



Office of the Washington State Auditor  
Pat McCarthy

## **Financial Statements and Federal Single Audit Report**

# **The Housing Authority of the City of Bremerton**

**For the period October 1, 2021 through September 30, 2022**

*Published June 26, 2023*

Report No. 1032795



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

June 26, 2023

Board of Commissioners  
The Housing Authority of the City of Bremerton  
Bremerton, Washington

**Report on Financial Statements and Federal Single Audit**

Please find attached our report on the Housing Authority of the City of Bremerton'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

***Americans with Disabilities***

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## SCHEDULE OF FINDINGS AND QUESTIONED COSTS

### The Housing Authority of the City of Bremerton October 1, 2021 through September 30, 2022

## SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audit of the Housing Authority of the City of Bremerton 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 of the business-type activities and the aggregate discretely presented component units 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 each of its major federal programs.

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 programs were selected as major programs in our audit of compliance in accordance with the Uniform Guidance.

<u>ALN</u>	<u>Program or Cluster Title</u>
14.182	Section 8 Project-Based Cluster – Section 8 New Construction/Substantial Rehabilitation
14.195	COVID-19 Section 8 Project-Based Cluster – Section 8 Housing Assistance Payments Program
14.195	Section 8 Project-Based Cluster – Section 8 Housing Assistance Payments Program
14.249	Section 8 Project-Based Cluster – Section 8 Moderate Rehabilitation Single Room Occupancy
14.871	COVID-19 Housing Voucher Cluster – Section 8 Housing Choice Vouchers
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 \$3,000,000.

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*

#### **The Housing Authority of the City of Bremerton October 1, 2021 through September 30, 2022**

Board of Commissioners  
The Housing Authority of the City of Bremerton  
Bremerton, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities and the aggregate discretely presented component units of the Housing Authority of the City of Bremerton, as of and for the year ended September 30, 2022, 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 June 13, 2023.

Our report includes a reference to other auditors who audited the financial statements of the Bay Vista West Limited Liability Limited Partnership, the Bay Vista South Limited Liability Limited Partnership (collectively, the Partnerships) and the Bay Vista Commons Assisted Living Center Limited Liability Company, as described in our report on the Housing Authority's financial statements. This report includes our consideration of the results of the other auditors' testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors. The financial statements of the Partnerships were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Partnerships.

## **REPORT ON 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of

the Housing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control.

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

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we and the other auditor did not identify any deficiencies in internal control that we consider to be material weaknesses.

## **REPORT ON 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 its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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.

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Pat McCarthy, State Auditor

Olympia, WA

June 13, 2023



## 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

#### **The Housing Authority of the City of Bremerton October 1, 2021 through September 30, 2022**

Board of Commissioners  
The Housing Authority of the City of Bremerton  
Bremerton, Washington

### **REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM**

#### **Opinion on Each Major Federal Program**

We have audited the compliance of the Housing Authority of the City of Bremerton, with the types of compliance requirements identified as subject to audit 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 September 30, 2022. The Housing Authority's major federal programs are identified in the auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

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 September 30, 2022.

#### **Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); 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)* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Housing Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a 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 with the compliance requirements referred to above.

### **Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Housing Authority's federal programs.

### **Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Housing Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance will always detect a material noncompliance when it exists. The risk of not detecting a material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Housing Authority's compliance with the requirements of each major federal program as a whole.

Performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Housing Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances;
- Obtain an understanding of the Housing Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Housing Authority's internal control over compliance. Accordingly, no such opinion is expressed; and

- We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## REPORT ON 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 audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed. Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

### 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

June 13, 2023

# INDEPENDENT AUDITOR'S REPORT

## Report on the Audit of the Financial Statements

### **The Housing Authority of the City of Bremerton October 1, 2021 through September 30, 2022**

Board of Commissioners  
The Housing Authority of the City of Bremerton  
Bremerton, Washington

## **REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

### **Opinions**

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the Housing Authority of the City of Bremerton, as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed in the financial section of our report.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Housing Authority of the City of Bremerton, as of September 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Bay Vista West Limited Liability Limited Partnership or the Bay Vista South Limited Liability Partnership (collectively, the Partnerships), which represents 100 percent of the assets, liabilities and revenues of the aggregate discretely presented component units. Additionally, we did not audit the financial statements of the Bay Vista Commons Assisted Living Center Limited Liability Company (the Company), a blended component unit, which represents 6 percent, 22 percent and 1 percent, respectively, of the assets, liabilities and revenues of the business-type activities. Those statements were audited by other auditors, whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for the Partnerships and the Company, are based solely on the reports 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 Partnerships were not audited in accordance with *Government Auditing Standards*.

## **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Housing Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Responsibilities of Management 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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Housing Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Housing Authority's ability to continue as a going concern for a reasonable period of time; and
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Required Supplementary Information**

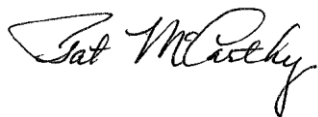
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information listed in the financial section of our report be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Information

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

## OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2023 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 the effectiveness of the Housing Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority's internal control over financial reporting and compliance.



Pat McCarthy, State Auditor

Olympia, WA

June 13, 2023



## **FINANCIAL SECTION**

### **The Housing Authority of the City of Bremerton October 1, 2021 through September 30, 2022**

#### **REQUIRED SUPPLEMENTARY INFORMATION**

Management's Discussion and Analysis – 2022

#### **BASIC FINANCIAL STATEMENTS**

Statement of Net Position – 2022

Statement of Revenues, Expenses and Changes in Net Position – 2022

Statement of Cash Flows – 2022

Notes to Financial Statements – 2022

#### **REQUIRED SUPPLEMENTARY INFORMATION**

Schedule of Proportionate Share of the Net Pension Liability – PERS 1, PERS 2/3 – 2022

Schedule of Employer Contributions – PERS 1, PERS 2/3 – 2022

Schedule of Changes in the Total OPEB Liability and Related Ratios – PEBB – 2022

#### **SUPPLEMENTARY AND OTHER INFORMATION**

Schedule of Expenditures of Federal Awards – 2022

Notes to the Schedule of Expenditures of Federal Awards – 2022

Financial Data Schedule – 2022

**HOUSING AUTHORITY OF THE CITY OF BREMERTON**  
**Management's Discussion and Analysis**  
Year Ended September 30, 2022

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As management of the Housing Authority of the City of Bremerton (Housing Authority), we offer readers of the Housing Authority's financial statements this narrative overview and analysis of the financial activities of the Housing Authority for the year ended September 30, 2022. The Management's Discussion and Analysis (MD&A) should be read in conjunction with the Housing Authority's financial statements and the notes to the financial statements which follow.

The Housing Authority administers a broad range of federally and locally financed housing programs within the limits of the City of Bremerton. The Housing Authority owns 440 units of housing, manages 137 units for the two tax credit properties, provides rental subsidies to on average 1,396 additional households, and administers 287 vouchers for Housing Kitsap. The majority of the Housing Authority's program participants have incomes at or below 30% of the area median income. Most of the people receiving assistance from the Housing Authority are veterans, elderly, and the disabled. The Housing Authority is also a HUD performance-based contract administrator (PBCA) for Washington State, Utah, and Nebraska. These PBCA contracts provide housing for approximately 27,928 households.

The financial statements of the reporting entity should allow users to distinguish between primary government and component units. The financial performance presented in the following analyses does not include operations of discrete component units. These discrete component units, comprise 2 properties and 137 units, owned by separate limited partnerships with the Housing Authority acting as general partner. These separate legal entities are not included in the books of the Housing Authority but are listed as component units in the Housing Authority's financial statements and are detailed in portions of the notes to the financial statements (Note 1, Note 3, Note 4, Note 5, Note 6, and Note 8). With those exceptions, neither these units, nor their financial data, are included in the analysis and financial reports that follow.

### **Financial Highlights**

- Assets and deferred outflow of resources exceeded liabilities and deferred inflow of resources (Net Position) at the close of the fiscal year by \$65.89 million for the Housing Authority, which is an increase of \$2.16 million, or 3.4% over FY 2021. Of this amount \$27.2 million is the net investment in capital assets, net of related debt, \$5.37 million is restricted to meet externally imposed obligations, and \$33.32 million is unrestricted to meet ongoing obligations to tenants and creditors.
- The cash balances increased from the previous year by \$0.075 million, or .058%. Restricted cash decreased by \$1.56 million with \$1.535 million pulled from the property development proceeds restricted cash account to help fund the HUD approved 72- unit Pendleton Place project. Unrestricted cash increased by 1.63 million mostly from profits from the PBCA work.
- Total liabilities and deferred inflows of resources for the Housing Authority decreased by 6.1%, or \$1.73 million. The primary reason for the decrease is from the \$0.6 million increase in the pension liability, \$0.4 million decrease in the OPEB liability, and a \$3 million decrease in the deferred inflow liability for pensions. There was also a \$1.51 million increase in long term debt incurred for the purchase of the five homes.

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- Total revenues (operating and non-operating) increased by 3.78%, or \$8.49 million. This increase is mainly due to the following reasons. First, an increase in Contract Management Services (CMS) Housing Assistance Payments (HAP) revenue of \$5.36 million. There was also an increase in Housing Choice Voucher (HAP) revenue of \$2.49 million. There was an increase of \$0.33 million in operating grants for N/C S/R Section 8 programs and \$0.24 million increase in Medicaid revenue for the blended component unit.
  - Total expenses (operating and non-operating) increased by 5.17%, or \$11.4 million for the Housing Authority mostly due to a CMS HAP increase of \$5 million, a \$1.97 million increase in HAP payments for the HCV program, an increase of \$1.13 million in pension and OPEB costs, \$1.1 million in administrative costs, \$0.9 million more maintenance costs, half of which was due to the computer incident, \$0.46 million in tenant services mostly in rental assistance payments, and \$0.48 million in other general expenses including bad debts, compensated absences, and insurance premiums.
  - The Housing Authority's HCV program voucher utilization rates for the fiscal year increased from 70.6% (16,044 of 22,728 of unit months available) to 73.2% (16,752 of 22,888 of unit months available). HAP spending for the year was at 100.2% of the annual HAP funding received from HUD. The HAP spending for the Housing Authority increased \$2.19 million, or 17% for the year with the average HAP voucher increasing from \$805 to \$901. HUD held restricted HAP reserves (HHR) were at \$2.8 million as of the end of the fiscal year. The Housing Authority has been working to increase the lease-ups so as to decrease the HUD held reserves and increase the utilization rate. Through December of 2022 the HHR had decreased to \$1.9 million.
  - The occupancy of public housing properties was as follows. Occupancy at the Summit at Bay Vista Apartments for the 47 public housing units located there was 99.3% for the year. The 24 public housing units at Winfield Apartments had occupancy at 95.8% for the year. The Shadow Creek Apartment's 15 units of public housing had an occupancy rate of 92.2%. The Charter House Apartments 11 units of public housing had an occupancy rate of 100%. The Casa Del Sol has 8 units of public housing had an occupancy rate of 96.9%. Wright Court has 6 units of public housing and a 97.2% occupancy rate for the year.
  - The occupancy of the affordable properties was as follows. Occupancy at the Summit for the 36 affordable units was 99.8%. The Shadow Creek 17 affordable units had occupancy for the year at 98%. Occupancy at the 82-unit Tamarack property was 97.6% and for the 60 units at the Firs property was 91.3%. The Charter House 19 affordable units had occupancy for the year of 93.9%. The assisted living facility, Bay Vista Commons, had occupancy of 86.5% for the 72 units available. Tara Heights had occupancy of 98.8% for the 21 units at this property. The Wright Court property had occupancy of 95.2% for the 7 affordable units and Casa Del Sol has 10 affordable units with a 100% occupancy during the year. The new five home property started moving in tenants in June and had a 75% occupancy for the four months of the year.

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## Overview of the Financial Statements

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

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

The Housing Authority's financial statements include:

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

Net Position is designed to represent the available liquid (non-capital) assets, net of liabilities, for the entire Housing Authority. Net Position is reported in three categories:

- ✓ Net Investments in Capital Assets: This component of Net Position consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
  - ✓ Restricted Net Position: This component of Net Position consists of restricted assets where constraints have been placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc., net of any offsetting, associated liabilities.
  - ✓ Unrestricted Net Position: This component of Net Position consists of Net Position that does not meet the definitions of *Net Investment in Capital Assets* or *Restricted Net Position*.
- Statement of Revenues, Expenses and Changes in Net Position - This Statement includes operating revenues, such as rental income; operating expenses, such as administrative expenses, utilities, and maintenance expenses, and depreciation; and non-operating revenue and expenses, such as grant revenue, investment income and interest expense. This statement presents information showing how the Housing Authority's net position changed during the year.

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The focus of the Statement of Revenues, Expenses and Changes in Net Position is the *Change in Net Position*, which is similar to Net Income or Loss. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

- Statement of Cash Flows – This Statement discloses net cash provided by, and used for operating activities, non-capital financing activities, capital and related financing activities, and investing activities. This statement shows where cash came from, how it was used and the change in the cash balance during the year.

The Housing Authority's basic financial statements also include notes to the financial statements that explain some of the information in the government-wide financial statements and provide more data supporting the numbers in these statements.

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

The Housing Authority also presents Schedules of Proportionate Share of the Net Pension Liability and Schedules of Employer Contributions as Required Supplementary Information used to disclose 10-year trends of funding of the Housing Authority's pension obligations. Additionally, the Housing Authority presents a schedule of changes in total OPEB Liability and Related Ratios to present 10-year trends of the Housing Authority's Other Post Employment Benefit obligations.

### **Condensed Government-wide Statements and Analysis of Overall Financial Position**

The following table<sup>1</sup> summarizes the Statement of Net Position as of September 30, 2022, and 2021 for the Housing Authority. The table does not include the discretely presented Component Units.

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<sup>1</sup> For more detailed information please see the Statement of Net Position.

<b>COMPARATIVE CONDENSED STATEMENT OF NET POSITION</b>		
	2022	2021
<b>Assets</b>		
Current and Other Assets	\$ 45,300,263	\$ 48,186,612
Capital Assets	47,485,983	45,356,135
<b>Total Assets</b>	92,786,246	93,542,747
<b>Deferred Outflow of Resources</b>	1,753,421	540,051
<b>Liabilities</b>		
Current Liabilities	1,137,393	1,490,224
Noncurrent Liabilities	25,561,039	23,903,798
<b>Total Liabilities</b>	26,698,432	25,394,022
<b>Deferred Inflow of Resources</b>	1,952,089	4,961,244
<b>Net Position</b>		
Net Investment in Capital Assets	27,203,770	26,421,930
Restricted	5,364,031	5,909,677
Unrestricted	33,321,345	31,395,925
<b>Total Net Position</b>	<u>\$ 65,889,146</u>	<u>\$ 63,727,532</u>

The Housing Authority's overall financial position strengthened during the year. Total net position increased by \$2.16 million, or 3.4%.

Current assets exceed current liabilities by \$27.08 million for a current ratio of 24.81 which is an increase from the prior year current ratio of 19.95. The current ratio is a measure of the ability to pay debts as they become due and generally a current ratio of 1 or less suggests that obligations may not be paid when they are due.

Total assets and deferred outflow of resources increased by \$0.46 million (.05%) during the fiscal year. There were increases in capital assets of \$2.13 million for the year. There was the increase of \$3.75 million in capital asset additions during the year, which was mainly for the purchase of the five homes for \$2.55 million, and the \$1.62 million of current year depreciation which was a reduction to capital assets. There was a decrease in current and other assets of \$2.89 million primarily due to the \$2.87 million in the pension asset decrease, there was a negative net impact of \$1 million for the payment made for the 5 homes (\$2.5 million payout and \$1.5 million received as a recoverable loan), and the remainder are increases in the cash and investments for the other programs and projects of the Housing Authority.

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Total liabilities and deferred inflows of resources of the Housing Authority decreased by 6%, or \$1.7 million, mainly due to the decrease in the pension deferred inflows of \$3.01 million. There was also an increase of \$0.6 million in the pension liability and a decrease of \$0.41 million in the OPEB liability. There was an increase in long-term debt of \$1.51 million for the forgivable loan related to the five-home purchase.

The following table<sup>2</sup> summarizes revenues, expenses, and changes in net position for the years ended September 30, 2022, and 2021 for the Housing Authority. The table does not include the discretely presented component units.

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

**COMPARATIVE CONDENSED STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN NET POSITION**

	<u>2022</u>	<u>2021</u>
<b>Revenues</b>		
Operating Revenue		
Tenant Revenue	\$ 3,504,120	\$ 3,461,524
Other Revenues	2,706,204	2,485,758
Non-Operating Revenue		
Operating Grants	227,629,711	219,593,864
Investment Income	263,391	160,411
Gains (Losses) on Capital Asset Disposition	-	(93,045)
Total Revenue	<u>234,103,426</u>	<u>225,608,512</u>
<b>Expenses</b>		
Operating Expenses		
Administrative	9,094,166	6,704,113
Tenant Services	2,836,725	2,381,616
Utilities	663,362	641,910
Ordinary Maintenance and Operations	2,379,834	1,484,799
Housing Assistance Payments	214,391,131	207,090,614
Depreciation and Amortization	1,621,651	1,584,347
Other General Expenses	1,302,001	977,359
Non-Operating Expenses		
Interest	<u>187,266</u>	<u>189,028</u>
Total Expenses	<u>232,476,136</u>	<u>221,053,786</u>
Excess (Deficiency) of Revenues over Expenses	<u>1,627,290</u>	<u>4,554,726</u>
<b>Capital Grants and Contributions</b>	534,324	558,145
<b>Special Items</b>	-	-
<b>Change in Net Position</b>	<u>2,161,614</u>	<u>5,112,871</u>
<b>Prior Period Adjustment</b>		-
<b>Cummulative effect of a change in accounting principle</b>	-	-
<b>Net Position, Beginning of Year</b>	<u>63,727,532</u>	<u>58,614,661</u>
<b>Net Position, End of Year</b>	<u><u>\$ 65,889,146</u></u>	<u><u>\$ 63,727,532</u></u>



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The \$8 million increase in operating grant revenue is mostly the result of CMS HAP and administrative fee increases of \$5.36 million, and an increase of \$2.49 million in HCV HAP and administrative fees.

Total expenses increased by \$11.4 million mostly due to increased HAP payments from the CMS PBCA contracts of \$5 million and an increase in Section 8 HAP payments of \$1.97 million. There was also an increase in administrative costs of \$2.36 million with pension and OPEB costs of \$1.13 million and increases in wages of \$0.63 from increased wages and benefit costs from wage increases and from increased positions. Maintenance costs increased by \$0.9 million, with computer incident costs accounting for half of the increase and pension and OPEB costs increased \$0.13 million. Other increases included \$0.46 million in tenant services mostly in rental assistance payments, and \$0.48 million in other general expenses including bad debts, compensated absences, and insurance premiums.

## **Capital Asset and Long-Term Liability Activity**

### Capital Assets

During FY 2022, the Housing Authority had the following significant changes in capital assets:

- There were \$2,674,386 of additions to capital assets for buildings which are described as follows. This included \$2,333,070 for the purchase of the 5 homes, new security glass for lobby of \$5,257, fire door replacement at Charter House of \$38,643, elevator replacement at Casa Del Sol of \$208,606, window replacements at Tamarack of \$47,153, gutter and downspout replacement at Shadow Creek of \$30,215, garage door repairs at Winfield of \$9,147, and a new garage door at Wright Court of \$2,295.
- There were \$317,430 of additions to capital assets for land was for the purchase of 5 homes to be used for affordable housing.
- There were \$174,057 of additions to capital assets for equipment of which \$86,380 was for security cameras at four of the properties, a dishwasher, food warmer, and ice machine at Bay Vista Commons of \$12,010, boiler replacement at the Summit of \$33,847, air conditioner at the Summit of \$5,323, cubicles and wiring for the housing department of \$34,212, and a water heater at the admin building of \$2,285.
- The additions to the improvements other than buildings of \$168,732 consists of \$93,756 of fencing replacement at three of the properties, and installation of a trench drain at the Summit of \$74,976.
- There was construction in progress additions of costs of \$516,891 at year end which is described as follows: Window replacements at Tamarack of \$50,000, sewer line replacements at Tamarack of \$96,277. kitchen cabinets and countertops of \$144,663 at Casa Del Sol, playground at Shadow Creek \$57,192,

parking lot ponding work at the Summit of \$2,250, stairwell carpet for the Summit \$31,788, security cameras \$25,500, a new roof at the admin building \$83,814, new units design Shadow Creek \$22,026, and kitchen design at the Firs of \$3,381.

- There were transfers of \$841,223 from construction in progress to the properties which consisted of \$229,504 for the kitchen cabinets at Casa Del Sol, \$396,092 for the Shadow Creek playground, \$137,069 for the Tamarack windows, \$21,270 for the ponding parking lot project at the Summit, \$25,500 for security cameras, and \$31,788 for stairwell carpet replacement at the Summit.

The following table<sup>3</sup> summarizes the changes in capital assets between fiscal years ended September 30, 2022, and 2021 for the Housing Authority and excludes the discretely presented Component Units.

	<b>Housing Authority</b>		<b>Net Change</b>
	<b>2022</b>	<b>2021</b>	
Land	\$ 9,444,958	\$ 9,127,528	\$ 317,430
Construction-In-Progress	268,132	592,464	(324,332)
Buildings	42,544,605	39,833,150	2,711,455
Improvements	8,570,300	7,984,206	586,094
Machinery and Equipment	3,980,246	3,519,397	460,849
Totals	64,808,241	61,056,745	3,751,496
Accumulated Depreciation	(17,322,258)	(15,700,610)	(1,621,648)
<b>Capital Assets, Net</b>	<b>\$ 47,485,983</b>	<b>\$ 45,356,135</b>	<b>\$ 2,129,848</b>

### Long-Term Liability Activity

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

Total mortgage payable decreased by \$107,751 from the prior year. The Housing Authority through its blended component unit BVC ALC has secured a long-term mortgage loan obligation for the Bay Vista Commons Assisted Living Center facility insured by the Federal Housing Administration under the provisions of Section 232 pursuant to Section 223(f) of the National Housing Act, as amended, and regulations published thereunder in effect on April 19, 2016. The mortgage Healthcare Note is dated June 1, 2016, with an initial term of 35 years, secured by a first deed of trust on the real property, and bears interest of 3.39% per annum, Principal and interest are payable in monthly installments of \$24,270.87 beginning

<sup>3</sup> For more detailed information on Capital Assets please see Note 4 to the Financial Statements

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on August 1, 2016, until the entire unpaid principal balanced evidenced by the Healthcare Facility Note is paid. Any remaining principal and interest shall be due and payable on July 1, 2051. The note carries a prepayment penalty of 10% amortized to zero over ten years. Currently the prepayment penalty is 5% of the note balance.

The notes payable line increased by \$1,504,177 from the prior the year. An increase of \$1,510,500 was for a new loan with the Washington State Department of Commerce in the form of a Housing Trust Fund recoverable grant which has no expectation of repayment if the terms and conditions of the agreement are met over a 40-year period. The Notes Payable consist of a Housing Trust Fund recoverable grant, as part of the acquisition of the Charter House Apartments, from the seller (King County Housing Authority) with approval of the Washington State Department of Commerce, which is evidenced by a promissory note in the amount of \$777,000 with 0.00% interest dated February 10, 2014, and which has no expectation of repayment if the terms and conditions of the grant requirements have been met through the commitment period which ends on March 31, 2054. The recoverable grant is secured by a Deed of Trust on the property. The remaining portion of the Notes Payable amounts consist of the Housing Trust Fund loan for the Summit Apartments with an amount outstanding of \$211,495, a decrease of \$6,323 from the prior year, and the TCAP loan balance with an amount outstanding of \$12,477,337 which is a forgivable loan after 40 years, with no principal or interest payments due if the terms and conditions of the loan agreement are met. Until matured, the TCAP loan remains a liability of the Housing Authority. This loan is secured by a Deed of Trust on the Summit at Bay Vista. There is also an Affordable Housing Program (AHP) loan in the amount of \$690,000 that is a note payable to Bank of America which also is a forgivable loan at the end of the loan term, 15 years, if the conditions are met per the agreement. Until matured, this loan remains a liability of the Housing Authority. This loan is secured by a Deed of Trust on the Bay Vista West properties.

