

Housing Authority of the City of Yakima

Yakima, Washington

Comprehensive Annual Financial Report

Year Ended

December 31, 2021



Housing Authority of the City of Yakima

Yakima, Washington

Comprehensive Annual Financial Report

Year Ended December 31, 2021



Issued by

Finance Department of the Housing Authority of the City of Yakima

Chanelle Murphy, Finance Director

Housing Authority of the City of Yakima

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Housing Authority of the City of Yakima

Yakima, Washington

Introductory Section:

Letter of Transmittal

Certificate of Achievement for Excellence in Financial Reporting

Organizational Chart

List of Principal Officials



***Building stronger communities
through our commitment to safe
and affordable housing***



“Committed to Safe and Affordable Housing”

July 27, 2022

Mr. Robert Ponti, Chairperson of the Board of Commissioners
Members of the Board of Commissioners of the Housing
Authority of the City of Yakima:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) for the Housing Authority of the City of Yakima (YHA) for the year ended December 31, 2021. This report is prepared in conformance with standards of financial reporting as established by the Governmental Accounting Standards Board and the Government Finance Officers Association. The U.S. Department of Housing and Urban Development (HUD) requires that all public housing authorities publish within nine months after the fiscal year-end, financial statements presented in conformity with U.S. Generally Accepted Accounting Principles (GAAP), YHA's financial statements presented here have been audited by Loveridge Hunt & Co, PLLC. *The auditors issued unmodified opinions on YHA's financial statements for the year ended December 31, 2021.* The data presented in this report is the responsibility of the management of YHA. To the best of our knowledge and belief, the data as presented is accurate in all material aspects; is presented in a manner designed to fairly state the financial position and results of operations of YHA; and all disclosures necessary have been included to enable the reader to gain an understanding of YHA's financial affairs. GAAP requires that management provide a narrative introduction, overview and analysis to complement the basic financial statements in the form of Management's Discussion and Analysis (MD&A).

YHA is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and U.S. and Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Information related to this single audit, including the independent auditors' report on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with Government Auditing Standards; the independent auditors' report on compliance with requirements applicable to each major program and on internal control over compliance in accordance with Uniform Guidance; the Schedule of Federal Awards; Schedule of Findings and Questioned Costs; Corrective Action Plan; and summary schedule of prior audit findings are included in the single audit section of this report.

Government Overview

This report includes all programs of YHA as well as all of its component units. Component units are legally separate entities for which a government is financially accountable. Although YHA maintains close ties with the City in several respects, YHA is not a component unit of the City as defined by the pronouncements of the Governmental Accounting Standards Board. The governing body for YHA is its Board of Commissioners (Board) comprised of five members appointed by the City of Yakima. The Board appoints an Executive Director to administer the affairs of YHA.

The primary source of funding for YHA is the U.S. Department of Housing and Urban Development (HUD). The City is not financially accountable for the operations of YHA, has no responsibility to fund deficits or receive surpluses, and has not guaranteed any of YHA's current debt.

YHA was created in 1977 to provide safe, decent, and sanitary housing for low-income families of Yakima in accordance with the rules and regulations prescribed by HUD and other federal agencies. YHA's goals are accomplished through a variety of housing programs and activities. These activities include several programs developed by the U.S. Department of Housing and Urban Development such as the Housing Choice Voucher program, also known as Section 8. In addition, YHA receives funding from the United States Department of Agriculture's Rural Development (USDA RD) to provide farm labor and rural housing in Yakima County.

Economic Condition and Outlook

Congressional housing legislation and the federal budget affect YHA more than local economic factors. YHA's primary source of funding is HUD. As with most housing authorities, a majority of YHA's operating and capital funding comes from a variety of federal sources in the form of operating subsidies, capital grant funds and Section 8 housing assistance payments. During calendar year 2021, HUD and other federal agencies provided approximately 77% of YHA's total revenues. For the Section 8 program, HUD provides housing authorities with a fixed annual budget for Housing Assistance Payments (HAP) and for administration fees.

In calendar year 2015, YHA completed the conversion of its public housing units through HUD's Rental Assistance Demonstration (RAD) program to Project-Based Vouchers (PBV). Beginning in January 2015, HUD transferred funding from public housing to Section 8 for YHA's units converted under RAD, eliminating YHA's reliance on public housing funding. Funding for the Section 8 program in calendar year 2021 was prorated at 99% and 80% of eligibility for HAP and administration fees, respectively.

Long-Term Planning and Major Commitments and Initiatives

YHA's mission is building stronger communities through YHA's commitment to safe and affordable housing. Every effort has been made by YHA to operate more efficiently and effectively in the coming year by becoming more innovative in its approach to development, maintenance and management of its units.

YHA broke ground on Chuck Austin Place, a new veterans' housing development at the former Yakima Armory site in July of 2020. The project began in 2016 as a result of YHA facing challenges of finding housing that accepts voucher payments from the federal Housing & Urban Development's Veterans Affairs Supportive Housing (VASH) program. The development was completed in July 2021 and has 14 studios, 17 one-bedroom and 10 two-bedroom apartments for formerly homeless veterans. The housing complex also contains approximately 12,000 square feet of service space that includes a dental and medical clinic, and other service providers. The former armory building was donated to YHA in 2017 when it became federal surplus property. The \$17.8 million project was funded with HOME funds from the City of Yakima (\$1.1 million), Washington State Department of Commerce Housing Trust Fund (\$2.0 million), LIHTC Equity (\$9.3 million), the Federal Home Loan Bank (\$750,000) and appropriations from the Washington State Department of Commerce (\$2.9 million). In addition, a rooftop solar panel installation was funded through a grant from Pacific Power's Blue Sky program (\$157,000) and Federal Solar Energy Tax Credits (\$78,500).

YHA started rehabilitation of 142 units of multi-family housing at the Valley 7 properties in March 2021. The total cost of the project is \$5,380,094, financed through United States Department of Agriculture's Multifamily Preservation and Rehabilitation (MPR) funding. The USDA RD MPR program is designed to make projects sustainable over a 20-year period through a combination of debt deferral, loans and grants. Rehabilitation work was completed in December 2021. Upgrades to playgrounds at the Valley 7 properties is to be completed in 2022.

Harmony Park and Mariposa Park rehabilitation began in April 2021 and was completed in July 2021. Rehabilitation was funded with a grant of \$588,720 for Mariposa Park and \$286,564 for Harmony Park from the State of Washington Department of Commerce's Preservation Program.

YHA started predevelopment for 64 beds of seasonal farm work housing at Cosecha Court II Phase III, which is the final of a three-phase project in Granger, WA. The total estimated cost of construction is \$3.5 million, with proposed funding from the Washington Department of Commerce and a private bank lender. The funding application is due to the Department of Commerce by September 2022, and if successful, work should commence in August 2023 with an anticipated end time of June 2024.

YHA is commencing work on Fruitvale Housing, which will include 54 units of housing, community space, and administrative space for YHA staff on a lot owned by YHA and adjacent to their current administrative building. Funding applications for this project were submitted in September 2021 and awards were announced in December 2021. Funding for this project includes the Washington State Department of Commerce Housing Trust Fund (\$3.5 million) and Low-Income Housing 9% Tax Credits through the Washington State Housing Finance Commission (\$11.8 million), City of Yakima HOME (\$300,000), City of Yakima CHIP (\$720,000) and a grant from the Department of Ecology for \$100,000. Construction is expected to commence in October 2022.

YHA continues to reaffirm its commitment to the homeless of Yakima County by setting aside one hundred and five of its Section 8 vouchers, or approximately \$380 thousand for HAP payments, to be project based for homeless families. YHA has partnered with local nonprofits, landlords and the Homeless Network of Yakima County in providing vouchers to help families adjust to living in permanent housing.

Financial Information

YHA management is responsible for establishing and maintaining an internal control structure designed to ensure that YHA's assets are protected from loss, theft, or misuse and that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with GAAP. YHA has designed its internal control structure to provide reasonable, but not absolute, assurances that those objectives are met.

The concept of reasonable assurance recognizes that: (1) the costs of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgment by management.

As a recipient of federal awards, YHA is responsible for ensuring that adequate internal controls are in place to provide compliance with applicable laws, regulations, contracts and grants related to those programs. Those internal controls are subject to periodic evaluation by management, and their independent auditors. As part of YHA's single audit, tests are made to determine the adequacy of the internal controls, including that portion related to federal award programs, as well as to learn whether YHA has complied with applicable laws, regulations, contracts and grants.

Other Information – Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to YHA for its Comprehensive Annual Financial Report for the year ended December 31, 2020. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such CAFR must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA.

Acknowledgments

Preparation of the Comprehensive Annual Financial Report on a timely basis was accomplished through the dedicated service of the entire staff of the Accounting department under the leadership of Chanelle Murphy, YHA's Finance Director. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. In closing, without the leadership and support of the members of the Board of Commissioners, preparation of this report would not have been possible.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lowel Krueger".

Lowel Krueger, CPA, MBA
Executive Director

A handwritten signature in black ink, appearing to read "Chanelle Murphy".

Chanelle Murphy
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Housing Authority of the City of Yakima
Washington**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

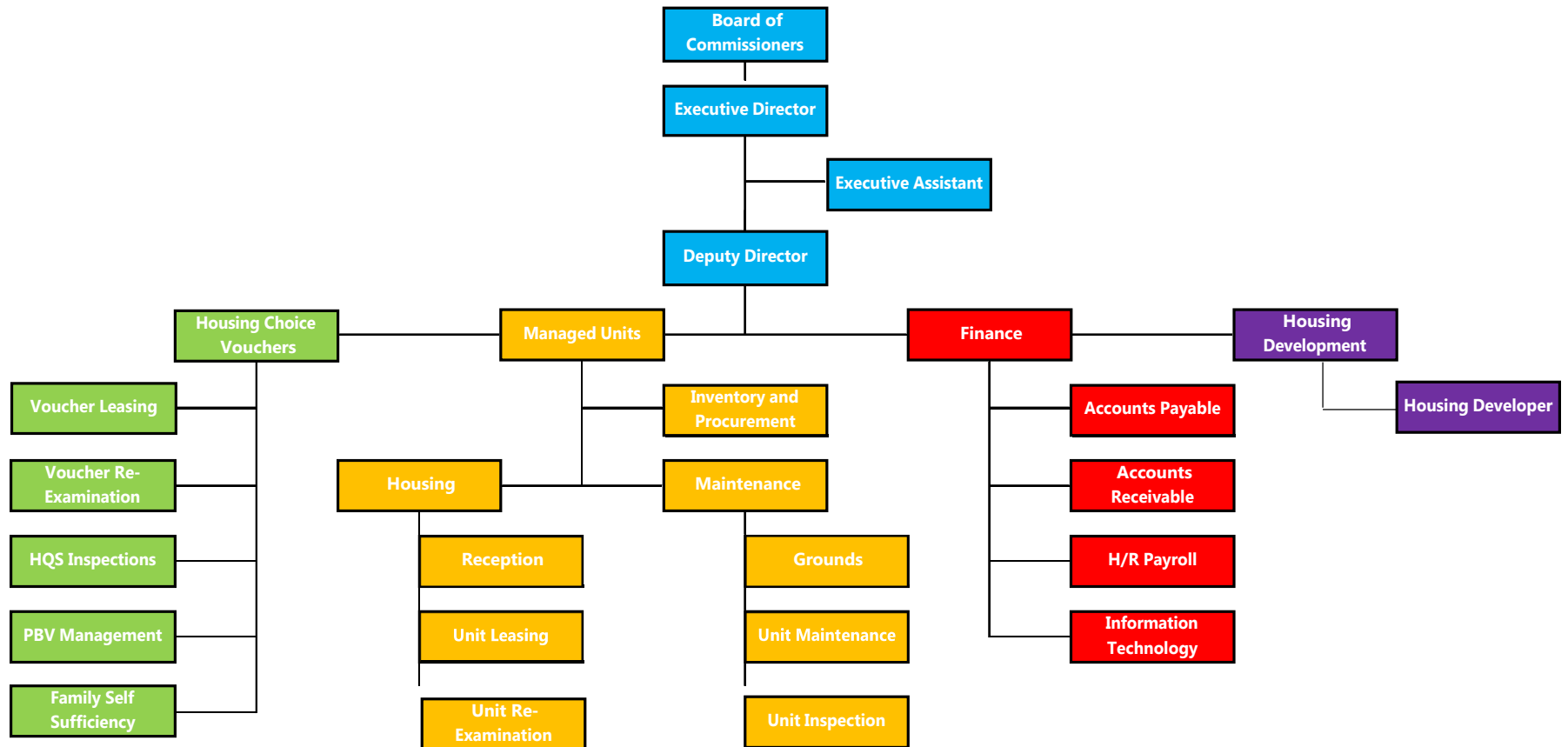
Christopher P. Morill

Executive Director/CEO

Housing Authority of the City of Yakima

Organizational Chart

December 31, 2021



Housing Authority of the City of Yakima

List of Principal Officials

December 31, 2021

Board of Commissioners:

