



Office of the Washington State Auditor
Pat McCarthy

Financial Statements and Federal Single Audit Report

Tacoma Community Redevelopment Authority

For the period January 1, 2023 through December 31, 2023

Published September 30, 2024

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

September 30, 2024

Board of Directors
Tacoma Community Redevelopment Authority
Tacoma, Washington

Report on Financial Statements and Federal Single Audit

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

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

Sincerely,

Pat McCarthy, State Auditor
Olympia, WA

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Tacoma Community Redevelopment Authority January 1, 2023 through December 31, 2023

SECTION I – SUMMARY OF AUDITOR’S RESULTS

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

Financial Statements

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

Internal Control over Financial Reporting:

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

We noted no instances of noncompliance that were material to the financial statements of the 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 Authority’s compliance with requirements applicable to its major federal program.

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

Identification of Major Federal Programs

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

<u>ALN</u>	<u>Program or Cluster Title</u>
11.307	Economic Development Cluster – COVID 19 – Economic Adjustment Assistance

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

The 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*

Tacoma Community Redevelopment Authority January 1, 2023 through December 31, 2023

Board of Directors
Tacoma Community Redevelopment Authority
Tacoma, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Tacoma Community Redevelopment Authority, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated July 31, 2024.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

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 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 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 Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in black ink, reading "Pat McCarthy". The signature is fluid and cursive, with the first name "Pat" and last name "McCarthy" clearly distinguishable.

Pat McCarthy, State Auditor

Olympia, WA

July 31, 2024, except for our report on the Schedule of Expenditures of Federal Awards, for which the date is September 24, 2024.

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

Tacoma Community Redevelopment Authority January 1, 2023 through December 31, 2023

Board of Directors
Tacoma Community Redevelopment Authority
Tacoma, Washington

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

Opinion on Each Major Federal Program

We have audited the compliance of the Tacoma Community Redevelopment Authority, 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 Authority's major federal programs for the year ended December 31, 2023. The 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 Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

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 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 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 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 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 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 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 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 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.



Pat McCarthy, State Auditor

Olympia, WA

September 24, 2024

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Tacoma Community Redevelopment Authority January 1, 2023 through December 31, 2023

Board of Directors
Tacoma Community Redevelopment Authority
Tacoma, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying financial statements of the Tacoma Community Redevelopment Authority, a component unit of the City of Tacoma, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the financial section of our report.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Tacoma Community Redevelopment Authority, as of December 31, 2023, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 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 opinion.

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 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 opinion. 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 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 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 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 an opinion on the financial statements that collectively comprise the 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). 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 July 31, 2024 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal

control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

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

July 31, 2024, except for our report on the Schedule of Expenditures of Federal Awards, for which the date is September 24, 2024.

FINANCIAL SECTION

Tacoma Community Redevelopment Authority January 1, 2023 through December 31, 2023

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis – 2023

BASIC FINANCIAL STATEMENTS

Statement of Net Position – 2023

Statement of Revenues, Expenses and Changes in Net Position – 2023

Statement of Cash Flows – 2023

Notes to Financial Statements – 2023

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Expenditures of Federal Awards – 2023

Notes to the Schedule of Expenditures of Federal Awards – 2023

**Tacoma Community Redevelopment Authority
Management's Discussion and Analysis
For the Year Ended December 31, 2023**

The following is a narrative overview and analysis of the financial activities of Tacoma Community Redevelopment Authority (TCRA) for the year ended December 31, 2023. This discussion and analysis is designed to assist the reader in focusing on significant financial issues and activities, and identify any changes in financial position. The information presented here should be read in conjunction with Financial Statements and Notes to the Financial Statements, which follow.

TCRA is considered a component unit of the City of Tacoma and its financial information is discretely presented in the City's Annual Comprehensive Financial Report.

FINANCIAL HIGHLIGHTS

- Assets of TCRA exceeded liabilities at the close of calendar year 2023 by approximately \$60.2 million. Of this amount, \$4.2 million is net investment in capital assets and \$56.0 million is restricted net position. Net position totaled approximately \$53.2 million at the end of year 2022, with \$4.4 million net investment in capital assets and \$48.8 million restricted net position.
- In 2023, TCRA's net position increased by approximately \$7.0 million, net of prior period adjustment, compared to a \$0.3 million increase in 2022, net of prior period adjustment.

Overview of Financial Statements

The financial section of this annual report is designed to provide readers with a broad overview of TCRA's finances and consists of: (1) Statement of Net Position, (2) Statement of Revenues, Expenses, and Changes in Net Position, (3) Statement of Cash Flows and (4) Notes to the Financial Statements.

Statement of Net Position provides information about assets, deferred outflows of resources, liabilities, deferred inflows of resources and net position.

Statement of Revenues, Expenses and Changes in Net Position reports all the revenues and expenses during the time indicated.

Statement of Cash Flows provides information on cash receipts and disbursements during the year and reports the changes in cash resulting from: 1) operating activities, 2) non-capital financial activities, 3) capital related financing activities and 4) investing activities.

The Notes to the Financial Statements contain more detail on the information presented that is necessary to acquire a full understanding of the data provided in the financial statements.

FINANCIAL ANALYSIS

Statement of Net Position

The net increase in current and other assets is \$15.2 million from 2022 to 2023. This net change is driven by an increase of grant receivables, compared to 2022. The net decrease of \$0.3 million in capital assets is due to depreciation of the assets.

Liabilities increased by \$8.1 million due in part to an increase in rehabilitation payables for large projects which include Lincoln Senior Housing and 13th Street LLP.

The following table shows the Condensed Statements of Net Position for December 31, 2023, compared to 2022.

Condensed Statements of Net Position

	2023	2022
Assets		
Current and Other Assets	\$ 65,531,863	\$ 50,370,696
Capital Assets	9,029,723	9,297,230
Total Assets	<u>74,561,586</u>	<u>59,667,926</u>
Deferred Outflows of Resources	-	-
Liabilities		
Current and Other Liabilities	8,804,103	667,339
Long term Liabilities	5,317,108	5,355,810
Total Liabilities	<u>14,121,211</u>	<u>6,023,149</u>
Deferred Inflows of Resources	232,633	465,266
Net Position		
Net Investment in Capital Assets	4,173,890	4,404,395
Restricted	56,033,852	48,775,116
Total Net Position	<u>\$ 60,207,742</u>	<u>\$ 53,179,511</u>

Statements of Revenues, Expenses and Changes in Net Position

Operating revenues increased by approximately \$6.6 million in 2023. This is primarily due to an increase of grant revenues in the amount of \$5.3 million. Conversely, in 2022 operating revenues decreased by \$1.4 million due to a decrease in grant revenues.

Operating expenses (including Depreciation) decreased by a net of \$0.2 million. This is primarily due to decreases of \$0.4 million in Housing Repair Admin Fees and a decrease of \$0.5 million in Loss on Notes Receivable. Housing development saw an increase of \$0.5 million and Salaries and Benefits saw an increase of \$0.1 million.

TCRA's overall financial position increased approximately \$7.0 million in 2023. The following table reflects a condensed Statement of Revenues, Expenses, and Changes in Net Position for TCRA.

Condensed Statements of Revenues, Expenses and Changes in Net Position
For the Years ended December 31, 2022 and 2023

	2023	2022
Operating Revenues	\$ 9,326,409	\$ 2,723,861
Non operating Revenues	321,696	221,927
Total Revenue	9,648,105	2,945,788
Operating Expenses	(2,323,487)	(2,542,532)
Depreciation Expense	(277,673)	(277,673)
Total Expenses	(2,601,160)	(2,820,205)
Change in Net Position	7,046,945	125,583
Beginning of Year	53,179,511	52,893,928
Prior Period Adjustments	(18,714)	160,000
Beginning of year - restated	53,160,797	53,053,928
Net Position - ending	<u>\$ 60,207,742</u>	<u>\$ 53,179,511</u>

Capital Assets

The capital assets (net of accumulated depreciation) for TCRA as of December 31, 2023, and 2022 are outlined in the table below. The decrease is due to the depreciated value of the buildings in 2023.