The pension liability is for the Department of Retirement Systems Pers 1 program.

The OPEB liability is an actuarially calculated liability. It will be recalculated every year that the Housing Authority partakes in the Washington state medical plan. The liability is impacted by interest rates, employee age, benefit payments, and other items.

The other line in the table below consists of compensated absences and FSS escrow amounts which both decreased year over year. The lease liability is also included in the other line.

The following table<sup>4</sup> summarizes the changes in long-term liabilities (including current portions) between fiscal years ended September 30, 2022, and 2021 for the Housing Authority and excludes the Component Units.

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<sup>4</sup> For more details on the long-term liabilities please see Note 8 to the Financial Statements

	<b>Housing Authority</b>		<b>Net Change</b>
	<b>2022</b>	<b>2021</b>	
Mortgages	5,354,299	5,462,050	(107,751)
Notes Payable	15,666,332	14,162,155	1,504,177
Pension Liability	1,071,424	468,246	603,178
OPEB Liability	2,725,294	3,126,053	(400,759)
Other	897,930	833,662	64,268
<b>Total long-term liabilities</b>	<b>\$ 25,715,279</b>	<b>\$ 24,052,166</b>	<b>\$ 1,663,113</b>

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

### **Economic Factors Affecting the Housing Authority**

The Housing Authority depends on funding from HUD for Public Housing and Section 8 Housing Choice Voucher programs and to fund much of its administrative and capital needs. In addition, the Housing Authority operates multiple affordable housing properties located in Bremerton, Washington and performs as a Performance-Based Contract Administrator (PBCA) for HUD in multiple states for the oversight and administration of certain HUD housing subsidy contracts with owners of multifamily housing projects. Future operations could be affected by changes in federal low-income housing subsidies; changes in the terms or amount of PBCA contracts held; economic or other changes in the Bremerton geographical area; or by changes in the demand for such affordable housing and related services.

### **Federal Low-Income Housing Subsidies**

HUD's funding of federal low-income housing subsidies is dependent on congressional appropriations and related budget prioritizations. Federal budget cuts enacted in prior years and expected to occur in future periods, represent the greatest on-going economic challenge for the Housing Authority. The following funding impacts from such actions were experienced in 2021 and are expected for 2022:

- For 2021, funding for the Public Housing operating subsidy was 96.74% of eligibility. For 2022, the funding is 105.24%.
- The administrative cost portion of the Section 8 Housing Choice Voucher program was funded at 85.8% of eligibility during 2021 and is being funded at 89.2% for 2022.

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- The Section 8 Housing Choice Voucher Program Housing Assistance Payments was funded at 100% of eligibility during 2021 and is funded at approximately the same for 2022.
  - For more than ten years, Capital Fund grants provided by HUD have been insufficient to meet the capital renewal and replacement needs of Housing Authorities and no increase in funding levels are expected in the coming years. The Housing Authority has had the benefit of a higher capital fund allocation due to the old units of public housing that were retired in order to make way for the Bay Vista development project. The capital fund allocation now has decreased from \$1.3 million a year to less than half of that to \$530 thousand in 2022. This decrease will continue for the coming years and impact capital funding of projects at the public housing properties.

The Housing Authority has responded to these on-going challenges of Federal budget reductions for low-income housing programs in part by securing other sources of funds, primarily through the provision of services to HUD via its PBCA operations, and by redeveloping its largest public housing site. The PBCA fee for services work provides net revenues that are unrestricted and available to fund the Housing Authority's mission of relieving the community's shortage of safe, decent, and affordable housing options. The conversion of ownership structure on certain public housing complexes (part of the large public housing redevelopment project) to ownership by partnerships under the Low-Income Housing Tax Credit (LIHTC) program brought infusions of capital funding for construction of new affordable housing units through equity contributions by the investors of those partnerships. The investors provided equity contributions to the partnership so that they could then benefit from the federal income tax credits awarded to those projects.

### PBCA

The Performance Based Contract Award (PBCA) state contracts held by the Housing Authority along with substantially all other such contracts nationwide have been in a process of being rebid by HUD through several attempted proposal processes, none of which have yet been concluded successfully. These proposals started in 2012 and have been challenged in court. It is expected that another procurement process will be initiated by HUD in the near future. The outcome of a potential re-solicitation of PBCA contracts in accordance with procurement regulations has the potential to significantly reduce the available funding for the Housing Authority from its current level of PBCA administration fee revenues earned. On October 26, 2021, HUD Headquarters sent us ACC amendments for all three states. We were granted a 1-year extension (through 1/31/2023), with four six-months extensions thereafter (through 1/31/2025). No fees or tasks were changed with the amendments.

For the fiscal year 2022, CMS administrative fees funded 40.5% of the Housing Authority's operating expenses and CMS profits funded 35.4% of Housing Authority expenses excluding the CMS operations. If the outcome of these processes is adverse financially for the

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Housing Authority, operations in both the CMS department and the general Housing Authority support services areas will be reduced to levels appropriate and sustainable for the reduced level of funding provided.

#### Local Economy and Conditions

Local inflationary, recessionary, and in particular employment trends, can affect resident incomes and therefore the amounts of rental incomes received by the Housing Authority, as well as the amount of Housing Assistance Payments paid out by the Housing Authority. During 2022 the Housing Authority saw the fair market rents increase about 20% which has enabled many of the Housing Choice Voucher holders to find housing locally. With this increase the number of landlords willing to work with us has increased and has allowed the Housing Authority to increase the number of leased vouchers by over a 100 for the year. Unemployment in the Bremerton-Silverdale Washington metropolitan statistical area decreased from 4.4% in September 2021 to 3.6% in September 2022 according to the U.S. Bureau of Labor Statistics ([www.bls.gov](http://www.bls.gov)).

#### **Contacting the Housing Authority's Financial Management**

This financial report is designed to provide a general overview of the Housing Authority's finances and to demonstrate accountability for its resources. Any questions concerning the information presented here should be addressed to the Executive Director for the Housing Authority of the City of Bremerton. The Housing Authority's offices are located at 600 Park Avenue, Bremerton, WA 98337.

**Housing Authority of the City of Bremerton**  
**Statement of Net Position**  
**September 30, 2022**

	Housing Authority	Component Units
<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents	\$ 8,971,292	\$ 401,490
Investments	13,069,276	
Receivables (Net):		
HUD	2,127,302	-
Other Governments	339,463	
Tenants	46,071	28,819
Notes Receivable	3,550	4,794
Other	272,970	-
Prepaid and Other Current Assets	601,789	113,934
Restricted Assets:		
Cash and Cash Equivalents	2,786,957	3,086
Total Current Assets	<u>28,218,670</u>	<u>552,123</u>
Noncurrent Assets		
Restricted Cash	1,341,859	1,485,067
Notes Receivable from Component Units	10,421,619	
Interest Receivable from Component Units	319,357	
Notes Receivable Noncurrent	3,103,812	11,604
Capital Assets:		
Land	9,444,958	
Buildings	42,544,605	25,583,311
Improvements Other than Buildings	8,570,300	6,723,967
Equipment	3,980,246	427,631
Construction In Progress	268,132	\$61,727
Accumulated Depreciation	<u>(17,322,258)</u>	<u>(9,600,713)</u>
Total Capital Assets (Net)	47,485,983	23,195,923
Pension	1,846,528	
Other Assets	48,418	91,345
Total Noncurrent Assets	<u>64,567,576</u>	<u>24,783,939</u>
<b>TOTAL ASSETS</b>	<u>\$ 92,786,246</u>	<u>\$ 25,336,062</u>
<b>DEFERRED OUTFLOW OF RESOURCES</b>		
Deferred Outflows Related to Pensions	1,749,437	
Deferred Outflows Related to OPEB	3,984	
<b>TOTAL DEFERRED OUTFLOW OF RESOURCES</b>	<u>\$ 1,753,421</u>	<u>\$ -</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES</b>	<u>\$ 94,539,667</u>	<u>\$ 25,336,062</u>

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

**Housing Authority of the City of Bremerton**  
**Statement of Net Position**  
**September 30, 2022**

	<b>Housing Authority</b>	<b>Component Units</b>
<b>LIABILITIES</b>		
Current Liabilities		
Accounts Payable	\$475,258	\$ 289,978
Construction Retainage Payable	40,228	
Accrued Liabilities	286,856	26,806
Intergovernmental Payables	-	
Current Portion of Lease Liability	22,337	
Current Portion of Compensated Absences	36,393	1,004
Current Portion of Long-Term Debt	117,847	
Tenant Security Deposits	102,193	39,175
Unearned Revenue	56,281	3,597
Other Current Liabilities		3,086
Other Current Liabilities		
Total Current Liabilities	<u>1,137,393</u>	<u>363,646</u>
Noncurrent Liabilities		
Compensated Absences	688,674	19,069
Long-Term Debt	20,902,784	
Notes Payable to Housing Authority		10,401,834
Accrued Interest Payable to Housing Authority		357,298
FSS Escrows	146,046	
Lease Liability	26,817	
Net Pension Liability	1,071,424	
Total OPEB Liability	2,725,294	
Total Noncurrent Liabilities	<u>25,561,039</u>	<u>10,778,201</u>
<b>TOTAL LIABILITIES</b>	<u><u>\$ 26,698,432</u></u>	<u><u>\$ 11,141,847</u></u>
<b>DEFERRED INFLOW OF RESOURCES</b>		
Deferred Inflows Related to Pensions	1,952,089	
<b>TOTAL DEFERRED INFLOW OF RESOURCES</b>	<u><u>\$ 1,952,089</u></u>	<u><u>\$ -</u></u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	27,203,770	12,794,089
Restricted	5,364,031	1,446,542
Unrestricted	33,321,345	(46,416)
<b>TOTAL NET POSITION</b>	<u><u>\$ 65,889,146</u></u>	<u><u>\$ 14,194,215</u></u>

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



**Housing Authority of the City of Bremerton**  
**Statement of Revenues, Expenses, and Changes in Net Position**  
**For the Year Ended September 30, 2022**

	<b>Housing Authority</b>	<b>Component Units</b>
OPERATING REVENUES		
Net Tenant Rental Revenue	\$ 3,504,120	\$ 989,886
HUD Subsidies and Grant Revenue	227,629,711	-
Tenant Revenue - Other	172,596	20,223
Medicaid Revenue	1,364,655	
PBCA Subcontract Admin Fees	-	
Other Fees For Service	505,231	
Other Operating Revenue	663,722	381,110
TOTAL OPERATING REVENUES	<u>233,840,035</u>	<u>1,391,219</u>
OPERATING EXPENSES		
Administration	9,094,166	193,579
Tenant Services	2,836,725	21,480
Utilities	663,362	172,897
Ordinary Maintenance and Operations	2,379,834	422,795
Housing Assistance Payments	214,391,131	
Depreciation and Amortization	1,621,651	987,201
Other Operating Expenses	1,302,001	291,981
TOTAL OPERATING EXPENSES	<u>232,288,870</u>	<u>2,089,933</u>
OPERATING INCOME (LOSS)	<u>\$ 1,551,165</u>	<u>\$ (698,714)</u>
NONOPERATING REVENUES (EXPENSES)		
Investment Income	263,391	3,243
Interest Expense	(187,266)	(120,228)
Gains (Losses) on Capital Asset Disposition	-	
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>76,125</u>	<u>(116,985)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND SPECIAL ITEMS	<u>1,627,290</u>	<u>(815,699)</u>
CAPITAL GRANT CONTRIBUTIONS	534,324	-
SPECIAL ITEMS	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	2,161,614	(815,699)
NET POSITION - BEGINNING OF YEAR	63,727,532	\$15,009,914
NET POSITION - END OF YEAR	<u>\$ 65,889,146</u>	<u>\$ 14,194,215</u>

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

**Housing Authority of the City of Bremerton**  
**Statement of Cash Flows**  
**For the Year Ended September 30, 2022**

	<b>Housing Authority</b>	<b>Component Units</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers	\$ 3,465,736	\$ 865,094
HUD Operating Grants	227,306,460	
Payments to Employees	(13,544,194)	(318,112)
Payments to Suppliers	(6,637,538)	(564,464)
Housing Assistance Payments	(214,391,131)	
Other Receipts (Payments)	1,869,055	231,994
<b>NET CASH PROVIDED/(USED) BY OPERATING ACTIVITIES</b>	<u>(1,931,612)</u>	<u>214,512</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Notes and Mortgages Receivable	(1,475,927)	
Other Government Operating Grants	120,553	-
Prior Period Adjustments	-	-
Other receipts	-	
Special Item	-	
<b>NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES</b>	<u>(1,355,374)</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Capital Contributions	534,324	
Purchase of Capital Assets	(3,774,750)	(61,727)
Principal Payments on Capital Debt	4,218,900	(67,939)
Interest Payments on Capital Debt	(187,576)	(118,438)
<b>NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>790,898</u>	<u>(248,104)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Net Sale (Purchase) of Investments	2,298,984	
Interest and Dividends	272,199	3,244
<b>NET CASH PROVIDED/(USED) BY INVESTING ACTIVITIES</b>	<u>2,571,183</u>	<u>3,244</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	75,095	(30,348)
<b>CASH AT BEGINNING OF YEAR</b>	13,025,013	1,919,991
<b>CASH AT END OF YEAR</b>	<u>\$ 13,100,108</u>	<u>\$ 1,889,643</u>

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

**Housing Authority of the City of Bremerton**  
**Statement of Cash Flows**  
**For the Year Ended September 30, 2022**

	<b>Housing Authority</b>	<b>Component Units</b>
<b>CASH PROVIDED/(USED) BY OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ 1,551,165	\$ (698,714)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided/(Used):		
Depreciation Expense & Amortization	1,621,651	987,201
Changes in Assets and Liabilities:		
Decrease (Increase) in Receivables	(458,097)	(27,965)
Decrease (Increase) in Prepaid Expenses	(355,351)	(62,911)
Decrease (Increase) in Inventories	-	
Decrease (Increase) in Deferred Outflows	(1,213,370)	
Increase (Decrease) in Accounts Payable	(270,379)	130,368
Increase (Decrease) in Other Payables	(495)	(113,467)
Increase (Decrease) in Net Pension Liability & OPEB Liability	202,419	
Increase (Decrease) in Deferred Inflows	(3,009,155)	
Total Adjustments	<u>(3,482,777)</u>	<u>913,226</u>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u><u>\$ (1,931,612)</u></u>	<u><u>\$ 214,512</u></u>
Non-cash investing, capital, and financing activity:		

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

# HOUSING AUTHORITY OF THE CITY OF BREMERTON

## Notes to Financial Statements Year Ended September 30, 2022

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

The financial statements of the Housing Authority of the City of Bremerton (Housing Authority) conform to generally accepted accounting principles (GAAP) as applicable to proprietary funds of governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The following is a summary of the most significant accounting policies:

#### a. Reporting Entity

The Housing Authority of the City of Bremerton was created on July 17, 1940 as a municipal corporation under the provisions of the State Housing Authorities Law (RCW 35.82) and the Housing Cooperation Law (RCW 35.83) in response to the Federal Housing Act of 1937. The Housing Authority is governed by a six-member Board of Commissioners, appointed by the Mayor of the City of Bremerton.

As required by generally accepted accounting principles, management has considered all potential component units in defining the reporting entity. The Housing Authority is not financially dependent on the City of Bremerton and is not a component unit of the City. The Housing Authority's reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the primary government is financially accountable. The financial statements of the Housing Authority include both discretely presented and blended component units.

#### Discretely presented component units

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

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

- Bay Vista South, LLP – A Washington state limited liability limited partnership was formed on March 30, 2009, for the purpose of acquiring, developing, constructing, improving, maintaining, owning, operating, and leasing 19 buildings consisting of 68 residential units located in Bremerton, Washington, known as the Bay Vista South. Bay Vista South qualifies for the federal low-income housing tax credit program as described in Internal Revenue Code Section 42. The units constructed are owned by the partnership and managed by Cascade Management, Inc., a subcontractor for the partnership. Construction of Bay Vista South was completed during fiscal year 2011.
- Bay Vista West, LLP – A Washington state limited liability limited partnership was formed on November 5, 2010, for the purpose of acquiring, developing, constructing, improving, maintaining, owning, operating, and leasing 20 buildings consisting of 69 residential units located in Bremerton, Washington, known as the Bay Vista West. Bay Vista West qualifies for the federal low-income housing tax credit program as described in Internal Revenue Code Section 42. The units constructed are owned by the partnership and managed by Cascade Management, Inc., a subcontractor for the partnership. Construction of Bay Vista West was completed during fiscal year 2012.

The two component units have a December 31 year-end. The financial statements of the component units are audited separately and presented as of December 31, 2021. The audited financial statements of the discretely presented component units are prepared under standards promulgated by the Financial Accounting Standards Board (FASB), not GASB standards. Copies of these audited statements can be obtained by contacting the Housing Authority. Condensed financial information for each of the component units is provided in Note 8.

#### Blended component units

The Housing Authority has three blended component units. Although they are a legally separate 501(c)(3) non-profit corporation and a single member limited liability company under the laws of the state of Washington, they are both component units of the Housing Authority and reported as if they were a part of the Housing Authority. These entities have governing bodies that are either the same as the Housing Authority's or are appointed by the Housing Authority, and the Housing Authority is financially accountable for them. These blended component units have a sole purpose of benefiting and supporting the Housing Authority in support of its mission of development and provisioning of safe and affordable low-income housing.

- CMS Contract Management Services (CMS) is a non-profit instrumentality of the Housing Authority and was established in April 2011 to exercise essential governmental functions on behalf of BHA. Although it is a separate 501(c)(3) non-profit corporation, CMS is a blended component unit of the Housing Authority and accordingly reported as if it was part of the Housing Authority. CMS is governed by a three-member board consisting of officers (Directors and the Executive Director) of the Housing Authority which are appointed by the Housing Authority Board of Commissioners. CMS's sole purpose is to make application to serve as a Performance Based Contract Administrator (PBCA); to enter into contracts in multiple states for PBCA services as may be awarded from such application; and to administer the services required under such contracts for the benefit of the Housing Authority to facilitate the functions of the Housing Authority in support and development of safe and affordable low-income housing. Because the governing body of CMS is appointed by the Housing Authority and CMS's sole purpose

is to service and benefit the Housing Authority, its financial statements are blended with those of the Housing Authority. CMS has a September 30<sup>th</sup> fiscal year end. The financial statements of this blended component unit are not audited separately. As of the end of the fiscal year 2022, no contracts have been awarded or executed by CMS consequently there is no financial activity to present for this component unit at this time.

- The Bay Vista Commons ALC, LLC (“BVC ALC”) was formed May 6, 2015, as a single member limited liability company under the laws of the state of Washington. The Housing Authority is the sole manager and member of BVC ALC. BVC ALC was formed to obtain and meet requirements for issuance of a long-term mortgage loan obligation for the Bay Vista Commons Assisted Living Center facility as insured by the Federal Housing Administration under the provisions of Section 232 pursuant to Section 223(f) of the National Housing Act. BVC ALC’s sole purpose is to operate a healthcare facility for the benefit of the Housing Authority in support of its mission of providing safe and affordable housing. The Housing Authority Board of Commissioners are also the governing board for BVC ALC, and the authorized officers of BVC ALC are employees of the Housing Authority. Because the governing body of BVC ALC is the same as the Housing Authority’s and its sole purpose is to service and benefit the Housing Authority, its financial statements are blended with those of the Housing Authority. BVC has a September 30<sup>th</sup> fiscal year end. The financial statements of this blended component unit are audited separately to meet lender requirements. Copies of this audited financial statement can be obtained by contacting the Housing Authority. Condensed financial information for this blended component unit is provided in Note 8.
- Sound Communities is a non-profit corporation which is operated exclusively for the benefit of, to perform the functions of, and to carry out the charitable purposes of the Housing Authority of the City of Bremerton, within the meaning and consistent with the requirements of Section 501(c)(3) and Section 509(a) of the Internal Revenue Code of 1986 (the Code”), as it be amended from time to time, and more particularly to exercise essential governmental functions. Sound Communities was established in February 2020 to support the Housing Authority by soliciting funding to support the capital and maintenance needs of the property owned and managed by the Housing Authority, to acquire or develop new low- income housing properties exclusively for the benefit of the Housing Authority, and for supportive services for residents. Sound Communities consists of six directors who are nominated and elected by the Housing Authority and one Ex-Officio director which is a current member of the Board of Commissioners of the Housing Authority. Sound Communities has a September 30<sup>th</sup> fiscal year end year-end. As a separate 501(c)(3) non-profit corporation, Sound Communities submits separate annual tax returns. As of the end of the fiscal year 2022, there were no donations and \$1,294 of expenses mostly for audit fees.

b. Basis of Accounting and Presentation

Accounting records are maintained according to the proprietary fund model that is similar to private business enterprises. The Housing Authority’s financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows. Capital asset purchases are capitalized and depreciated over their useful lives and long-term liabilities are accounted for in the proprietary fund.

The proprietary fund is composed of a number of programs. These programs (both federally and locally financed housing programs) are designed to provide quality affordable housing opportunities and increase the self-sufficiency of those housed. The primary programs are described as follows:

*Low Income Public Housing* – The Authority owns, operates and maintains 6 low-income public housing projects (The Summit at Bay Vista, Shadow Creek, Winfield, Charter House, Wright Court, and Casa Del Sol) with 111 units of public housing. The Housing Authority also is the General Partner in the component units listed above currently consisting of 137 units of which 95 are public housing units. The public housing program offers income based rental assistance (subsidy) for elderly, disabled and single families who qualify under the low-income guidelines. Revenues for the projects consist of rents and other fees collected from tenants and an operating subsidy received from HUD. Typically, residents pay 30% of their adjusted income in rents. The Housing Authority's subsidy is received under an Annual Contributions Contract to offset the cost of operating the units. HUD also provides funds to maintain and improve the public housing projects under the Capital Fund Program. A unique feature of this is that as funds are pulled from the capital grants they are shown as revenue. Some of the costs funded through these capital grants are capitalized and some expensed depending on the nature of the item as capital funds can be used for both capital improvements and to fund operating costs. Substantially all additions and improvements to land, structures and equipment of public housing are accomplished through these capital grant funds.

*Tenant-Based Housing Choice Vouchers* – The Housing Authority provided rental assistance payments to an average of 1,396 households during the year who live in private rental housing. Funded by HUD pursuant to Section 8 of the U.S. Housing Act, this program allows participating families and individuals to choose their own housing maintained and managed by private landlords with the use of a housing voucher. Generally, the participant pays between 30% and 40% of their monthly income towards rent and the Housing Authority pays the remainder. The Housing Authority targets this program to veterans, the elderly, disabled households and families that are homeless or at the risk of homelessness. The Housing Authority also administered an average of 287 vouchers during the year for Housing Kitsap (Formerly known as Kitsap County Consolidated Housing Authority).

*Project-Based Section 8 and Multifamily Housing* – Under these programs, subsidies attach to qualifying housing units rather than to qualifying individuals or families. The Housing Authority manages the subsidy payments under the Section 8 Moderate Rehabilitation Single Room Occupancy program for 33 units at the Max Hale Center owned by Catholic Community Services. The Housing Authority owns the Firs Apartments, which contains 60 senior/disabled units that are subsidized under the New Construction/Substantial Rehabilitation Section 8 program. The Housing Authority has 159 Project-Based Section 8 units at their owned or managed properties. The Housing Authority owns the Tamarack Apartments for which 72 units are New Construction/Substantial Rehabilitation Section 8 units and 10 are project-based Section 8 units. The Housing Authority also owns Bay Vista Commons for which 45 of the 72 units are subsidized as project-based Section 8 and the Summit at Bay Vista which has 7 project-based Section 8 units. The Housing Authority owns these properties and has

17 project-based Section 8 units at the Shadow Creek Apartments, 21 units at Tara Heights Apartments, 19 units at Charter House, 7 units at Wright Court, and 10 units at Casa Del Sol all. The Housing Authority purchased five homes at the Bay Vista development during the year. These homes are subsidized with section 8 vouchers. The Housing Authority also is the General Partner in the component units listed above, and also manages these properties, currently consisting of 137 completed units of which 23 are project-based Section 8 units.