Bob Ponti
Chairperson

Linda Orozco
Vice-Chairperson

Abby Bailey Grim
Commissioner

Nick Marquez
Commissioner

Juan (JC) Alvarado
Commissioner

Management:

Lowel Krueger, CPA, MBA
Executive Director

Chanelle Murphy
Finance Director

August (Ted) Layton
Deputy Director

Manuel Olivas
Maintenance Supervisor

Elsa Mendez
Housing Supervisor

Amanda Delp
Housing Choice Voucher Supervisor

Carlos Reyes
Family Self Sufficiency Supervisor

Susan Wilson
Housing Development Manager



Loveridge Hunt & Co., PLLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of the business-type activities, the aggregate discretely presented component units of the Housing Authority of the City of Yakima, (the Authority), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities, the aggregate discretely presented component units of the Authority, as of December 31, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Yakima Affordable Housing LLLP, Toppenish Family Housing LLC, YHA Family Housing LLC and Yakima Veterans Housing LLLP, which represent 100 percent, 100 percent, and 100 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units as of December 31, 2021. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Housing Authority of the City of Yakima, based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the aggregate discretely presented component units, except for Yakima Affordable Housing LLLP, were not audited in accordance with *Government Auditing Standards*.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 opinions.

INDEPENDENT AUDITOR'S REPORT - (CONTINUED)

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 could reasonably be expected to influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- 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.

INDEPENDENT AUDITOR'S REPORT - (CONTINUED)

We are required to 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 on pages 5 to 12, 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.

Other 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 introductory section, combining financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Awards Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), the Financial Data Schedule is presented for the purpose of additional analysis as required by HUD, the Rural Assistance Programs Combining Financial Statements are presented for the purpose of additional analysis as required by RD, and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards, the supplemental data and financial schedules of individual programs are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

INDEPENDENT AUDITOR'S REPORT - (CONTINUED)

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 27, 2022, 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 for the year ended December 31, 2021. 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.

Loveridge Hunt & Co., PLLC

Bellevue, Washington

July 27, 2022

Housing Authority of the City of Yakima

Management's Discussion and Analysis

December 31, 2021

This narrative overview and analysis of the Housing Authority of the City of Yakima's (YHA) performance for the year ended December 31, 2021 is provided as supplement to YHA's financial statements. Please read it in conjunction with the transmittal letter at the beginning of this report, the basic financial statements following this section, and the notes to the basic financial statements. The management's discussion and analysis is presented in conformance with the Government Accounting Standards Board (GASB) financial reporting model as set forth in GASB Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, as amended by GASB Statement No. 37, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus*.

As required under accounting principles generally accepted in the United States of America, YHA uses the accrual basis of accounting to prepare its basic financial statements. Under this basis of accounting, revenues are recognized in the period in which they are earned and expenses, including depreciation, are recognized in the period in which they are incurred. All assets and liabilities associated with the operations of YHA are included in the statements of net position.

FINANCIAL HIGHLIGHTS

- Total net position increased by approximately \$5.7 million from December 31, 2020 to December 31, 2021. This is a result of revenues exceeding expenses, primarily due to increases in funding that exceed increases in expenses.
- As of December 31, 2021, the assets of YHA exceeded liabilities by approximately \$33.3 million (net position). Of this amount, approximately \$19 million (unrestricted net position) may be used to meet ongoing obligations, \$11.9 million is net investment in capital assets and \$2.4 million is restricted as to its allowable usage. As of December 31, 2020, the assets of YHA exceeded liabilities by approximately \$27.5 million (net position). Of this amount, approximately \$16.5 million (unrestricted net position) may be used to meet ongoing obligations, \$8.6 million is net investment in capital assets and \$2.4 million is restricted as to its allowable usage.
- Current and noncurrent assets increased by approximately \$8.5 million (20%) from December 31, 2020 to December 31, 2021. The increase is due to debt attributed to construction in progress for multiple projects in development along with an additional notes receivable.
- Current and noncurrent liabilities increased by approximately \$2.8 million (20%) from December 31, 2020 to December 31, 2021. The increase is due to debt attributed to long-term debt for acquisitions and construction.
- December 31, 2021 operating revenues increased by approximately \$1.3 million (12%) in comparison to the prior period. The increase relates to an increase in tenant rental and intergovernmental revenue.
- December 31, 2021 operating expenses increased by approximately \$1.1 million (10%) in comparison to the prior period. The increase relates to an increase in housing assistance payments, maintenance and operations costs and utilities.
- Nonoperating revenues, net of nonoperating expenses, and income before other revenues, expenses, gains, losses, and transfers increased by approximately \$3 million (107%) from December 31, 2020 to December 31, 2021. This increase is predominantly due to intergovernmental revenue received.

Housing Authority of the City of Yakima

Management's Discussion and Analysis

December 31, 2021

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to YHA's basic financial statements. YHA's basic financial statements are comprised of two components: 1) the basic financial statements and 2) notes to the basic financial statements that provide additional disclosure of some of the information in the basic financial statements.

The **Statements of Net Position** include all of YHA's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to YHA creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of YHA and assessing the liquidity and financial flexibility of YHA.

The **Statements of Revenues, Expenses, and Changes in Net Position** present all of the current period's revenues and expenses. These statements can be used to measure the success of YHA's operations over the past year, its financial position and can be used to determine YHA's overall profitability, financial strength and credit worthiness.

The **Statements of Cash Flows** provide information about YHA's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities and provides information regarding where cash came from, what cash was used for, and what the change was in cash balances during the reporting period.

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

Combining Financial Schedules – present all of the financial information included in the Statements of Net Position and Revenues, Expenses, and Changes in Net Position by individual program with eliminations of interfund transactions.

Notes to Combining Schedules – provide a description of the different programs individually presented in the Combining Financial Schedules.

Housing Authority of the City of Yakima

Management's Discussion and Analysis

December 31, 2021

FINANCIAL ANALYSIS

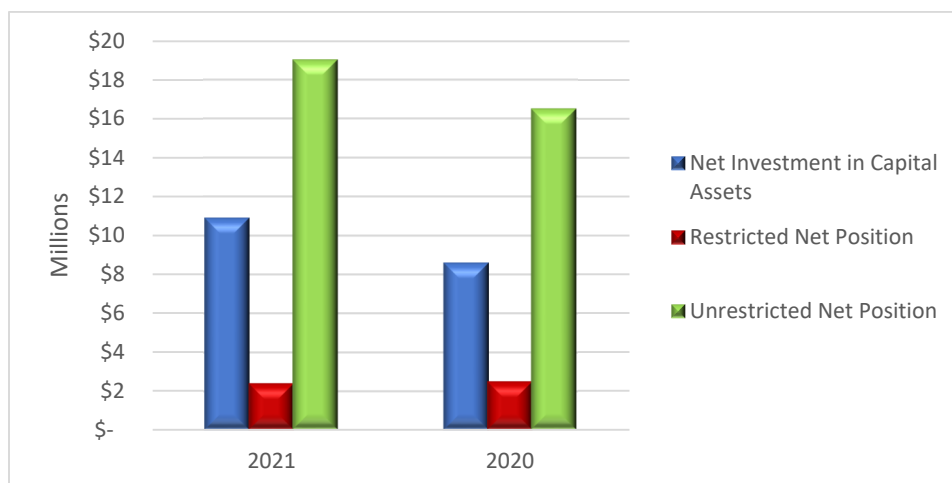
Net Position

The following table represents the condensed Statements of Net Position compared to prior periods:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Current assets, unrestricted	\$ 7,426,905	\$ 6,380,073
Other current assets, restricted	2,991,228	3,151,812
Non-current assets	12,114,255	10,731,796
Capital assets, net	<u>28,003,691</u>	<u>21,700,950</u>
Total assets	<u>\$ 50,536,079</u>	<u>\$ 41,964,631</u>
Current and other liabilities	\$ 668,666	\$ 1,068,136
Current liabilities payable from restricted assets	561,527	458,661
Long-term liabilities	<u>16,010,145</u>	<u>12,889,765</u>
Total liabilities	<u>17,240,338</u>	<u>14,416,562</u>
Net Position		
Net investment in capital assets	11,847,270	8,569,998
Restricted net position	2,434,980	2,473,430
Unrestricted net position	<u>19,013,491</u>	<u>16,477,758</u>
Total net position	<u>33,295,741</u>	<u>27,548,069</u>
Total liabilities and net position	<u>\$ 50,536,079</u>	<u>\$ 41,964,631</u>

Total assets of YHA at December 31, 2021 and 2020 amounted to \$50.5 and \$41.9 million, respectively. The following presents the **Statements of Net Position** in graphical form:

Net Position



Housing Authority of the City of Yakima

Management's Discussion and Analysis

December 31, 2021

Unrestricted current assets are comprised of cash, receivables, investments, prepaid items, due from other funds and inventories. Unrestricted current assets are approximately 16% higher at December 31, 2021 than December 31, 2020, which represents an increase of approximately \$1 million.

Restricted current assets are comprised of cash and investments that are restricted for repayment of security deposits, and federal funding that was unspent at the end of the year. December 31, 2021 restricted current assets decreased by approximately \$161 thousand (5%) in comparison to December 31, 2020 primarily due to a decrease in restricted cash related to CARES Act Funding in 2020.

Capital assets include land, buildings, building improvements, furniture, equipment and machinery, and construction in progress and are shown net of accumulated depreciation. Capital assets increased by approximately \$6.3 million (23%) from December 31, 2020 to December 31, 2021, as a result of construction in progress and additional capitalized assets for ongoing projects.

Total liabilities of YHA, which are segregated between current and noncurrent portions, amounted to approximately \$17.2 million and \$14.4 million at December 31, 2021 and December 31, 2020, respectively.

Current liabilities consist of accounts payable, accrued wages and payroll taxes, compensated absences, accrued interest, unearned revenue, accrued liabilities, short-term note payables, due to other funds and current portion of notes payable. Current liabilities decreased from December 31, 2020 to December 31, 2021 by approximately \$400 thousand (37%) and was primarily due to an decrease in construction payables.

Current liabilities payable from restricted assets primarily consist of tenant security deposits and restricted, unspent funds from the federal government. These liabilities increased by \$103 thousand (22%) from December 31, 2020 to December 31, 2021. The increase is due to an increase in FSS deposits.

Long-term liabilities consist of notes payable and the long-term portion of compensated absences. The increase in long-term liabilities from December 31, 2020 to December 31, 2021 was approximately \$3.1 million (20%) and is attributed to borrowings for construction, off set by debt repayments.

Net position represents the equity of YHA after liabilities are subtracted from assets. Net position is divided into three major categories.

The first category, net investment in capital assets, shows YHA's equity in land, buildings, building improvements, furniture, equipment and machinery, and construction in progress, net of related outstanding debt. The second category, restricted net position, has external limitations on the way in which these assets can be used. The last category, unrestricted net position, is available to be used for any lawful and prudent YHA purpose. Total net position of YHA increased by approximately \$5.7 million from December 31, 2020 to December 31, 2021.

YHA's current ratio reflects the relationship between current assets and current liabilities and is a measure of YHA's ability to pay short-term obligations. At December 31, 2021 and December 31, 2020, YHA's current ratios were 8.5:1 and 6.2:1, respectively.