	2023	2022
Capital Assets		
Land	\$ 1,584,764	\$ 1,584,764
Buildings	7,444,959	7,712,466
Total Capital Assets	<u>\$ 9,029,723</u>	<u>\$ 9,297,230</u>

Long-Term Debt

For information on long-term debt, see the Notes to the Financial Statements.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the TCRA's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Tacoma Community Redevelopment Authority; Finance Department; 747 Market Street, Room 132; Tacoma, WA 98402-3701.

Tacoma Community Redevelopment Authority
Statement of Net Position
December 31, 2023

ASSETS

Current Assets:

Cash and Cash Equivalents	\$ 8,230,987
Notes Receivable	1,668,963
Other Receivable	377,387
Short-Term Portion Capital Lease - Building	231,618
Due from Other Governmental Units	1,767,973
Prepays	34,570
Total Current Assets	<u>12,311,498</u>

Noncurrent Assets:

Notes Receivable	51,644,409
Assets Held for Resale	1,575,956
Capital Assets: not being depreciated	
Land	1,584,764
Capital Assets being depreciated	
Buildings	13,107,270
Intangible	18,266
Less Accumulated Depreciation	<u>(5,680,577)</u>
Total Capital Assets	<u>9,029,723</u>
 Total Noncurrent Assets	 <u>62,250,088</u>
 Total Assets	 <u>\$ 74,561,586</u>

DEFERRED OUTFLOWS OF RESOURCES

-

The accompanying notes are an integral part of this statement.

Tacoma Community Redevelopment Authority
Statement of Net Position
December 31, 2023

LIABILITIES

Current Liabilities

Accounts Payable	\$ 60,742
Rehab Payable	8,483,315
Construction Payable	31,843
Current portion Long-term Debt	38,701
Other Payable	189,502
Total Current Liabilities	<u>8,804,103</u>

Noncurrent Liabilities

Washington State Department of Community, Trade and Economic	499,977
Washington Reinvestment Association	1,817,131
City Loan	3,000,000
Total Noncurrent Liabilities	<u>5,317,108</u>

Total Liabilities	<u>14,121,211</u>
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DEFERRED INFLOWS OF RESOURCES

232,633

NET POSITION

Net Investment in Capital Assets	4,173,890
Restricted	56,033,852
Total Net Position	<u>\$ 60,207,742</u>

The accompanying notes are an integral part of this statement.

Tacoma Community Redevelopment Authority
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2023

Operating Revenues

Grant Revenues	\$ 5,334,684
Valhalla Courts	290,774
Program Income	89,549
Contribution from City	3,600,645
Other Income	10,757
Total Operating Revenues	<u>9,326,409</u>

Operating Expenses

Salaries and Benefits	143,527
Housing Development	505,000
Home Repair Admin Fees	790,045
Professional Fees	53,629
Valhalla Courts	152,583
Loss on Notes Receivable	157,936
Lakewood Expense	63,503
Payment to City	249,244
Other Services and Supplies	208,020
Depreciation Expense	277,673
Total Operating Expenses	<u>2,601,160</u>
Operating Income (Loss)	<u>6,725,249</u>

Nonoperating Revenues (Expenses)

Lease Revenue - Non-Operating	232,633
Lease Interest Income- Non-Operating	10,132
Interest Income	78,931
Total Nonoperating Revenues (Expenses)	<u>321,696</u>
Change in Net Position	7,046,945

Net Position

Beginning of year	53,179,511
Prior period adjustment	(18,714)
Beginning of year - restated	<u>53,160,797</u>
Net position - December 31, 2023	<u>\$60,207,742</u>

The accompanying notes are an integral part of this statement.

Tacoma Community Redevelopment Authority
Statement of Cash Flows
For the Year Ended December 31, 2023

Cash Flows from Operating Activities:	
Receipts from Customers	\$ 1,690,101
Receipts from Grants	5,933,464
Receipts from Other Income	2,573,436
Payments to Suppliers for Goods and Services	(3,947,120)
Payments to Programs	(3,728,911)
Net Cash Provided by Operating Activities	2,520,970
<hr/>	
Cash Flows from Non-Capital Financing Activities:	-
<hr/>	
Cash Flows from Capital and Related Financing Activities:	
Payments for Valhalla Hall	(37,002)
Capital Lease payment	249,244
Net Cash Used for Capital and Related Financing Activities	212,242
<hr/>	
Cash Flows from Investing Activities:	
Purchase of Asset Held for Resale	(1,399,730)
Interest on Investments	78,931
Net Cash Used in Investing Activities	(1,320,799)
<hr/>	
Net Increase in Cash and Cash Equivalents	1,412,413
Cash and Cash Equivalents at January 1, 2023	6,818,583
Cash and Cash Equivalents at December 31, 2023	\$ 8,230,987

The accompanying notes are an integral part of this statement.

Tacoma Community Redevelopment Authority
Statement of Cash Flows
For the Year Ended December 31, 2023

Reconciliation of Operating Income (Loss) ot Net Cash

Operating Activities:

Net Operating Income (Loss)	\$	6,725,249
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Adjustments to reconcile operating income to net
cash provided by operating activities:

Depreciation Expense		277,673
Prior Period Adjustment		(18,714)

Change in Assets and Liabilities:

(Increase) decrease in Notes Receivable		(12,090,898)
(Increase) decrease Prepaids		(5,548)
(Increase) decrease Due from Other Governmental Units		(501,865)
Increase (decrease) in Construction Payable		2,000
Increase (decrease) Rehab Payable		8,146,199
Increase (decrease) Accounts Payable		(62,210)
Increase (decrease) Other Payable		49,083

Total Adjustments		(4,204,280)
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Net Cash Provided by Operating Activities		2,520,970
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Cash and Cash Equivalents at January 1, 2023		6,818,583
Cash and Cash Equivalents at December 31, 2023		8,230,987
Change in Cash and Cash Equivalents	\$	1,412,413

The accompanying notes are an integral part of this statement.

TACOMA COMMUNITY REDEVELOPMENT AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Tacoma Community Redevelopment Authority (TCRA) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below.

A. Reporting Entity

TCRA was incorporated on February 27, 1973 by Ordinance 19762 of the City of Tacoma. The name change and amended charter were adopted on May 24, 1994 by Resolution 32626 of the City of Tacoma, becoming effective on June 1, 1994. TCRA operates under the laws of the State of Washington applicable to a public development corporation.

TCRA is governed by a 12-member board appointed by the Tacoma City Council. Although it is legally separated from the City, TCRA is a component unit of the City of Tacoma who exercises oversight responsibility for administration and contract approval. TCRA is reported as a component unit of the City because its sole purpose is to finance and provide housing rehabilitation and community & economic development loans to residents and businesses in the City of Tacoma.

For financial reporting purposes, in conformance with GASB No. 14, *The Financial Reporting Entity*, as amended by GASB No. 34 and GASB No. 61, TCRA is considered a component unit of the City. The City includes in its financial statements all governmental activities, organizations and functions, whether they are structured as funds, account groups, departments, agencies, institutions, boards, commissions, districts, authorities, or in other ways for which Tacoma City Council is financially accountable. TCRA financial information is presented as discretely presented component unit in the City's financial statements.

The accompanying financial statements present TCRA and its blended component unit.