*Non-Subsidized Housing* – In addition to the above subsidized housing programs, the Housing Authority owns and operates non-subsidized units. The Housing Authority's current non-subsidized housing unit portfolio was originally financed using tax exempt revenue bonds. State laws governing this type of financing require that fifty percent of the housing be affordable housing. The Housing Authority owns the 72-unit Bay Vista Commons Apartments complex, of which 27 units are non-subsidized.

*Performance-Based Contract Administration* – In December 2000 the Housing Authority was first awarded the HUD contract to become the performance-based contract administrator (PBCA) for Washington State. Under this contract the Housing Authority is responsible for calculating and paying project-based Section 8 subsidies; processing Housing Assistance Payment (HAP) contract renewals, terminations, and expirations; conducting annual Management and Occupancy Reviews; responding to resident's health and safety issues; following up on HUD's Real Estate Assessment Center (REAC) physical inspection findings; and monitoring each property owner's HAP contract compliance. In May of 2004, the Housing Authority subcontracted with the PBCA of Hawaii to assume the PBCA services for the State of Hawaii. This subcontract with Hawaii ended on April 30, 2020. In February 2005 HUD also awarded the Housing Authority with the PBCA contracts for the States of Utah and Nebraska.

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

c. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments. The Housing Authority considers all highly liquid investments (including restricted assets) with maturities of three months or less when purchased to be cash equivalents. This classification includes undeposited receipts, petty cash, cash on deposit in private bank accounts, money market accounts and cash on deposit with fiscal agents.

d. Investments

The Housing Authority invests excess cash not needed for operations in certificates of deposit, the Washington State Local Government Investment Pool (LGIP), or direct obligations of the U.S. Government pursuant to requirements of Washington State law in Chapter 39.58 RCW and HUD imposed investment restrictions. At times, the Housing Authority also maintains investments held by trustees. Investments held by trustees are restricted for specific uses including capital additions and improvements and debt service. Investments are reported at fair



value with the exception of the LGIP, which is carried at cost. The net increase (decrease) in the fair value of investments is recognized as a component of investment income. The investments for fiscal year ended September 30, 2022 are all in the LGIP and are recorded as investments and not as cash and cash equivalents because it is the agency's intent to leave the funds in the LGIP for the foreseeable future. These funds are essentially cash in nature because they can be liquidated on demand. See Note 2.

e. Receivables

Accounts receivable consist primarily of amounts due from HUD and other governments, from tenants for rent and other charges, notes receivable for repayment agreements, and notes and interest receivable from tax-credit partnerships for development funds loaned to them. A review of uncollectible accounts is made monthly and, subject to approval of the Board of Commissioners, expensed at the end of each month. Annually, the allowances for uncollectible accounts receivable is estimated and adjusted based on historical trends and periodic aging of accounts receivable balances. Some receivables are due to the Housing Authority outside the normal collection cycle and are classified as long-term receivables. The Housing Authority includes in the allowances for uncollectible receivables an amount owed, by Mason County Housing Authority, which is to be paid out of available excess cash. There have been no payments made since 2009 on these Promissory Notes.

f. Prepaid Expenses

Prepaid expenses represent amounts paid in advance of the period which the expenses benefit. Prepaid expenses consist primarily of the current portion of insurance premiums, as well as annual contracts for software and hardware needs.

g. Capital Assets

Major expenses for capital assets, including capital leases and major repairs that increase useful lives, are capitalized. Maintenance, repairs, and minor renewals are accounted for as expenses when incurred. Capital assets are defined by the Housing Authority as assets with an initial individual cost of more than \$2,000 and estimated useful life in excess of 1 year. Capital assets are recorded at cost where the historical cost is known and at estimated historical cost where no records exist. Donations are recorded at cost at the time of donation.

Capital project costs associated with the acquisition, development and construction of a real estate development project, including indirect costs and interest during the period of construction, are capitalized as a cost of the project. There was no capitalized interest during the year ending September 30, 2022.

Preliminary costs incurred for proposed projects are deferred pending construction of the building/facility. Costs related to projects ultimately constructed are transferred to the project; charges that relate to abandoned projects are expensed. As of September 30, 2022 there was \$268,133 of construction in-progress.

The original cost of operating property and the cost of installation, less salvage, is charged to accumulated depreciation over its useful life. However, 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.

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

Land	no depreciation
Buildings	25 – 40 years
Improvements	5 – 40 years
Equipment and Furniture	5 – 20 years
Construction-in-progress	no depreciation
Software	5-10 years

Management reviews land, structures, and equipment for possible impairment to determine if the decline in service utility is significant and unexpected. If the asset is considered impaired the amount of impairment loss is determined in accordance with GASB-42 using either the Restoration Cost Approach, the Service Units Approach, or the Deflated Depreciated Replacement Cost Approach. Upon retirement or other disposition of property and equipment, the cost and related accumulated depreciation are removed from the respective accounts and any gains or losses are included in non-operating revenues and expenses. No impairment loss was recognized during the fiscal year.

See Note 3 for the capital asset components and balances as of September 30, 2022, and activity for the fiscal year.

#### h. Restricted Assets

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

Restricted cash held by the Housing Authority on September 30, 2022, consisted of the following:

<b>Description</b>	<b>Housing Authority</b>	<b>Component Units</b>
Tenant Security Deposits		
Summit at Bay Vista	\$ 23,285	
The Firs Apartments	16,570	
Tara Heights Apartments	5,500	
Winfield Apartments	4,450	
Shadow Creek Apartments	9,350	
Wright Court	2,561	
Casa Del Sol	4,700	
Charter House	7,643	
Tamarack Apartments	25,891	
Bay Vista Homes	1,000	
Total Tenant Security Deposits	<u>100,950</u>	\$ 38,525
Reserves		
Summit - Reserve for Replacement	768,263	
Bay Vista Commons - Reserve for Replacement	252,762	
Summit - Operating Reserve	174,471	
Total Reserves	<u>1,195,496</u>	
FSS Escrows		
Housing Choice Voucher Program	146,046	
Total FSS Escrows	<u>146,046</u>	
Debt Service, Insurance & Taxes Reserves		
Bay Vista Commons	261,424	
Total Debt Service, Insurance & Taxes Reserves	<u>261,424</u>	
CSS Endowment Trust	861,080	
Program Income - HOPE VI	689,638	
Program Income - CFP - Development	252,357	
Emergency Housing Vouchers	35,144	
Tax-Credit Partnership Required Reserves		1,446,542
Land Sale Proceeds	546,453	
Construction Retainage	40,228	3,086
<b>Total Restricted Cash</b>	<b><u>\$ 4,128,816</u></b>	<b><u>\$ 1,488,153</u></b>

i. Compensated Absences

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

Paid time off (PTO) is accumulated annually depending on years of employment ranging from 150 hours for under one year up to 275 hours for twenty or more years. The maximum accrual ranges from 500 hours for under one year of employment to 875 hours for 20 or more years of employment. Upon resignation, retirement, or death the accrued but unpaid PTO is cashed out at 100% for the first 250 hours accumulated and 35% of any remaining accrued but unused PTO. Paid sick leave is provided under the Washington State's "Paid Sick Leave" to all employees and is accrued at 1 hour per 30 hours in paid status. A total of 100 hours of Washington State Paid Sick Leave may carry over from fiscal year to fiscal year. Any of the sick leave accumulated hours over 100 are transferred to PTO at the end of each fiscal year.

j. Pensions

For purposes of measuring the net pension liability, net pension asset, deferred outflows and 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. Benefit payments (reduced by refunded employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 7 for more details

For purposes of calculating the restricted net position related to the net pension asset, the Housing Authority includes the (net pension asset only/net pension asset and the related deferred outflows and deferred inflows/net pension asset and related deferred inflows).

k. Other Post-Employment Benefits (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expenses, information about the fiduciary net position of the Bremerton Housing Authority Retiree Benefits Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. See Note 11 for more details.

l. Deferred Outflows/Inflows of Resources

Transactions that result in the consumption of net position in one period that are applicable to future periods are presented as deferred outflows of resources. Transactions that result in an

acquisition of net position that is applicable to future periods are presented as deferred inflows of resources.

m. Unearned Revenue

The Housing Authority has unearned revenue resulting from tenant rent payments received in advance of the period in which these are considered earned.

n. Tax Exemption

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

o. Operating Revenues/Expenses

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

p. Use of Estimates

Preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingencies as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Significant estimates and assumptions require the exercise of judgement and are used for, but not limited to, allowance for doubtful accounts, useful lives for depreciation, property reserves, and contingencies. Actual results will differ from those estimates.

q. Deferred Outflows/Inflows of Resources

Transactions that result in the consumption of net position in one period that are applicable to future periods are presented as deferred outflows of resources. Transactions that result in an acquisition of net position that is applicable to future periods are presented as deferred inflows of resources.

## **NOTE 2 – DEPOSITS AND INVESTMENTS**

### **a. Deposits**

Cash on hand at September 30, 2022 was \$13,100,108. The Housing Authority's deposits and certificates of deposit are entirely covered by Federal Depository Insurance Corporation (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC). Deposits that are in excess of the FDIC insured amount are secured by collateral through the Washington State Public Deposit Protection Act, which was adopted in 1969. Under this act, each public depository is required to contribute to a common pool of pledged securities. In the event of default of one bank, all participating banks in Washington State will collectively assure that no loss of funds will be suffered by any public treasurer or custodian of public funds. In 1994, the Housing Authority received a waiver from HUD that enabled it to make deposits in excess of \$100,000 in a qualified public depository because HUD determined that while the Public Deposit Protection Act did not meet the HUD requirements for full collateralization there were "adequate safeguards against the loss of PHA funds."

### **b. Investments**

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

The LGIP is managed and operated by the Washington State Treasurer's office and is not registered with the SEC as an investment company. The LGIP manages a portfolio of securities that meet the maturity, quality, diversification, and liquidity requirements set forth by the GASB 79 for external investment pools that elect to measure, for financial reporting purposes, investments at amortized cost. Over 530 local governments have participated in the pool since it was started in 1986 to provide safe, liquid, and competitive investment options for local government pursuant to RCW 43.250. The LGIP does not have any legally binding guarantees of share values.

Investments with the LGIP meet the criteria of cash and cash equivalents because these can be liquidated on demand. The income, gains and losses – net of administration fees – of the LGIP investment pool is approximately equal to the value of the pool shares. The Office of the State Treasurer prepares a stand-alone LGIP financial report. A copy of the report is available from the Office of the State Treasurer, PO Box 40200, Olympia, Washington 98504-0200, online at <http://www.tre.wa.gov>.

As of the year ended September 30, 2022, the Housing Authority had the following investments which earned 0.087% per annum of interest at the beginning of the fiscal year and increased throughout the year and ended at 2.561%. There is no guarantee of future earnings.

Investment Type	Value
Washington State Local Government Investment Pool	\$ 13,069,276
Total	\$ 13,069,276

### Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Housing Authority's policy for reducing its exposure to credit risk is to comply with HUD authorized investment instruments and Washington State law which limit investments to low-risk investment instruments. In line with Washington State laws, the Local Government Investment Pool (LGIP) investment policy limits the types of securities available for investment to obligations of the U.S. government or its agencies, obligations of government-sponsored corporations, banker's acceptances, commercial paper, deposits with qualified public depositories, or obligations of the state of Washington or its political subdivisions. Banker's acceptances and commercial paper must be rated with the highest short-term credit rating of any two Nationally Recognized Statistical Rating Organizations (NRSROs) at the time of purchase. The aggregate total of commercial paper and banker's acceptances is limited to 35% of the portfolio. As of September 30, 2022, the LGIP did not have any banker's acceptances, commercial paper, or municipal bonds in its portfolio. The LGIP is unrated.

### Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the 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). The investments in the Local Government Investment Pool are not exposed to custodial risk because their existence is not evidenced by securities that exist in physical or book entry form.

### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Housing Authority's investment policy limits the maximum maturity of an investment to not greater than three years as a means of limiting its exposure to fair value losses arising from varying interest rates.

### Concentration Risk

The Housing Authority is currently not exposed to concentration risk, as defined in GASB Statement No. 40, since the investments consist of pooled investments.

c. Component Unit Deposits

As of December 31, 2021, the discretely presented component units' carrying amount of deposits was \$1,889,643. These deposits are entirely covered by Federal Depository Insurance Corporation (FDIC) or by collateral held in a multiple financial institution collateral pool administered by the Washington Public Deposit Protection Commission (PDPC), established under Chapter 39.58 of the Revised Code of Washington. Deposits that are in excess of the FDIC insured amount are secured by collateral through the Washington State Public Deposit Protection Act, which was adopted in 1969. Under the Washington State Public Deposit Protection Act, each public depository is required to contribute to a common pool of pledged securities. In the event of default of one bank, all participating banks in Washington State will collectively assure that no loss of funds will be suffered by any public treasurer or custodian of public funds.

### **NOTE 3 – CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2022 was as follows:

	Balance 10/1/2021	Additions	Transfers	Disposals	Balance 9/30/2022
Capital assets not being depreciated					
Land	\$ 9,127,528	\$ 317,430	\$ -	\$ -	\$ 9,444,958
Construction-In-Progress	592,464	516,891	(841,223)	-	268,132
Total capital assets not being depreciated	9,719,992	834,321	(841,223)	-	9,713,090
Capital assets being depreciated					
Buildings	39,833,150	2,574,386	137,069	-	42,544,605
Improvements other than Buildings	7,984,206	168,732	417,362	-	8,570,300
Equipment	3,519,397	174,057	286,792	-	3,980,246
Total capital assets being depreciated	51,336,753	2,917,175	841,223	-	55,095,151
Less accumulated depreciation for					
Buildings	(11,851,493)	(1,175,774)	-	-	(13,027,267)
Improvements other than Buildings	(1,760,658)	(223,807)	-	-	(1,984,465)
Equipment	(2,088,459)	(222,067)	-	-	(2,310,526)
Total accumulated depreciation	(15,700,610)	(1,621,648)	-	-	(17,322,258)
Total capital assets being depreciated, net	35,636,143	1,295,527	841,223	-	37,772,893
TOTAL CAPITAL ASSETS, NET	\$ 45,356,135	\$ 2,129,848	\$ -	\$ -	\$ 47,485,983

There was no capitalized interest during the year ending September 30, 2022.

There were \$317,430 of additions to capital assets for land was for the purchase of 5 homes to be used for affordable housing.



There were \$2,574,386 of additions for building costs which included \$2,233,070 for the purchase of the 5 homes, new security glass for the lobby at the admin building of \$5,257, fire door replacement at Charter House of \$38,643, elevator replacement at Casa Del Sol of \$208,606, window replacements at Tamarack of \$47,153, gutter and downspout replacement at Shadow Creek of \$30,215, garage door repairs at Winfield of \$9,147, and a new garage door at Wright Court of \$2,295.

There were \$174,057 of additions to capital assets for equipment of which \$86,380 was for security cameras at four of the properties, a dishwasher, food warmer, and ice machine at Bay Vista Commons of \$12,010, boiler replacement at the Summit of \$33,847, air conditioner at the Summit of \$5,323, cubicles and wiring for the housing department of \$34,212, and a water heater at the admin building of \$2,285.

The additions to the improvements other than buildings of \$168,732 consists of \$93,756 of fencing replacements at three of the properties, and installation of a trench drain at the Summit of \$74,976.

There was construction in progress additions of costs of \$516,891 at year end which is described as follows: Window replacements at Tamarack of \$50,000, sewer line replacements at Tamarack of \$96,277, kitchen cabinets and countertops of \$144,663 at Casa Del Sol, playground at Shadow Creek \$57,192, parking lot ponding work at the Summit of \$2,250, stairwell carpet for the Summit \$31,788, security cameras \$25,500, a new roof at the admin building \$83,814, new units design Shadow Creek \$22,026, and kitchen design at Firs \$3,381,

There were transfers of \$841,223 from construction in progress to the properties which consisted of \$229,504 for the kitchen cabinets at Casa Del Sol, \$396,092 for the Shadow Creek playground, \$137,069 for the Tamarack windows, \$21,270 for the ponding parking lot project at the Summit, \$25,500 for security cameras, and \$31,788 for stairwell carpet replacement at the Summit.

Capital asset activity for the discretely presented Component Units for the year ended December 31, 2021, was as follows:

### Component Units

	Balance 1/1/2021	Additions	Disposals	Transfers	Balance 12/31/2021
Capital assets being depreciated					
Buildings	25,583,311	-		-	25,583,311
Improvements other than Buildings	6,723,967	-		-	6,723,967
Equipment	427,631	-			427,631
Construction In Progress	-	61,727			61,727
Total capital assets being depreciated	32,734,909	61,727	-	-	32,796,636
Less accumulated depreciation	(8,631,764)	(968,949)			(9,600,713)
Total capital assets being depreciated,	24,103,145	(907,222)	-	-	23,195,923
TOTAL CAPITAL ASSETS, NET	\$ 24,103,145	\$ (907,222)	\$ -	\$ -	\$ 23,195,923

The \$61,727 of additions is for exterior painting at Bay Vista South.

There was no capitalized interest during the year ending December 31, 2021.

### **NOTE 4 – LEASE COMMITMENTS**

The Housing Authority is committed under various leases for land to its discretely presented component units Bay Vista South LLLP and Bay Vista West LLLP, and to its blended component unit BVC ALC for real property and improvements thereon.

The Bay Vista South LLLP partnership built 68 Low Income Housing Tax Credit units in a total of 19 buildings on property leased from the Housing Authority. The ground lease with Bay Vista South LLLP was established on October 28, 2010, and expires on December 31, 2109 unless terminated earlier in accordance with the terms of the lease agreement. At the end of the lease the property reverts back to the Housing Authority. All of the lease payments (\$1 per year) have been paid in advance. The cost of the land that is being leased is \$1,873,652 with no depreciation. The cost of the utilities and site improvements on the leased area is \$1,200,964 and accumulated depreciation is \$510,974. The net carrying cost after depreciation for the leased land with improvements is \$2,607,499.

The Bay Vista West LLLP partnership built 69 Low Income Housing Tax Credit units in a total of 20 buildings on property leased from the Housing Authority. The ground lease with Bay Vista West LLLP was established on August 26, 2011, and expires on December 31, 2110, unless terminated earlier in accordance with the terms of the lease agreement. At the end of the lease the property reverts back to the Housing Authority. All of the lease payments (\$1 per year) have been paid in advance. The cost and carrying value of the leased asset, land, was \$1,446,916 as of the end of the fiscal year with no depreciation.

BVC ALC (blended component unit) entered into a lease agreement with the Housing Authority for the use of the real property, including the improvements constructed thereon and all equipment and furnishings located therein, known as the Bay Vista Commons Assisted Living Center. The lease agreement is dated June 1, 2016, and expires on December 31, 2100, unless earlier terminated or extended as provided for in the lease agreement. In consideration for the acquisition of the leasehold interest in the property, BVC ALC paid the Housing Authority capitalized rent in the amount of \$5,841,868, all of which was paid on behalf of the Housing Authority to U.S. Bank National Association, as trustee for the Housing Authority's 2005 Revenue Bonds. The Housing Authority's 2005 Revenue Bonds were the source of funds for the original construction of the Bay Vista Commons Assisted Living Center, and the capitalized rents provided by BVC ALC in accordance with the terms of the lease (along with other funds provided by the Housing Authority) were used to call and retire in full the 2005 Revenue Bonds then outstanding. Additional annual payments of rent to the Housing Authority in the amount of \$12 per year, payable on or before January 1 of each year during the term of the lease agreement is required, commencing January 1, 2017.

In June 2017, the Governmental Accounting standards board (GASB) issued GASB-87-Leases with the objective of enhancing transparency through the recognition of lease-related assets and liabilities on the balance sheet. Bremerton Housing Authority is adopting the new standard effective October 1, 2021.

The Housing Authority identified its portfolio of leases. This schedule of leases was provided to a 3<sup>rd</sup> party, CliftonLarsonAllen LLP, who utilized a lease accounting tool in order to calculate the lease amounts. The software was populated with the relevant terms and details of the lease contracts. From this data, accounting schedules were created for each contract.

The Housing Authority leases equipment under long-term, non-cancelable lease agreements. The leases expire various dates through 2025 with terms less than 60 months. There are no variable payments.

There were 8 copiers and a postage machine that are above the capitalization policy and therefore are included in the GASB 87 lease calculation. The amount of lease assets by major classes of underlying assets, disclosed separately from other capital assets is as follows.

Description	Beginning Balance	Increases	Decreases	Ending Balance
Leased Equipment	\$ -	\$ 67,754	\$ -	\$ 67,754
Total	\$ -	\$ 67,754	\$ -	\$ 67,754
Accumulated Amortization, Leased Equip	\$ -	\$ (19,336)	\$ -	\$ (19,336)
Total	\$ -	\$ (19,336)	\$ -	\$ (19,336)

As of September 30, 2022, the principal and interest requirements to maturity are as follows:

Year ended Septemeber 30	Principal	Interest	Total
2023	\$ 22,337	\$ 1,904	\$ 24,241
2024	\$ 18,783	\$ 827	\$ 19,610
2025	\$ 8,034	\$ 119	\$ 8,153
Total	\$ 49,154	\$ 2,850	\$ 52,004

Due to the immaterial nature of the leases, as well as the costs involved to calculate, the prior periods have not been restated.

## **NOTE 5 – NONCURRENT ASSETS**

### Pension Asset

The Housing Authority recorded a pension asset as of the end of FY 2022. For FY 2022 the Pers 1 plan had a pension liability of \$1,071,424 and the Pers 2 and 3 plans had a pension asset of \$1,846,528. The pension asset for Pers 2 and 3 plus the deferred outflows minus the deferred inflows totaled \$1,763,373. This amount is classified as restricted net position on the Statement of Net Position.

### Notes Receivable

The Housing Authority has entered into loan agreements with its discretely presented component units during their formation and construction phase.

The outstanding principal balances on these loans are presented in the Notes Receivable balance in the financial statements and consist of the following:

Schedule of Notes Receivable Balances				
Description and Terms	Rate	Non-Current Notes Receivable	Current Notes Receivable	Total
BHA First Loan (HOPE VI) to Bay Vista West LLLP Principal amount not to exceed \$4,547,746 Payments subject to residual receipts Balance due August 26, 2066, 55 year note	2.00%	\$ 2,987,152	-	\$ 2,987,152
BHA Second Loan (CFP) to Bay Vista West LLLP Principal amount not to exceed \$1,910,435 Payments subject to residual receipts Balance due August 26, 2066, 55 year note	2.00%	1,910,435	-	1,910,435
BHA Third Loan (AHP) to Bay Vista West LLLP Principal amount not to exceed \$690,000 Payments subject to residual receipts Balance due August 26, 2066, 55 year note	2.00%	690,000		690,000
BHA First Loan (PBCA) to Bay Vista South LLLP Principal amount not to exceed \$235,274 Payments subject to residual receipts Balance due October 28, 2065, 55 year note	0.00%	235,274	-	235,274
BHA Second Loan (HOPE VI) to Bay Vista South LLLP Principal amount not to exceed \$5,412,034 Payments subject to residual receipts Balance due October 28, 2065, 55 year note	0.00%	4,598,758		4,598,758
Signed Repayment Agreements with Tenants	0.00%	3,812	3,550	7,362
Loan to Kitsap Mental Health Forgiveable Loan ends December 9, 2050	0.00%	3,100,000		3,100,000
Totals		\$ 13,525,431	\$ 3,550	\$ 13,528,981

The Housing Authority (BHA) Loans to Bay Vista South LLLP and to Bay Vista West LLLP are to be repaid out of residual receipts as they become available. In accordance with Article 8.14 of the Partnership Agreements, at any time during years 12 through 18 following the date on which the Projects are placed in service, the Housing Authority has the right to purchase the Limited and Special Limited Partner's interest in the Partnership. The purchase option is priced at the greater of the then fair market value of the Project as reduced by the outstanding loans at that time assumed by the Housing Authority; or the outstanding loans at the time of purchase (which loans may be assumed by the Housing Authority in lieu of payment to the Partnership). In accordance with Article 13.03 of the Partnership Agreements, in the event the property is sold and the partnership liquidated without the Housing Authority exercising its right to purchase, the proceeds of the sale will be first used for the payment of the then outstanding debts and liabilities of the partnership and the expense of the liquidation. As a result, to the extent the BHA Loans are not paid through residual receipts payments, they are to be paid when the Housing Authority exercises its purchase option or alternatively upon sale of the property to another party. Principal payments of \$60,753 were made from Bay Vista South LLLP and

interest payments were made out of surplus cash from Bay Vista West LLLP of \$125,649 to the Housing Authority for the fiscal year ended September 30, 2022.