Housing Authority of the City of Yakima

Management's Discussion and Analysis

December 31, 2021

Revenues, Expenses and Changes in Net Position

The following table compares the revenue and expenses for the current and previous periods:

	<u>Dec. 31, 2021</u>	<u>Dec. 31, 2020</u>
Revenue:		
Intergovernmental revenue - Operating	\$ 8,889,027	\$ 8,134,603
Tenant and other	3,736,408	3,126,025
Intergovernmental revenue - Nonoperating	5,496,578	2,454,651
Investment revenue - Nonoperating	<u>561,386</u>	<u>542,770</u>
Total revenue	<u>18,665,317</u>	<u>14,258,049</u>
Expenses:		
Administration	1,987,705	1,834,732
Utilities	520,219	464,907
Ordinary maintenance and operation	1,505,435	1,070,745
General expenses	243,307	352,482
Payments in lieu of taxes	4,917	4,918
Housing assistance payments	7,684,013	6,902,117
Depreciation	763,066	840,698
Interest expense - Nonoperating	<u>208,983</u>	<u>165,530</u>
Total expenses	<u>12,917,645</u>	<u>11,740,196</u>
Income (Loss) Before Contributions, Transfers, Extraordinary And Special Items	5,747,672	2,517,853
Capital grants, contributions and special items	<u>-</u>	<u>(905)</u>
Increase in net position	5,747,672	2,516,948
Net position, beginning of year	<u>27,548,069</u>	<u>25,031,121</u>
Net position, end of year	<u>\$ 33,295,741</u>	<u>\$ 27,548,069</u>

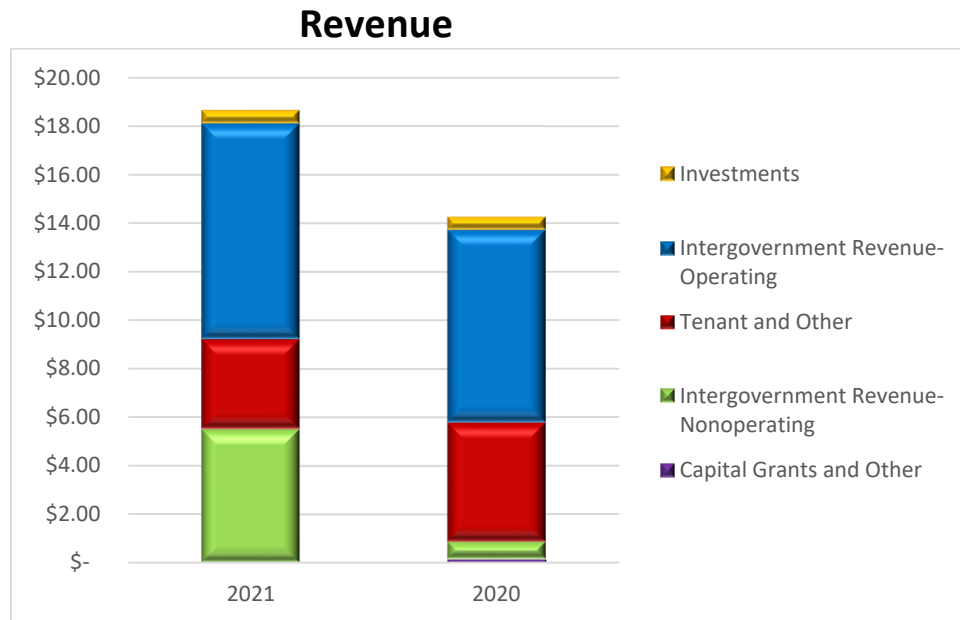
Revenues increased by approximately \$4.4 million (24%) from December 31, 2020 to December 31, 2021. The increase is primarily due to subsidies and nonoperating intergovernmental revenue.

Housing Authority of the City of Yakima

Management's Discussion and Analysis

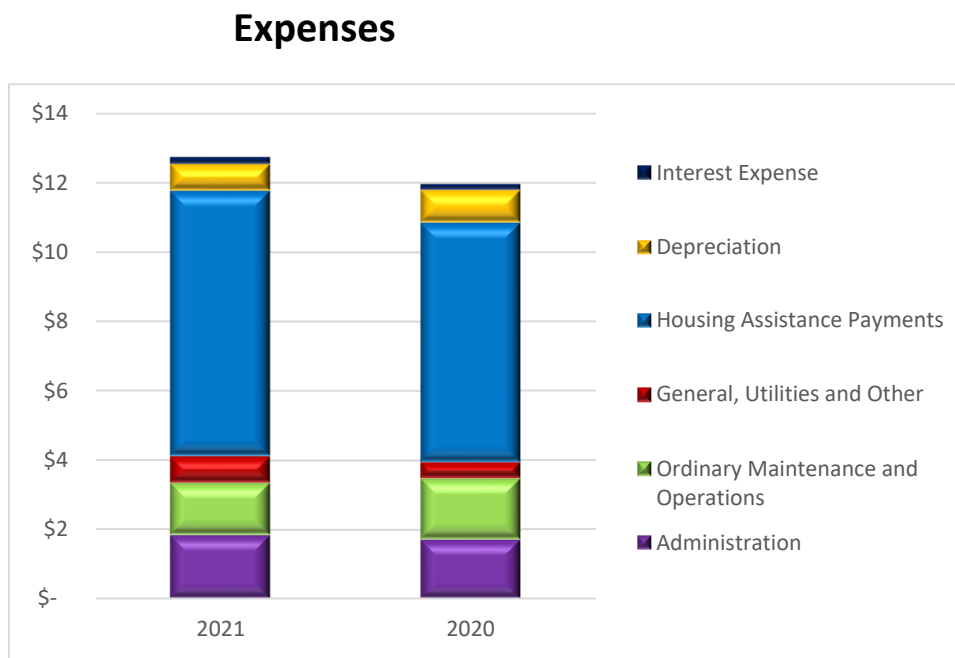
December 31, 2021

The following compares the revenues for the current and previous fiscal years in graphical format:



Expenses increased by approximately \$1.2 million (9%) from December 31, 2020 to December 31, 2021. The most significant changes during the year are primarily due to increased housing assistance payments, and maintenance expenses.

The following compares the expenses for the current and previous periods in graphical format:



Housing Authority of the City of Yakima

Management's Discussion and Analysis

December 31, 2021

Capital Assets and Debt Administration

YHA's capital assets are summarized in the table below:

	<u>December 31, 2021</u>	<u>December 31, 2020</u>
Land	\$ 2,804,896	\$ 2,726,311
Buildings	33,646,450	26,212,324
Furniture, equipment & machinery - dwellings	885,494	885,494
Furniture, equipment & machinery - administration	805,478	742,503
Construction in progress	<u>4,713,262</u>	<u>5,223,140</u>
Total capital assets	42,855,580	35,789,772
Less accumulated depreciation	<u>(14,851,889)</u>	<u>(14,088,822)</u>
Net capital assets	<u>\$ 28,003,691</u>	<u>\$ 21,700,950</u>

Net capital assets increased by approximately \$6.3 million (23%) from December 31, 2020 to December 31, 2021. The most significant capital asset transactions during the year-ended December 31, 2021 were the Rural Assistance Program additions to buildings and construction in progress. Additional information on YHA's capital assets can be found in Note 5 to the basic financial statements.

All debt service payments were made in 2021 and 2020 as scheduled. Long-term debt has been incurred by YHA in order to complete multiple construction and rehabilitation projects to provide low-income families with housing. Additional information on YHA's long-term debt can be found in Note 7 to the basic financial statements.

ECONOMIC FACTORS AFFECTING YHA'S FUTURE

The majority of YHA's funding is from federal agencies in the form of housing choice vouchers, tenant subsidy payments, and other various grants. Due to the conversion of its public housing units (utilizing the HUD RAD program) to Section 8 project-based vouchers, 2021 is the eighth year YHA has not received public housing subsidy and received Section 8 funding only. In 2021, Section 8 HAP was prorated at 99% of eligibility. Based on HUD's funding letters and contracts with HUD, it is anticipated that most HUD programs will continue to receive renewal funding including the housing choice voucher program, which is YHA's largest housing program, serving over 1,000 families.

Congress and the federal government continue to cut federal subsidies due to federal budget priorities. The reduced funding shift continues to have an impact on YHA's economic position because federal housing dollars make up the largest source of revenue for YHA. During 2021, YHA earned \$9.6 million in federal assistance.

Due to the COVID-19 pandemic that began in 2020, using the CARES Act passed by Congress, HUD allocated additional funding to assist Public Housing Authorities (PHA's) with maintaining their programs during a difficult economic time for many American families. Between the Section 8 and Mainstream programs, HUD dispersed \$348 thousand to YHA during 2020, and YHA spent all funds during 2020 and 2021.

In addition, a majority of YHA's \$10.8 million of net capital assets as of December 31, 2021 were acquired and/or developed over the years with financial assistance from HUD and USDA RD. Such assistance has typically come with use restrictions and generally limits YHA's ability to encumber or leverage financing against HUD or USDA RD properties in its portfolio.

Housing Authority of the City of Yakima

Management's Discussion and Analysis

December 31, 2021

REQUESTS FOR INFORMATION

This financial report is designed to provide the reader with a general overview of YHA's finances and to demonstrate YHA's financial accountability over its resources. Questions concerning any of the information provided in this report or requests for additional financial information, including the audited financial statements of the component units, should be addressed to:

Lowel Krueger, CPA, MBA
Executive Director

Chanelle Murphy
Finance Director

Phone:
509.453.3106

Physical address:
810 N. 6th Avenue Yakima, WA 98902

Website:
www.yakimahousing.org

Housing Authority of the City of Yakima

Schedule of Net Position

December 31, 2021

	Primary Government	Discretely Presented Component Unit
Assets		
<i>Current Assets:</i>		
Cash and cash equivalents - unrestricted	\$ 4,588,906	\$ 361,826
Accounts receivables, net of allowance	2,832,629	96,831
Prepaid expenses and other assets	2,041	36,606
Inventories	3,329	-
	<u>7,426,905</u>	<u>495,263</u>
<i>Restricted Assets:</i>		
Cash and cash equivalents - other restricted	775,455	-
Cash - tenant security deposits	65,749	81,160
Investments - restricted	2,150,024	2,348,494
	<u>2,991,228</u>	<u>2,429,654</u>
Total current assets	<u>10,418,133</u>	<u>2,924,917</u>
<i>Noncurrent Assets:</i>		
Investment in Component Units	766,659	-
Loans Receivable from Component Units	11,347,596	-
<i>Capital assets:</i>		
Land	2,804,896	1,752,064
Buildings	33,646,450	46,992,008
Furniture, equipment and machinery - dwellings	885,494	884,088
Furniture, equipment and machinery - admin	805,478	-
Accumulated depreciation	(14,851,889)	(7,606,069)
Construction in progress	4,713,262	-
Total noncurrent assets	<u>40,117,946</u>	<u>42,022,091</u>
Total assets	<u>\$ 50,536,079</u>	<u>\$ 44,947,008</u>

See notes to the basic financial statements

Housing Authority of the City of Yakima

Schedule of Net Position (continued)

December 31, 2021

	Primary Government	Discretely Presented Component Unit
Liabilities and Net Position		
<i>Current Liabilities:</i>		
Accounts payable less than 90 days	\$ 12,751	\$ 21,691
Construction payable less than 90 days	141,681	-
Accrued wages and payroll taxes	31,267	13,024
Accrued compensated absences - current	114,732	33,095
Accrued interest payable	-	2,124,705
Accrued liabilities - other	-	825,440
Unearned income	157,735	20,192
Current portion of long term debt	210,500	65,764
	<u>668,666</u>	<u>3,103,911</u>
<i>Payables from Restricted Assets:</i>		
Accounts payable - other government	5,279	-
FSS Escrow deposit	490,499	-
Tenant security deposits	65,749	81,160
	<u>561,527</u>	<u>81,160</u>
Total current liabilities	<u>1,230,193</u>	<u>3,185,071</u>
<i>Noncurrent Liabilities:</i>		
Long-term debt, net of current	15,945,921	24,723,439
Accrued compensated absences, net of current	12,747	3,677
Other noncurrent liabilities	51,477	2,578,434
Total noncurrent liabilities	<u>16,010,145</u>	<u>27,305,550</u>
Total liabilities	<u>17,240,338</u>	<u>30,490,621</u>
<i>Net Position:</i>		
Net investment in capital assets	11,847,270	17,232,888
Restricted for:		
Grantor requirements	2,306,797	-
Required reserves	128,183	2,347,914
Unrestricted net position	19,013,491	(5,124,415)
Total net position	<u>33,295,741</u>	<u>14,456,387</u>
Total liabilities and net position	<u>\$ 50,536,079</u>	<u>\$ 44,947,008</u>