Component units are required to be blended if the component unit's governing body is substantively the same as the governing body of the primary government and (1) there is a financial benefit/burden relationship between the primary government and the component unit or (2) management of the primary government has operational responsibility for the component unit. Additionally, per GASB Statement No. 80 a component unit should be included using blending method if the component unit is organized as a not-for-profit corporation in which the primary government is the sole corporate member. A component unit should be presented as blended when the component unit provides services entirely, or almost entirely, to the primary government or otherwise exclusively, or almost exclusively, benefits the primary government even though it does not provide services directly to it.

Blended Component Units:

TCRA Pantages Renovation, LLC (TPRLLC) is governed by TCRA, as required by the authorizing state law. Though it is legally separated from TCRA, the TPRLLC is reported as if it was part of the primary government because its sole purpose is real estate management for the benefit of TCRA. TCRA

management has operational responsibility and services are provided entirely to TCRA. The authority to form an LLC is granted under Washington State RCW 25.15. On December 21 2017, TCRA Board approved the creation of the TPRLLC.

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

TCRA reports one major proprietary fund.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing housing rehabilitation, community & economic development and servicing the loans that originate from these services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of TCRA are program income and grant revenue. Operating expenses of TCRA include the cost of loans, services, and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

C. Accounting Standards

Effective for the fiscal year 2023, the TCRA the following new accounting and reporting standards issued by the Governmental Accounting Standards Board (GASB):

GASB Statement No. 94 – Public-Private and Public-Public Partnership and Availability Payment Arrangements. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). It also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). Under this Statement, a transferor is required to recognize the receivables for installment payments to be submitted by the operator and a deferred inflow of resources, while an operator is required to recognize a liability for installment payments to be submitted and a deferred outflow of resources, which taken together enhance the relevance and consistency of information about governments' outsourcing of functions to external operators. The TCRA did not have any agreements covered by GASB Statement No. 94 in the fiscal year ended December 31, 2023. Therefore, there are no effects on the TCRA's financial statements upon implementation.

GASB Statement No. 96 – Subscription-based information technology arrangements (SBITAs). The objective of this statement is to better meet the information needs of financial statement users by establishing a definition for SBITAs and prescribing accounting and financial reporting for SBITAs by governments. Prior to the issuance of GASB Statement No. 96, there was no accounting or financial reporting guidance specifically for SBITAs. Under this Statement, a subscriber is required to recognize a subscription liability and an intangible right-to-use subscription asset, thereby enhancing the relevance and consistency of information about governments' SBITA activities. The TCRA did not have any agreements covered by GASB Statement No. 96 in the fiscal year ended December 31, 2023. Therefore, there are no effects on the TCRA's financial statements upon implementation.

GASB Statement No. 99 – This statement is to enhance comparability in accounting and financial reporting to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements and accounting and financial reporting for financial guarantees. This Statement addresses a variety of topics including issues related to leases implementation, derivative instruments, nonmonetary transactions, public-private and public-public partnerships and availability payment arrangements, subscription-based information technology arrangements, LIBOR, SNAP and other terminology updates. Specifically, the paragraphs implemented for the fiscal year ended December 31, 2023 address the following topics:

- Clarification of provisions in Statement No. 87, Leases, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives (paragraphs 11-17)
- Clarification of provisions in Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset (paragraphs 18-22)
- Clarification of provisions in Statement No. 96 SBITAs related to terms and definitions: subscription termination, short-term SBITAs, and measurement of subscription liabilities (paragraphs 23-25)

GASB Statement No. 99 paragraphs 11-17, 18-22, and 23-25 were implemented by TCRA for the fiscal year ended December 31, 2023. There is no effect on the TCRA's financial statements as a result of the implementation. Additionally, TCRA does not have derivative or hedging instruments as defined by Statement No. 99.

D. Budgetary Information

TCRA's biennial administration budget, January 1 – December 31, is presented to their board requesting their endorsement. After the budget is passed by TCRA, it is forwarded to the Tacoma City Council for final approval.

E. Assets, Liabilities and Net Position

1. Cash and Cash Equivalents

The amounts reported as cash and cash equivalents are deposits with our banks or invested through the City of Tacoma.

a. Investments

It is TCRA's policy to invest all temporary cash surpluses. The City Treasurer holds equity in pooled cash and investments including certain short-term investments. These liquid investments are readily convertible to cash and carried at fair value. The change in fair value is included in investment income in the accompanying financial statements. Equity in pooled cash and investment as of December 31, 2023 is \$1,727,232.

For additional information, see Note 3.

b. Cash

The daily cash is received and deposited with Heritage Bank.

For purposes of the statement of cash flows, TCRA considers all highly liquid investments with a maturity of three month or less when purchased to be cash equivalents.

2. Receivables

a. Installment Loans

Installment loans represent loans to borrowers for which TCRA currently receives monthly or annual payments. They are recorded at face value with all amounts due within one year classified as current assets and the remainder classified as noncurrent assets.

b. Delayed Loans

Delayed loans (Noncurrent Notes Receivable) have maturity dates of 20 years or more and have no payments due until their maturity dates and carry an interest rate between zero and one percent. Interest on delayed loans is accrued annually as deferred accrued interest. Upon maturity, accrued interest is collected. Delayed loans are also recorded at face value with those loans coming due within one year classified as current assets and those with maturity dates greater than one year classified as noncurrent assets.

3. Payables

Current payables represent resources legally due to other entities for goods or services rendered which have not been paid as of December 31, 2023.

4. Capital Assets

All equipment purchases of \$5,000 or less are expensed upon acquisition. Equipment purchases in excess of \$5,000 are capitalized and depreciated over their estimated useful life.

The estimated useful lives for all TCRA assets are:

Buildings	15-50 years
Intangibles	20 years

Capital assets, which consist of real property, are reported in the financial statements. When a loan defaults, any real property that was used as collateral is foreclosed. Until sold, the property is capitalized without being depreciated and the loan is written off. Such assets are recorded at the current appraised fair market value at the time the asset was capitalized. Since TCRA is not in the real estate business, they attempt to sell this property once a reasonable offer is received.

For additional information, see Note 4.

5. Long-Term Debt

Long-term debt and other long-term obligations are reported as liabilities on the Statement of Net Position.

For additional information, see Note 8.

6. Leases

TCRA is involved in one lease arrangement of a building. With the implementation of GASB Statement No. 87 Leases, effective the year ended December 31, 2022, all existing and newly acquired leases during the current year were analyzed and classified as either qualified or non-qualified leases, for both lessor and lessee positions. With this implementation, a respective receivable or payable is recognized.

Lease receivables and Deferred Inflows of Resources – Leases

On December 30, 2017, TCRA entered into a lease agreement with Pantages Building Renovation, LLC, whose purpose is to rehabilitate the Pantages Building for the purpose of procuring Federal Historic Tax Credits. The lease term began in December 30, 2017, for fifty-five (55) years, and will end on December 30, 2072. The parties have agreed that this Lease is in the best interests of all parties to facilitate the rehabilitation of the Pantages Building, the procurement of Federal Historical

Tax Credits, allowable under Section 47 of the Internal Revenue Code of 1986. Tenant is executing this Lease to facilitate the rehabilitation of the historic Pantages Building.

The annual rental payment is based on a base rent of \$200,000. TCRA used an interest rate of 2.80% to calculate the net present value as of December 31, 2023. The period used to calculate the net present value is the compliance period which ends on January 1, 2025. After the compliance period, the agreement will be dissolved. The initial lease receivable was recorded in the amount of \$715,656 as of January 1, 2022, and as of December 31, 2023, the lease receivable is \$249,553. An initial deferred inflows was recorded in the amount of \$715,656 as of January 1, 2022, and as of December 31, 2023, the deferred inflows is \$232,633.

NOTE 2 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

There have been no material violations of finance-related legal or contractual provisions or expenditures exceeding legal appropriations in any of the funds of TCRA.