The Housing Authority disbursed funds from the restricted disposition proceeds account with HUD approval during the fiscal year. A total of \$3.1 million was approved to be paid to provide funds to pay a portion of the cost of constructing the HUD-Assisted Units in a 72-unit apartment complex named Pendleton Place. As a condition of approval HUD requires that 56 of the units be constructed and operated in accordance with HUD's project-based voucher program under Section 8 for a term of no less than 30 years. During the fiscal year a total of \$1,534,860 was granted to Kitsap Mental Health who in turn made a loan to the Owner to provide a portion of a long-term financing permanent financing for costs of constructing the HUD-Assisted Units. During the prior year a total of \$1,565,140 was also grant to Kitsap Mental Health which brings the total to the \$3.1 million approved.

## **NOTE 6 – LONG-TERM DEBT AND LIABILITIES**

### **Housing Authority**

#### **a. Real Estate Mortgages**

The Housing Authority has long term loans secured by capital assets. These loans were used to acquire or refinance capital assets that provide or support administration of low-income housing. They are being repaid from revenues generated by the Housing Authority. This loan carries a prepayment penalty of 10% amortized down over 10 years.

The Real Estate Mortgages outstanding as of September 30,2022 were:

<b>Purpose</b>	<b>Original Amount</b>	<b>Issue Date</b>	<b>Final Maturity</b>	<b>Interest Rate</b>	<b>Amount Outstanding</b>
Bay Vista Commons	\$ 5,964,200	6/16/2016	7/1/2051	3.39%	\$ 5,354,299
Total	\$ 5,964,200				\$ 5,354,299

Mortgage debt service requirements to maturity are as follows:

### Mortgages

Year Ending (September 30)	Principal	Interest
2023	111,461	179,789
2024	115,299	175,952
2025	119,268	171,982
2026	123,375	167,875
2027	127,623	163,627
2028-2032	707,136	749,116
2033-2037	837,553	618,700
2038-2042	992,022	464,230
2043-2047	1,174,980	281,272
2048-2052	1,045,582	70,882
Totals	\$ 5,354,299	\$ 3,043,425

#### b. Notes Payable

The Housing Authority issued \$12.748 million in notes payable to assist financing of the Bay Vista Development. A loan was received from the Washington State Department of Commerce (Commerce) for Housing Trust Fund (HTF) funds, in the amount of \$2,500,000 on December 14, 2009. On February 4, 2010 a loan in the amount of \$10,631,954 in Tax Credit Assistance Program funds (TCAP) was entered into with the Washington State Housing Finance Commission (WSHFC) to help finance The Summit at Bay Vista project. Subsequently, WSHFC and Commerce approached the Housing Authority with the request to amend the loans to increase the TCAP loan principal amount by \$2,212,556 for a modified principal amount of \$12,844,510 and to make a corresponding reduction in the HTF Loan from an original amount of \$2,500,000 to a modified principal amount of \$287,444. WSHFC and Commerce made this request in an effort to help alleviate demand for Housing Trust Funds within the State of Washington, while ensuring the full application of TCAP funds within the expenditure deadline imposed by the American Recovery and Reinvestment Act of 2009. The loan documents were amended for the HTF loan and the TCAP loan on October 6, 2010, and October 7, 2010, respectively. Only the principal amounts were changed, all other terms as originally agreed to remain the same. This loan is in the Business Activities column of the Financial Data Schedule (FDS).

The interest rate on the HTF loan is 1.00%. This loan is secured by a Deed of Trust on The Summit at Bay Vista. This loan repayment, both principal and interest, was deferred until June 29, 2013. The final amount drawn down on this loan was \$271,068. Beginning June 30, 2013, a payment of principal and interest in the amount of \$8,861.06 was due and then \$8,501.12 is due and payable each June 30th thereafter through June 30, 2051. The loan matures June 30, 2051. The principal and interest have been accrued for the last quarter of FY 2022 for a total of \$1,592 in principal and \$533 in interest, respectively. This loan is located in the Business Activities column of the FDS.

The TCAP loan balance outstanding is \$12,477,337. This is a forgivable loan, after 40 years, with no principal or interest payments due if the terms and conditions of the loan agreement are

met. Until matured, this loan remains a liability of the Housing Authority. This loan is secured by a Deed of Trust on the Summit at Bay Vista. This loan is located in the Business Activities column of the FDS as this loan cannot be carried by the public housing AMP for this property.

The Housing Authority applied for an Affordable Housing Program (AHP) loan and received \$690,000. The funds were loaned to the Bay Vista West partnership. The Housing Authority has this amount due from the partnership as a notes receivable and also has a note payable to Bank of America for the same amount. The note payable to Bank of America is a forgivable loan at the end of the loan term, 15 years, if the conditions are met per the agreement. Until matured, this loan remains a liability of the Housing Authority. This loan is secured by a Deed of Trust on the Bay Vista West properties. This loan is located in the COCC section of the FDS as it is the responsibility of the housing authority to pay if all conditions are not met during the loan period.

As part of the acquisition of the Charter House Apartments, the Housing Authority assumed a Housing Trust Fund recoverable grant from the seller (King County Housing Authority) with approval of the Washington State Department of Commerce, which is evidenced by a promissory note in the amount of \$777,000 with 0.00% interest dated February 10, 2014, and which has no expectation of repayment if the terms and conditions of the grant requirements have been met through the commitment period which ends on March 31, 2054. The recoverable grant is secured by a Deed of Trust on the property. This grant is located in the Business Activities section of the FDS as this loan cannot be carried by the public housing AMP for this property.

The Housing Authority applied for a loan with the Washington State Department of Commerce through the Rapid Capital Housing Acquisition program. A total of \$1,510,500 was awarded to the Housing Authority in the form of a recoverable grant, with a 2.5% interest rate, which has no expectation of repayment if the terms and conditions of the grant requirements have been met through the commitment period which ends 4/4/2062.

Notes Payable as of September 30, 2022:

Purpose	Original Amount	Issue Date	Final Maturity	Interest Rate	Amount Outstanding
Tax Credit Assistance Program					
The Summit-Business Activities	\$ 12,844,510	2/4/2011	2/3/2050	0.00%	\$ 12,477,337
AHP Bank of America					
Bay Vista West-COCC	690,000	8/27/2012	9/13/2027	0/%	690,000
Housing Trust Fund					
Charter House-Business Activities	777,000	2/10/2014	3/31/2054	0/%	777,000
Housing Trust Fund					
The Summit-Business Activities	287,444	12/14/2009	6/30/2051	1.00%	211,495
Housing Trust Fund					
The 5 Homes-Business Activities	1,510,500	4/5/2022	4/4/2062	2.50%	1,510,500
Housing Trust Fund					
Total	\$ 16,109,454				\$ 15,666,332



Notes payable debt service requirements to maturity as follows:

**Notes Payable**

Year Ending (September 30)	Principal	Interest
2023	6,386	2,115
2024	6,450	2,051
2025	6,515	1,987
2026	6,580	1,921
2027	696,645	1,856
2028-2032	34,238	8,268
2033-2037	35,984	6,521
2038-2042	37,819	4,686
2043-2047	39,749	2,757
2048-2052	12,508,466	750
2053-2057	777,000	-
2058-2062	1,510,500	-
Totals	\$ 15,666,332	\$ 32,912

c. Changes in Long Term Liabilities

During the year ended September 30, 2022, the following changes occurred in long-term liabilities:

Debt Issue	Beginning Balance 10/1/2021	Additions	Reductions	Ending Balance 9/30/2022	Due Within One Year
Mortgages	\$ 5,462,050	-	\$ (107,751)	5,354,299	111,461
Notes Payable	14,162,155	1,510,500	(6,323)	15,666,332	6,386
Compensated Absences	687,454	37,613	-	725,067	36,393
FSS Escrows	146,208	-	(162)	146,046	
Net Pension Liability	468,246	603,178	-	1,071,424	
Total OPEB Liability	3,126,053	-	(400,759)	2,725,294	
Lease Liability	-	49,154		49,154	22,337
Total long-term liabilities	\$ 24,052,166	\$ 2,200,445	\$ (514,995)	\$ 25,737,616	\$ 176,577

**Component Units**

a. Notes Payable

The discretely presented Component Units have long term notes payable secured by capital assets. These notes were used to acquire capital assets that provide affordable housing. The notes payable is to be repaid to the Housing Authority by the component units out of residual receipts as they become available.

The Notes Payable for the Component Units outstanding as of December 31, 2021 was:

BHA Second Loan (HOPE VI) Bay Vista South LLLP	\$	5,279,620	10/28/2010	10/28/2065	0.00%	\$	4,659,511
BHA First Loan (PBCA) Bay Vista South LLLP		235,274	10/28/2010	10/28/2065	0.00%		235,274
BHA First Loan (HOPE VI) Bay Vista West LLLP		4,440,490	8/26/2011	8/26/2066	2.00%		2,987,152
BHA Second Loan (CFP) Bay Vista West LLLP		1,910,435	8/26/2011	8/26/2066	2.00%		1,910,435
AHP Loan Bay Vista West LLLP		690,000	8/27/2012	9/13/2027	2.00%		690,000
Total Notes Payable							10,482,372
Less: Unamortized Issuance Costs							(80,538)
Total long-term liabilities	\$	12,555,819				\$	10,401,834

Notes payable for the Component Units debt service requirements to maturity:

Year Ending December 31	Principal	Interest
2022	-	123,343
2023	-	125,809
2024	-	128,326
2025	-	130,892
2026	-	133,510
2027-2031	690,000	699,612
2032-2036	-	704,245
2037-2041	-	757,254
2042-2046	-	836,069
2047-2051	-	923,088
2052-2056	-	1,019,164
2057-2061	-	1,125,239
2062-2066	9,792,372	1,156,219
2067-2071	-	174,569
Totals	\$ 10,482,372	\$ 8,037,339

b. Changes in Long Term Liabilities for the Component Units

During the year ended December 31, 2021, the following changes occurred in long-term liabilities for the Component Units:

Debt Issue	Beginning Balance 1/1/2021	Additions	Reductions	Ending Balance 12/31/2021	Due Within One Year
BHA Second Loan (HOPE VI) Bay Vista South LLLP	\$ 4,727,450	\$ -	\$ (67,939)	\$ 4,659,511	\$ -
BHA First Loan (PBCA) Bay Vista South LLLP	235,274	-		235,274	
BHA First Loan (HOPE VI) Bay Vista West LLLP	2,987,152	-		2,987,152	
BHA Second Loan (CFP) Bay Vista West LLLP	1,910,435	-		1,910,435	
AHP Loan Bay Vista West LLLP	690,000	-	-	690,000	
Total Notes Payable	10,550,311	-	(67,939)	10,482,372	-
Less: Unamortized Issuance Costs	(82,306)	1,768	-	(80,538)	
Total long-term liabilities	\$ 10,468,005	\$ 1,768	\$ (67,939)	\$ 10,401,834	\$ -

## **NOTE 7 – PENSION PLAN**

The following table represents the aggregate pension amounts for all plans for the year 2022:

Aggregate Pension Amounts – All Plans	
Pension liabilities	\$ (1,071,424)
Pension assets	\$ 1,846,528
Deferred outflows of resources	\$ 1,749,437
Deferred inflows of resources	\$ (1,952,089)
Pension expense/expenditures	\$ (122,619)

### **State Sponsored Pension Plans**

Substantially all Housing Authority full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans. The 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 annual comprehensive annual financial report (ACFR) that includes financial statements and required supplementary information for each plan. The DRS ACFR may be downloaded from the DRS website at [www.drs.wa.gov](http://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** provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

**Contributions** - The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2022 were as follows:

PERS Plan 1		
Actual Contribution Rates:	Employer	Employee
October 2021 through August 2022	10.25%	6.00%
September 2022	10.39%	6.00%

The Housing Authority's actual contributions to the plan were \$230,797 for the year ended September 30, 2022.

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

- With a benefit that is reduced by three percent for each year before age 65; or

- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

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

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

*Contributions* - The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2022 were as follows:

PERS Plan 2/3		
Actual Contribution Rates:	Employer 2/3	Employee 2
October 2021 through August 2022	10.25%	6.36%
September 2022	10.39%	6.36%
Employee PERS Plan 3		varies

The Housing Authority's actual contributions to the plan were \$395,206 for the year ended September 30, 2022.

### Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2022 with a valuation date of June 30, 2021. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) 2013-2018 Demographic Experience Study and the 2021 Economic Experience Study.

Additional assumptions for subsequent events and law changes are current as of the 2021 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2022. Plan liabilities were rolled forward from June 30, 2021, to June 30, 2022, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.25% salary inflation
- **Salary increases:** In addition to the base 3.25% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7%

Mortality rates were developed using the Society of Actuaries' Pub.H-2010 mortality rates, which vary by member status (e.g. active, retiree, or survivor), as the base table. 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 of 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 their lifetime.

Methods did not change from the prior contribution rate setting June 30, 2019 Actuarial Valuation Report (AVR), however OSA introduced a temporary method change to produce asset and liability measures for the June 30, 2020 AVR. There were also the following assumption changes:

- OSA updated the Joint-and-Survivor Factors and Early Retirement Factors in the model. These factors were used to value benefits for early retirement and survivors of members that are deceased prior to retirement. These factors match the administrative factors recently provided to DRS for future implementation that reflect current demographic and economic assumptions.
- OSA updated the economic assumptions based on the 2021 action of the PFC and the LEOFF Plan 2 Retirement Board. The investment return was reduced from 7.5% to 7%, and the salary growth assumption was lowered from 3.5% to 3.25%. This action is the result of recommendations from OSA's biennial economic experience study.

## **Discount Rate**

The discount rate used to measure the total pension liability for all DRS plans was 7%.

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% was used to determine the total liability.

## Long-Term Expected Rate of Return

The long-term expected rate of return on DRS pension plan investments of 7% was determined using a building-block-method. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) 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

The table below summarizes the 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, 2022. The inflation component used to create the table is 2.2% and represents WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	1.50%
Tangible Assets	7%	4.70%
Real Estate	18%	5.40%
Global Equity	32%	5.90%
Private Equity	23%	8.90%
	100%	

## Sensitivity of Net Pension Liability/(Asset)

The table below presents the Housing Authority's proportionate share of the net pension liability calculated using the discount rate of 7%, as well as what the Housing Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6%) or 1-percentage point higher (8%) than the current rate.

Pension Plan	1% Decrease (6%)	Current Discount Rate (7%)	1% Increase (8%)
PERS 1	\$ 1,431,408	\$ 1,071,424	\$ 757,243
PERS 2/3	\$ 2,174,528	\$ (1,846,528)	\$ (5,150,080)

## 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, 2022, the Housing Authority reported its proportionate share of the net pension liabilities as follows:

Pension Plan	Liability (or Asset)
PERS 1	\$ 1,071,424
PERS 2/3	\$ (1,846,528)

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

Pension Plan	Proportionate Share 6/30/21	Proportionate Share 6/30/22	Change in Proportion
PERS 1	0.038342%	0.03848%	0.000138%
PERS 2/3	0.047356%	0.049788%	0.002432%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30, 2022 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the Schedules of Employer and Non-Employer Allocations.

**Pension Expense**

For the year ended September 30, 2022, the Housing Authority recognized pension expense as follows:

Pension Plan	Total Pension Expense
PERS 1	\$ 496,981
PERS 2/3	\$ (619,600)
TOTAL	\$ (122,619)

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

At September 30, 2022, 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		\$ (177,567)
Changes of assumptions		
Changes in proportion and differences between contributions and proportionate share of contributions		
Contributions subsequent to the measurement date	\$ 58,204	
<b>TOTAL</b>	<b>\$ 58,204</b>	<b>\$ (177,567)</b>

Deferred outflows of resources related to pensions resulting from the Housing Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2023. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	PERS 1
2023	\$ (75,143)
2024	\$ (68,249)
2025	\$ (85,616)
2026	\$ 51,441
Thereafter	\$ -

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 457,526	\$ (41,801)
Net difference between projected and actual investment earnings on pension plan investments	\$ 0	\$ (1,365,151)
Changes of assumptions	\$ 1,029,184	\$ (269,477)
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 105,190	\$ (98,093)
Contributions subsequent to the measurement date	\$ 99,332	
<b>TOTAL</b>	<b>\$ 1,691,232</b>	<b>\$ (1,774,522)</b>

Deferred outflows of resources related to pensions resulting from the Housing Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net

pension liability in the year ended September 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	PERS 2/3
2023	\$ (433,071)
2024	\$ (373,291)
2025	\$ (438,706)
2026	\$ 635,837
2027	\$ 215,030
Thereafter	\$ 211,579

## **NOTE 8 – COMPONENT UNITS**

### **Discretely Presented Component Units**

The Bay Vista South and Bay Vista West Limited Liability Limited Partnerships were formed with the Housing Authority serving as the general partner. These partnerships were formed to acquire, develop, construct, operate and maintain housing for low-income tenants in a manner necessary to qualify for federal low-income housing tax credits as provided under Section 42 of the Internal Revenue Code. The partnership fiscal years end on December 31, of each calendar year. The Bay Vista South project is comprised of 68 units in 19 buildings. The Bay Vista West project is comprised of 69 units in 20 buildings. The units constructed are owned by the partnerships and managed by Cascade Management, Inc., a subcontractor to the partnerships. As general partner the Housing Authority complies with the duties and responsibilities established with each limited partner in the related partnership agreement. In general, the Housing Authority is obligated to provide funds to each partnership for any operating deficits and is to be repaid from project cash flow in subsequent years or from proceeds of a sale or refinance.

The Housing Authority is required to make operating subsidy payments to both tax credit properties in the amount received from HUD. For the year ended December 31, 2021 Bay Vista South, LLP received \$141,818 and the Bay Vista West, LLP received \$181,597. These funds are recorded as Other Operating Revenue for the discrete component units.

The Housing Authority made payments for capital improvements from capital funds received from HUD during the year in the amount of \$52,247 for Bay Vista South, LLC and \$5,448 for Bay Vista West.

The Housing Authority also is required to make rental assistance payments on behalf of residents for the Project-Based units at each property. For the year ended December 31, 2021 Bay Vista South, LLP received \$140,632 of rental assistance payments and Bay Vista West, LLP received \$268,365 of rental assistance payments, both from the Housing Authority. The rental assistance payments are included in Tenant Revenues for the discrete component units.

As of September 30, 2022, the Housing Authority's fiscal year end, the balance sheet date reported for all component units was December 31, 2021, which is the fiscal year end for these two component units.

Component Unit information is provided for each of the Housing Authority's discretely presented Component Units in the following condensed financial statements as of the fiscal year end December 31, 2021:

	Bay Vista South	Bay Vista West
CONDENSED STATEMENTS OF NET POSITION		
<b>Assets</b>		
Current Assets	\$ 260,242	\$ 300,399
Restricted Assets	663,875	824,278
Capital Assets	10,273,967	12,921,956
Other Assets	45,684	45,661
<b>Total Assets</b>	<b>11,243,768</b>	<b>14,092,294</b>
<b>Liabilities</b>		
Current Liabilities	211,147	152,499
Noncurrent Liabilities	10,148	366,219
Noncurrent Due to Housing Authority	4,894,785	5,507,049
<b>Total Liabilities</b>	<b>5,116,080</b>	<b>6,025,767</b>
<b>Net Position</b>		
Net Investment in Capital Assets		
Related Debt	5,379,182	7,414,907
Restricted	640,129	806,413
Unrestricted	108,377	(154,793)
<b>Total Net Position</b>	<b>\$ 6,127,688</b>	<b>\$ 8,066,527</b>

	Bay Vista South	Bay Vista West
CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION		
Tenant Revenues	\$ 505,644	\$ 504,465
Other Operating Revenue	\$ 194,065	\$ 187,045
Depreciation Expense	(459,853)	(527,348)
Other Operating Expenses	(568,560)	(534,172)
<b>Total Operating Income (Loss)</b>	<b>(328,704)</b>	<b>(370,010)</b>
<b>Nonoperating Revenue (Expense)</b>		
Investment Income	1,624	1,619
Interest Expense	-	(120,228)
<b>Increase (Decrease) in Net Position</b>	<b>(327,080)</b>	<b>(488,619)</b>
Net Position, Beginning of Year	6,454,768	8,555,146
Prior Period Adjustment	-	-
<b>Net Position, End of Year</b>	<b>\$ 6,127,688</b>	<b>\$ 8,066,527</b>

	Bay Vista South	Bay Vista West
CONDENSED STATEMENTS OF CASH FLOWS		
Net Cash Provided (Used) by		
Operating Activities	\$ 120,546	\$ 31,240
Financing Activities	(15,692)	(104,714)
Investing Activities	(61,727)	-
Net Increase (Decrease)	43,127	(73,474)
Cash, Tenant Security Deposits, and Restricted Cash, Beginning of Year	800,121	1,119,869
<b>Cash, Tenant Security Deposits, and Restricted Cash, End of Year</b>	<b>\$ 843,248</b>	<b>\$ 1,046,395</b>

### Blended Component Units

The Housing Authority created the Bay Vista Commons ALC, LLC (BVC ALC) a single member limited liability company under the laws of the state of Washington to obtain and meet requirements for issuance of a long-term mortgage loan obligation for the Bay Vista Commons Assisted Living Center facility as insured by the Federal Housing Administration under the provisions of Section 232 pursuant to Section 223(f) of the National Housing Act. The Housing Authority is the sole manager and member of BVC ALC as described in Note 1. BVC ALC's sole purpose is to operate a healthcare facility for the benefit of the Housing Authority in support of its mission of providing safe and affordable housing. Effective beginning June 16, 2016 (closing on mortgage issuance and all related agreements) the financial activity related to the operations of the Bay Vista Commons Assisted Living Center facility is now reported in the BVC ALC blended component unit. BVC ALC has a September 30<sup>th</sup> fiscal year end.

The Housing Authority created Sound Communities which is a separate 501(c)(3) non-profit corporation formed to support capital and maintenance needs of the property owned by and managed by the Housing Authority, to acquire or develop new low-income housing properties, and for supportive services for the residents. Further details of the setup are described in Note 1. Sound Communities is included with The BVC ALC, LLC described above in the blended component unit column of the FDS.