See notes to the basic financial statements

Housing Authority of the City of Yakima

Schedule of Revenues, Expenses and Changes in Net Position for the fiscal period ending December 31, 2021

	Primary Government	Discretely Presented Component Unit
<i>Operating Revenue:</i>		
Intergovernmental revenue	\$ 8,889,027	\$ 747,689
Net tenant rental revenue	2,087,919	1,100,091
Other revenue	1,591,334	25,794
Other tenant revenue	39,073	-
Total operating revenue	12,607,353	1,873,574
<i>Operating Expenses:</i>		
Administrative:		
Administrative wages	1,062,977	157,880
Professional fees	69,004	61,747
Employee benefit contributions	356,539	62,350
Other operating - administrative	180,064	420,683
Tenant services	319,121	26,111
	1,987,705	728,771
Utilities:		
Electricity	80,390	60,967
Other utilities expense	7,240	12,685
Sewer	206,776	100,491
Water	225,813	94,603
	520,219	268,746
Ordinary maintenance and operations:		
Contract costs	797,063	462,486
Employee benefit contributions	128,292	78,540
Maintenance and operations wages	404,566	67,756
Materials and other	175,514	95,163
	1,505,435	703,945
General expenses:		
Depreciation expense	763,066	1,251,792
Amortization expense	-	148,548
Housing assistance payments	7,684,013	-
Insurance premiums	110,708	98,018
Bad debt - tenant rents	47,808	23,105
Other general expenses	79,216	188,135
Protective services contract costs	5,575	-
Payments in lieu of taxes	4,917	-
	8,695,303	1,709,598
Total operating expenses	12,708,662	3,411,060
<i>Operating Income (Loss)</i>	\$ (101,309)	\$ (1,537,486)

See notes to the basic financial statements

Housing Authority of the City of Yakima

Schedule of Revenues, Expenses and Changes in Net Position (continued)

December 31, 2021

	Primary Government	Discretely Presented Component Unit
<i>Operating Income (Loss) (continued)</i>	\$ (101,309)	\$ (1,537,486)
<i>Nonoperating Revenue (Expenses):</i>		
Interest expense	(208,983)	(907,470)
Intergovernmental revenue	4,627,777	656,386
Investment revenue - restricted	148	86
Investment revenue - unrestricted	561,238	427
Total nonoperating revenue (expenses)	4,980,180	(250,571)
<i>Income (Loss) Before Contributions, Transfers, Extraordinary and Special Items</i>	4,878,871	(1,788,057)
<i>Increase (Decrease) in Net Position</i>	4,878,871	(1,788,057)
<i>RD contribution</i>	868,801	
<i>Capital contribution</i>	-	39,700
<i>Net Position, Beginning of Year</i>	27,548,069	16,204,744
<i>Net Position, End of Year</i>	\$ 33,295,741	\$ 14,456,387

See notes to the basic financial statements

Housing Authority of the City of Yakima

Schedule of Cash Flows for the fiscal period ending December 31, 2021

	Primary Government
<i>Cash Flows from Operating Activities:</i>	
Cash Received from HUD and Other Governments	\$ 8,795,742
Cash Received from Tenants	2,222,322
Cash Received from Other	789,156
Cash Payments for Housing Assistance Payments	(7,684,014)
Cash Payments for Administrative	(1,986,532)
Cash Payments for Other Operating Expenses	(2,255,411)
Net Cash Provided by Operating Activities	(118,737)
<i>Cash Flows from Noncapital Financing Activities</i>	
Intergovernmental grants and contracts	5,496,578
Change in construction accounts payable	(159,113)
Change in loan receivable	(1,382,524)
Net Cash Provided by Noncapital Financing Activities	3,954,941
<i>Cash Flows from Capital and Related Financing Activities</i>	
Proceeds from Long-Term Debt	3,505,485
Principal Payments on Long-Term Debt	(463,807)
Interest Payments	(208,983)
Net Change on Short-Term Borrowings	10,674
Acquisition of Capital Assets	(7,065,808)
Net Cash Used by Capital and Other Related Financing Activities	(4,222,439)
<i>Cash Flows from Investing Activities</i>	
Investment Revenue	208,981
Net Cash Provided by Investing Activities	208,981
<i>Net Decrease in Cash and Cash Equivalents</i>	(177,254)
<i>Cash and Cash Equivalents Beginning</i>	7,757,388
<i>Cash and Cash Equivalents Ending</i>	\$ 7,580,134
<i>Cash and Cash Equivalents consist of:</i>	
Cash - unrestricted	\$ 4,588,906
Cash - restricted	775,455
Tenant security deposits	65,749
Investments - restricted	2,150,024
	\$ 7,580,134

See notes to the basic financial statements

Housing Authority of the City of Yakima

Schedule of Cash Flows (Continued)

December 31, 2021

	Primary Government
<i>Reconciliation of Operating Loss to Net Cash provided by Operating Activities:</i>	<u>\$ (101,309)</u>
Operating loss	
<i>Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities:</i>	
Depreciation	763,067
(Increase) decrease in cash due to changes in assets:	
Receivables	(732,253)
Prepaid expenses and other assets	(2,041)
Inventories	23,262
Increase (decrease) in cash due to changes in liabilities:	
Accounts payable	(80,217)
Accrued wages and taxes payable	(9,415)
Accrued liabilities - other	(102,249)
Compensated absences	14,588
Tenant security deposits	2,143
FSS escrow deposits	<u>105,687</u>
Total adjustments	<u>(17,428)</u>
<i>Net Cash Provided by Operating Activities</i>	<u><u>\$ (118,737)</u></u>

See notes to the basic financial statements

Housing Authority of the City of Yakima

Combining Balance Sheet – Discretely Presented Component Units

December 31, 2021

	YHA Family Housing, LLC	Toppenish Family Housing, LLC	Yakima Affordable Housing, LLLP	Yakima Veterans, LLLP	Total
Assets					
<i>Current Assets:</i>					
Cash and cash equivalents - unrestricted	\$ 171,391	\$ 72,977	\$ 117,458	\$ -	\$ 361,826
Accounts receivables, net of allowance	30,330	7,136	56,632	2,733	96,831
Prepaid expenses and other assets	-	-	-	36,606	36,606
	201,721	80,113	174,090	39,339	495,263
<i>Restricted Assets:</i>					
Cash - tenant security deposits	40,075	8,700	27,375	5,010	81,160
Investments - restricted	1,510,845	428,794	408,699	156	2,348,494
	1,550,920	437,494	436,074	5,166	2,429,654
Total current assets	1,752,641	517,607	610,164	44,505	2,924,917
<i>Noncurrent Assets:</i>					
Capital assets:					
Land	1,500,000	188,758	-	63,306	1,752,064
Buildings	17,617,393	6,046,468	10,063,458	13,264,689	46,992,008
Furniture, equipment and machinery - dwellings	172,413	48,811	168,784	494,080	884,088
Accumulated depreciation	(4,875,364)	(987,313)	(1,575,402)	(167,990)	(7,606,069)
Total noncurrent assets	14,414,442	5,296,724	8,656,840	13,654,085	42,022,091
Total assets	\$ 16,167,083	\$ 5,814,331	\$ 9,267,004	\$ 13,698,590	\$ 44,947,008

See notes to the basic financial statements

Housing Authority of the City of Yakima

Combining Balance Sheet – Discretely Presented Component Units (continued)

December 31, 2021

	YHA Family Housing, LLC	Toppenish Family Housing, LLC	Yakima Affordable Housing, LLLP	Yakima Veterans, LLLP	Total
Liabilities and Net Position					
<i>Current Liabilities:</i>					
Accounts payable less than 90 days	\$ 2,692	\$ 143	\$ 3,191	\$ 15,665	\$ 21,691
Accrued wages and payroll taxes	6,845	523	2,503	3,153	13,024
Accrued compensated absences - current portion	17,787	1,172	8,099	6,037	33,095
Accrued interest payable	1,229,035	127,268	739,070	29,332	2,124,705
Accrued liabilities - other	-	-	-	825,440	825,440
Unearned income	13,487	2,744	3,898	63	20,192
Current portion of long term debt			65,764		65,764
	1,269,846	131,850	822,525	879,690	3,103,911
<i>Payables from Restricted Assets:</i>					
Tenant security deposits	40,075	8,700	27,375	5,010	81,160
	40,075	8,700	27,375	5,010	81,160
Total current liabilities	1,309,921	140,550	849,900	884,700	3,185,071
<i>Noncurrent Liabilities:</i>					
Long-term debt, net of current	5,873,120	2,100,000	4,336,820	12,413,499	24,723,439
Accrued compensated absences, net of current	1,976	130	900	671	3,677
Other noncurrent liabilities	-	-	2,350,000	228,434	2,578,434
Total noncurrent liabilities	5,875,096	2,100,130	6,687,720	12,642,604	27,305,550
Total liabilities	7,185,017	2,240,680	7,537,620	13,527,304	30,490,621
<i>Net Position:</i>					
Net investment in capital assets	8,541,322	3,196,724	4,254,256	1,240,586	17,232,888
Restricted for:					
Required reserves	1,510,265	428,794	408,699	156	2,347,914
Unrestricted net position	(1,069,521)	(51,867)	(2,933,571)	(1,069,456)	(5,124,415)
Total net position	8,982,066	3,573,651	1,729,384	171,286	14,456,387
Total liabilities, deferred inflow of resources and net position	\$ 16,167,083	\$ 5,814,331	\$ 9,267,004	\$ 13,698,590	\$ 44,947,008

See notes to the basic financial statements

Housing Authority of the City of Yakima

Schedule of Revenues, Expenses and Changes in Net Position for the fiscal period ending December 31, 2021

	YHA Family Housing, LLC	Toppenish Family Housing, LLC	Yakima Affordable Housing, LLLP	Yakima Veterans, LLLP	Total
<i>Operating Revenue:</i>					
Intergovernmental revenue	\$ 747,689	\$ -	\$ -	\$ -	\$ 747,689
Net tenant rental revenue	600,953	202,247	275,206	21,685	1,100,091
Other revenue	18,975	1,617	4,752	450	25,794
Total operating revenue	1,367,617	203,864	279,958	22,135	1,873,574
<i>Operating Expenses:</i>					
Administrative:					
Administrative wages	71,543	5,340	56,763	24,234	157,880
Professional fees	20,156	10,954	24,739	5,898	61,747
Employee benefit contributions	28,423	4,219	22,057	7,651	62,350
Other operating - administrative	240,290	34,557	115,459	30,377	420,683
Tenant services	-	17,389	-	8,722	26,111
	360,412	72,459	219,018	76,882	728,771
Utilities:					
Electricity	12,718	998	44,021	3,230	60,967
Other utilities expense	615	58	10,858	1,154	12,685
Sewer	50,835	28,658	19,476	1,522	100,491
Water	61,498	22,062	10,272	771	94,603
	125,666	51,776	84,627	6,677	268,746
Ordinary maintenance and operations:					
Contract costs	268,629	53,692	126,808	13,357	462,486
Employee benefit contributions	50,163	5,967	12,840	9,570	78,540
Maintenance and operations wages	39,509	8,358	5,797	14,092	67,756
Materials and other	62,639	14,248	14,415	3,861	95,163
	420,940	82,265	159,860	40,880	703,945
General expenses:					
Depreciation expense	633,518	171,939	278,345	167,990	1,251,792
Amortization expense	-	-	-	148,548	148,548
Insurance premiums	42,546	10,321	32,075	13,076	98,018
Bad debt - tenant rents	16,895	-	6,210	-	23,105
Other general expenses	45,949	2,800	13,038	126,348	188,135
	738,908	185,060	329,668	455,962	1,709,598
Total operating expenses	1,645,926	391,560	793,173	580,401	3,411,060
<i>Operating Income (Loss)</i>	\$ (278,309)	\$ (187,696)	\$ (513,215)	\$ (558,266)	\$ (1,537,486)

See notes to the basic financial statements

Housing Authority of the City of Yakima

Schedule of Revenues, Expenses and Changes in Net Position (continued)