NOTE 3 – DEPOSITS AND INVESTMENTS

A. Deposits

TCRA's deposits are entirely covered by federal depository insurance (FDIC) and by collateral held in a multiple financial institution collateral pool administered by the Washington State Public Deposit Protection Commission (WSPDPC) invested by the City of Tacoma.

B. Investments Measured at Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by GAAP. TCRA participated in pooled investments with the City and receives interest based on a pro-rata share of its cash balance to the total cash invested. Portfolio earnings are distributed monthly based on average daily cash balance of the participating funds. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Investments at Fair Value				
	As of			
Debt Securities	12/31/2023	Level 1	Level 2	Level 3
U.S. Treasury Securities	\$ 643,384,888	\$ -	\$ 643,384,888	\$ -
Supranational Securities	32,104,066	-	32,104,066	-
Municipal Bonds	22,877,650	-	22,877,650	-
Agency Securities	673,735,766	-	673,735,766	-
Corporate Securities	77,539,604	-	77,539,604	-
	<u>\$ 1,449,641,974</u>	<u>\$ -</u>	<u>\$ 1,449,641,974</u>	<u>\$ -</u>

The Authority's share of City investments:

Cash and equity in pooled investments	As of 12/31/2023
Cash in City pool	\$ 1,727,232
Total City pooled investments	1,449,641,974
	0.12%
Total cash	\$ 6,503,755
Total pooled investments	1,727,232
Total cash and pooled investments	\$ 8,230,987

Custodial credit risk is the risk that in event of a failure of the City of Tacoma to an investment transaction, TCRA would not be able to recover the value of the investment or collateral securities. Of TCRA's total position in the City of Tacoma's investment pool, \$0.00 is exposed to custodial credit risk. The City of Tacoma's investments are insured by FDIC up to \$250,000 and by the WSPDPC for amounts over \$250,000.

NOTE 4 – CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business Type Activities				
Capital assets not being depreciated:				
Land	\$ 1,584,764	\$ -	\$ -	\$ 1,584,764
Total capital assets not being depreciated	1,584,764	-	-	1,584,764
Capital assets, being depreciated				
Buildings	13,097,104	10,166	-	13,107,270
Intangible	18,266	-	-	18,266
Total capital assets, being depreciated	13,115,370	10,166	-	13,125,536
Less: accumulated depreciation				
Buildings	(5,384,638)	(277,673)	-	(5,662,311)
Intangible	(18,266)	-	-	(18,266)
Total accumulated depreciation	(5,402,904)	(277,673)	-	(5,680,577)
Business type activities, capital assets (net of accumulated depreciation)	\$ 9,297,230	\$ (267,507)	\$ -	\$ 9,029,723

NOTE 5 - PENSION PLAN (TACOMA EMPLOYEES' RETIREMENT SYSTEM)

TCRA does not provide its own pension plan but it does contribute to the City of Tacoma's pension plan. Employees of the City of Tacoma are covered by the *Tacoma Employee's Retirement System* (TERS), an actuarially funded system operated by the City. As stated in RCW 35.21.745 and included with NPP Agreement Amendment #91, TCRA's administrative policies, employees will be included in the city's retirement system.

- A. Administration of the System: TERS is a cost-sharing, multiple-employer, defined benefit retirement plan covering substantially all employees of the City of Tacoma. The TERS Board of Administration administers the plan and derives its authority in accordance with Chapter 41.28 Revised Code of Washington and Chapter 1.30 of the Tacoma City Code.
- B. Benefits: The pension received upon retirement is a product of the member's average monthly salary for the highest consecutive 24-month period, the number of years of membership credit, and a percentage factor (2% maximum) which is determined based on the member's age and years of service. The system also provides death and disability benefits.
- C. Contribution Rates: Covered employees are required by Chapter 1.30 of the Tacoma Municipal Code to contribute 9.66% of their gross wages to the System and the employer contributes 11.34% equaling 21% of gross wages contributed.

NOTE 6 – RISK MANAGEMENT

TCRA has recorded in its financial statements all material liabilities on which management believes that TCRA will have to make payment. In the opinion of management, TCRA's insurance is adequate to pay all known or pending claims.

TCRA carries Business Liability, Employer Liability, and Employee Dishonesty Insurance with a maximum single occurrence limit of \$1,000,000 each with \$5,000 deductible per occurrence. TCRA also carries Public Officials Liability Insurance for a maximum single occurrence limit of \$2,000,000 with a \$5,000 deductible. As of December 31, 2023, there are no claims of liability.

During the past 3 years, TCRA has not had any claims that exceeded the insurance coverage.

NOTE 7 – CONTINGENCIES AND LITIGATION

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

NOTE 8 – LONG –TERM DEBT

Long-Term Debt

A. Washington State Department of Community, Trade, and Economic Development

TCRA borrowed \$249,977 and 250,000 at 0% interest from the State of Washington Department of Community, Trade, and Economic Development (WACTED) to help fund the Down Payment Assistance Program. These loans will mature on March 1, 2028 and December 31, 2051 respectively.

B. City Loan

On December 19, 2016, TCRA borrowed funds from the City in the amount of \$3,000,000 to provide financing for the Valhalla Hall project. This loan matures on September 30, 2046.

C. WCRA Loan

On October 30, 2019, TCRA entered into a “Release and Termination” agreement with Umpqua bank and Washington Reinvestment Association (WCRA) as the Construction Lender. WCRA loan is for 30 years at 4.5% interest rate and will mature on November 01, 2039.

The debt currently outstanding is as follows:

WCRA Loan

	Year Ending December 31	Principal	Interest		
	2024	\$ 38,701	\$ 82,721		
	2025	40,479	80,743		
	2026	42,339	79,083		
	2027	42,339	79,083		
	2028	46,318	75,104		
	2029-2032	207,552	278,136		
	2033-2036	248,402	237,287		
	2037-2039	1,187,757	142,717		

	Beginning Balance 1/1/2023	Increases	Decreases	Ending Balance 12/31/2023	Due w/in One Year
COMS	\$ 249,977	\$ -	\$ -	\$ 249,977	\$ -
COMS	250,000	-	-	250,000	-
City Loan	3,000,000	-	-	3,000,000	-
WCRA Loan	1,892,834	-	(37,002)	1,855,832	38,701
Total	<u>\$ 5,392,811</u>	<u>\$ -</u>	<u>\$ (37,002)</u>	<u>\$ 5,355,809</u>	<u>\$ 38,701</u>

NOTE 9 – PRIOR PERIOD ADJUSTMENTS

Prior Period Adjustments are used for the correction of an error or the implementation of new authoritative standard. Subsequent to the issuance of the December 31, 2022 financial statements, an \$18,714 adjustment was made.

Description	Effect to Net Position	Amount
Paint Tacoma Beautiful Accrual Adjustment	Overstated	<u>\$ (18,714)</u>
Total		<u>\$ (18,714)</u>

NOTE 10 – NOTES RECEIVABLE - DESCRIPTION OF PROGRAMS

A. Single Family Residence Rehabilitation Loan Program (RLP)

After receiving endorsement from the Tacoma City Council to proceed with the RLP, TCRA approved implementation at the October 10, 2013 Board Meeting. The Neighborhood Preservation Program and Major Home Repair were combined into this new loan program.

These properties must still be owner occupied, single family dwellings where the rehabilitation focuses on safety, health, and energy repairs with the capacity of bringing the property into compliance with HUD Housing Quality Standards.

The minimum rehabilitation loan amount is \$5,000 with the maximum amount not to exceed \$30,000. The interest rate is 0% with two different fixed monthly plans:

1. Deferred/Delayed – no monthly payment with one payment due at maturity. The loans are given a term up to 20 years;
2. Repayment – a fix monthly payment of at least 10% of a homeowner's discretionary income until loan is paid off.

