao.wa.gov. Additionally, we share regular news and other information via an email subscription service and social media channels.

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