December 31, 2021

	YHA Family Housing, LLC	Toppenish Family Housing, LLC	Yakima Affordable Housing, LLLP	Yakima Veterans, LLLP	Total
<i>Operating Income (Loss) (continued)</i>	\$ (278,309)	\$ (187,696)	\$ (513,215)	\$ (558,266)	\$ (1,537,486)
<i>Nonoperating Revenue (Expenses):</i>					
Interest expense	(366,202)	(22,050)	(380,076)	(139,142)	(907,470)
Intergovernmental revenue	-	-	608,242	48,144	656,386
Investment revenue - restricted	-	-	86	-	86
Investment revenue - unrestricted	337	59	31	-	427
Total nonoperating revenue (expenses)	(365,865)	(21,991)	228,283	(90,998)	(250,571)
<i>Loss Before Contributions, Transfers, Extraordinary and Special Items</i>	(644,174)	(209,687)	(284,932)	(649,264)	(1,788,057)
<i>Capital contribution</i>	-	122,200	-	(82,500)	39,700
<i>Capital grants</i>	-	-	-	-	-
<i>Increase (Decrease) in Net Position</i>	(644,174)	(87,487)	(284,932)	(731,764)	(1,748,357)
<i>Net Position, Beginning of Year</i>	9,626,240	3,661,138	2,014,316	903,050	16,204,744
<i>Net Position, End of Year</i>	\$ 8,982,066	\$ 3,573,651	\$ 1,729,384	\$ 171,286	\$ 14,456,387

See notes to the basic financial statements

Housing Authority of the City of Yakima

Notes to Basic Financial Statements

December 31, 2021

NOTE 1 — ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Organization:

The Housing Authority of the City of Yakima (YHA) is a corporate body created by Resolution No. D-1575 in 1977 by the City of Yakima. The City of Yakima created YHA per Washington State Revised Code Chapter 35.82. YHA was created to provide safe, decent, and sanitary housing for low- and moderate-income residents of the City of Yakima, Washington. YHA administers multiple U.S. Department of Housing and Urban Development (HUD) programs and U.S. Department of Agriculture Rural Development (USDA RD) programs, the funding from which consists of approximately 90% of total revenue, and funds many of the key services provided by YHA.

Reporting entity:

YHA is a public corporation. YHA's five-member Board of Commissioners is appointed by the Yakima City Council and is a legally separate agency from the City of Yakima. The City does not have the ability to affect the operations of YHA, nor does YHA provide a financial benefit to, or impose a financial burden on the City.

As defined by accounting principles generally accepted in the United States of America (GAAP), the reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component units' board, and either (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government, or (c) the component unit is financially dependent on the primary government.

In determining how to define the reporting entity, management has considered all potential component units. The determination to include a component unit in the reporting entity was made by applying the criteria set forth in Governmental accounting and Financial Reporting Standards and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and no. 34*. These criteria include: financial accountability; appointment of a voting majority; imposition of will; financial benefit to or burden on a primary organization; financial accountability as a result of fiscal dependency; potential for dual inclusion; and organizations included in the reporting entity although the primary organization is not financially accountable. It was determined that YHA Family Housing, LLC, Toppenish Family housing LLC, Yakima Affordable Housing, LLLP, and Yakima Veterans Housing, LLLP are appropriately treated as component units due to them being separate legal entities, but YHA is still able to impose their will, and there is a financial benefit/burden between the organizations. The entities are reported as discretely presented component units, as they did not meet the criteria for blending.

Discretely Presented Component Units:

YHA's discretely presented component units include the limited liability partnerships/companies below. These entities follow all applicable FASB standards. Since they do not follow governmental accounting, for presentation purposes, certain transactions may be reflected differently in these financial statements than in the separately issued discretely presented component unit financial statements in order for them to conform to the presentation of the primary government.

YHA Family Housing, LLC, Toppenish Family Housing, LLC, Yakima Affordable Housing, LLLP, and Yakima Veterans Housing, LLLP are the four component units. YHA is the 0.01% owner and the general partner/managing member in these real estate partnerships as of December 31, 2021. The limited

Housing Authority of the City of Yakima

Notes to Basic Financial Statements

December 31, 2021

NOTE 1 — ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Reporting entity (continued):

partnership interests are held by third parties unrelated to YHA. Under GASB No. 61, these limited partnerships are considered discretely presented component units of YHA since none of these component units meet the blending criteria.

YHA Family Housing, LLC (YHA Family) was formed in November 2013 as a separate legal entity. YHA Family was formed to purchase 150 units from YHA under the HUD Rental Assistance Demonstration program, and then utilize their \$14.6 million low-income housing tax credit award, which was awarded in 2013 to rehabilitate the units. YHA also has an outstanding capital lease with YHA Family amounting to approximately \$5.9 million at December 31, 2021.

Toppenish Family Housing, LLC (TFH) was formed in May 2015 as a separate legal entity to take advantage of low-income housing tax credits to finance the construction of a 30-unit residential rental housing project.

Yakima Affordable Housing, LLLP (YAH) was formed in April 2016 as a separate legal entity to take advantage of low-income housing tax credits needed to finance the rehabilitation of 89-units of rental housing projects for persons of low and moderate income. YHA also has an outstanding capital lease amounting to approximately \$2.3 million at December 31, 2021.

Yakima Veterans Housing, LLLP (YVH) was formed in June 2020 as a separate legal entity to take advantage of low-income housing tax credits needed to finance both the adaptive reuse of a former Marine armory building into a 14-unit residential building and the construction of 5 new, 27-unit total, 2-story buildings for homeless veterans tenants. YHA also has an outstanding capital lease amounting to approximately \$2.9 million at December 31, 2021.

Allocations of low-income housing tax credits pursuant to Internal Revenue Code Section 42 (Section 42) regulate the use of the projects to occupant eligibility and unit gross rent, among other requirements. Each building of the projects must meet the provisions of these regulations during each of 15 consecutive years in order to remain qualified to receive the credits.

There are a variety of transactions that occur between the General Partner (YHA) and the Partnerships, including the payment of a management fee by the Partnership to the General Partner. In addition, there are a variety of receivables and payables between the General Partner and the Partnerships.

Basis of Accounting:

The accounts of YHA are organized and operated on a fund basis. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts recording its assets, liabilities, net position, revenues and expenses.

YHA accounts for its operations in one fund type, the enterprise fund. Enterprise funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Revenue is recognized when earned and expenses are recorded at the time liabilities are incurred. All assets and liabilities associated with the operations of YHA are included on the statements of net position.

Summary of Significant Accounting Policies:

The basic financial statements of YHA have been prepared in conformity with U.S. generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements. Following is a summary of the more significant accounting policies of YHA.

Housing Authority of the City of Yakima

Notes to Basic Financial Statements

December 31, 2021

NOTE 1 — ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgeting – The Housing Authority follows guidelines set forth in the Low Rent Housing Financial Management Handbook (RHA 7475.1) issued by HUD. The budgets are adopted on a basis consistent with GAAP.

Cash and cash equivalents – YHA’s cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. As required by HUD, all of the bank balance amounts are fully insured by the Federal Government or covered by collateral under the terms of a Depository Agreement executed between YHA and the financial institution.

Restricted Funds – YHA receives security deposits when tenants move into their units. These deposits are segregated in a depository account and are considered a liability of YHA. In addition, YHA is required to maintain reserves required by long-term financing agreements, which are classified as restricted. Restricted funds also include required reserves and funds received in advance that are restricted for a specific or future purpose. Reserves are also required under the partnership agreements for the component units. YHA’s Family Self Sufficiency program provides for an escrowed savings account for tenants participating in the program. Deposits are equal to increased rents participants pay as a result of their increased earnings and are paid to the tenant upon completion of the contract.

Investments – Federal statutes authorize investment of excess federal funds in instruments issued by or guaranteed by the Federal government. YHA has adopted this policy for all invested funds, whether or not they are federal funds. Investments are carried at fair value based on the most recent market quotations.

Inventories – Inventories consist of expendable supplies held for consumption. All inventories are valued at cost.

Capital Assets – Capital assets are stated at historical cost. Outlays for capital assets and improvements in excess of \$5,000 are capitalized. Maintenance and repairs are charged to operations as incurred. Replacements that improve or extend the lives of property are capitalized. Donated assets are valued at their fair value on the date donated.

GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, establishes accounting and financial reporting standards for impairment of capital assets. A capital asset is considered impaired when its future service utility has declined significantly and unexpectedly. YHA is required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. No such events or circumstances were encountered as of December 31, 2021.

Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

Depreciation is computed on the straight-line method over the estimated useful lives of the related assets. Upon disposal of such assets, the accounts are relieved of the related costs and accumulated depreciation, and resulting gains or losses are reflected in income.

The reporting entity’s policy is to capitalize interest on construction projects until substantial completion of the project. Capitalized interest is amortized over the estimated useful life of the asset on the same basis as the asset. The estimated useful lives are as follows:

Dwelling structures	15 - 40 years
Furniture/equipment	3 - 7 years
Vehicles	5 years

Housing Authority of the City of Yakima

Notes to Basic Financial Statements

December 31, 2021

NOTE 1 — ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED):

Long-term Debt – Debt issuance costs represent expenses incurred in the process of obtaining long-term financing and are expensed as incurred.

Unearned Revenues – Unearned grant revenues are grant funds that have been drawn down or funds advanced and have not yet been expended. At the time those funds are expended revenue will be recognized.

Accrued Compensated Absences – The Housing Authority recognizes an expense for all earned but unused leave. Employees earn between 120 and 240 hours of paid time off, depending on the individual employee's years of employment. Unused paid time off pay may be "banked" up to a maximum of 240 hours, any unused paid time off in excess of this amount is forfeited. Accrued but unused paid time off, up to 120 hours, is payable upon resignation, retirement or death.

Revenue and expenses — YHA's statements of net position distinguish between operating and nonoperating revenue and expenses. Operating revenue results from exchange transactions associated with providing housing and related services, and federal operating subsidies and housing assistance payments that are directly related to YHA's mission. Operating revenues also include operating subsidies and grants provided by HUD. The use of this classification is based on guidance from HUD, the primary user of the financial statements. This presentation results in an operating income that is higher than a non-operating revenue presentation by the amount of the subsidies and grants. Overall, it does not affect presentation of net income or the change in net position in the statement of revenues, expenses and changes in net position, or the presentation of cash and cash equivalents in the statement of cash flows. Nonoperating revenue includes capital and noncapital federal grants, interest revenue, and other revenue not meeting the definition of operating. Operating expenses consist of all expenses incurred to provide housing services. Nonoperating expenses include interest expense and other expenses not meeting the definition of operating.

Subsequent events — Subsequent events have been evaluated through July 27, 2022, which is the date the financial statements were available to be issued.

Tax status — YHA, as a governmental entity, is not subject to federal or state income taxes. YHA Family Housing, LLC, Toppenish Family Housing, LLC, Yakima Affordable Housing, LLLP, and Yakima Veterans Housing, LLLP do not report taxable income or losses; rather it is allocated to the respective partners in accordance with their respective percentage ownership. Management of the partnerships have evaluated the Partnerships' tax positions and concluded that there are no uncertain tax positions that require adjustment to the financial statements.

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

NOTE 2 — DEPOSITS:

Deposits, including those in restricted assets, are defined as cash or cash equivalents on deposit with financial institutions. At December 31, 2021, the carrying amount of YHA's cash accounts deposited with financial institutions was \$5,430,110 and the bank balance was \$5,441,185. The bank deposits are held with financial institutions and are entirely insured or collateralized.

Housing Authority of the City of Yakima

Notes to Basic Financial Statements

December 31, 2021

NOTE 2 — DEPOSITS (CONTINUED):

At December 31, 2021, the carrying amount of the discretely presented component units deposited with financial institutions was \$442,986 and the bank balance was \$639,874. The bank deposits are held with financial institutions and are entirely insured or collateralized.