TCRA has prescreened companies that perform the construction and administrative functions for these loans. Our function in this process is to service the loan and perform contractor and site inspections of the property. Presently, this program is funded with CDBG funds.

The RLP outstanding loans as of December 31, 2023 is \$6,482,786.

B. Down Payment Assistance Program (DPA)

Beginning July 1, 2014, TCRA transferred the operation of the current DPA program to the State of Washington Housing Trust Program. The current loans being serviced remained with TCRA.

Under the provisions of an agreement with the City of Tacoma, TCRA operates the DPA for first time, low-income and other qualified homebuyers. The DPA program is a revolving loan fund using repayment funds to make other down payment assistance loans.

The DPA program's delayed notes receivable were funded with CDBG, HOME Investment Partnership (HOME), American Dream Down Payment Assistance (ADDI), Special Purpose Grant (SPG), UDAG, and Neighborhood Stabilization Program (NSP) funds that bear no interest. The interest bearing notes receivable are funded by Special Purpose Repayment Grant (SPGR) funds and have a stated interest rate. These loans can start repayment immediately or deferred up to 10 years. The Washington State Community, Trade, and Economic Development Department (WACTED) loans are at 0% interest rate and delayed for 5 years before repayments are scheduled to start. The other state program is funded with Attorney General (AG) funds for loans also at 0% interest but delayed for 30 years.

The DPA outstanding loans as of December 31, 2023 is \$1,864,167.
This balance is net of allowance for uncollectible of \$3,500

C. Affordable Housing Fund Program (AHF)

The AHF notes receivables were generated from UDAG, HB1590 and HB1406 loan repayments and interest income. These funds are to be used as a revolving fund for affordable housing projects. Resources received by the City of Tacoma transferred to TRCA from the applicable fund source

are accounted for in this program. Under the provisions of the agreements with the City of Tacoma, TCRA will use these funds to provide funding to affordable housing projects.

The AHF outstanding loans as of December 31, 2023 is \$17,819,971.

D. JA Colonial Court (JAC) Project (formerly Colonial Court Project)

On October 02, 2014, the Colonial Court Projects were refinanced and acquired by JA Colonial Court.

These loans earn interest of one percent (1%) and loans are payable at the end of 30 years (Oct 2043). Interest accrues on these loans but no payments of principal and interest are due until maturity of the loans.

The JAC outstanding loans as of December 31, 2023 is \$827,084.

E. Title IX Loan Program (TIX)

The United States Economic Development Administration (EDA) Title IX loans were made to local businesses for use in creating urban employment opportunities. These loans vary in interest rate and repayment schedules, but usually secured by second lien positions on the business structures and property.

Grant revenues received from EDA used for supplemental financing for new or rehabilitated buildings and for creating employment opportunities are accounted for in this program.

The TIX outstanding loans as of December 31, 2023 is \$1,238,049.

F. Business Revolving Loan Fund Program (BLF)

The City of Tacoma Resolution #29407 established this program in 1986 to help eliminate blight or create employment. Funds are provided by CDBG money passed through from the City of Tacoma. As approved by the Tacoma City Council, the Community Development Revolving Loan Fund Program has now been combined with this program.

These loans vary in interest rate and repayment schedule, but usually secured by second lien positions on the business structures and property.

The BLF outstanding loans as of December 31, 2023 is \$232,048.

G. Scattered Site Housing Program (SSH)

Under the provisions of an agreement with the City of Tacoma, TCRA has made loans to the Martin Luther King Housing Development Association to rehabilitate scattered site housing units for use as permanent housing for low-income families.

CDBG, HOME, and/or SPG funds finance these notes receivable. Some loans bear no interest but other loans either make interest-bearing payments monthly, annually, or at the end of the loan period. There are several types of notes receivable and are either repaid or forgiven according to the terms of the notes.

The SSH outstanding loans as of December 31, 2023 is \$863,902.

H. Metropolitan Development Council (MDC)

On September 13, 1994, by resolution #32753, adopted by the Tacoma City Council authorized TCRA to enter in to an agreement with MDC to rehabilitate the Campbell Court Apartments at 1210 S. Yakima Avenue using \$143,000 in federal HOME funds and has a zero percent (0%) interest rate. The loan was increased \$22,605 with CDBG. At the end of thirty years (October 2024), the principal balance of the note (\$165,605) will be forgiven.

On April 30, 2007, TCRA approved an additional rehabilitation loan of \$70,371. This is at zero percent (0%) interest loan to be forgiven at the end of forty years (April 2047). On April 4, 2013, the loan again was increased with \$22,605 in CDBG funds bringing the forgivable amount to \$92,976, which will all be forgiven April 2047.

TCRA approved a loan on March 28, 2002 using \$218,563 in CDBG funds and \$569,437 in federal HOME funds for property acquisition and allowable costs for Pacific Courtyard located at 8606 Pacific Avenue. This loan has an interest rate of one-half percent (½%) with monthly payments if cash flow allows. The principal balance and accrued interest are due on November 1, 2032. On September 21, 2007, an additional \$297,119 CDBG loan for rehabilitation costs was approved. This is a zero percent (0%) interest loan to be forgiven at the end of thirty years (September 2037).

On March 15, 2005, TCRA approved a loan using \$284,983 in federal HOME funds and \$343,477 in SPG funds for costs relating to construction/rehabilitation of the Avenue Apartments located at 721 S. Fawcett Avenue. This is a zero percent (0%) interest loan to be forgiven at the end of thirty years (March 2035).

On April 7, 2006, TCRA approved a \$60,000 loan using federal HOME funds for costs relating to construction/rehabilitation of 615 S. "G" Street to provide single-room occupancy housing for the homeless. On April 4, 2012, the loan was increased \$22,605 with CDBG funds to bring the forgivable amount to \$82,605. This is a zero percent (0%) interest loan to be forgiven at the end of forty years (April 2046).

The MDC outstanding loans as of December 31, 2023 is \$1,513,182.

I. Fire Safety Revolving Loan Fund (FSLF)

On January 17, 1995, by resolution #32885, adopted by the Tacoma City Council authorized the execution of an agreement to lend UDAG repayment funds received from the City of Tacoma for the FSLF. This program was established to assist business and property owners with modifications to existing commercial structures in order to meet the requirements of the fire safety code. This program is funded with UDAG funds.

A loan for 1007 Pacific Ave in the amount of \$22,348 is a 2% interest rate. Principal and interest payments are due monthly for a period of ten (10) years and matures on July 1, 2024.

On August 16, 2019, another loan was approved for \$50,000 under the borrower Paula Hummel. Of the \$50,000, \$33,964 has been disbursed as of December 31, 2022. This loan is a 2% interest rate. The principal and interest payments are due monthly for a period of ten (10) years.

The FSLF outstanding loans as of December 31, 2023 is \$12,312.

J. Habitat for Humanity (HFH)

On October 10, 1995, the City of Tacoma allocated federal CDBG funds for the HFH Loan Program. Under the provisions of this agreement with the City of Tacoma, TCRA made a loan to HFH for the

acquisition and site improvement for construction of single-family homes for low-income families. Families in need of decent housing who are unable to purchase housing on the open market will purchase these homes.

This note receivable was funded by CDBG funds and has a zero percent (0%) interest rate. Beginning with the third year anniversary of sale, five percent (5%) of the original principal balance will be forgiven. At the end of twenty years from the date of occupancy, any remaining principal balance of the note will be forgiven. Since there are no payments required, an uncollectible amount was not estimated.

The HFH outstanding loans as of December 31, 2023 is \$1,422,221.