Financial information is provided for the Housing Authority's blended component units BVC ALC and Sound Communities are the following condensed financial statements as of fiscal year end September 30, 2022:

	Bay Vista Commons ALC, LLC	Sound Communities
<b>CONDENSED STATEMENTS OF NET POSITION</b>		
<b>Assets</b>		
Current Assets	\$ 652,562	\$ 711
Restricted Assets	514,185	
Capital Assets	4,107,434	
Other Assets	886	
<b>Total Assets</b>	<b>5,275,067</b>	<b>711</b>
<b>Liabilities</b>		
Current Liabilities	608,827	3,436
Noncurrent Liabilities	5,294,087	
Noncurrent Due to Housing Authority	-	
<b>Total Liabilities</b>	<b>5,902,914</b>	<b>3,436</b>
<b>Net Position</b>		
Permanently Restricted Net Assets	-	
Temporarily Restricted Net Assets	(732,680)	
Unrestricted Net Assets	104,833	(2,725)
<b>Total Net Position</b>	<b>\$ (627,847)</b>	<b>\$ (2,725)</b>

<b>CONDENSED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION</b>		
<b>Operating Revenue (Expense)</b>		
Tenant Revenues	\$ 1,269,029	
Other Operating Revenue	1,365,050	
Depreciation Expense	(256,540)	
Other Operating Expenses	(2,556,511)	(1,294)
<b>Total Operating Income (Loss)</b>	<b>(178,972)</b>	<b>(1,294)</b>
<b>Nonoperating Revenue (Expense)</b>		
Investment Income	3,768	
Interest Expense	(183,195)	
Capital Contributions	-	
<b>Increase (Decrease) in Net Assets</b>	<b>(358,399)</b>	<b>(1,294)</b>
Net Position, Beginning of Year	(269,448)	(1,431)
<b>Net Position, End of Year</b>	<b>\$ (627,847)</b>	<b>\$ (2,725)</b>

<b>CONDENSED STATEMENTS OF CASH FLOWS</b>		
Net Cash Provided (Used) by		
Operating Activities	\$ 158,777	(1,294)
Noncapital Financing Activities	-	
Capital Financing Activities	(107,751)	
Investing Activities	(14,346)	
Net Increase (Decrease)	36,680	(1,294)
Cash, Beginning of Year	632,416	(1,431)
<b>Cash, End of Year</b>	<b>\$ 669,096</b>	<b>\$ (2,725)</b>
<b>Supplemental Disclosure of Cash Flow</b>		
Cash	\$ 154,911	
Escrows	101,162	
Replacement Reserves	252,761	
Other Reserves	160,262	
<b>Total Cash and Restricted Cash</b>	<b>\$ 669,096</b>	

## **NOTE 9 – CONTINGENCIES AND LITIGATION**

The Housing Authority of the City of Bremerton has recorded in its financial statements all material liabilities. In the opinion of management, the Housing Authority's insurance policies are adequate to pay all known or pending claims.

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

The Performance Based Contract Award (PBCA) state contracts held by the Housing Authority along with substantially all other such contracts nationwide have been in a process of being rebid by HUD through several attempted proposal processes, none of which have yet been concluded successfully. These proposals started in 2012 and have been challenged in court. It is expected that another procurement process will be initiated by HUD in the future. The outcome of a potential re-solicitation of PBCA contracts in accordance with procurement regulations has the potential to significantly reduce the available funding for the Housing Authority from its current level of PBCA administration fee revenues earned. On October 26, 2021, HUD Headquarters sent us ACC amendments for all three states. We were granted a one-year extension (through 1/31/2023), with four six-months extensions thereafter (through 1/31/2025). No fees or tasks were changed with the amendments.

For the fiscal year 2022, CMS administrative fees funded 40.5% of the Housing Authority's operating expenses and CMS profits funded 35.4% of Housing Authority expenses excluding the CMS operations. If the outcome of these processes is adverse financially for the Housing Authority, operations in both the CMS department and the general Housing Authority support services areas will be reduced to levels appropriate and sustainable for the reduced level of funding provided.

## **NOTE 10 – RISK MANAGEMENT**

The Bremerton Housing Authority is not facing any type of risk and has no settlements that exceeded the insurance coverage traditionally insured with property and casualty insurance. We are unaware of any loss exposures that may need specialized coverage traditionally excluded in property and casualty insurance.

The Authority is a member of the Housing Authorities Risk Retention Pool (HARRP).

Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Inter local Cooperation Act), fifty-five public housing authorities in the states of Washington, Oregon and

California originally formed HARRP in March 1987. HARRP was created for the purposes of providing a pooling mechanism for jointly purchasing insurance, jointly self insuring, and/or jointly contracting for risk management services. HARRP currently has a total of eighty two members, of which thirty-two are Washington housing authority 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 claim 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 \$5,000 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 for Property. HARRP purchases an additional \$45M of property reinsurance, bringing the total coverage limits to \$47M.

Coverage limits for General Liability, Errors & Omissions and Property are \$2,000,000 per occurrence and \$4,000,000 annual aggregate. (Some members have chosen greater Property limits for higher valued properties.) Limits for Automobile Liability are \$2,000,000/\$2,000,000. HARRP self-insures \$2,000,000 per claim. The HARRP Board of Directors determines the limits and coverage terms, in 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 contributions that are adjusted annually by the HARRP Board on the basis of independent actuarial studies. These assessments cover loss, loss adjustment, reinsurance and other administrative expenses. HARRP does not have the right to assess the membership for any shortfall in its funding. Such shortfalls are made up through future rate adjustments.

HARRP invests its funds that are not needed for its daily operations, in accordance with the strictest provisions of the laws of the states of Washington, Oregon, California and Nevada as they relate to investments of public funds. HARRP's Investment Policy is reviewed by staff and the HARRP Board on an annual basis.

HARRP's financial transactions are subject to annual audits by independent auditors. HARRP also subjects its claims management practices to an independent audit every three years. Additional audits include Washington State Auditor's office review of the financial audits



annually and conducts a compliance audit every three years, reinsurance underwriting audits every three years and the Department of Enterprise Service audit every three years.

The HARRP Board of Directors provides general policy direction for staff. It is composed of the executive directors of nine of HARRP's members (three each from the Association of Association of Washington Housing Authorities, the Oregon Housing Association and the California-Association of Housing Authorities). HARRP's Executive Director reports to the HARRP Board of Directors and directs the members of HARRP's staff in their day-to-day functions.

## **NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLANS**

The following table represents the aggregate OPEB amounts for all plans subject to the requirements of GASB 75 for the fiscal year ended 2022:

Aggregate OPEB Amounts – All Plans	
OPEB liabilities	\$ 2,725,294
OPEB assets	
Deferred outflows of resources	\$ 3,984
Deferred inflows of resources	\$ 0
OPEB expense/expenditures- Current Year	\$ (388,118)

### **Plan Description**

Since January 1, 2019, the Housing Authority is a participating employer in the Washington State's multiple-employer defined benefit healthcare plan. In January 2019, 37 non-union employees joined the state PEBB plan and in January 2020 an additional 38 office and professional employee's international union (OPEIU) employees of the Housing Authority also joined this plan. Retirees choose plans from those offered by the Public Employees Benefits Board (PEBB), administered by the Washington State Health Care Authority (HCA). The plan provides access to PEBB's medical, dental and life insurance benefits for public employees and retirees and their dependents on a pay-as-you-go basis. The plan provides OPEB benefits through both explicit and implicit subsidies. The Health Plan does not issue a separate stand-alone financial report.

Per RCW 41.05.065, the PEBB, created within the HCA, is authorized to design benefits and determine the terms and conditions of employee and retired employee participation and coverage. PEBB establishes eligibility criteria for both active employees and retirees. Benefits purchased by PEBB include medical, dental, life, and long-term disability. The relationship between the PEBB OPEB plan and its member employers, their employees, and retirees is not formalized in a contract or plan document. Rather, the benefits are provided in accordance with a substantive plan in effect at the time of each valuation. A substantive plan is one in which the plan terms are understood by the employers and plan members. This understanding is based on communications between the HCA, employers, and plan members, and the historical pattern

of practice with regard to the sharing of benefit costs. The understanding by the employer and plan members is that there is no contractual obligation to continue the substantive plan as an employee benefit on an ongoing basis. Nevertheless, the actuarial assumption used in valuations presented in this footnote assume that this substantive plan will be carried forward into the future as long as the plan is continued. The PEBB OPEB plan is funded on a pay-as-you-go basis. The PEBB OPEB plan has no assets and does not issue a publicly available financial report.

## Benefits Provided

Per RCW 41.05.022, retirees who are not yet eligible for Medicare benefits may continue participation in the state's non-Medicare community-rated health insurance risk pool on a self-pay basis. Retirees in the non-Medicare risk pool receive an implicit subsidy. The implicit subsidy exists because retired members pay a premium based on a claims experience for active employees and other non-Medicare retirees. The subsidy is valued using the difference between the age-based claims costs and the premium. Retirees who are enrolled in both Parts A and B of Medicare may participate in the state's Medicare community-rated health insurance risk pool. Medicare retirees receive an explicit subsidy in the form of reduced premiums. Annually, the HCA administrator recommends an amount for the next calendar year's explicit subsidy for inclusion in the Governor's budget. The final amount is approved by the state Legislature.

## Employees Covered by Benefit Terms

The PEBB retiree OPEB plan is available to employees who elect at the time they retire to continue coverage and pay the administratively established premiums under the provisions of the retirement system to which they belong. At June 30, 2022 (the census date), the benefit terms covered the following employees:

Category	Count
Inactive employees, spouses, or beneficiaries currently receiving benefit payments	1
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	80
<b>TOTAL</b>	<b>81</b>

## Payment Authority

Washington State law authorized the creation of the Housing Authority. The authority under which requirements for the Housing Authority to pay OPEB as the benefits come due is established and may be amended by Washington State law.

## Contributions

Administrative costs as well as implicit and explicit subsidies are funded by required contributions from employers participating in the PEBB OPEB plan. The Housing Authority pays its portion of benefits for the retiree's healthcare costs as they come due.

## Actuarial Assumptions

The Housing Authority used the Alternative Measurement Method (AMM) online tool permitted under GASB Statement No. 75 prepared by the Office of the State Actuary (OSA). The valuation and measurement date for the OPEB Actuarial Valuation is June 30, 2021. A complete copy of the Other Post-Employment Benefit actuarial Valuation report may be obtained by writing to: The Office of the State Actuary, P.O. Box 40914, Olympia, WA 98504-0914; or it may be downloaded from the OSA website at [www.osa.leg.wa.gov](http://www.osa.leg.wa.gov). The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

- Actuarial cost method: Entry Age Normal, level percent of pay
- Inflation: 2.75%
- Salary increases: 3.50%
- Healthcare cost trend rate ranges from about 2-11%, reaching an ultimate rate of approximately 4.3% in 2075.
- Mortality rates are based on PubG.H-2010 tables with an age setback of 0 years annually.
- The discount rate at the beginning of the measurement year was 2.16% compared to the end of the measurement year of 3.54%
- Post-retirement participation percentage of 65%
- Percentage with spouse coverage of 45%
  
- The specific assumptions used for the AMM online tool are as follows:
  - 2/3 of members select a UMP plan and 1/3 select a Kaiser Permanente (KP) plan
  - UMP pre- and post- Medicare costs and premiums are equal to the Uniform Medical Plan
  - The KP pre-Medicare costs and premiums are a 50/50 blend of KP Classic and KP Value
  - The KP post-Medicare costs and premiums are equal to KP Medicare
  - Estimated retirement service for each active cohort based on the average entry age of 35, with a minimum service of 1 year
  - OSA assumed all employees are retirement eligible at age 55, relied on retirement rates for members with <30 year of service and assumed 100% rate of retirement at the age of 70
  - Each cohort assumed to be a 50/50 male/female split
  - Assumed the eligible spouses are the same age as the primary member
  - Selected the age-based cohorts for AMM based upon the overall distribution of State employees and retirees that participate in PEBB
  - Dental benefits are not included when calculating the Total OPEB Liability. Dental benefits represent less than 3 percent of the accrued benefit obligations under the 2018 PEBB OPEB AVR. This will be monitored and dental benefits could be included in future updates of the AMM Online Tool.

## Changes in the Total OPEB Liability

The following table presents the change in the total OPEB liability as of the September 30, 2022 reporting date:

**Changes in Total OPEB Liability****Total OPEB Liability**

Beginning Balance as of June 30, 2021	\$ 3,126,053
---------------------------------------	--------------

Changes for the year:

Service Cost	\$ 191,601
Interest	\$ 71,526
Changes in Experience Data and Assumptions	\$ (651,245)
Changes in Benefit Terms	\$ 0
Benefit Payments	\$ (12,641)
Other Changes	\$ 0
<b>Net Change in Total OPEB Liability</b>	<b>\$ ( 400,759)</b>
Balance as of Report Date - September 30, 2022	\$ 2,725,294

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following represents the total OPEB liability of the Housing Authority using the discount rate of 2.21%, as well as what the Total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (1.54%) or one percentage point higher (3.54%) than the current rate:

	<b>1% Decrease</b> 1.54%	<b>Discount Rate</b> 3.54%	<b>1% Increase</b> 4.54%
<b>Total OPEB Liability (Asset)</b>	<b>\$ 3,313,596</b>	<b>\$ 2,725,294</b>	<b>\$ 2,263,459</b>

**Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates**

The following represents the total OPEB liability of the Housing Authority, calculated using the health care trend rates between a range of 2-11% reaching an ultimate rate of 4.3% in 2075, as well as what the total OPEB liability would be if it were calculated using health care trend rates that are one percentage point lower or one percentage point higher than the current rate:

	<b>1% Decrease</b>	<b>Trend Rate</b>	<b>1% Increase</b>
<b>Total OPEB Liability (Asset)</b>	<b>\$ 2,191,218</b>	<b>\$ 2,725,294</b>	<b>\$ 3,432,278</b>

**OPEB Expense, Deferred Outflows and Deferred Inflows of Resources Related to OPEB**

For the year ended September 30, 2022, the Housing Authority recognized an OPEB expense of (\$388,118). The current year change in the OPEB liability of (\$400,759) plus the deferred outflows decrease of (\$168) totaled (\$400,759). This amount was recorded as PEBB decrease to expense for the fiscal year.

On September 30, 2022 the Housing Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$
Net difference between expected and actual earnings On OPEB plan investments		
Changes of assumptions		
Contributions subsequent to the measurement date	3,984	
<b>TOTAL</b>	<b>\$ 3,984</b>	<b>\$</b>

Deferred outflows of resources related to OPEB resulting from the Housing Authority's contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended September 30, 2022. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year ended September 30</b>	<b>Amount</b>	
2022	\$ 3,984	
2023	-	
2024	-	
2025	-	
2026	-	
Thereafter	-	
<b>TOTAL</b>	<b>\$ 3,984</b>	<b>-</b>

## **NOTE 12 – OTHER DISCLOSURES**

We have seen additional funding coming from the Cares Act and being administered to Housing Authorities through HUD.

The Housing Authority received \$116,169 in the form of a City of Bremerton City Development Block grant to be used in calendar year 2021, 2022, and 2023 for COVID assistance payments for qualified tenants in the City.

The Housing Authority received \$406,161 in Kitsap County CARES funding for COVID assistance payments for qualified tenants to be used during the 2022 calendar year.

The City of Bremerton Rental Assistance program continued again in calendar year 2022 with the city contributing \$100,000 for assistance and Bremerton Housing matching with another \$100,000.

The Housing Authority received \$105,608 of Covid Supplemental payments (CSP) HAP funding and \$5,175 of administrative funding for the PBCA Section 8 Special Allocations program.

The Housing Authority received \$40,000 of federal funds from the Washington State Department of Children, Youth & Families later in the fiscal year with \$623 spent on administrative costs. The Housing Authority was also issued 13 Foster Youth Independence Vouchers for this program.

We are encouraged by the additional funding being provided.

In March 2019, the Board of Commissioners of the Housing Authority authorized \$3.1 million in development funds for the project known as Pendleton Place. An amount of \$1,565,140 of these funds were distributed to the project in FY 2021 and the remaining \$1,534,860 was distributed during the current fiscal year. These funds were provided to the partnership that was formed to construct this facility. This project is a 72-unit permanent supportive housing facility which was built to help reduce chronic homelessness in Kitsap County. The Housing Authority committed to supplying 56 project-based vouchers to help subsidize the facility as well as 5 VASH vouchers. The remaining 11 units are subsidized from the Housing Authority's Continuum of Care grant which focuses on ending homelessness. The Housing Authority has no ownership or control but does have a contract to manage the facility. Kitsap Mental Health provides case management. The facility started admitting tenants in May 2022.

The Housing Authority purchased 5 homes during the fiscal year at a cost of \$2.65 million. These homes house voucher holders that are qualified for Section 8. Since they are homes, larger families are targeted for these homes. The Housing Authority received a recoverable grant from the Department of Commerce in the form of a Housing Trust fund loan for \$1.51 million to help with a partial payment. The grant has no expectation of repayment as long as certain requirements are met.

**SUPPLEMENTARY INFORMATION**

**Bremerton Housing Authority  
Schedule of Proportionate Share of the Net Pension Liability**

**Pers 1**  
As of June 30, 2022  
Last 10 Fiscal Years\*

	2015	2016	2017	2018	2019	2020	2021	2022
Employer's proportion of the net pension liability (asset)	%	0.038375%	0.038353%	0.035500%	0.034223%	0.035430%	0.039217%	0.038342
Employer's proportionate share of the net pension liability	\$	2,007,369	2,059,737	1,684,503	1,528,411	1,362,409	1,384,572	468,246
Covered payroll	\$	4,328,491	4,333,260	4,560,434	4,443,523	5,083,673	5,397,241	5,749,671
Employer's proportionate share of the net pension liability as a percentage of covered payroll	%	46.38%	47.53%	36.94%	34.40%	26.80%	25.65%	8.14%
Plan fiduciary net position as a percentage of the total pension liability	%	59.10%	57.03%	61.24%	63.22%	67.12%	68.64%	88.74%
								76.56%

*This schedule is intended to provide 10 years of historical data.*

*Until a full 10-year trend is compiled, information is presented only for those years for which information is available*

Notes to the Schedule of Proportionate Share of the Net Pension Liability:

NOTE 1 - Changes of Benefit Terms

There were no changes in the benefit terms for the Pension Plan.

NOTE 2 - Changes in Assumptions and Methods

2015 - No significant changes in assumptions were made. Demographic assumptions were updated, consistent with the changes from the 2007-2012 Experience Study Report, as identified in the Notes to the 2015 Department of Retirement Systems (DRS) Comprehensive Annual Financial Report.

2016 - The assumed valuation interest rate was lowered from 7.80% to 7.70%. Assumed administrative factors were updated.

2017 - How terminated and vested member benefits are valued was corrected. The average expected remaining service lives calculation was revised. It is used to recognize the changes in pension expense to no longer discount future years of service back to the present day

How the basic minimum COLA in PERS Plan 1 is valued for legal order payees was improved

2018 - The assumed valuation interest rate was lowered from 7.7% to 7.5%

The assumed general salary growth lowered from 3.75% to 3.5%

The assumed inflation lowered from 3% to 2.75%

2019 - The modeling was updated to reflect providing benefit payments to the date of initial retirement eligibility for terminated vested members who delay application for retirement benefits

Those not receiving a basic minimum, alternate minimum, or temporary disability benefit with a one-time permanent 1.5% increase to their monthly retirement benefit, not to exceed \$62.50 per month

2020 - OSA updated the demographic assumptions based on the results of the latest demographic experience study. This study is completed every six years

OSA updated the Early Retirement Factors and Joint-and-Survivor Factors used in its model.

This 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 items that change annually, including the public safety duty-related lump sum and Washington state average wage

REQUIRED SUPPLEMENTARY INFORMATION

Bremerton Housing Authority  
Schedule of Proportionate Share of the Net Pension Liability

Pers 2/3

As of June 30, 2022  
Last 10 Fiscal Years\*

	2015	2016	2017	2018	2019	2020	2021	2022
Employer's proportion of the net pension liability (asset)	%	0.047898%	0.047387%	0.044007%	0.042047%	0.043936%	0.048884%	0.047356%
Employer's proportionate share of the net pension liability	\$	1,711,423	2,385,898	1,529,033	717,915	426,768	625,198	(4,717,420)
Covered payroll	\$	4,262,580	4,264,805	4,487,219	4,368,238	5,000,758	5,310,422	5,664,016
Employer's proportionate share of the net pension liability as a percentage of covered payroll	%	40.15%	55.94%	34.08%	16.43%	8.53%	11.77%	-83.29%
Plan fiduciary net position as a percentage of the total pension liability	%	89.20%	85.82%	90.97%	95.77%	97.77%	97.22%	120.29%
								106.73%

\* This schedule is intended to provide 10 years of historical data.

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Notes to the Schedule of Proportionate Share of the Net Pension Liability:

NOTE 1 - Changes of Benefit Terms

There were no changes in the benefit terms for the Pension Plan.

NOTE 2 - Changes in Assumptions and Methods

2015 - No significant changes in assumptions were made. Demographic assumptions were updated, consistent with the changes from the 2007-2012 Experience Study Report, as identified in the Notes to the 2015 Department of Retirement Systems (DRS) Comprehensive Annual Financial Report.

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OSA updated the Early Retirement Factors and Joint-and-Survivor Factors used in its model.

This 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 items that change annually, including the public safety duty-related lump sum and Washington state average wage.



REQUIRED SUPPLEMENTARY INFORMATION

Bremerton Housing Authority  
Schedule of Employer Contributions

Pers 1

As of September 30, 2022  
Last 10 Fiscal Years \*

	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contributions	\$ 185,807	221,940	224,778	229,929	262,931	264,970	287,019	230,797
Contributions in relation to the contractually required contributions	\$ (185,807)	(221,940)	(224,778)	(229,929)	(262,931)	(264,970)	(287,019)	(230,797)
Contribution deficiency (excess)	\$ 0	0	0	0	0	0	0	0
Covered Payroll	\$ 4,365,354	4,559,454	4,548,868	4,450,843	5,092,553	5,426,965	6,098,290	6,213,924
Contributions as a percentage of covered payroll	% 4.26%	4.87%	4.94%	5.17%	5.16%	4.88%	4.71%	3.71%

\* This schedule is intended to provide 10 years of historical data.

Until a full 10-year trend is compiled, information is presented only for those years for which information is available

Notes to the Schedule of Employer Contributions:

NOTE 1 - Changes of Benefit Terms

There were no changes in the benefit terms for the Pension Plan

NOTE 2 - Changes in Assumptions and Methods

2015 - No significant changes in assumptions were made. Demographic assumptions were updated, consistent with the change from the 2007-2012 Experience Study Report, as identified in the Notes to the 2015 Department of Retirement Systems (DRS) Comprehensive Annual Financial Report.

2016 - The assumed valuation interest rate was lowered from 7.80% to 7.70%. Assumed administrative factors were updated.

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The assumed general salary growth lowered from 3.75% to 3.5%

The assumed inflation lowered from 3% to 2.75%

2019 - The modeling was updated to reflect providing benefit payments to the date of initial retirement eligibility for terminated vested members who delay application for retirement benefits

Those not receiving a basic minimum, alternate minimum, or temporary disability benefit with a one-time permanent 1.5% increase to their monthly retirement benefit, not to exceed \$62.50 per month

2020 - OSA updated the demographic assumptions based on the results of the latest demographic experience study. This study is completed every six years

OSA updated the Early Retirement Factors and Joint-and-Survivor Factors used in its model.

This 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 items that change annually, including the public safety duty-related lump sum and Washington state average wage

REQUIRED SUPPLEMENTARY INFORMATION

Bremerton Housing Authority  
Schedule of Employer Contributions  
Pers 2/3

As of September 30, 2022  
Last 10 Fiscal Years\*

	2015	2016	2017	2018	2019	2020	2021	2022
Contractually required contributions	\$ 227,487	279,582	292,765	327,771	381,676	423,377	454,085	395,206
Contributions in relation to the contractually required contributions	\$ (227,487)	(279,582)	(292,765)	(327,771)	(381,676)	(423,377)	(454,085)	(395,206)
Contribution deficiency (excess)	\$ 0	0	0	0	0	0	0	0
Covered Payroll	\$ 4,298,823	4,487,844	4,474,546	4,374,777	5,006,019	5,345,668	6,011,506	6,213,924
Contributions as a percentage of covered payroll	% 5.29%	6.23%	6.54%	7.49%	7.62%	7.92%	7.55%	6.36%

\* This schedule is intended to provide 10 years of historical data.

Until a full 10-year trend is compiled, information is presented only for those years for which information is available.

Notes to the Schedule of Employer Contributions:

NOTE 1 - Changes of Benefit Terms

There were no changes in the benefit terms for the Pension Plan.

NOTE 2 - Changes in Assumptions and Methods

2015 - No significant changes in assumptions were made. Demographic assumptions were updated consistent with the changes from the 2007-2012 Experience Study Report, as identified in the Notes to the 2015 Department of Retirement Systems (DRS) Comprehensive Annual Financial Report.

2016 - The assumed valuation interest rate was lowered from 7.80% to 7.70%. Assumed administrative factors were updated.