For the primary government, cash and cash equivalents consist of the following at December 31, 2021:

Cash and cash equivalents - unrestricted	\$ 4,588,906
Cash and cash equivalents - current restricted	<u>841,204</u>
Total cash and cash equivalents	5,430,110
Less: cash on hand	<u>(305)</u>
Total deposits	<u>\$ 5,429,805</u>

For the discretely presented component units, cash and cash equivalents consist of the following at December 31, 2021:

Cash and cash equivalents - unrestricted	\$ 361,826
Cash and cash equivalents - current restricted	<u>81,160</u>
Total cash and cash equivalents	442,986
Less: cash on hand	<u>(200)</u>
Total deposits	<u>\$ 442,786</u>

NOTE 3 — INVESTMENTS:

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

Investments held are as follows:

	Primary Government	Discretely Presented Component Unit	Total
Money Market Account	<u>\$ 2,150,024</u>	<u>\$ 2,348,494</u>	<u>\$ 4,498,518</u>

Custodial Credit Risk – Custodial credit risk is the risk that in the event of bank failure, YHA's deposits may not be returned. YHA follows HUD policies, which requires collateral for all deposits not covered by federal depository insurance. As of December 31, 2021, none of YHA's deposits and investments were exposed to custodial credit risk.

Housing Authority of the City of Yakima

Notes to Basic Financial Statements

December 31, 2021

NOTE 3 — INVESTMENTS (continued):

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. 100% of YHA’s investments have a maturity of less than one year, and the government does not have a formal policy with regards to interest rate risk.

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

Credit Risk of Investments – Credit risk of investments is the risk that the issuer or other counterparty will not meet its obligations. This credit risk is measured by the credit quality rating of investments in debt securities as rated by a nationally recognized rating agency. The government does not have a formal policy related to credit risk of investments.

NOTE 4 — RECEIVABLES:

For the primary government, receivables consist of the following at December 31, 2021:

Tenants	\$	170,439
Receivables from component units		2,783,068
Total receivables		2,953,507
Less: Allowance for doubtful accounts		(120,878)
	\$	2,832,629

For the discretely presented component units, receivables consist of the following at December 31, 2021:

Tenants	\$	62,099
HUD - Other Projects		7,855
Other		51,688
Total receivables		121,642
Less: Allowance for doubtful accounts		(24,811)
	\$	96,831

Housing Authority of the City of Yakima
Notes to Basic Financial Statements
December 31, 2021

NOTE 5 — CAPITAL ASSETS:

Changes in capital assets for the primary government during the year ended December 31, 2021 were as follows:

	January 1, 2021	Additions	Transfers/ retirements	December 31, 2021
Capital assets not depreciated:				
Land	\$ 2,726,311	\$ -	\$ 78,585	\$ 2,804,896
Construction in progress	5,223,141	6,296,700	(6,806,579)	4,713,262
Total capital assets not depreciated	7,949,452	6,296,700	(6,727,994)	7,518,158
Capital assets being depreciated:				
Buildings and improvements	26,212,325	706,131	6,727,994	33,646,450
Furniture and equipment	1,627,996	62,976	-	1,690,972
Total capital assets being depreciated	27,840,321	769,107	6,727,994	35,337,422
Accumulated depreciation:				
Buildings and improvements	13,023,477	621,820		13,645,297
Furniture and equipment	1,065,346	141,246		1,206,592
Total accumulated depreciation	14,088,823	763,066	-	14,851,889
Total capital assets	\$ 21,700,950	\$ 6,302,741	\$ -	\$ 28,003,691

Changes in capital assets for the discretely presented component units during the year ended December 31, 2021 were as follows:

	January 1, 2021	Additions	Transfers/ retirements	December 31, 2021
Capital assets not depreciated:				
Land	\$ 1,688,758	\$ 63,306	\$ -	\$ 1,752,064
Construction in progress	6,005,914	-	(6,005,914)	-
Total capital assets not depreciated	7,694,672	63,306	(6,005,914)	1,752,064
Capital assets being depreciated:				
Buildings and improvements	33,727,319	7,258,775	6,005,914	46,992,008
Furniture and equipment	389,830	494,258	-	884,088
Total capital assets being depreciated	34,117,149	7,753,033	6,005,914	47,876,096
Accumulated depreciation:				
Buildings and improvements	6,151,844	1,040,422	-	7,192,266
Furniture and equipment	202,433	211,370	-	413,803
Total accumulated depreciation	6,354,277	1,251,792	-	7,606,069
Total capital assets	\$ 35,457,544	\$ 6,564,547	\$ -	\$ 42,022,091

Housing Authority of the City of Yakima

Notes to Basic Financial Statements

December 31, 2021

NOTE 6 — SHORT-TERM NOTES PAYABLE:

YHA has no short-term notes payable due as of December 31, 2021 or December 31, 2020 outside of the current portion of long-term debt.

NOTE 7 — LONG-TERM DEBT:

For all long-term debt agreements, similar terms apply stating that if YHA defaults in keeping any term, representation or covenant of this agreement, the entire outstanding principal shall become immediately due and payable. In the event of default, YHA shall pay all collection expenses incurred. Any acceleration of outstanding principle balance, YHA shall pay any and all fees penalties or other costs incurred.

A summary of changes in YHA's long-term debt for the year ended December 31, 2021 is presented below:

	Balance at January 1, 2021	Additions	Reductions	Balance at December 31, 2021	Due Within One Year
Unsecured Note Payable					
Banner Bank:					
Unrestricted	\$ 221,697	\$ -	\$(116,259)	\$ 105,438	\$ -
Revenue Bonds:					
Banner Bank - Nueva	1,839,033	-	(41,698)	1,797,335	42,540
Real Estate Mortgages:					
Banner Bank:					
Admin. Office - Nueva	298,195	-	(16,149)	282,046	16,500
Banner Bank:					
Cosecha Court II	747,935	-	(13,990)	733,945	13,716
Impact Capital					
Unrestricted	81,245	-	-	81,245	-
Cosecha Court II Phase III	-	4,683	-	4,683	-
Yakima Federal					
Cosecha Court II Phase II	1,103,637	83,912	(15,125)	1,172,424	-
Board Reserves - Unrestricted		7,873	-	7,873	-
Office of Rural and Farmworker Housing -					
Unrestricted	170,500	-	(134,924)	35,576	35,576
Preservation Revolving Loan - Valley 7	197,822	-	(10,651)	187,171	10,092
U.S. Dept. of Agriculture - Valley 7	1,707,889	3,036,221	(43,440)	4,700,670	43,690
U.S. Dept. of Agriculture - Valley 7	279,247	-	(20,767)	258,480	35,582
U.S. Dept. of Agriculture - Cosecha Court	163,193	-	(5,886)	157,307	5,916
U.S. Dept. of Agriculture - Harmony Park	668,805	-	(6,788)	662,017	6,888
Department of Commerce:					
Unrestricted	524,092	2,621	-	526,713	-
Unrestricted	38,130	-	(38,130)	-	-
Cosecha Court II Phase II - HTF	2,616,351	380,849	-	2,997,200	-
Valley 7	594,182	-	-	594,182	-
Nueva Primavera	972,260	-	-	972,260	-
Mariposa Park	776,800	-	-	776,800	-
Mariposa Park	103,056	-	-	103,056	-
Total long-term debt	<u>\$ 13,104,069</u>	<u>\$3,516,159</u>	<u>\$ (463,807)</u>	<u>\$ 16,156,421</u>	<u>\$ 210,500</u>

Housing Authority of the City of Yakima

Notes to Basic Financial Statements

December 31, 2021

NOTE 7 — LONG-TERM DEBT (CONTINUED):

Unsecured Note Payable:

Banner Bank – Unrestricted – Long-term note payable for \$250,000. The loan requires 432 monthly payments of \$855, including interest at 4.25%. Final payment of all outstanding interest and principal is due in September of 2023. The loan balance was \$105,438 as of December 31, 2021.

Revenue Bond:

Banner Bank - Nueva – A private placement revenue bond for \$2,025,000, which refinanced Nueva Primavera's existing revenue bond, \$1,797,335 all of which was outstanding at December 31, 2021. The initial loan required payments of interest only through November 1, 2015. Subsequently the outstanding balance is payable in monthly payments of approximately \$10,000, including interest at 4.375%, which is fixed for 10 years, and is due April 30, 2029. The mortgage is collateralized by the property.

The annual requirements to amortize outstanding debt including interest, for the revenue bond is as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 42,540	\$ 78,600	\$ 121,140
2023	44,600	76,800	121,400
2024	46,600	74,800	121,400
2025-2029	<u>1,663,595</u>	<u>373,400</u>	<u>2,036,995</u>
	<u>\$ 1,797,335</u>	<u>\$ 603,600</u>	<u>\$ 2,400,935</u>

Real Estate Mortgages:

Banner Bank - Nueva – Long-term note payable for \$390,000, collateralized by YHA's administrative offices. The loan requires 60 monthly payments of \$2,495, including interest at 4.25%, commencing July 1, 2014. This if followed, calls for 59 monthly principal and interest payments of \$2,415, with interest at the five-year federal home loan Bank of Seattle Bullet Advance rate plus 2.11%. Final payment of all outstanding interest and principal is due in June 2024. The loan balance was \$282,046 as of December 31, 2021.

Banner Bank - Cosecha Court 2 – Long-term note payable for \$775,000, collateralized by the property. The loan requires 360 monthly payments of \$3,829, including interest at 4.25%. Final payment of all outstanding interest and principal is due in February of 2049. The loan balance was \$733,945 as of December 31, 2021.

Impact Capital - Fruitvale Housing – In 2020 YHA obtained \$85,000 in predevelopment financing from Impact Capital for the construction of 54 units at Fruitvale Housing. There is no interest rate or monthly payments due. The mortgage is collateralized by the property. There was an original due date of December 31, 2021 and was extended to a due date of June 30, 2022. The amount drawn at December 31, 2021 was \$81,245. This loan was paid off as of June 30, 2022.

Impact Capital – Cosecha Court II Phase III - In 2021 YHA obtained predevelopment financing from Impact Capital. The mortgage is collateralized by this property. The amount drawn at December 31, 2021 was \$4,683.

Yakima Federal – Cosecha Court II Phase II - The Yakima Federal loan totals \$1,172,424 with an interest rate of 4.125% and matures on August 1, 2050. Monthly payments of \$5,682 began in April 2021. As of December 31, 2021, the Yakima Federal loan balance was \$1,172,424.

Housing Authority of the City of Yakima

Notes to Basic Financial Statements

December 31, 2021

NOTE 7 — LONG-TERM DEBT (CONTINUED):

Real Estate Mortgages (continued):

YHA Board Reserves - Fruitvale Housing – In 2021, YHA allocated board reserves for the predevelopment of Fruitvale Housing. There is no interest and the payments are due at the completion of construction. The amount of reserves used as of December 31, 2021 was \$7,873.

Office of Rural and Farmworker Housing – Long-term note payable for \$170,500 utilized to purchase real estate in Granger for Cosecha Court II, Phases 1,2 and 3. The loan is collateralized by the property. Interest only payments at 3.5% are due quarterly. The principal balance is due the earlier of the date permanent financing is obtained, or November 2022. The loan balance was \$35,576 as of December 31, 2021.

Office of Rural and Farmworker Housing – Valley 7 – Long-term note payable for \$250,000 for rehabilitation construction at Valley 7. The loan is collateralized by the property. The loan requires 240 monthly payments of \$1,500, including interest at 3.5%, commencing June 2015. Final payment of all outstanding interest and principal is due June 2035. The loan balance was \$187,171 as of December 31, 2021.

United States Department of Agriculture Rural Development – Valley Seven– In 2021, a long-term note payable was used to consolidate the debt for the rehabilitation of 142 units of multi-family housing at Valley 7. There was an amendment that increased the total loan by \$3,360,577. The loan is collateralized by the property. The interest rate is 1% per year, and the repayment period is over 33 years. The drawdowns were \$4,700,670 as of December 31, 2021.

United States Department of Agriculture Rural Development – Valley Seven - In 2002 YHA consolidated \$1,760,690 of debt that had originally been utilized for the construction of Valley Seven, a 142 - unit housing development. Monthly installments of \$5,269, including 1% interest are due monthly. The final payment is due in 2027. The mortgage is collateralized by the property. This loan balance was \$258,480 at December 31, 2021.

United States Department of Agriculture Rural Development – Cosecha Court– In 2010 YHA was awarded a USDA loan for the construction costs of Cosecha Court. The loan is payable in monthly installments of \$7,490 over a period of 33 years, bearing an interest rate not to exceed 1%. The mortgage is collateralized by the property. The loan balance was \$157,307 as of December 31, 2021.