K. Catholic Community Services (CCS)

On June 8, 1999, by Resolution 34422, the City of Tacoma allocated federal CDBG funds for the rehabilitation of a building having permanent housing units for homeless and low-income persons.

This note receivable has a zero percent (0%) interest rate. Principal shall be payable annually based on available net cash flow as defined in the promissory note. Total principal is due for repayment on or before thirty years (August 2, 2029).

On May 27, 2010, CCS and Nativity House merged. The Nativity House project is still operating as originally established with only the administrative oversight being done by CCS. The original note receivable with the same terms was assumed by CCS. The project was funded with SPG funds and has an interest rate of zero percent (0%). At the end of twenty (20) years (September 30, 2022), the principal balance of the note (\$350,000) will be forgiven.

On April 29, 2013, the City of Tacoma allocated federal CDBG funds for land acquisition and soft costs for the development of a homeless shelter. This note receivable has a zero percent (0%) interest rate. At the end of forty (40) years (April 29, 2053), the principal balance of the note (\$789,900) will be forgiven.

On September 26, 2013, TCRA approved transfer of the \$200,000 Alesek Bridges Village loan for the acquisition of real property located at 1801 - 1812 E. 31st Street to be used as permanent, supportive housing for low-income individuals. Also on September 26, 2013, TCRA approved transfer of a second loan from the Alesek Bridges Village for the rehabilitation of this acquired real property. The loan was approved for a write-off of \$31,584 prior to transfer with the remaining loan balance split between two funding sources: 1) \$7,366 in UDAG funds and 2) \$11,049 in United Way Housing Trust Funds (UWPC). The loan has an interest rate of zero percent (0%). At the end of thirty (30) years (October 26, 2038), the principal balance of the note (\$18,416) will be forgiven.

On March 18, 2014, the HFH was loaned funds of \$411,535 from federal CDBG funds for the development of Phoenix Housing located at 5050 South Tacoma Way. This note receivable has a zero percent (0%) interest rate and payable at the end of forty (30) years (March 18, 2034).

The CCS outstanding loans as of December 31, 2023 is \$1,729,564.

L. Tacoma Rescue Mission (TRM)

TRM has loans for two projects:

1. On August 28, 2003, TCRA made a zero (0%) interest loan of \$545,130 to TRM for the cost of construction and improvements to real estate located at 3202 S. Tyler Street. This note receivable was funded with CDBG funds and forgivable on August 28, 2033.

2. On December 31, 2007, TCRA made a zero (0%) interest loan of \$1,243,945 to TRM – Adams Square Family Center for the construction and development of real estate located at 2911 South Adams Street. An additional \$150,000 was disbursed towards this loan on August 16, 2010. This note receivable was funded with CDBG funds.

The TRM outstanding loans as of December 31, 2023 is \$1,788,651.

M. Annobee Apartments (AAP)

On August 3, 1999 by Resolution #34473, funding was made available to the Fourth and “I” Street Investors for rehabilitation of the AAP from AHF for \$750,000 and CDBG for \$165,000.

The first note receivable was paid in full on January 05, 2017. The second note receivable was funded with CDBG and has an interest rate of zero (0%) percent. Principal payments of \$917 are due monthly. Any principal balance remaining on February 1, 2025 is due.

The AAP outstanding loans as of December 31, 2023 is \$0.

N. Homeownership Center of Tacoma (HCT)

On November 9, 1993, by Resolution #32396, the City of Tacoma approved the allocation of HOME funds for the development and implementation of the Hilltop Homeownership Program for construction of new housing.

This program is made up of a number of small loans funded by HOME and ADDI funds at zero percent (0%) interest rate. The principal balance of the notes will be forgiven at the rate of twenty percent (20%) at the end of each year until the full principal balance has been forgiven. During 2006, new terms of the notes were added to include deferred notes at 0% with a 30-year term.

The HCT outstanding loans as of December 31, 2023 is \$1,009,290.

O. Network Services, Inc. (NSI) – Network-Tacoma

TCRA approved two loans for the acquisition and costs of acquisition relating to units located at: 1) 5311 Chicago Avenue SW, Lakewood made on January 31, 2005 to be forgiven on February 1, 2025, and 2) 5435 S. “M” Street made on November 27, 2002 to be forgiven on November 1, 2032. HOME funds were used to fund both projects.

The NSI outstanding loans as of December 31, 2023 is \$335,000.

P. Intercommunity Housing – Mercy Housing (ICH)

During November 2001, Hillside Gardens (S. 17th & “G” Streets) and Eliza McCabe Townhouses (S. 23rd Street and Yakima Avenue) were funded with HOME funds. Each bears an interest rate of zero percent (0%). The principle amounts are \$400,000 and \$200,000 and each matures November 14, 2041. Annual principal payments are due on June 1st of each year beginning June 1, 2004 using the available net cash flow from the preceding calendar year. There has not been any available net cash flow to make payments and the loans are not considered delinquent.

On May 24, 2002, TCRA approved two loans for the acquisition of real property and predevelopment fees and costs at S. 23rd Street & Yakima Avenue and at S. 17th Street & “G” Street. The principle balances are \$200,000 and \$100,000 and each matures on November 14, 2041. These loans were funded with HOME funds.

During October 2005, ICH acquired property for development located at 1616 and 1717 S. Yakima Street for the Catalina Apartments. The \$600,000 project was funded with CDBG. Beginning July 1, 2007, monthly payments of \$1,250 at 0% interest began. The loan maturity date is October 1, 2045.

The ICH outstanding loans as of December 31, 2023 is \$1,353,750.

Q. Korean Women's Association (KWA)

On March 13, 2006, the Korean Women's Association acquired property located at 1701 E. 44th Street called International Place Council. The project was funded with CDBG. At the end of thirty years (30) years (September 30, 2036), the principal balance of the note (\$232,000) will be forgiven.

On October 26, 2010, the Korean Women's Association acquired property located at 815 Pacific Avenue called Olympus Hotel of Tacoma, Inc. The project was funded with CDBG of \$88,887 and HOME funds of \$236,113. Total principal balance is due on or before forty (40) years (October 26, 2050).

The KWA outstanding loans as of December 31, 2023 is \$492,507.

R. City of Lakewood (LKW)

On May 18, 1999, by Resolution #34400, the City of Tacoma and LKW formed the Tacoma-Lakewood Consortium. This allowed TCRA to receive federal HOME and ADDI funds on behalf of LKW. TCRA is to provide loan review and approval services and its accounting staff will maintain the financial records.

These notes receivable are made up of housing programs (rehabilitation and down payment assistance loans) funded by HOME and ADDI funds and bear no interest. At the end of twenty (20) years or as otherwise approved, the full principal balance is due and payable.

On June 02, 2014, Tacoma Housing Authority in behalf of the LKW promises to pay TCRA \$250,000 for the development of Prairie Oaks Apartments located at 8954-8960 Gravelly Lake Dr. SW, Lakewood. This property is a 15-unit permanent housing development with supportive services for homeless families. This loan matures on June 2, 2034.

On August 31, 2021, \$547,051 was disbursed to Living Access Support Alliance (LASA) on behalf of LKW for the development of 8966 Gravelly Lake Dr. SW, Lakewood. This is a 2-bedroom single family home available as a low-income rental. The loan bears 0% interest and is forgivable in the amount of \$100,000 annually commencing on August 27, 2031.

The LKW outstanding loans as of December 31, 2023 is \$2,799,599.

S. AIDS Housing Association of Tacoma (AHA)

On April 10, 2002, TCRA agreed to loan the AHA \$258,602 to acquire and rehab property located at 301 N. "L" Street. On December 8, 2005, the loan was modified to increase the loan amount to \$269,883. The loan was funded with CDBG funds with an interest rate of zero percent (0%). At the end of thirty (30) years (April 10, 2032), the principal balance of the note (\$269,883) will be forgiven.