2017 - How terminated and vested member benefits are valued was corrected. The average expected remaining service lives calculation was revised. It is used to recognize the changes in pension expense to no longer discount future years of service back to the present day.

2018 - The assumed valuation interest rate was lowered from 7.7% to 7.5%

The assumed general salary growth lowered from 3.75% to 3.5%

The assumed inflation lowered from 3% to 2.75%

2019 - The modeling was updated to reflect providing benefit payments to the date of initial retirement eligibility for terminated vested members who delay application for retirement benefits

Those not receiving a basic minimum, alternate minimum, or temporary disability benefit with a one-time permanent 1.5% increase to their monthly retirement benefit, not to exceed \$62.50 per month

2020 - OSA updated the demographic assumptions based on the results of the latest demographic experience study. This study is completed every six years.

OSA updated the Early Retirement Factors and Joint-and-Survivor Factors used in its model.

This 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 items that change annually, including the public safety duty-related lump sum and Washington state average wage.

REQUIRED SUPPLEMENTARY INFORMATION

Bremerton Housing Authority Schedule of Changes in Total OPEB Liability and Related Ratios Public Employees Benefits Board (PEBB) - Health Plan				
	6/30/2019 Last 10 Fiscal Years*	6/30/2020	6/30/2021	6/30/2022
	2019	2020	2021	2022
<b>Total OPEB liability - beginning</b>				
<b>Beginning Liability Increased for Additional Employees</b>				
Service Cost	987,682	1,265,415	3,563,593	3,126,053
Interest	62,597	1,025,705		191,601
Changes in experience data and assumptions	40,546	149,314	221,264	71,526
Changes in benefit terms	179,774	85,271	83,456	(651,245)
Benefit payments	0	1,046,188	(724,993)	
Other changes	(5,184)	0	(17,267)	(12,641)
	0	(8,300)		
<b>Total OPEB Liability - ending</b>	<u>1,265,415</u>	<u>3,563,593</u>	<u>3,126,053</u>	<u>2,725,294</u>
<b>Covered payroll</b>	2,778,883	5,239,167	5,260,608	6,536,781
<b>Total OPEB liability as a percentage of covered payroll</b>	45.54%	68.02%	59.42%	41.69%

\* This schedule is presented to illustrate information for 10 years. However, until a full 10 years of information is available, information is presented for those years for which information is available (the Housing Authority joined the Health Plan 1/1/2019). No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASBS 75.

**Housing Authority of the City of Bremerton**  
**Schedule of Expenditures of Federal Awards**  
**For the Fiscal Year Ended September 30, 2022**

Federal Agency Name/Pass-Through Agency Name	Federal Program Name	ALN Number	Other I.D. Number	Current Year Expenditures				Passed Through to Subrecipients	Total Federal Awards	Foot-note Ref.
				From Pass-Through Awards	From Direct Awards	Current Year Total	Debt Liability Balance			
U.S. Department of Housing and Urban Development	Section 8 New Construction / Substantial Rehabilitation	14.182	FHA #127-35057		\$ 761,523				761,523	
			FHA #127-38048		590,900				590,900	
			<b>Total 14.182</b>		<b>1,352,423</b>	<b>1,352,423</b>			<b>1,352,423</b>	
U.S. Department of Housing and Urban Development	Section 8 Housing Assistance Payments Program	14.195	WA800, NE800 & UT800		207,129,424				207,129,424	
U.S. Department of Housing and Urban Development	COVID-19 Section 8 Housing Assistance Payments Program	14.195	CSP HAP		105,608				105,608	
U.S. Department of Housing and Urban Development	COVID-19 Section 8 Housing Assistance Payments Program	14.195	CSP Admin Fees		5,175				5,175	
			<b>Total 14.195</b>		<b>207,240,207</b>	<b>207,240,207</b>			<b>207,240,207</b>	
U.S. Department of Housing and Urban Development	Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	WA003SR0004		225,566	225,566			225,566	8
			<b>Total Section 8 Project-Based Cluster</b>		<b>208,818,196</b>	<b>208,818,196</b>			<b>208,818,196</b>	
U.S. Department of Housing and Urban Development/City of Bremerton	COVID 19- Community Development Block Grants	14.218	B-20-MW-53-0011	116,169		116,169			116,169	11
						<b>116,169</b>			<b>116,169</b>	
U.S. Department of Housing and Urban Development/Department of Commerce	HOME Investment Partnerships Program	14.239	19-42401-110	104,063		104,063			104,063	9
U.S. Department of Housing and Urban Development	ARRA-Tax Credit Assistance Program	14.258	TC#09-08-TCAP			<b>104,063</b>	12,477,337		<b>104,063</b>	
									12,477,337	3 & 5
U.S. Department of Housing and Urban Development	Continuum of Care Program	14.267	WA0394LOTO12104		73,047	73,047		-	73,047	
			WA0394LOTO12003		230,372	230,372		91,700	230,372	
			<b>Total 14.267</b>		<b>303,419</b>	<b>303,419</b>		<b>91,700</b>	<b>303,419</b>	7
U.S. Department of Housing and Urban Development/ Department of Commerce	Project Rental Assistance Program of Section 811	14.326	18-46221-300	16,609		16,609			16,609	9
						<b>16,609</b>			<b>16,609</b>	

**Housing Authority of the City of Bremerton**  
Schedule of Expenditures of Federal Awards  
For the Fiscal Year Ended September 30, 2022

Federal Agency Name/Pass-Through Agency Name	Federal Program Name	ALN Number	Other I.D. Number	Current Year Expenditures				Passed Through to Subrecipients	Total Federal Awards	Foot-note Ref.
				From Pass-Through Awards	From Direct Awards	Current Year Total	Debt Liability Balance			
U.S. Department of Housing and Urban Development	Low Rent Public Housing	14.850	WA003-001-06D & WA003-001-06S		683,908	683,908			683,908	14
			<b>Total 14.850</b>		<b>683,908</b>	<b>683,908</b>			<b>683,908</b>	
U.S. Department of Housing and Urban Development	Resident Opportunity and Supportive Services	14.870	ROSS211581		70,349	70,349			70,349	
			<b>Total 14.870</b>		<b>70,349</b>	<b>70,349</b>			<b>70,349</b>	
U.S. Department of Housing and Urban Development	Section 8 Housing Choice Vouchers	14.871	WA003VO & WA003AF		16,633,098	16,633,098			16,633,098	6
U.S. Department of Housing and Urban Development	COVID 19- Section 8 Housing Choice Vouchers	14.871			127,730	127,730			127,730	
U.S. Department of Housing and Urban Development	Emergency Housing Vouchers	14.871			169,169	169,169			169,169	10
			<b>Total Housing Choice Voucher Cluster</b>		<b>16,929,997</b>	<b>16,929,997</b>			<b>16,929,997</b>	
U.S. Department of Housing and Urban Development	Public Housing Capital Fund	14.872	WA19P003501		1,071,046	1,071,046			1,071,046	12
			<b>Total Public Housing Capital Fund</b>		<b>1,071,046</b>	<b>1,071,046</b>			<b>1,071,046</b>	
U.S. Department of Housing and Urban Development	Family Self-Sufficiency Program	14.896	FSS22WA4658		41,466					
			FSS21WA4048		8,190					
			<b>Total 14.896</b>		<b>49,656</b>	<b>49,656</b>			<b>49,656</b>	
U.S. Department of Health and Human Services/Washington State Department of Children, Youth & Families	Child Abuse and Neglect Discretionary Activities	93.670	22-1255-01	623		623			623	13
				623		623			623	13
	<b>TOTAL FEDERAL ASSISTANCE</b>		<b>\$ 237,464</b>	<b>\$ 227,926,571</b>	<b>\$ 228,164,035</b>	<b>\$ 12,477,337</b>	<b>\$ 91,700</b>	<b>\$ 240,641,372</b>		

The accompanying notes are an integral part of this schedule

**Notes to the Schedule of Expenditures of Federal Awards  
Bremerton Housing Authority FY 2022**

**NOTE 1 - Basis of Accounting**

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

**NOTE 2 - Program Costs**

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

**NOTE 3 - Federal Loans**

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

**NOTE 4 - Indirect Cost Rate**

The Bremerton Housing Authority has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance

**NOTE 5 - American Recovery and Reinvestment Act (ARRA) of 2009**

Expenditures for this program were funded by ARRA

**NOTE 6 - Section 8 Housing Choice Vouchers 14.871**

The amount reported on the SEFA is operating revenue received of \$16,633,098. Actual program operating expenses were \$17,087,093

**NOTE 7 - Continuum of Care 14.267**

Kitsap Community Resources is a sub-recipient of this grant and they received \$91,700 of pass-through funds.

**NOTE 8 - Section 8 Moderate Rehabilitation Single Room Occupancy 14.249**

The amount reported on the SEFA is operating subsidy revenue received. Actual program expenses totaled \$230,452

**NOTE 9 - HOME Investment Partnership program and the 811 Rental Assistance program**

Both of these programs receive pass through funds from the Washington State Department of Commerce

**NOTE 10 - Emergency Housing Vouchers**

A total of \$169,169 was received in funding from HUD for these vouchers during the fiscal year. and total operating expenses were \$348,728. Restricted cash received in the prior year was used to pay for some of the excess operating costs

**NOTE 11 - COVID-19 CDBG Grant**

Total operating expenses for this grant were \$109,758

**NOTE 12- Public Housing Capital Fund**

\$534,324 was for capital expenditures,\$406,363 for capital fund soft costs,and \$130,359 for the 10% admin fee

**NOTE 13- The Department of Children, Youth, and Families through the Department of Commerce grant**

The grant was for \$35,000. Only \$623 has been spent during the fiscal year.

**NOTE 14- Low Rent Public Housing**

Operating subsidy received from HUD for public housing

# Housing Authority of the City of Bremerton (WA003)

Bremerton, WA

## Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	Project Total	14,218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14,896 PIH Family Self-Sufficiency Program
111 Cash - Unrestricted	\$1,223,832	\$31,177	\$401,490	\$155,622	
112 Cash - Restricted - Modernization and Development	\$546,453				
113 Cash - Other Restricted	\$252,357		\$1,446,542	\$514,186	
114 Cash - Tenant Security Deposits	\$37,600		\$38,525		
115 Cash - Restricted for Payment of Current Liabilities	\$2,126		\$3,086		
100 Total Cash	\$2,062,368	\$31,177	\$1,889,643	\$669,808	\$0
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects	\$12,351				
124 Accounts Receivable - Other Government				\$102,536	
125 Accounts Receivable - Miscellaneous	\$17,700			\$251	
126 Accounts Receivable - Tenants	\$13,386		\$38,641	\$133	
126.1 Allowance for Doubtful Accounts - Tenants	\$0		-\$9,822	\$0	
126.2 Allowance for Doubtful Accounts - Other	\$0			\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$1,452		\$4,794	\$914	
128 Fraud Recovery					
128.1 Allowance for Doubtful Accounts - Fraud					
129 Accrued Interest Receivable	\$107,936				
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$152,825	\$0	\$33,613	\$103,834	\$0
131 Investments - Unrestricted				\$303,314	
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets	\$103,239		\$113,934	\$90,982	
143 Inventories					

Housing Authority of the City of Bremerton (WA003)

Bremerton, WA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	Project Total	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program
143.1 Allowance for Obsolete Inventories					
144 Inter Program Due From					
145 Assets Held for Sale					
150 Total Current Assets	\$2,318,432	\$31,177	\$2,037,190	\$1,167,938	\$0
161 Land	\$6,789,778				
162 Buildings	\$14,426,369		\$25,583,311	\$4,469,119	
163 Furniture, Equipment & Machinery - Dwellings	\$583,226		\$400,131	\$372,725	
164 Furniture, Equipment & Machinery - Administration	\$204,718		\$27,500		
165 Leasehold Improvements	\$2,998,413		\$6,723,967	\$857,828	
166 Accumulated Depreciation	-\$4,804,116		-\$9,600,713	-\$1,855,120	
167 Construction in Progress			\$61,727		
168 Infrastructure	\$1,846,696			\$262,882	
160 Total Capital Assets, Net of Accumulated Depreciation	\$22,045,084	\$0	\$23,195,923	\$4,107,434	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current	\$5,011,100		\$8,276	\$406	
172 Notes, Loans, & Mortgages Receivable - Non Current - Past			\$3,328		
173 Grants Receivable - Non Current					
174 Other Assets	\$69,193		\$91,345		
176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$27,125,377	\$0	\$23,298,872	\$4,107,840	\$0
200 Deferred Outflow of Resources	\$65,628				
290 Total Assets and Deferred Outflow of Resources	\$29,509,437	\$31,177	\$25,336,062	\$5,275,778	\$0



# Housing Authority of the City of Bremerton (WA003)

Bremerton, WA

## Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	Project Total	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program
311 Bank Overdraft					
312 Accounts Payable <= 90 Days	\$5,952		\$289,978	\$44,938	
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable	\$4,261			\$54,050	
322 Accrued Compensated Absences - Current Portion	\$946		\$1,004	\$2,862	
324 Accrued Contingency Liability					
325 Accrued Interest Payable				\$15,126	
331 Accounts Payable - HUD PHA Programs					
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government					
341 Tenant Security Deposits	\$37,850		\$39,175		
342 Unearned Revenue	\$5,752		\$3,597	\$3,191	
343 Current Portion of Long-term Debt - Capital				\$111,461	
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities	\$2,126		\$3,086		
346 Accrued Liabilities - Other	\$22,523		\$26,806	\$73,594	
347 Inter Program - Due To	\$110,719			\$307,041	
348 Loan Liability - Current					
310 Total Current Liabilities	\$190,129	\$0	\$363,646	\$612,263	\$0
351 Long-term Debt, Net of Current - Capital Projects/Mortgage					
352 Long-term Debt, Net of Current - Operating Borrowings			\$10,401,834	\$5,242,838	
353 Non-current Liabilities - Other			\$357,298		
354 Accrued Compensated Absences - Non Current	\$17,987		\$19,069	\$51,249	
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					

Housing Authority of the City of Bremerton (WA003)

Bremerton, WA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	Project Total	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program
357 Accrued Pension and OPEB Liabilities	\$89,899				
350 Total Non-Current Liabilities	\$107,886	\$0	\$10,778,201	\$5,294,087	\$0
300 Total Liabilities	\$298,015	\$0	\$11,141,847	\$5,906,350	\$0
400 Deferred Inflow of Resources	\$72,131				
508.3 Nonspendable Fund Balance					
508.4 Net Investment in Capital Assets	\$22,045,084		\$12,794,089	-\$1,246,865	
509.3 Restricted Fund Balance					
510.3 Committed Fund Balance					
511.3 Assigned Fund Balance					
511.4 Restricted Net Position	\$865,903		\$1,446,542	\$514,186	
512.3 Unassigned Fund Balance					
512.4 Unrestricted Net Position	\$6,228,304	\$31,177	-\$46,416	\$102,107	\$0
513 Total Equity - Net Assets / Position	\$29,139,291	\$31,177	\$14,194,215	-\$630,572	\$0
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$29,509,437	\$31,177	\$25,336,062	\$5,275,778	\$0

# Housing Authority of the City of Bremerton (WA003)

Bremerton, WA

## Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	14. 182 N/C S/R Section 8 Programs	1 Business Activities	14. 866 Revitalization of Severely Distressed Public Housing	2 State/Local	14.267 Continuum of Care Program
111 Cash - Unrestricted	\$2,169,864	\$1,700,730		\$10,500	
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted		\$942,734	\$1,550,718		
114 Cash - Tenant Security Deposits	\$42,461	\$20,889			
115 Cash - Restricted for Payment of Current Liabilities	\$17,377	\$20,725			
100 Total Cash	\$2,229,702	\$2,685,078	\$1,550,718	\$10,500	\$0
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects	\$3,323	\$5,355			\$73,046
124 Accounts Receivable - Other Government		\$2,324		\$36,050	
125 Accounts Receivable - Miscellaneous	\$2,912	\$4,855			\$628
126 Accounts Receivable - Tenants	\$20,079	\$28,870			
126.1 Allowance for Doubtful Accounts - Tenants	-\$9,527	-\$6,870			
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0		\$0	-\$628
127 Notes, Loans, & Mortgages Receivable - Current	\$1,184				
128 Fraud Recovery					
128.1 Allowance for Doubtful Accounts - Fraud					
129 Accrued Interest Receivable			\$172,095		
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$17,971	\$34,534	\$172,095	\$36,050	\$73,046
131 Investments - Unrestricted	\$352,860	\$199,028			
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets	\$78,618	\$117,723			
143 Inventories					
143.1 Allowance for Obsolete Inventories					

Housing Authority of the City of Bremerton (WA003)  
Bremerton, WA  
**Entity Wide Balance Sheet Summary**

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	14. 182 N/C S/R Section 8 Programs	1 Business Activities	14. 866 Revitalization of Severely Distressed Public Housing	2 State/Local	14. 267 Continuum of Care Program
144 Inter Program Due From					
145 Assets Held for Sale					
150 Total Current Assets	\$2,679,151	\$3,036,363	\$1,722,813	\$46,550	\$73,046
161 Land	\$817,410	\$1,504,520			
162 Buildings	\$4,732,683	\$14,849,082			
163 Furniture, Equipment & Machinery - Dwellings	\$758,033	\$978,014			
164 Furniture, Equipment & Machinery - Administration		\$5,980			
165 Leasehold Improvements	\$552,369	\$1,827,457			
166 Accumulated Depreciation	-\$3,249,233	-\$4,597,962			
167 Construction in Progress	\$162,293	\$22,025			
168 Infrastructure	\$47,021	\$136,184			
160 Total Capital Assets, Net of Accumulated Depreciation	\$3,820,576	\$14,725,300	\$0	\$0	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current	\$2,444		\$7,585,910		
172 Notes, Loans, & Mortgages Receivable - Non Current - Past		\$297			
173 Grants Receivable - Non Current					
174 Other Assets	\$62,118	\$117,300			
176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$3,885,138	\$14,842,897	\$7,585,910	\$0	\$0
200 Deferred Outflow of Resources	\$58,914	\$111,333			
290 Total Assets and Deferred Outflow of Resources	\$6,623,203	\$17,990,593	\$9,308,723	\$46,550	\$73,046
311 Bank Overdraft					

Housing Authority of the City of Bremerton (WA003)  
Bremerton, WA

**Entity Wide Balance Sheet Summary**

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	14.182 N/C S/R Section 8 Programs	1 Business Activities	14.866 Revitalization of Severely Distressed Public Housing	2 State/Local	14.267 Continuum of Care Program
312 Accounts Payable <= 90 Days	\$30,416	\$31,408			\$3
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable	\$3,005	\$6,274		\$519	
322 Accrued Compensated Absences - Current Portion	\$791	\$2,426			
324 Accrued Contingency Liability					
325 Accrued Interest Payable		\$177			
331 Accounts Payable - HUD PHA Programs		\$368			
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government			\$2,325		
341 Tenant Security Deposits	\$42,715	\$21,628			
342 Unearned Revenue	\$3,812	\$8,382			
343 Current Portion of Long-term Debt - Capital		\$6,386			
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities	\$17,377	\$20,725			
346 Accrued Liabilities - Other	\$34,616	\$24,370		\$59	
347 Inter Program - Due To	\$21,829	\$321,291	\$11	\$36,050	\$70,141
348 Loan Liability - Current					
310 Total Current Liabilities	\$154,561	\$443,435	\$2,336	\$36,628	\$70,144
351 Long-term Debt, Net of Current - Capital Projects/Mortgage		\$14,969,946			
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other					
354 Accrued Compensated Absences - Non Current	\$15,035	\$46,096			
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities	\$78,563	\$205,186			

Housing Authority of the City of Bremerton (WA003)  
Bremerton, WA  
**Entity Wide Balance Sheet Summary**

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	14.182 N/C S/R Section 8 Programs	1 Business Activities	14.866 Revitalization of Severely Distressed Public Housing	2 State/Local	14.267 Continuum of Care Program
350 Total Non-Current Liabilities	\$93,598	\$15,221,228	\$0	\$0	\$0
300 Total Liabilities	\$248,159	\$15,664,663	\$2,336	\$36,628	\$70,144
400 Deferred Inflow of Resources	\$64,754	\$122,278			
508.3 Nonspendable Fund Balance					
508.4 Net Investment in Capital Assets	\$3,820,576	-\$251,032			
509.3 Restricted Fund Balance					
510.3 Committed Fund Balance					
511.3 Assigned Fund Balance					
511.4 Restricted Net Position	\$60,231	\$1,056,472	\$1,550,718		
512.3 Unassigned Fund Balance					
512.4 Unrestricted Net Position	\$2,429,483	\$1,398,212	\$7,755,669	\$9,922	\$2,902
513 Total Equity - Net Assets / Position	\$6,310,290	\$2,203,652	\$9,306,387	\$9,922	\$2,902
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$6,623,203	\$17,990,593	\$9,308,723	\$46,550	\$73,046

# Housing Authority of the City of Bremerton (WA003)

Bremerton, WA

## Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	8 Other Federal Program 1	14.195 Section 8 Housing Assistance Payments Program Special Allocations	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services
111 Cash - Unrestricted	\$4,153	\$3,516,237		\$59,285	
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted				\$146,046	
114 Cash - Tenant Security Deposits					
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$4,153	\$3,516,237	\$0	\$205,331	\$0
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects		\$1,580,357		\$452,870	
124 Accounts Receivable - Other Government	\$4,136		\$18,777	\$5,740	\$6,299
125 Accounts Receivable - Miscellaneous		\$64			
126 Accounts Receivable - Tenants					
126.1 Allowance for Doubtful Accounts - Tenants					
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current					
128 Fraud Recovery				\$32,739	
128.1 Allowance for Doubtful Accounts - Fraud				-\$27,877	
129 Accrued Interest Receivable					
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$4,136	\$1,580,421	\$18,777	\$463,472	\$6,299
131 Investments - Unrestricted					
132 Investments - Restricted	\$25,276	\$10,561,507			
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets	\$177	\$95,525		\$32,660	\$1,938
143 Inventories					
143.1 Allowance for Obsolete Inventories					

# Housing Authority of the City of Bremerton (WA003)

Bremerton, WA

## Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	8 Other Federal Program 1	14.195 Section 8 Housing Assistance Payments Program, Special Allocations	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services
144 Inter Program Due From					
145 Assets Held for Sale					
150 Total Current Assets	\$33,742	\$15,753,690	\$18,777	\$701,463	\$8,237
161 Land					
162 Buildings		\$417,030			
163 Furniture, Equipment & Machinery - Dwellings					
164 Furniture, Equipment & Machinery - Administration		\$156,827		\$1,230	
165 Leasehold Improvements					
166 Accumulated Depreciation		-\$306,058		-\$861	
167 Construction in Progress					
168 Infrastructure					
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$267,799	\$0	\$369	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current					
172 Notes, Loans, & Mortgages Receivable - Non Current - Past					
173 Grants Receivable - Non Current					
174 Other Assets	\$6,718	\$821,530		\$276,400	
176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$6,718	\$1,089,329	\$0	\$276,769	\$0
200 Deferred Outflow of Resources	\$6,380	\$780,212		\$262,498	
290 Total Assets and Deferred Outflow of Resources	\$46,840	\$17,623,231	\$18,777	\$1,240,730	\$8,237
311 Bank Overdraft					



Housing Authority of the City of Bremerton (WA003)  
Bremerton, WA

**Entity Wide Balance Sheet Summary**

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	8 Other Federal Program 1	14.195 Section 8 Housing Assistance Payments Program Special Allocations	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services
312 Accounts Payable <= 90 Days	\$31	\$35,164		\$10,078	\$94
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable	\$411	\$58,304		\$19,212	
322 Accrued Compensated Absences - Current Portion	\$122	\$16,176		\$3,797	
324 Accrued Contingency Liability					
325 Accrued Interest Payable					
331 Accounts Payable - HUD PHA Programs		\$150			
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government					
341 Tenant Security Deposits					
342 Unearned Revenue					
343 Current Portion of Long-term Debt - Capital					
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities					
346 Accrued Liabilities - Other	\$42	\$6,172		\$2,697	
347 Inter Program - Due To	\$24,769	\$32,310	\$18,777	\$482,708	\$8,143
348 Loan Liability - Current					
310 Total Current Liabilities	\$25,375	\$148,276	\$18,777	\$518,492	\$8,237
351 Long-term Debt, Net of Current - Capital Projects/Mortgage					
352 Long-term Debt, Net of Current - Operating Borrowings					
353 Non-current Liabilities - Other				\$146,046	
354 Accrued Compensated Absences - Non Current	\$2,313	\$307,343		\$72,140	
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities	\$14,404	\$1,761,403		\$592,615	