United States Department of Agriculture Rural Development – Harmony Park– In July 2015, YHA was awarded a USDA loan for the acquisition and rehabilitation costs of Harmony Park for \$701,977. The loan is payable in monthly installments of \$2,369 over a period of 30 years, bearing an interest rate of 3.375%. YHA receives an interest subsidy that resulted in an effective interest rate of 1% for the year ended December 31, 2021. The mortgage is collateralized by the property. The loan balance was \$662,017 as of December 31, 2021.

Washington Department of Commerce – YHA for Glenn Acres - Unrestricted - In 2000 YHA borrowed \$565,100 to purchase Glenn Acres, a 38-unit apartment building. Installments of \$2,000 are due annually until November 30, 2028. Subsequent to November 30, 2028 1% interest will be charged. The final payment is due in 2040. The mortgage is collateralized by the property. The loan balance was \$526,713 as of December 31, 2021. During the year ended December 31, 2018, Glenn Acres was sold to a tax credit project. The Department of Commerce debt is the responsibility of YHA.

Department of Commerce HTF – Cosecha Court II Phase II - During 2020, permanent financing was obtained from the Housing Trust Fund (HTF) loan of \$2,997,200 with an interest rate of 1% and term of 40 years. Payments are only required from cash flow. As of December 31, 2021, the HTF loan balance was \$2,997,200.

Housing Authority of the City of Yakima

Notes to Basic Financial Statements

December 31, 2021

NOTE 7 — LONG-TERM DEBT (CONTINUED):

Real Estate Mortgages (continued):

Department of Commerce – Valley Seven – In 1993 YHA consolidated \$594,182 of debt with the Department of Commerce. The loan is at 0% and is payable upon the sale or change of use of the property. At the conclusion of fifty years YHA and the Department of Commerce can initiate close-out procedures, which provided all criteria are met, and there is no further state interest in keeping the contract open the loan will be closed. The loan balance was \$594,182 as of December 31, 2021.

Department of Commerce - Nueva– In 1999 YHA borrowed \$1,000,000 to construct Nueva Primavera, a 39-unit housing development. During the refinance of Nueva Primavera in May 2015, an additional \$21,010 was borrowed. Installments of interest of 1% only are due annually. Principal payments of \$3,750 are due quarterly beginning in 2016, with final payment due in 2049. The mortgage is collateralized by the property. The loan balance was \$972,260 as of December 31, 2021.

Department of Commerce - Mariposa– In 1999 YHA borrowed \$840,800 interest free to construct Mariposa Park, a 26-unit housing development. Installments of \$4,000 are due annually and the final payment is due 2048. The mortgage is collateralized by property, and the balance was \$776,800 at December 31, 2021.

Department of Commerce - Mariposa– In 1998 YHA borrowed \$103,060 to construct Mariposa Park, a 26-unit housing development. The principal is due in full in 2049. No interest shall accrue. The mortgage is collateralized by the property. The loan balances were \$103,056 as of December 31, 2021.

The annual requirements to amortize outstanding debt, including interest, for the real estate mortgages are as follows:

	Principal	Interest	Total
2022	\$ 167,960	\$ 195,400	\$ 363,360
2023	311,000	213,500	524,500
2024	508,000	208,000	716,000
2025	259,000	197,100	456,100
2026-2030	1,264,600	976,500	2,241,100
2031-2035	1,068,100	753,700	1,821,800
2036-2040	1,348,600	650,900	1,999,500
2041-2045	1,192,900	552,300	1,745,200
2046-2050	847,600	508,500	1,356,100
2050 +	7,391,326	246,200	7,637,526
	<u>\$ 14,359,086</u>	<u>\$ 4,502,100</u>	<u>\$ 18,861,186</u>

Housing Authority of the City of Yakima
Notes to Basic Financial Statements
December 31, 2021

NOTE 7 — LONG-TERM DEBT (CONTINUED):

A summary of changes in YHA's discretely presented component units' long-term debt for the year ended December 31, 2021 is presented below:

	Balance at January 1, 2021	Additions	Reductions	Balance at December 31, 2021	Due Within One Year
Revenue Bonds:					
Banner Bank - YHA Affordable Housing	\$ 4,476,668	\$ -	\$ (74,084)	\$ 4,402,584	\$ 65,764
Due to Yakima Housing Authority:					
Capital Lease Loan - YHA Family	5,873,120			5,873,120	-
Due from Yakima Veterans	1,741,953	1,158,047		2,900,000	-
Real Estate Mortgages:				-	
Heritage Bank - Yakima Veterans	426,026	6,198,030		6,624,056	-
Housing Trust Fund - Yakima Veterans	-	887,386		887,386	-
Housing Trust Fund - Yakima Veterans	2,002,057			2,002,057	-
Department of Community Trade and Economic Development:					
Toppenish Family	2,101,050	-	(1,050)	2,100,000	-
Total long-term debt	<u>\$ 16,620,874</u>	<u>\$ 8,243,463</u>	<u>\$ (75,134)</u>	<u>\$ 24,789,203</u>	<u>\$ 65,764</u>

Revenue Bonds:

Banner Bank – Yakima Affordable Housing – In 2016 the Partnership borrowed \$7,000,000 for construction, with a conversion to permanent financing required by November 1, 2018. Conversion occurred on March 9, 2018, when the loan was paid down to \$4,625,000. The loan requires monthly payments of principal and interest of \$21,525 with the remaining balance due on May 1, 2035. The loan balance was \$4,402,584 as of December 31, 2021.

The annual requirements to amortize outstanding debt including interest, for the revenue bonds are as follows:

	Principal	Interest	Total
2022	\$ 65,800	\$ 192,500	\$ 258,300
2023	68,400	189,900	258,300
2024	71,100	187,200	258,300
2025	73,900	184,400	258,300
2026-2030	397,000	894,500	1,291,500
2035-2039	<u>3,726,384</u>	<u>44,725</u>	<u>3,771,109</u>
	<u>\$ 4,402,584</u>	<u>\$ 1,693,225</u>	<u>\$ 6,095,809</u>

Housing Authority of the City of Yakima

Notes to Basic Financial Statements

December 31, 2021

NOTE 7 — LONG-TERM DEBT (CONTINUED):

Debt owed to YHA by YHA's Discretely Presented Component Units:

Due to Yakima Housing Authority – Yakima Veterans Housing, LLLP (YVH) received financing for rehabilitation and construction of buildings through Yakima Housing Authority acting as a pass-through with the following funding sources listed below. These were recorded as grant income on the housing authority and due to YHA on YVH:

Yakima Housing Authority - Federal Home Loan Bank – In 2020 YHA obtained financing from FHLB for Yakima Veterans Housing, LLLP. The mortgage is collateralized by this property. The interest rate is 0% and payment is due 15 years after completion of the project. The balance of this loan at December 31, 2021 was \$750,000.

Yakima Housing Authority - Department of Commerce – In 2020 YHA signed a promissory note for \$1,050,000 for construction of Yakima Veterans Housing, LLLP. The loan requires all outstanding principal and interest to be paid in full on or before December 31, 2061. The interest rate is 0%. The loan balance was \$1,050,000 as of December 31, 2021.

Yakima Housing Authority - City of Yakima – Long-term note payable for \$1,100,000 for construction at Yakima Veterans Housing, LLLP. The loan is collateralized by the property. The loan requires all outstanding principal and interest to be paid in full on or before December 31, 2061. The interest rate is 0%. The loan balance was \$1,100,000 as of December 31, 2021.

Capital Leases – *Yakima Affordable Housing, LLLP* and *YHA Family Housing, LLC* have obtained long-term financing from YHA, which are payable in accordance with their respective operating agreements and based on cash flow. Financing terms are disclosed in Note 14.

Real Estate Mortgages:

Department of Commerce – Toppenish Family - In 2015, YHA was granted a loan of \$2,100,000 to construct Toppenish Family Housing, a 24-unit housing development, all of which was drawn down at December 31, 2019. The principal is due in full in 2049. No interest shall accrue and payment is based on cash flow. The mortgage is collateralized by the property. The loan balance was \$2,100,000 as of December 31, 2021.

Heritage Bank – Yakima Veterans Housing, LLLP - In 2020 YHA obtained construction financing from Heritage Bank for YVH in the form of a promissory note not to exceed \$7,700,000. The mortgage is collateralized by this property with an interest rate of 1.40% and a maturity date in 2022. Accrued interest is due starting the first day of the month following the first disbursement, which is then followed by monthly payments. The loan balance as of December 31, 2021 was \$7,511,440 consisting of the residential portion of \$6,624,055 and the non-residential portion of \$887,386.

Department of Commerce HTF – Yakima Veterans Housing, LLLP - In 2020 YHA signed a promissory note for \$2,002,057 for construction of YVH. The interest rate is 1%, to begin accruing July 31, 2021 and payment is based on cash flow. And the full balance of the note is due June 30, 2061. The loan balance was \$2,002,057 as of December 31, 2021.

Housing Authority of the City of Yakima
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December 31, 2021

NOTE 7 — LONG-TERM DEBT (CONTINUED):

Real Estate Mortgages (continued):

The annual requirements to amortize outstanding debt, including interest, for the real estate mortgages are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 7,511,440	\$ 125,181	\$ 7,636,621
2023	-	20,100	20,100
2024	-	20,100	20,100
2025	-	100,105	100,105
2026-2030	-	100,105	100,105
2031-2035	-	100,105	100,105
2036-2040	-	100,105	100,105
2041-2045	-	100,105	100,105
2046+	<u>4,102,059</u>	<u>301,500</u>	<u>4,403,557</u>
	<u>\$ 11,613,499</u>	<u>\$ 967,406</u>	<u>\$ 12,580,903</u>

Compensated Absences:

The compensated absence balances for the primary government as of December 31, 2021 is as follows:

Compensated absence balances as of December 31, 2020	\$ 112,891
Compensated absences earned by employees	92,877
Compensated absences utilized by employees	<u>(78,289)</u>
Compensated absence balances as of December 31, 2021	<u>\$ 127,479</u>

The compensated absence balances for the discretely presented components as of December 31, 2021 is as follows:

Compensated absence balances as of December 31, 2020	\$ 27,279
Compensated absences earned by employees	73,771
Compensated absences utilized by employees	<u>(64,278)</u>
Compensated absence balances as of December 31, 2021	<u>\$ 36,772</u>

NOTE 8 — RESTRICTED NET POSITION:

Restricted net position consists of funds that are restricted for the following purposes:

Housing Assistance – Funds received from governmental agencies, which are restricted for providing housing assistance to qualifying individuals and families.

Future Capital Improvements – Funds received from a governmental agency, which is restricted for future capital improvements, and requires the approval from the governmental agency prior to expenditure of the funds.

Required Reserves – Funds held by YHA in compliance with legal, regulatory, or lending requirements.

Housing Authority of the City of Yakima

Notes to Basic Financial Statements

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NOTE 9 — OPERATING LEASES:

In May of 2018 YHA entered into an operating lease for a postage machine. The lease called for monthly payments of \$283 through May of 2023.

NOTE 10 — DEFERRED COMPENSATION PLAN:

YHA, in conjunction with the State, offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Washington State Department of Retirement Systems manages the plan. In June 1998, the State Deferred Compensation Program plan assets were placed into trust for the exclusive benefit of participants and their beneficiaries. Pursuant to GASB Statement No. 32, Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, since the Housing Authority is not the owner of these assets, the plan assets and liabilities are not reported as part of the Housing Authority.

NOTE 11 — DEFINED CONTRIBUTION PLAN:

All YHA full-time employees participate in the Housing Authority of the City of Yakima Retirement Plan, which provides funds at retirement for employees of YHA and in the event of death, provides funds for their beneficiaries, through contributions by YHA of 8% of employee payroll after an employee reaches 1,000 hours of employment.

As of December 31, 2021, there were 35 eligible participants in the Defined Contribution Plan. The covered payroll for employees in the plan was \$1,883,952 at December 31, 2021. Full time employees are eligible after one year.

Employer contributions were \$150,457 for the year ended December 31, 2021. Employees are vested in their account by years of service, 43% (year 1), 54% (year 2), 66% (year 3), 77% (year 4), 89% (year 5), and 100% (year 6).

The Defined Contribution Plan uses the accrual basis of accounting. Investments are directed by individual plan participants, and holdings are reported at fair value, based on quoted market prices. YHA reserves the right to amend or terminate the plan. However, no amendment will change the employee's right of vested benefit, and should the plan be terminated, all employees would automatically become 100% vested in the normal value of their account.