On January 31, 2005, TCRA loaned \$80,000 to the AHA to acquire and rehab property located at 1602 S. Stevens Street. The loan was funded with CDBG funds with an interest rate of zero percent

(0%). At the end of forty (40) years (January 31, 2045), the principal balance of the note (\$78,763) will be forgiven.

The AHA outstanding loans as of December 31, 2023 is \$348,646.

T. Tacoma Housing Authority (THA)

On December 18, 2002, TCRA entered into an agreement with the THA for the Hillside Terrace rehabilitation and revitalization of vacant housing units located in the 2300 block of S. "G" Street. This notes receivable was funded with \$176,050 in CDBG funds and has an interest rate of zero percent (0%). The term of the loan is forty (40) years with annual payments beginning June 30, 2004 using the available net cash flow from the preceding calendar year. The final payment is to be made no later than December 1, 2042 when the full principal balance is due and payable.

On April 03, 2013, TCRA approved a rehabilitation loan to Hillside Terrace Apartments located at 2520 South "G" Street. This project received \$1,065,342 of HOME funds. This notes receivable has an interest rate of zero percent (0%) and the full principal balance is due and payable on April 3, 2053.

The THA outstanding loans as of December 31, 2023 is \$2,273,254.

U. Salishan Project (SP)

On June 28, 2007, TCRA loaned THA \$1,000,000 of HOME funds for the Salishan Four project located at 1728 S. 44th Street. This notes receivable has an interest rate of zero percent (0%). At the end of forty (40) years (June 28, 2047), the principal balance of the Note (\$1,000,000) will be forgiven.

On June 26, 2008, TCRA loaned THA \$114,000 of UWPC and \$76,000 of UDAG funds for the Salishan Five project located at 3900 E. Roosevelt Street. This notes receivable has an interest rate of zero percent (0%). At the end of forty (40) years (June 28, 2048), the principal balance of the note (\$190,000) will be forgiven.

On October 15, 2008, TCRA loaned THA \$500,000 of HOME \$6,000 of UWPC, and \$4,000 of UDAG funds for the Salishan Six project located on E. 44th Street. This notes receivable has an interest rate of zero percent (0%). At the end of forty (40) years (October 15, 2048), the principal balance of the note (\$510,000) will be forgiven.

The SP outstanding loans as of December 31, 2023 is \$1,700,000.

V. Lakewood Area Shelter Association (LASA)

On August 29, 2003, TCRA approved two loans. Both loans are serviced by TCRA but one of the loans is funded by the LKW. These funds were used to acquire the property located at 4408 S. 74th Street for transitional housing to serve Lakewood residents.

The loan is being funded by two separate funding sources: CDBG for \$25,000 and HOME for an additional \$150,000. The LKW loan is being funded solely with HOME in the amount of \$168,000. On August 29, 2023, the loan for the LKW matures. The forgivable portion of the loan (\$103,000) will be forgiven and the repayable portion (\$65,000) will be due and payable. On August 29, 2033, the entire TCRA loan will be forgiven (\$175,000). The interest rate on these notes is zero percent (0%).

During November 2008, property located at 8416 S. Ainsworth Avenue and previously owned and operated by Faith Homes, was transferred to the LASA to manage. The terms of the loan have been transferred to LASA. This notes receivable has an interest rate of zero percent (0%). At the end of twenty-five (25) years (September 5, 2033), the principal balance of the note (\$89,978) will be forgiven.

The LASA outstanding loans as of December 31, 2023 is \$432,998.

W. Fern Hill Terrace, Inc. (FHTI)

On June 8, 2006, TCRA approved a loan to Multi Service Center for project costs in connection with the acquisition, rehabilitation, and/or construction for property located at 210 S. 80th Street. For all approved costs associated with this project, CDBG funds were allocated for use.

This notes receivable of \$468,000 has a one percent (1%) interest rate. Annual interest only payments are payable on November 1st of each year commencing of November 1, 2008. Annual interest payments due each November 1st are \$4,680. Total principal is due on or before forty years (November 1, 2046).

The FHTI outstanding loans as of December 31, 2023 is \$468,000.

X. Inland Empire Residential Resources (IER)

On June 8, 2006, TCRA entered into an agreement with IER of \$141,266 for the acquisition of property located at 7516 19th Street W. to be developed as permanent rental housing for individuals with disabilities. This also includes construction of a new community center and laundry room at the same location.

This notes receivable was funded with CDBG funds and has an interest rate of zero percent (0%). At the end of thirty (30) years (October 22, 2037), the principal balance of the note (\$141,266) will be forgiven.

The IER outstanding loans as of December 31, 2023 is \$141,266.

Y. Joseph Foundation Project (JFP)

On May 21, 2008, TCRA approved a \$40,000 loan to the JFP for project costs in connection with the acquisition, rehabilitation, and/or construction for property located at 3340 48th Avenue Ct. NE. For all approved costs associated with this project, CDBG funds were allocated for use.

This note receivable has a zero percent (0%) interest rate and the principal balance of the note (\$40,000) will be forgiven at the end of thirty (30) years (May 21, 2038).

The JFP outstanding loans as of December 31, 2023 is \$40,000.

Z. Tacoma "G" Street Family Housing

On July 25, 2008, TCRA approved a \$1,020,139 loan for the acquisition, construction, development and soft costs for the development of a multi-family apartment development, known as Guadalupe Vista, consisting of 51 residential units located at 1305 S. "G" Street for low-income individuals.

This notes receivable was funded with \$820,139 of HOME, \$80,000 of UDAG, and \$120,000 in UWPC funds and has an interest rate of zero percent (0%). At the end of forty (40) years (December 31, 2050), the principal balance of the note (\$1,020,139) will be due and payable.

The Tacoma "G" Street Family Housing outstanding loans as of December 31, 2023 is \$1,020,139.

AA. Salishan Senior Housing (SSH)

On October 16, 2009, TCRA approved a loan for the project costs in connection with the acquisition, rehabilitation, and/or construction of not less than 54-units on the property located at 4401 E. "R" Street. TCRA loaned \$672,674 in CDBG, \$327,326 in HOME, \$120,000 of UWPC and \$80,000 of UDAG funds for the Salishan Senior Housing project.

This notes receivable will have an interest rate of zero percent (0%) with no monthly payments. At the end of thirty (30) years (October 16, 2039), the principal balance of the UDAG and UWPC funds of the note will be forgiven. On October 16, 2049, the principal balance of the CDBG and HOME funds of the note will be forgiven.

The SSH outstanding loans as of December 31, 2023 is \$1,200,000.

AB. Young Women's Christian Association of Tacoma (YWCA)

On December 16, 2009, TCRA approved a \$150,000 loan to YWCA for rehabilitation of the Wilsonian Building located at 401 St. Helens Avenue. For all approved costs associated with this project, TCRA loaned \$142,242 in CDBG, \$507,758 in American Recovery and Reinvestment Act (ARRA) CDBG-R, and \$300,000 in ARRA Lead Based Paint Grant funds were allocated for use.

These note receivables carry a zero percent (0%) interest rate and the principal balance of the ARRA Lead Based Paint Grant was forgiven at the end of five (5) years (April 15, 2015) and the principal balance of the CDBG notes (\$650,000) will be forgiven at the end of twenty (20) years (December 19, 2029).

The YWCA outstanding loans as of December 31, 2023 is \$650,000.

AC. New Tacoma Senior Housing (NTSH)

On December 23, 2009, TCRA entered into an agreement with New Tacoma Phase I Owner LP for the project costs in connection with the acquisition, rehabilitation, and/or construction of six-units on the property located at 1709-1717 S. "G" Street. TCRA loaned \$565,000 in HOME, \$120,000 of UWPC and \$80,000 of UDAG funds for the New Tacoma Senior Housing project. This notes receivable has an interest rate of zero percent (0%) with no monthly payments. On December 31, 2051, the principal balance of the note is due and payable.