Housing Authority of the City of Bremerton (WA003)  
Bremerton, WA

**Entity Wide Balance Sheet Summary**

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	8 Other Federal Program 1	14.195 Section 8 Housing Assistance Payments Program, Special Allocations	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services
350 Total Non-Current Liabilities	\$16,717	\$2,068,746	\$0	\$810,801	\$0
300 Total Liabilities	\$42,092	\$2,217,022	\$18,777	\$1,329,293	\$8,237
400 Deferred Inflow of Resources	\$7,003	\$869,994		\$293,569	
508.3 Nonspendable Fund Balance					
508.4 Net Investment in Capital Assets		\$267,799		\$369	
509.3 Restricted Fund Balance					
510.3 Committed Fund Balance					
511.3 Assigned Fund Balance					
511.4 Restricted Net Position	\$6,514	\$796,577			
512.3 Unassigned Fund Balance					
512.4 Unrestricted Net Position	-\$8,769	\$13,471,839	\$0	-\$382,501	\$0
513 Total Equity - Net Assets / Position	-\$2,255	\$14,536,215	\$0	-\$382,132	\$0
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$46,840	\$17,623,231	\$18,777	\$1,240,730	\$8,237

Housing Authority of the City of Bremerton (WA003)  
Bremerton, WA

**Entity Wide Balance Sheet Summary**

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	14.HCC HCV CARES Act Funding	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	93.670 Child Abuse and Neglect Discretionary Activities	COCC
111 Cash - Unrestricted			\$71,154		\$28,738
112 Cash - Restricted - Modernization and Development					
113 Cash - Other Restricted		\$35,144			
114 Cash - Tenant Security Deposits					
115 Cash - Restricted for Payment of Current Liabilities					
100 Total Cash	\$0	\$35,144	\$71,154	\$0	\$28,738
121 Accounts Receivable - PHA Projects					
122 Accounts Receivable - HUD Other Projects					
124 Accounts Receivable - Other Government				\$623	\$489,778
125 Accounts Receivable - Miscellaneous					\$241,698
126 Accounts Receivable - Tenants					
126.1 Allowance for Doubtful Accounts - Tenants					
126.2 Allowance for Doubtful Accounts - Other	\$0			\$0	-\$326,172
127 Notes, Loans, & Mortgages Receivable - Current					
128 Fraud Recovery					
128.1 Allowance for Doubtful Accounts - Fraud					
129 Accrued Interest Receivable					\$39,326
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$0	\$0	\$623	\$444,630
131 Investments - Unrestricted					\$1,627,291
132 Investments - Restricted					
135 Investments - Restricted for Payment of Current Liability					
142 Prepaid Expenses and Other Assets		\$75			\$80,852
143 Inventories					
143.1 Allowance for Obsolete Inventories					

# Housing Authority of the City of Bremerton (WA003)

Bremerton, WA

## Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	14.HCC HCV CARES Act Funding	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	93.670 Child Abuse and Neglect Discretionary Activities	COCC
144 Inter Program Due From					\$1,497,422
145 Assets Held for Sale					
150 Total Current Assets	\$0	\$35,219	\$71,154	\$623	\$3,678,933
161 Land					
162 Buildings					\$333,250
163 Furniture, Equipment & Machinery - Dwellings					\$3,650,322
164 Furniture, Equipment & Machinery - Administration					\$65,400
165 Leasehold Improvements					\$854,093
166 Accumulated Depreciation					\$35,904
167 Construction in Progress					-\$2,508,908
168 Infrastructure					\$83,814
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$0	\$0	\$5,546
					\$2,519,421
171 Notes, Loans and Mortgages Receivable - Non-Current					
172 Notes, Loans, & Mortgages Receivable - Non Current - Past					\$925,274
173 Grants Receivable - Non Current					
174 Other Assets					\$541,687
176 Investments in Joint Ventures					
180 Total Non-Current Assets	\$0	\$0	\$0	\$0	\$3,986,382
200 Deferred Outflow of Resources					\$468,456
290 Total Assets and Deferred Outflow of Resources	\$0	\$35,219	\$71,154	\$623	\$8,133,771
311 Bank Overdraft					

Housing Authority of the City of Bremerton (WA003)  
Bremerton, WA

**Entity Wide Balance Sheet Summary**

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	14.HCC HCV CARES Act Funding	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	93.670 Child Abuse and Neglect Discretionary Activities	COCC
312 Accounts Payable <= 90 Days					\$146,570
313 Accounts Payable >90 Days Past Due					
321 Accrued Wage/Payroll Taxes Payable		\$422			\$125,095
322 Accrued Compensated Absences - Current Portion		\$117			\$9,156
324 Accrued Contingency Liability					
325 Accrued Interest Payable					
331 Accounts Payable - HUD PHA Programs					
332 Account Payable - PHA Projects					
333 Accounts Payable - Other Government					
341 Tenant Security Deposits					
342 Unearned Revenue		\$35,144			
343 Current Portion of Long-term Debt - Capital					
344 Current Portion of Long-term Debt - Operating Borrowings					
345 Other Current Liabilities					\$0
346 Accrued Liabilities - Other		\$46			\$25,979
347 Inter Program - Due To		\$63,010		\$623	
348 Loan Liability - Current					
310 Total Current Liabilities	\$0	\$98,739	\$0	\$623	\$306,800
351 Long-term Debt, Net of Current - Capital Projects/Mortgage					
352 Long-term Debt, Net of Current - Operating Borrowings					\$690,000
353 Non-current Liabilities - Other					\$26,817
354 Accrued Compensated Absences - Non Current		\$2,222			\$174,289
355 Loan Liability - Non Current					
356 FASB 5 Liabilities					
357 Accrued Pension and OPEB Liabilities					\$1,054,648

Housing Authority of the City of Bremerton (WA003)  
Bremerton, WA

**Entity Wide Balance Sheet Summary**

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	14.HCC HCV CARES Act Funding	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	93.670 Child Abuse and Neglect Discretionary Activities	COCC
350 Total Non-Current Liabilities	\$0	\$2,222	\$0	\$0	\$1,945,754
300 Total Liabilities	\$0	\$100,961	\$0	\$623	\$2,252,554
400 Deferred Inflow of Resources					\$522,360
508.3 Nonspendable Fund Balance					
508.4 Net Investment in Capital Assets					\$2,567,839
509.3 Restricted Fund Balance					
510.3 Committed Fund Balance					
511.3 Assigned Fund Balance					
511.4 Restricted Net Position		\$35,144			\$478,286
512.3 Unassigned Fund Balance					
512.4 Unrestricted Net Position	\$0	-\$100,886	\$71,154	\$0	\$2,312,732
513 Total Equity - Net Assets / Position	\$0	-\$65,742	\$71,154	\$0	\$5,358,857
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$0	\$35,219	\$71,154	\$623	\$8,133,771

Housing Authority of the City of Bremerton (WA003)  
Bremerton, WA

**Entity Wide Balance Sheet Summary**

Submission Type: Audited/Single Audit      Fiscal Year End: 09/30/2022

	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$9,372,782		\$9,372,782
112 Cash - Restricted - Modernization and Development	\$546,453		\$546,453
113 Cash - Other Restricted	\$4,887,727		\$4,887,727
114 Cash - Tenant Security Deposits	\$139,475		\$139,475
115 Cash - Restricted for Payment of Current Liabilities	\$43,314		\$43,314
100 Total Cash	\$14,989,751	\$0	\$14,989,751
121 Accounts Receivable - PHA Projects			
122 Accounts Receivable - HUD Other Projects	\$2,127,302		\$2,127,302
124 Accounts Receivable - Other Government	\$666,263		\$666,263
125 Accounts Receivable - Miscellaneous	\$268,108		\$268,108
126 Accounts Receivable - Tenants	\$101,109		\$101,109
126.1 Allowance for Doubtful Accounts - Tenants	-\$26,219		-\$26,219
126.2 Allowance for Doubtful Accounts - Other	-\$326,800		-\$326,800
127 Notes, Loans, & Mortgages Receivable - Current	\$8,344		\$8,344
128 Fraud Recovery	\$32,739		\$32,739
128.1 Allowance for Doubtful Accounts - Fraud	-\$27,877		-\$27,877
129 Accrued Interest Receivable	\$319,357		\$319,357
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$3,142,326	\$0	\$3,142,326
131 Investments - Unrestricted	\$13,069,276		\$13,069,276
132 Investments - Restricted			
135 Investments - Restricted for Payment of Current Liability			
142 Prepaid Expenses and Other Assets	\$715,723		\$715,723
143 Inventories			
143.1 Allowance for Obsolete Inventories			

Housing Authority of the City of Bremerton (WA003)  
Bremerton, WA

**Entity Wide Balance Sheet Summary**

Submission Type: Audited/Single Audit Fiscal Year End: 09/30/2022

	Subtotal	ELIM	Total
144 Inter Program Due From	\$1,497,422	-\$1,497,422	\$0
145 Assets Held for Sale			
150 Total Current Assets	\$33,414,498	-\$1,497,422	\$31,917,076
161 Land	\$9,444,958		\$9,444,958
162 Buildings	\$68,127,916		\$68,127,916
163 Furniture, Equipment & Machinery - Dwellings	\$3,157,529		\$3,157,529
164 Furniture, Equipment & Machinery - Administration	\$1,250,348		\$1,250,348
165 Leasehold Improvements	\$12,995,938		\$12,995,938
166 Accumulated Depreciation	-\$26,922,971		-\$26,922,971
167 Construction in Progress	\$329,859		\$329,859
168 Infrastructure	\$2,298,329		\$2,298,329
160 Total Capital Assets, Net of Accumulated Depreciation	\$70,681,906	\$0	\$70,681,906
171 Notes, Loans and Mortgages Receivable - Non-Current	\$13,533,410		\$13,533,410
172 Notes, Loans, & Mortgages Receivable - Non Current - Past	\$3,625		\$3,625
173 Grants Receivable - Non Current			
174 Other Assets	\$1,986,291		\$1,986,291
176 Investments in Joint Ventures			
180 Total Non-Current Assets	\$86,205,232	\$0	\$86,205,232
200 Deferred Outflow of Resources	\$1,753,421		\$1,753,421
290 Total Assets and Deferred Outflow of Resources	\$121,373,151	-\$1,497,422	\$119,875,729
311 Bank Overdraft			



Housing Authority of the City of Bremerton (WA003)  
Bremerton, WA

**Entity Wide Balance Sheet Summary**

Submission Type: Audited/Single Audit Fiscal Year End: 09/30/2022

	Subtotal	ELIM	Total
312 Accounts Payable <= 90 Days	\$594,632		\$594,632
313 Accounts Payable >90 Days Past Due			
321 Accrued Wage/Payroll Taxes Payable	\$271,553		\$271,553
322 Accrued Compensated Absences - Current Portion	\$37,397		\$37,397
324 Accrued Contingency Liability			
325 Accrued Interest Payable	\$15,303		\$15,303
331 Accounts Payable - HUD PHA Programs	\$518		\$518
332 Account Payable - PHA Projects			
333 Accounts Payable - Other Government	\$2,325		\$2,325
341 Tenant Security Deposits	\$141,368		\$141,368
342 Unearned Revenue	\$59,878		\$59,878
343 Current Portion of Long-term Debt - Capital	\$117,847		\$117,847
344 Current Portion of Long-term Debt - Operating Borrowings			
345 Other Current Liabilities	\$43,314		\$43,314
346 Accrued Liabilities - Other	\$216,904		\$216,904
347 Inter Program - Due To	\$1,497,422	-\$1,497,422	\$0
348 Loan Liability - Current			
310 Total Current Liabilities	\$2,998,461	-\$1,497,422	\$1,501,039
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	\$30,614,618		\$30,614,618
352 Long-term Debt, Net of Current - Operating Borrowings	\$690,000		\$690,000
353 Non-current Liabilities - Other	\$530,161		\$530,161
354 Accrued Compensated Absences - Non Current	\$707,743		\$707,743
355 Loan Liability - Non Current			
356 FASB 5 Liabilities			
357 Accrued Pension and OPEB Liabilities	\$3,796,718		\$3,796,718

Housing Authority of the City of Bremerton (WA003)  
Bremerton, WA  
**Entity Wide Balance Sheet Summary**

Submission Type: Audited/Single Audit      Fiscal Year End: 09/30/2022

	Subtotal	ELIM	Total
350 Total Non-Current Liabilities	\$36,339,240	\$0	\$36,339,240
300 Total Liabilities	\$39,337,701	-\$1,497,422	\$37,840,279
400 Deferred Inflow of Resources	\$1,952,089		\$1,952,089
508.3 Nonspendable Fund Balance			
508.4 Net Investment in Capital Assets	\$39,997,859		\$39,997,859
509.3 Restricted Fund Balance			
510.3 Committed Fund Balance			
511.3 Assigned Fund Balance			
511.4 Restricted Net Position	\$6,810,573		\$6,810,573
512.3 Unassigned Fund Balance			
512.4 Unrestricted Net Position	\$33,274,929		\$33,274,929
513 Total Equity - Net Assets / Position	\$80,083,361	\$0	\$80,083,361
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$121,373,151	-\$1,497,422	\$119,875,729

Housing Authority of the City of Bremerton (WA003)  
Bremerton, WA  
**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	Project Total	14,218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14,896 PIH Family Self-Sufficiency Program
70300 Net Tenant Rental Revenue	\$316,980		\$989,886	\$1,173,517	
70400 Tenant Revenue - Other	\$24,775		\$20,223	\$95,511	
70500 Total Tenant Revenue	\$341,755	\$0	\$1,010,109	\$1,269,028	\$0
70600 HUD PHA Operating Grants	\$1,220,630				\$49,656
70610 Capital Grants	\$534,324				
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		\$116,169			
71100 Investment Income - Unrestricted	\$5,284		\$1,580	\$2,780	
71200 Mortgage Interest Income					
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery					
71500 Other Revenue	\$196		\$381,110	\$1,365,050	
71600 Gain or Loss on Sale of Capital Assets					
72000 Investment Income - Restricted	\$40,212		\$1,663	\$988	
70000 Total Revenue	\$2,142,401	\$116,169	\$1,394,462	\$2,637,846	\$49,656
91100 Administrative Salaries	\$98,356	\$6,137	\$80,793	\$148,518	

# Housing Authority of the City of Bremerton (WA003)

Bremerton, WA

## Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	Project Total	14,218 Community Development Block Grants/Entitlement Grants	6,1 Component Unit - Discretely Presented	6,2 Component Unit - Blended	14,896 PIH Family Self-Sufficiency Program
91200 Auditing Fees	\$158		\$18,060	\$13,427	
91300 Management Fee	\$130,359		\$20,437	\$207,152	
91310 Book-keeping Fee	\$9,727				
91400 Advertising and Marketing				\$2,338	
91500 Employee Benefit contributions - Administrative	\$21,330	\$2,827	\$41,167	\$29,257	
91600 Office Expenses	\$27,866		\$24,666	\$36,019	
91700 Legal Expense	\$2,694		\$524		
91800 Travel	\$591			\$429	
91810 Allocated Overhead					
91900 Other	\$6,925		\$7,932	\$3,431	
91000 Total Operating - Administrative	\$298,006	\$8,964	\$193,579	\$440,571	\$0
92000 Asset Management Fee	\$13,320				
92100 Tenant Services - Salaries	\$5,319		\$9,183	\$1,121,448	\$18,056
92200 Relocation Costs	\$16,390				
92300 Employee Benefit Contributions - Tenant Services	\$1,446		\$4,515	\$214,141	\$7,610
92400 Tenant Services - Other	\$7,531	\$100,794	\$7,782	\$223,809	\$23,990
92500 Total Tenant Services	\$30,686	\$100,794	\$21,480	\$1,559,398	\$49,656
93100 Water	\$30,673		\$79,196	\$10,158	
93200 Electricity	\$24,602		\$10,190	\$69,489	
93300 Gas	\$4,591			\$6,712	
93400 Fuel					
93500 Labor					
93600 Sewer	\$72,626		\$83,511	\$11,514	
93700 Employee Benefit Contributions - Utilities					

# Housing Authority of the City of Bremerton (WA003)

Bremerton, WA

## Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	Project Total	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program
93800 Other Utilities Expense				\$41,855	
93000 Total Utilities	\$132,492	\$0	\$172,897	\$139,728	\$0
94100 Ordinary Maintenance and Operations - Labor	\$121,817		\$106,052	\$41,981	
94200 Ordinary Maintenance and Operations - Materials and	\$65,349		\$66,455	\$51,507	
94300 Ordinary Maintenance and Operations Contracts	\$159,291		\$192,479	\$102,335	
94500 Employee Benefit Contributions - Ordinary Maintenance	\$54,151		\$57,809	\$11,508	
94000 Total Maintenance	\$400,608	\$0	\$422,795	\$207,331	\$0
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs	\$20,628				
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$20,628	\$0	\$0	\$0	\$0
96110 Property Insurance	\$80,114		\$99,951	\$44,049	
96120 Liability Insurance	\$7,421		\$12,065	\$24,347	
96130 Workmen's Compensation					
96140 All Other Insurance				\$23,845	
96100 Total Insurance Premiums	\$87,535	\$0	\$112,016	\$92,241	\$0
96200 Other General Expenses	\$472,323		\$117,603	\$9,587	
96210 Compensated Absences	\$23,671		\$14,911	\$88,399	
96300 Payments in Lieu of Taxes	\$18,707		\$40,186	\$23,049	
96400 Bad debt - Tenant Rents	\$27,857		\$7,265	-\$2,500	
96500 Bad debt - Mortgages					

Housing Authority of the City of Bremerton (WA003)  
Bremerton, WA

**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	Project Total	14,218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14,896 PIH Family Self-Sufficiency Program
96600 Bad debt - Other					
96800 Severance Expense					
96000 Total Other General Expenses	\$542,558	\$0	\$179,965	\$118,535	\$0
96710 Interest of Mortgage (or Bonds) Payable				\$183,195	
96720 Interest on Notes Payable (Short and Long Term)			\$120,228		
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$120,228	\$183,195	\$0
96900 Total Operating Expenses	\$1,525,833	\$109,758	\$1,222,960	\$2,740,999	\$49,656
97000 Excess of Operating Revenue over Operating Expenses	\$616,568	\$6,411	\$171,502	-\$103,153	\$0
97100 Extraordinary Maintenance					
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments					
97350 HAP Portability-In					
97400 Depreciation Expense	\$546,391		\$987,201	\$256,540	
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$2,072,224	\$109,758	\$2,210,161	\$2,997,539	\$49,656
10010 Operating Transfer In					
10020 Operating transfer Out					

Housing Authority of the City of Bremerton (WA003)  
Bremerton, WA

**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	Project Total	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program
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	\$4,796				
10094 Transfers between Project and Program - Out					
10100 Total Other financing Sources (Uses)	\$4,796	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$74,973	\$6,411	-\$815,699	-\$359,693	\$0
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$107,751	\$0
11030 Beginning Equity	\$29,064,318	\$24,766	\$15,009,914	-\$270,879	\$0
11040 Prior Period Adjustments, Equity Transfers and	\$0				
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity					
11180 Housing Assistance Payments Equity					
11190 Unit Months Available	2472	0	1644	864	0

Housing Authority of the City of Bremerton (WA003)  
Bremerton, WA  
**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	Project Total	14.218 Community Development Block Grants/Entitlement Grants	6.1 Component Unit - Discretely Presented	6.2 Component Unit - Blended	14.896 PIH Family Self-Sufficiency Program
11210 Number of Unit Months Leased	2392	0	1618	747	0
11270 Excess Cash	\$1,137,683				
11610 Land Purchases	\$0				
11620 Building Purchases	\$229,252				
11630 Furniture & Equipment - Dwelling Purchases	\$170,534				
11640 Furniture & Equipment - Administrative Purchases	\$0				
11650 Leasehold Improvements Purchases	\$83,996				
11660 Infrastructure Purchases	\$50,542				
13510 CFFP Debt Service Payments	\$0				
13901 Replacement Housing Factor Funds	\$0				



Housing Authority of the City of Bremerton (WA003)  
Bremerton, WA  
**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	14.182 N/C S/R Section 8 Programs	1 Business Activities	14.866 Revitalization of Severely Distressed Public Housing	2 State/Local	14.267 Continuum of Care Program
70300 Net Tenant Rental Revenue	\$562,497	\$1,451,126			
70400 Tenant Revenue - Other	\$31,975	\$20,335			
70500 Total Tenant Revenue	\$594,472	\$1,471,461	\$0	\$0	\$0
70600 HUD PHA Operating Grants					
70610 Capital Grants	\$1,352,423				\$303,419
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees		\$420,764			
70700 Total Fee Revenue					
70800 Other Government Grants					
71100 Investment Income - Unrestricted	\$13,308	\$6,660			
71200 Mortgage Interest Income					
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery					
71500 Other Revenue	\$171	\$75,683		\$562,308	
71600 Gain or Loss on Sale of Capital Assets					
72000 Investment Income - Restricted		\$6,650	\$67,409		
70000 Total Revenue	\$1,960,374	\$1,981,218	\$67,409	\$562,308	\$303,419
91100 Administrative Salaries	\$88,607	\$286,014		\$16,848	\$7,752
91200 Auditing Fees	\$380	\$391			

Housing Authority of the City of Bremerton (WA003)  
Bremerton, WA

**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	14.182 N/C S/R Section 8 Programs	1 Business Activities	14.866 Revitalization of Severely Distressed Public Housing	2 State/Local	14.267 Continuum of Care Program
91300 Management Fee	\$157,000	\$57,259			
91310 Book-keeping Fee	\$12,128	\$35,512			
91400 Advertising and Marketing				\$1,300	
91500 Employee Benefit contributions - Administrative	\$19,483	\$50,017		\$5,882	\$3,037
91600 Office Expenses	\$19,088	\$54,021		\$111	\$33
91700 Legal Expense	\$4,276	\$2,870			
91800 Travel	\$197	\$2,556			\$10
91810 Allocated Overhead					
91900 Other	\$5,409	\$12,473	\$1,358		\$3,409
91000 Total Operating - Administrative	\$306,568	\$501,113	\$1,358	\$24,141	\$14,241
92000 Asset Management Fee					
92100 Tenant Services - Salaries		\$7,555		\$10,072	\$9,188
92200 Relocation Costs	\$7,377	\$5,003			
92300 Employee Benefit Contributions - Tenant Services		-\$15,138		\$4,927	\$3,788
92400 Tenant Services - Other	\$3,102	\$24,814		\$785,266	\$27,837
92500 Total Tenant Services	\$10,479	\$22,234	\$0	\$800,265	\$40,813
93100 Water	\$24,962	\$34,991			
93200 Electricity	\$125,909	\$28,177			
93300 Gas		\$4,227			
93400 Fuel					
93500 Labor					
93600 Sewer	\$77,462	\$74,750			
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense					

Housing Authority of the City of Bremerton (WA003)  
Bremerton, WA  
**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	14.182 N/C S/R Section 8 Programs	1 Business Activities	14.866 Revitalization of Severely Distressed Public Housing	2 State/Local	14.267 Continuum of Care Program
93000 Total Utilities	\$228,333	\$142,145	\$0	\$0	\$0
94100 Ordinary Maintenance and Operations - Labor	\$113,824	\$102,643			
94200 Ordinary Maintenance and Operations - Materials and	\$57,758	\$80,122			
94300 Ordinary Maintenance and Operations Contracts	\$226,314	\$285,657			
94500 Employee Benefit Contributions - Ordinary Maintenance	\$42,153	\$46,894			
94000 Total Maintenance	\$440,049	\$515,316	\$0	\$0	\$0
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs		\$15,486			
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$0	\$15,486	\$0	\$0	\$0
96110 Property Insurance	\$59,431	\$86,889			
96120 Liability Insurance	\$7,897	\$9,601			
96130 Workmen's Compensation					
96140 All Other Insurance					
96100 Total Insurance Premiums	\$67,328	\$96,490	\$0	\$0	\$0
96200 Other General Expenses	\$291	\$27,253			\$78,725
96210 Compensated Absences	\$20,535	\$35,430			
96300 Payments in Lieu of Taxes	\$26,097	\$34,028			
96400 Bad debt - Tenant Rents	\$19,810	\$21,427			
96500 Bad debt - Mortgages					
96600 Bad debt - Other					