On December 30, 2014, TCRA entered into an agreement with New Tacoma Phase II Mercy LLC for the development of a property located at 612 – 620 South 17th Street, Tacoma. This note receivable amounting to \$475,000 has an interest rate of zero percent (0%) with no monthly payments and principal balance will be due and payable on December 31, 2055.

The NTSH outstanding loans as of December 31, 2023 is \$1,240,000.

AD. The Monroe Apartments

On November 8, 2013, TCRA approved assumption of the Stewart Court Apartments loan from THA by the The Monroe, LLC. It is a rehabilitation loan of rental units for the Monroe Apartments formerly known as the Fircrest Court Apartments located at 3201 S. Tyler Street. This project received \$367,565 of Community Development Block Grant (CDBG) funds and \$1,138,130 of HOME Investment Partnership (HOME) funds. This notes receivable has an interest rate of zero percent (0%). At the end of thirty (30) years (October 11, 2031), the principal balance of the note (\$1,505,695) will be forgiven.

The Monroe Apartments outstanding loans as of December 31, 2023 is \$1,505,695.

AE. Façade Loan Program (FLP)

This program is designed to remove blight, beautify storefronts, and improve older neighborhood business districts. Loans are available on a reimbursement basis up to 50% of approved project costs. The minimum loan is \$5,000 and the maximum is \$60,000. Loans carry a fixed 3% interest rate with principal and interest payments due monthly for a maximum term of 10 years. On July 2014 TCRA loaned \$50,000 to a project named Duneane Properties funded by UDAG and another for \$60,000 to a project called 26th Alder Partners also funded by UDAG.

The FLP outstanding loans as of December 31, 2023 is \$3,736.

AF. Foundation for the Challenged (FFC)

On March 05, 2014, TCRA granted a \$31,131 loan with the FFC to renovate Single Family Home Rehab for the developmentally disabled located at 1209 South Huson, Tacoma. This notes receivable has an interest rate of zero percent (0%).

The FFC outstanding loans as of December 31, 2023 is \$31,131.

AG. Multi - Family Rental (MFR)

On July 11, 2014, TCRA entered into an agreement with McKinley 3502 LLC to develop property located at 3502 McKinley Avenue, Tacoma. This note receivable funded by HOME funds, \$595,500 has an interest rate of zero percent and has a maturity date of June 15, 2030.

The MRF outstanding loans as of December 31, 2023 is \$ 474,425.

NOTE 11 – LOSS ON NOTES RECEIVABLE

TCRA Loss on Notes Receivable are from forgivable loans and those that are uncollectable. TCRA has loans that are forgivable each year if the terms according to the promissory note, affordability covenant or loan agreement are met. In 2023, the majority of the loans forgiven were primarily due to the terms being met. Other loans became uncollectible due to various reasons such as the death of the borrower, the home being sold and no surplus funds available for TCRA to collect on lien position or litigation cost would exceed the amount of the loan. The latter for various reasons require the approval of the board of directors.

The total write off in 2023 was \$157,936 summarized below (allowance for bad debt not included):

<u>Program/Funding Source</u>	<u>Loss Amount</u>
AHF-CDBG	\$ 43,333
HFH-CDBG	1,200
HFH-UDAG	2,172
HFH-HOME	52,952
HFH-UW	3,257
HFH-ARRA NSP	20,171
HCT-AGS	831
HCT-HOME	7,962
LWK-HOME	26,058
	<u>\$ 157,936</u>

Tacoma Community Redevelopment Authority
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

Federal Agency (Pass-Through Agency)	Expenditures						Passed through to Subrecipients	Note
	Federal Program	ALN Number	Other Award Number	From Pass- Through Awards	From Direct Awards	Total		
Economic Development Cluster								
ECONOMIC DEVELOPMENT ADMINISTRATION, COMMERCE, DEPARTMENT OF (via City of Tacoma)	COVID 19 - Economic Adjustment Assistance	11.307	WA-47297WA RLF	8,400	-	8,400	-	4
ECONOMIC DEVELOPMENT ADMINISTRATION, COMMERCE, DEPARTMENT OF (via City of Tacoma)	COVID 19 - Economic Adjustment Assistance	11.307	WA-47297WA RLF	1,258,226	-	1,258,226	-	
Total Economic Development Cluster:				1,266,626	-	1,266,626	-	
CDBG - Entitlement Grants Cluster								
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via City of Tacoma)	Community Development Block Grants/Entitlement Grants	14.218	B-21-MC-53- 0007	15,557	-	15,557	15,557	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via City of Tacoma)	Community Development Block Grants/Entitlement Grants	14.218	B-22-MC-53- 0007	1,682,263	-	1,682,263	553,988	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via City of Tacoma)	Community Development Block Grants/Entitlement Grants	14.218	B-23-MC-53- 0007	634,719	-	634,719	349,568	

The accompanying notes are an integral part of this schedule.

Tacoma Community Redevelopment Authority
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

		Expenditures					Passed through to Subrecipients	Note
		Federal Program	ALN Number	Other Award Number	From Pass-Through Awards	From Direct Awards	Total	
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via City of Tacoma)		Community Development Block Grants/Entitlement Grants	14.218	Program Income - Expended	588,077	-	588,077	3,4
Total CDBG - Entitlement Grants Cluster:					2,920,616	-	2,920,616	974,202
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via City of Tacoma)		Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	Program Income - Expended	358	-	358	4
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via City of Tacoma)		Home Investment Partnerships Program	14.239	M-22-DC-53-0206	1,088,923	-	1,088,923	-
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via City of Tacoma)		Home Investment Partnerships Program	14.239	M-23-DC-53-0206	7,741	-	7,741	-
ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT, HOUSING AND URBAN DEVELOPMENT, DEPARTMENT OF (via City of Tacoma)		Home Investment Partnerships Program	14.239	Program Income - Expended	288,268	-	288,268	4

The accompanying notes are an integral part of this schedule.

Tacoma Community Redevelopment Authority
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

Federal Agency (Pass-Through Agency)	Federal Program	Expenditures					Passed through to Subrecipients	Note
		ALN Number	Other Award Number	From Pass- Through Awards	From Direct Awards	Total		
		Total ALN 14.239:		1,384,932	-	1,384,932	-	
		Total Federal Awards Expended:		5,572,532	-	5,572,532	974,202	

The accompanying notes are an integral part of this schedule.

Tacoma Community Redevelopment Authority

Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2023

Note 1 – Basis of Accounting

This schedule is prepared on the same basis of accounting as the Tacoma Community Redevelopment Authority's financial statements. The Authority uses the full accrual basis of accounting.

Note 2 – Federal Indirect Cost Rate

The Tacoma Community Redevelopment Authority has not elected to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance. Amounts expended for 2023 do not include any indirect costs.

Note 3 – Revolving Loan – Program Income

The Tacoma Community Redevelopment Authority has several revolving loan programs for low-income housing rehabilitation and low income down payment assistance to assist with purchasing a home. Under these federal programs, repayments to the Authority are considered program revenues (income) and loans of such funds to eligible recipients are considered expenditures. The total amount of loan funds disbursed to program participants for the year for rehabilitation was \$1,409,222.60 and none was disbursed for down payment assistance. The disbursements are presented in this Schedule. The amount of principal, interest and fees received in loan repayments for the year for rehabilitation was \$755,297.84 and \$49,013.84 for down payment assistance program.

Note 4– Program Costs

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the Authority's portion, are more than shown. Such expenditures are recognized following the cost principles contained Title 2 U.S. Code of Federal Regulations Part 2000, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

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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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