Housing Authority of the City of Bremerton (WA003)  
Bremerton, WA

**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	14.182 N/C S/R Section 8 Programs	1 Business Activities	14.866 Revitalization of Severely Distressed Public Housing	2 State/Local	14.267 Continuum of Care Program
96800 Severance Expense					
96000 Total Other General Expenses	\$66,733	\$118,138	\$0	\$0	\$78,725
96710 Interest of Mortgage (or Bonds) Payable					
96720 Interest on Notes Payable (Short and Long Term)		\$2,173			
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$0	\$2,173	\$0	\$0	\$0
96900 Total Operating Expenses	\$1,119,490	\$1,413,095	\$1,358	\$824,406	\$133,779
97000 Excess of Operating Revenue over Operating Expenses	\$840,884	\$568,123	\$66,051	-\$262,098	\$169,640
97100 Extraordinary Maintenance					
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments					\$169,640
97350 HAP Portability-In					
97400 Depreciation Expense	\$165,340	\$461,493			
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$1,284,830	\$1,874,588	\$1,358	\$824,406	\$303,419
10010 Operating Transfer In		\$28,612		\$189,608	
10020 Operating transfer Out		-\$1,544,127	-\$35,085		
10030 Operating Transfers from/to Primary Government					

Housing Authority of the City of Bremerton (WA003)  
Bremerton, WA

**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	14.182 N/C S/R Section 8 Programs	1 Business Activities	14.866 Revitalization of Severely Distressed Public Housing	2 State/Local	14.267 Continuum of Care Program
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		-\$4,796			
10100 Total Other financing Sources (Uses)	\$0	-\$1,520,311	-\$35,085	\$189,608	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$675,544	-\$1,413,681	\$30,966	-\$72,490	\$0
11020 Required Annual Debt Principal Payments	\$0	\$6,323	\$0	\$0	\$0
11030 Beginning Equity	\$5,634,746	\$1,020,964	\$9,275,421	\$82,412	\$2,902
11040 Prior Period Adjustments, Equity Transfers and		\$2,596,369			
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity					
11180 Housing Assistance Payments Equity					
11190 Unit Months Available	1704	1340	0	0	114
11210 Number of Unit Months Leased	1617	1293	0	0	114

Housing Authority of the City of Bremerton (WA003)  
Bremerton, WA

**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	14.182 N/C S/R Section 8 Programs	1 Business Activities	14.866 Revitalization of Severely Distressed Public Housing	2 State/Local	14.267 Continuum of Care Program
11270 Excess Cash					
11610 Land Purchases					
11620 Building Purchases					
11630 Furniture & Equipment - Dwelling Purchases					
11640 Furniture & Equipment - Administrative Purchases					
11650 Leasehold Improvements Purchases					
11660 Infrastructure Purchases					
13510 CFFP Debt Service Payments					
13901 Replacement Housing Factor Funds					

Housing Authority of the City of Bremerton (WA003)  
Bremerton, WA

**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	8 Other Federal Program 1	14.195 Section 8 Housing Assistance Payments Program, Special Allocations	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services
70300 Net Tenant Rental Revenue					
70400 Tenant Revenue - Other					
70500 Total Tenant Revenue	\$0	\$0	\$0	\$0	\$0
70600 HUD PHA Operating Grants		\$207,240,207		\$16,633,098	\$70,349
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	\$16,609		\$104,063		
71100 Investment Income - Unrestricted	\$208	\$86,934		\$1,912	
71200 Mortgage Interest Income					
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery				\$13,498	
71500 Other Revenue				\$1,560	
71600 Gain or Loss on Sale of Capital Assets					
72000 Investment Income - Restricted					
70000 Total Revenue	\$16,817	\$207,327,141	\$104,063	\$16,650,068	\$70,349
91100 Administrative Salaries	\$21,893	\$2,677,231		\$882,684	
91200 Auditing Fees		\$47,544		\$3,619	

Housing Authority of the City of Bremerton (WA003)  
Bremerton, WA

**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	8 Other Federal Program 1	14.195 Section 8 Housing Assistance Payments Program, Special Allocations	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services
91300 Management Fee		\$1,090,000		\$292,818	
91310 Book-keeping Fee		\$500,000		\$125,640	
91400 Advertising and Marketing		\$1,859			
91500 Employee Benefit contributions - Administrative	\$5,164	\$482,332		\$254,690	
91600 Office Expenses	\$578	\$293,707		\$110,115	\$8,202
91700 Legal Expense		\$66,228		\$1,862	
91800 Travel	\$67	\$138,376		\$9,025	
91810 Allocated Overhead					
91900 Other	\$124	\$70,092		\$71,588	\$1,089
91000 Total Operating - Administrative	\$27,826	\$5,367,369	\$0	\$1,752,041	\$9,291
92000 Asset Management Fee					
92100 Tenant Services - Salaries					\$38,520
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services					\$16,120
92400 Tenant Services - Other					\$3,376
92500 Total Tenant Services	\$0	\$0	\$0	\$0	\$58,016
93100 Water					
93200 Electricity					
93300 Gas					
93400 Fuel					
93500 Labor					
93600 Sewer					
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense					



# Housing Authority of the City of Bremerton (WA003)

Bremerton, WA

## Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	8 Other Federal Program 1	14,195 Section 8 Housing Assistance Payments Program, Special Allocations	14,239 HOME Investment Partnerships Program	14,871 Housing Choice Vouchers	14,870 Resident Opportunity and Supportive Services
93000 Total Utilities	\$0	\$0	\$0	\$0	\$0
94100 Ordinary Maintenance and Operations - Labor					
94200 Ordinary Maintenance and Operations - Materials and		\$1,973			\$67
94300 Ordinary Maintenance and Operations Contracts		\$98,410		\$43,488	\$1,687
94500 Employee Benefit Contributions - Ordinary Maintenance					
94000 Total Maintenance	\$0	\$100,383	\$0	\$43,488	\$1,754
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs					
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance		\$830		\$666	\$313
96120 Liability Insurance	\$25	\$58,406		\$10,672	\$975
96130 Workmen's Compensation					
96140 All Other Insurance					
96100 Total insurance Premiums	\$25	\$59,236	\$0	\$11,338	\$1,288
96200 Other General Expenses		\$2,795	\$2,319		
96210 Compensated Absences	\$1,929	\$329,206		\$102,827	
96300 Payments in Lieu of Taxes					
96400 Bad debt - Tenant Rents					
96500 Bad debt - Mortgages					
96600 Bad debt - Other					

# Housing Authority of the City of Bremerton (WA003)

Bremerton, WA

## Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	8 Other Federal Program 1	14.195 Section 8 Housing Assistance Payments Program, Special Allocations	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services
96800 Severance Expense					
96000 Total Other General Expenses	\$1,929	\$332,001	\$2,319	\$102,827	\$0
96710 Interest of Mortgage (or Bonds) Payable					
96720 Interest on Notes Payable (Short and Long Term)					
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0
96900 Total Operating Expenses	\$29,780	\$5,858,989	\$2,319	\$1,909,694	\$70,349
97000 Excess of Operating Revenue over Operating Expenses	-\$12,963	\$201,468,152	\$101,744	\$14,740,374	\$0
97100 Extraordinary Maintenance					
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments		\$198,470,398	\$101,744	\$15,177,317	
97350 HAP Portability-In					
97400 Depreciation Expense		\$16,890		\$82	
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense					
90000 Total Expenses	\$29,780	\$204,346,277	\$104,063	\$17,087,093	\$70,349
10010 Operating Transfer In		\$1,506,238		\$452,475	
10020 Operating transfer Out		-\$533,507			
10030 Operating Transfers from/to Primary Government					

Housing Authority of the City of Bremerton (WA003)  
Bremerton, WA  
**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	8 Other Federal Program 1	14.195 Section 8 Housing Assistance Payments Program Special Allocations	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services
10040 Operating Transfers from/to Component Unit					
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss					
10080 Special Items (Net Gain/Loss)					
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In					
10094 Transfers between Project and Program - Out					
10100 Total Other financing Sources (Uses)	\$0	\$972,731	\$0	\$452,475	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	-\$12,963	\$3,953,595	\$0	\$15,450	\$0
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$10,708	\$13,113,053	\$0	-\$397,582	\$0
11040 Prior Period Adjustments, Equity Transfers and		-\$2,530,433			
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity				-\$382,132	
11180 Housing Assistance Payments Equity				\$0	
11190 Unit Months Available	0	294046	151	22888	0
11210 Number of Unit Months Leased	0	279276	151	16752	0

Housing Authority of the City of Bremerton (WA003)  
Bremerton, WA

**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	8 Other Federal Program 1	14.195 Section 8 Housing Assistance Program Special Allocations	14.239 HOME Investment Partnerships Program	14.871 Housing Choice Vouchers	14.870 Resident Opportunity and Supportive Services
11270 Excess Cash					
11610 Land Purchases					
11620 Building Purchases					
11630 Furniture & Equipment - Dwelling Purchases					
11640 Furniture & Equipment - Administrative Purchases					
11650 Leasehold Improvements Purchases					
11660 Infrastructure Purchases					
13510 CFFP Debt Service Payments					
13901 Replacement Housing Factor Funds					

# Housing Authority of the City of Bremerton (WA003)

Bremerton, WA

## Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	14.HCC HCV CARES Act Funding	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	93.670 Child Abuse and Neglect Discretionary Activities	COCC
70300 Net Tenant Rental Revenue					
70400 Tenant Revenue - Other					
70500 Total Tenant Revenue	\$0	\$0	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$127,730	\$169,169	\$225,566		
70610 Capital Grants					
70710 Management Fee					\$1,797,873
70720 Asset Management Fee					\$13,320
70730 Book Keeping Fee					\$683,007
70740 Front Line Service Fee					
70750 Other Fees					\$84,467
70700 Total Fee Revenue					\$2,578,667
70800 Other Government Grants				\$623	
71100 Investment Income - Unrestricted		\$147	\$153		\$29,198
71200 Mortgage Interest Income					
71300 Proceeds from Disposition of Assets Held for Sale					
71310 Cost of Sale of Assets					
71400 Fraud Recovery					
71500 Other Revenue					\$9,911
71600 Gain or Loss on Sale of Capital Assets					
72000 Investment Income - Restricted					\$1,548
70000 Total Revenue	\$127,730	\$169,316	\$225,719	\$623	\$2,619,324
91100 Administrative Salaries		\$21,705			\$1,482,838
91200 Auditing Fees			\$55		\$1,006

Housing Authority of the City of Bremerton (WA003)  
Bremerton, WA

**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	14.HCC HCV CARES Act Funding	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	93.670 Child Abuse and Neglect Discretionary Activities	COCC
91300 Management Fee					
91310 Book-keeping Fee					
91400 Advertising and Marketing					\$1,421
91500 Employee Benefit contributions - Administrative		\$8,711			\$242,491
91600 Office Expenses		\$159			\$197,521
91700 Legal Expense					\$111,549
91800 Travel		\$135			\$12,808
91810 Allocated Overhead					
91900 Other		\$577	\$61		\$65,441
91000 Total Operating - Administrative	\$0	\$31,287	\$116	\$0	\$2,115,075
92000 Asset Management Fee					
92100 Tenant Services - Salaries				\$466	
92200 Relocation Costs					
92300 Employee Benefit Contributions - Tenant Services				\$157	
92400 Tenant Services - Other	\$64,205	\$33,292			\$470
92500 Total Tenant Services	\$64,205	\$33,292	\$0	\$623	\$470
93100 Water					\$2,628
93200 Electricity					\$13,888
93300 Gas					\$2,978
93400 Fuel					
93500 Labor					
93600 Sewer					\$1,170
93700 Employee Benefit Contributions - Utilities					
93800 Other Utilities Expense					

# Housing Authority of the City of Bremerton (WA003)

Bremerton, WA

## Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	14.HCC HCV CARES Act Funding	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	93.670 Child Abuse and Neglect Discretionary Activities	COCC
93000 Total Utilities	\$0	\$0	\$0	\$0	\$20,664
94100 Ordinary Maintenance and Operations - Labor					
94200 Ordinary Maintenance and Operations - Materials and					\$2,721
94300 Ordinary Maintenance and Operations Contracts		\$3			\$599,654
94500 Employee Benefit Contributions - Ordinary Maintenance					
94000 Total Maintenance	\$0	\$3	\$0	\$0	\$602,375
95100 Protective Services - Labor					
95200 Protective Services - Other Contract Costs					\$908
95300 Protective Services - Other					
95500 Employee Benefit Contributions - Protective Services					
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$908
96110 Property Insurance					\$22,939
96120 Liability Insurance		\$19			\$13,443
96130 Workmen's Compensation					
96140 All Other Insurance					
96100 Total Insurance Premiums	\$0	\$19	\$0	\$0	\$36,382
96200 Other General Expenses					\$19,838
96210 Compensated Absences		\$3,061	\$39,370		\$169,320
96300 Payments in Lieu of Taxes					
96400 Bad debt - Tenant Rents					-\$857
96500 Bad debt - Mortgages					
96600 Bad debt - Other					

# Housing Authority of the City of Bremerton (WA003)

Bremerton, WA

## Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	14.HCC HCV CARES Act Funding	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	93.670 Child Abuse and Neglect Discretionary Activities	COCC
96800 Severance Expense					\$30,000
96000 Total Other General Expenses	\$0	\$3,061	\$39,370	\$0	\$218,301
96710 Interest of Mortgage (or Bonds) Payable					
96720 Interest on Notes Payable (Short and Long Term)					\$1,898
96730 Amortization of Bond Issue Costs					
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$1,898
96900 Total Operating Expenses	\$64,205	\$67,662	\$39,486	\$623	\$2,996,073
97000 Excess of Operating Revenue over Operating Expenses	\$63,525	\$101,654	\$186,233	\$0	-\$376,749
97100 Extraordinary Maintenance					
97200 Casualty Losses - Non-capitalized					
97300 Housing Assistance Payments		\$281,066	\$190,966		
97350 HAP Portability-In					
97400 Depreciation Expense					\$174,915
97500 Fraud Losses					
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense		\$348,728	\$230,452	\$623	\$3,170,988
90000 Total Expenses	\$64,205				
10010 Operating Transfer In					\$69,000
10020 Operating transfer Out	-\$33,214				-\$100,000
10030 Operating Transfers from/to Primary Government					



# Housing Authority of the City of Bremerton (WA003)

Bremerton, WA

## Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	14.HCC HCV CARES Act Funding	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	93.670 Child Abuse and Neglect Discretionary Activities	COCC
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)	-\$33,214	\$0	\$0	\$0	-\$31,000
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$30,311	-\$179,412	-\$4,733	\$0	-\$582,664
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$0	\$113,670	\$75,887	\$0	\$5,977,146
11040 Prior Period Adjustments, Equity Transfers and	-\$30,311				-\$35,625
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity					
11180 Housing Assistance Payments Equity					
11190 Unit Months Available	0	456	396	0	0
11210 Number of Unit Months Leased	0	178	358	0	0

Housing Authority of the City of Bremerton (WA003)  
Bremerton, WA

**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2022

	14.HCC HCV CARES Act Funding	14.EHV Emergency Housing Voucher	14.249 Section 8 Moderate Rehabilitation Single Room Occupancy	93.670 Child Abuse and Neglect Discretionary Activities	COCC
11270 Excess Cash					
11610 Land Purchases					\$0
11620 Building Purchases					\$0
11630 Furniture & Equipment - Dwelling Purchases					\$0
11640 Furniture & Equipment - Administrative Purchases					\$0
11650 Leasehold Improvements Purchases					\$0
11660 Infrastructure Purchases					\$0
13510 CFFP Debt Service Payments					\$0
13901 Replacement Housing Factor Funds					\$0

Housing Authority of the City of Bremerton (WA003)  
Bremerton, WA  
**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Single Audit      Fiscal Year End: 09/30/2022

	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$4,494,006		\$4,494,006
70400 Tenant Revenue - Other	\$192,819		\$192,819
70500 Total Tenant Revenue	\$4,686,825	\$0	\$4,686,825
70600 HUD PHA Operating Grants	\$227,392,247		\$227,392,247
70610 Capital Grants	\$534,324		\$534,324
70710 Management Fee	\$1,797,873	-\$1,797,873	\$0
70720 Asset Management Fee	\$13,320	-\$13,320	\$0
70730 Book Keeping Fee	\$683,007	-\$683,007	\$0
70740 Front Line Service Fee			
70750 Other Fees	\$505,231		\$505,231
70700 Total Fee Revenue	\$2,578,667	-\$2,494,200	\$84,467
70800 Other Government Grants	\$237,464		\$237,464
71100 Investment Income - Unrestricted	\$148,164		\$148,164
71200 Mortgage Interest Income			
71300 Proceeds from Disposition of Assets Held for Sale			
71310 Cost of Sale of Assets			
71400 Fraud Recovery	\$13,498		\$13,498
71500 Other Revenue	\$2,395,989		\$2,395,989
71600 Gain or Loss on Sale of Capital Assets			
72000 Investment Income - Restricted	\$118,470		\$118,470
70000 Total Revenue	\$238,526,412	-\$2,494,200	\$236,032,212
91100 Administrative Salaries	\$5,819,376		\$5,819,376
91200 Auditing Fees	\$84,640		\$84,640

Housing Authority of the City of Bremerton (WA003)  
Bremerton, WA

**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Single Audit Fiscal Year End: 09/30/2022

	Subtotal	ELIM	Total
91300 Management Fee	\$1,955,025	-\$1,797,873	\$157,152
91310 Book-keeping Fee	\$683,007	-\$683,007	\$0
91400 Advertising and Marketing	\$6,918		\$6,918
91500 Employee Benefit contributions - Administrative	\$1,166,388		\$1,166,388
91600 Office Expenses	\$772,086		\$772,086
91700 Legal Expense	\$190,003		\$190,003
91800 Travel	\$164,194		\$164,194
91810 Allocated Overhead			
91900 Other	\$249,909		\$249,909
91000 Total Operating - Administrative	\$11,091,546	-\$2,480,880	\$8,610,666
92000 Asset Management Fee	\$13,320	-\$13,320	\$0
92100 Tenant Services - Salaries	\$1,219,807		\$1,219,807
92200 Relocation Costs	\$28,770		\$28,770
92300 Employee Benefit Contributions - Tenant Services	\$237,566		\$237,566
92400 Tenant Services - Other	\$1,306,268		\$1,306,268
92500 Total Tenant Services	\$2,792,411	\$0	\$2,792,411
93100 Water	\$182,608		\$182,608
93200 Electricity	\$272,255		\$272,255
93300 Gas	\$18,508		\$18,508
93400 Fuel			
93500 Labor			
93600 Sewer	\$321,033		\$321,033
93700 Employee Benefit Contributions - Utilities			
93800 Other Utilities Expense	\$41,855		\$41,855

Housing Authority of the City of Bremerton (WA003)  
Bremerton, WA

**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Single Audit Fiscal Year End: 09/30/2022

	Subtotal	ELIM	Total
93000 Total Utilities	\$836,259	\$0	\$836,259
94100 Ordinary Maintenance and Operations - Labor	\$486,317		\$486,317
94200 Ordinary Maintenance and Operations - Materials and	\$325,952		\$325,952
94300 Ordinary Maintenance and Operations Contracts	\$1,709,318		\$1,709,318
94500 Employee Benefit Contributions - Ordinary Maintenance	\$212,515		\$212,515
94000 Total Maintenance	\$2,734,102	\$0	\$2,734,102
95100 Protective Services - Labor			
95200 Protective Services - Other Contract Costs	\$37,022		\$37,022
95300 Protective Services - Other			
95500 Employee Benefit Contributions - Protective Services			
95000 Total Protective Services	\$37,022	\$0	\$37,022
96110 Property Insurance	\$395,182		\$395,182
96120 Liability Insurance	\$144,871		\$144,871
96130 Workmen's Compensation			
96140 All Other Insurance	\$23,845		\$23,845
96100 Total insurance Premiums	\$563,898	\$0	\$563,898
96200 Other General Expenses	\$770,104		\$770,104
96210 Compensated Absences	\$789,289		\$789,289
96300 Payments in Lieu of Taxes	\$142,067		\$142,067
96400 Bad debt - Tenant Rents	\$73,002		\$73,002
96500 Bad debt - Mortgages			
96600 Bad debt - Other			

Housing Authority of the City of Bremerton (WA003)  
Bremerton, WA  
**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Single Audit Fiscal Year End: 09/30/2022

	Subtotal	ELIM	Total
96800 Severance Expense	\$30,000		\$30,000
96000 Total Other General Expenses	\$1,804,462	\$0	\$1,804,462
96710 Interest of Mortgage (or Bonds) Payable	\$185,368		\$185,368
96720 Interest on Notes Payable (Short and Long Term)	\$122,126		\$122,126
96730 Amortization of Bond Issue Costs			
96700 Total Interest Expense and Amortization Cost	\$307,494	\$0	\$307,494
96900 Total Operating Expenses	\$20,180,514	-\$2,494,200	\$17,686,314
97000 Excess of Operating Revenue over Operating Expenses	\$218,345,898	\$0	\$218,345,898
97100 Extraordinary Maintenance			
97200 Casualty Losses - Non-capitalized			
97300 Housing Assistance Payments	\$214,391,131		\$214,391,131
97350 HAP Portability-In			
97400 Depreciation Expense	\$2,608,852		\$2,608,852
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	\$237,180,497	-\$2,494,200	\$234,686,297
10010 Operating Transfer In	\$2,245,933		\$2,245,933
10020 Operating transfer Out	-\$2,245,933		-\$2,245,933
10030 Operating Transfers from/to Primary Government			

Housing Authority of the City of Bremerton (WA003)  
Bremerton, WA  
**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Single Audit      Fiscal Year End: 09/30/2022

	Subtotal	ELIM	Total
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	\$4,796		\$4,796
10094 Transfers between Project and Program - Out	-\$4,796		-\$4,796
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$1,345,915	\$0	\$1,345,915
11020 Required Annual Debt Principal Payments	\$114,074		\$114,074
11030 Beginning Equity	\$78,737,446		\$78,737,446
11040 Prior Period Adjustments, Equity Transfers and	\$0		\$0
11050 Changes in Compensated Absence Balance			
11060 Changes in Contingent Liability Balance			
11070 Changes in Unrecognized Pension Transition Liability			
11080 Changes in Special Term/Severance Benefits Liability			
11090 Changes in Allowance for Doubtful Accounts - Dwelling			
11100 Changes in Allowance for Doubtful Accounts - Other			
11170 Administrative Fee Equity	-\$382,132		-\$382,132
11180 Housing Assistance Payments Equity	\$0		\$0
11190 Unit Months Available	326075		326075
11210 Number of Unit Months Leased	304496		304496

Housing Authority of the City of Bremerton (WA003)  
Bremerton, WA

**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Single Audit Fiscal Year End: 09/30/2022

	Subtotal	ELIM	Total
11270 Excess Cash	\$1,137,683		\$1,137,683
11610 Land Purchases	\$0		\$0
11620 Building Purchases	\$229,252		\$229,252
11630 Furniture & Equipment - Dwelling Purchases	\$170,534		\$170,534
11640 Furniture & Equipment - Administrative Purchases	\$0		\$0
11650 Leasehold Improvements Purchases	\$83,996		\$83,996
11660 Infrastructure Purchases	\$50,542		\$50,542
13510 CFFP Debt Service Payments	\$0		\$0
13901 Replacement Housing Factor Funds	\$0		\$0



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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.

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