The plan is not subject to ERISA reporting requirements, and separate financial statements have not been prepared for the plan. The plan is administered by Cuna Mutual Retirement Solutions.

NOTE 12 — PARTICIPATION IN HOUSING AUTHORITY RISK RETENTION POOL:

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

The Yakima Housing Authority is a member of Housing Authorities Risk Retention Pool (HARRP). Utilizing Chapter 190.080 ORS and 48.62 RCW (self-insurance regulations) and Chapter 39.34 (Interlocal Cooperation Act), fifty-five public housing authorities in the states of Washington, Oregon and California originally formed HARRP in March 1987. HARRP was created for the purpose of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and/or jointly contracting for risk management services. HARRP is a U.S. Department of Housing and Urban Development (HUD) approved self-insurance entity for utilization by public housing authorities. HARRP has a total of eighty member/owner housing authorities in the states of Washington, Oregon, California and Nevada.

Housing Authority of the City of Yakima

Notes to Basic Financial Statements

December 31, 2021

NOTE 12 — PARTICIPATION IN HOUSING AUTHORITY RISK RETENTION POOL (CONTINUED):

Thirty of the eighty members are Washington State public housing entities.

New members are underwritten at their original membership and thereafter automatically renew on an annual basis. Members may quit upon giving notice to HARRP prior to their renewal date. Members terminating membership are not eligible to rejoin HARRP for three years. HARRP can terminate the members after giving a sixty (60) day notice prior to the renewal date. Termination does not relieve a former member from its unresolved losses incurred during membership.

General and Automobile Liability Coverage is written on an occurrence basis, without member deductibles. Errors and Omissions coverage (which includes Employment Practices Liability) is written on claims made basis, and the members are responsible for 10% of the incurred costs of the claims. (Due to special underwriting circumstances, some members may be subject to greater deductibles and E & O co-payments). Coverage limits for General Liability, Automobile Liability, as well as Errors and Omissions, are \$2,000,000 per occurrence with a \$2,000,000 aggregate.

The Property coverage offered by HARRP is on a replacement cost basis, with deductibles ranging from \$2,500 to \$25,000. Our property coverages include Equipment Breakdown, as well as Fidelity coverage with limits of \$100,000 (with options up to \$1,000,000) for employee dishonesty, forgery or alteration and \$50,000 for theft, with a \$1,000 deductible.

HARRP self-insures coverage for liability lines. HARRP self-insures the first \$2,000,000 for property, then purchases \$45 million of excess insurance from Munich Reinsurance for a combined total of \$47,000,000. The HARRP Board of Directors determines the limits and coverage terms, at its sole discretion.

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

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

NOTE 13 — CONTINGENCIES:

YHA has recorded in its financial statements all material liabilities.

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

The Housing Authority has a \$296,000 recoverable grant from the Washington State Housing Trust Fund for the construction of low-income temporary housing for farmworkers at Cosecha Court. This grant is conditional on the Housing Authority provided low-income individual with housing for a commitment period of forty (40) years. If the project is sold, refinanced, transferred, the use changes during the 40-year term of the commitment, or is out of compliance with the conditions of the contract, the award amount plus a proportional share of the appreciated value of the property will be due and payable to the Housing Trust Fund within 30 days of such event. The term of the commitment expires January 31, 2054.

The Housing Authority has a \$1,065,000 recoverable grant from Washington Housing Trust Fund for the rehabilitation of fifty-one-unit apartment complex (Naches House), which currently provides low-income housing.

Housing Authority of the City of Yakima

Notes to Basic Financial Statements

December 31, 2021

NOTE 13 — CONTINGENCIES (CONTINUED):

This grant is conditional on the Housing Authority provided low-income individual with housing for a commitment period of forty (40) years. If the project is sold, refinanced, transferred, the use changes during the 40-year term of the commitment, or is out of compliance with the conditions of the contract, the award amount plus a proportional share of the appreciated value of the property will be due and payable to the Housing Trust Fund within 30 days of such event. The term of the commitment expires January 31, 2054.

The Housing Authority has a \$286,564 recoverable grant from Washington Department of Commerce for the rehabilitation of twenty-four-unit apartment complex (Harmony Park), which currently provides low-income housing. This grant is conditional on the Housing Authority provided low-income individual with housing for a commitment period of forty (40) years. If the project is sold, refinanced, transferred, the use changes during the 40-year term of the commitment, or is out of compliance with the conditions of the contract, the award amount plus a proportional share of the appreciated value of the property will be due and payable to the Department of Commerce within 30 days of such event. The term of the commitment expires December 31, 2053.

The Housing Authority has a \$557,877 recoverable grant from Washington Department of Commerce for the construction of twenty-six-unit apartment complex (Mariposa Park Apartments), which currently provides low-income housing. This grant is conditional on the Housing Authority provided low-income individual with housing for a commitment period of forty (40) years. If the project is sold, refinanced, transferred, the use changes during the 40-year term of the commitment, or is out of compliance with the conditions of the contract, the award amount plus a proportional share of the appreciated value of the property will be due and payable to the Department of Commerce within 30 days of such event. The term of the commitment expires December 31, 2054.

The Housing Authority was awarded a \$3,000,000 recoverable grant from the Washington Housing Trust Fund for the construction of low-income temporary housing for farmworkers at Cosecha Court II Phase I. This grant is conditional on the Housing Authority providing low-income individuals with housing for a commitment period of forty (40) years. If the project is sold, refinanced, transferred, the use changes during the 40-year term of the commitment, or is out of compliance with the conditions of the contract, the award amount plus a proportional share of the appreciated value of the property will be due and payable to the Housing Trust Fund within 30 days of such event. The term of the commitment expires May 31, 2058.

The Housing Authority was awarded a \$1,050,000 CCFU ReLoan grant from the Washington State Department of Commerce for construction of low-income housing for **YVH**. YHA was awarded this grant and then reloaned this grant to YVH with 0% interest and is payable based on cash flows.

The Housing Authority was awarded a \$1,100,000 HOME ReLoan grant from the City of Yakima for construction of low-income housing for **YVH**. This grant is conditional on the Housing Authority providing low-income individuals with housing for a commitment period of forty (40) years. If the project is sold, refinanced, transferred, the use changes during the 40-year term of the commitment, or is out of compliance with the conditions of the contract, the award amount plus a proportional share of the appreciated value of the property will be due and payable to the Housing Trust Fund within 30 days of such event. The city of Yakima has the right to audit the records. As of December 31, 2021, the Housing Authority had drawn \$1,100,000 on the total amount available.

The Housing Authority was awarded a \$1,400,000 CCFUA grant from the State of Washington Department of Commerce for tenant improvements to low-income housing for **YVH**. This grant is conditional on the Housing Authority providing low-income individuals with housing for a commitment period of forty (40) years. If the award is not used as required by YHA for a period of ten (10) years, YHA must repay the funds with an annual interest rate of 5%. As of December 31, 2021, the Housing Authority had drawn \$1,400,000 on the total amount available.

Housing Authority of the City of Yakima

Notes to Basic Financial Statements

December 31, 2021

NOTE 13 — CONTINGENCIES (CONTINUED):

The Housing Authority was awarded a \$750,000 grant from Federal Home Loan Bank Affordable Housing Program (FHLB AHP) and Banner Bank for construction of low-income housing for **YVH**. The grant is only repayable plus interest, in the event of non compliance with the terms of the FHLB AHP application. As of December 31, 2021, the Housing Authority had drawn \$750,000 on the total amount available.

COVID-19 – the deadly virus continues to impact government agencies across the country, and the full extent of the financial impact on the Housing Authority is unknown at this time.

NOTE 14 — RELATED PARTY TRANSACTIONS:

YHA Family Housing, LLC:

In 2012 YHA's application to participate in the HUD Rental Assistance Demonstration Program (HUD RAD) was approved. The HUD RAD program allows housing authorities to convert their public housing stock to project-based Section 8, which allowed YHA to seek funding sources for rehabilitation that were previously not allowed, due to the restrictions surrounding public housing. In connection with closing on the 150 units, YHA sold the 150 units to YHA Family Housing, LLC.

The units, which prior to the sale had a net book value of \$5,618,924 (cost of \$15,022,084 net of accumulated depreciation of \$8,826,555), were sold to the LLC for \$7,036,800, and capitalized on the LLC's books at \$5,536,800 (building) and \$1,500,000 (land) during the year-ended December 31, 2015. The purchase price was financed on a long-term lease with an initial principal balance of \$6,333,120, \$5,873,120 of which was outstanding at December 31, 2021. As of December 31, 2021, accrued interest of \$1,229,035 was outstanding. Principal and interest payments at 5.2% are payable out of distributions of cash flow in accordance with the Amended and Restated Operating Agreement and is due in full on December 31, 2068.

For the year ended December 31, 2021, there were no contributions of equity from YHA to the LLC.

In June of 2013 YHA Family Housing, LLC signed a credit reservation and carryover allocation contract with the Washington State Housing Finance Commission for the reservation and award of \$1,464,418 of credit awarded under Section 42 of the Internal Revenue Code. Pursuant to the terms of the Operating Agreement, the Investor Member is required to make capital contributions totaling \$13,324,871 subject to potential adjustments based on the amount of low-income housing tax credits ultimately allocated to the Project in addition to other potential occurrences. As of December 31, 2021, the Investor Member has made all required capital contributions.

Property management fee – YHA owns a 0.01% interest in YHA Family Housing, LLC (the LLC), which was formed in December of 2012. YHA is the Managing Member, and manages the Partnership under a property management agreement, which provides for a maximum management fee of 8% of the annual gross effective income, payment of which will be limited to 4% if adequate cash flows are not available. For the period ended December 31, 2021, \$144,452 was recorded as a management fee expense, \$0 of which was outstanding at December 31, 2021.

Asset management fee – YHA Family Housing, LLC pays an annual asset management fee to the Limited Partner in the amount of \$7,500 per annum. The payment is due on December 1 of the year that the first building in the Project is placed in service, and on June 1st of each year thereafter, increased by 3% per annum. For the period ended December 31, 2021, \$0 was recorded as management fee expense, and there was no outstanding fee payable at December 31, 2021.

Housing Authority of the City of Yakima

Notes to Basic Financial Statements

December 31, 2021

NOTE 14 — RELATED PARTY TRANSACTIONS (CONTINUED):

Toppenish Family Housing LLC

In July of 2015, Toppenish Family Housing, LLC signed a credit reservation and carryover allocation contract with the Washington State Housing Finance Commission for the reservation and award of \$547,109 of credit awarded under Section 42 of the Internal Revenue Code. This award is provided \$4.9 million dollars of equity contributions from the LLC's limited partner, of which \$4,693,589 had been received as of December 31, 2021.

Property management fee – YHA owns a 0.01% interest in Toppenish Family Housing, LLC (the LLC), which was formed in May of 2015. YHA is the Managing Member, and manages the Partnership under a property management agreement, which provides for a maximum management fee of 8% of the annual gross effective income, payment of which will be limited to 4% if adequate cash flows are not available. For the period ended December 31, 2021, \$16,451 was recorded as a management fee expense, \$0 of which was outstanding at December 31, 2021.

Asset management fee – Toppenish Family Housing, LLC pays an annual asset management fee to the Limited Partner in the amount of \$15,000 per annum. The payment is due on December 1 of the year that the first building in the Project is placed in service, and on June 1st of each year thereafter, increased by 3% per annum. For the period ended December 31, 2021, \$17,389 was recorded as management fee expense, \$17,389 of which was outstanding at December 31, 2021.

Yakima Affordable Housing, LLLP

In April of 2016, Yakima Affordable Housing, LLLP, signed a credit reservation and carryover allocation contract with the Washington State Housing Finance Commission for the reservation and award of \$7,000,000 of credit awarded under Section 42 of the Internal Revenue Code. This award provided \$3.7 million dollars of equity contributions from the LLLP's limited partner, of which \$3,690,831 had been received as of December 31, 2021. In addition, the Partnership obtained a capital lease from YHA in the original amount of \$4,490,000. The capital lease accrues interest at a rate of 4.38% annually. As of December 31, 2021, the outstanding balance was \$2,350,000 and the interest payable was \$719,979. For the year ended December 31, 2021 interest expense was \$186,077.

Property management fee – YHA owns a 0.01% interest in Yakima Affordable Housing, LLLP (the LLLP), which was formed in April of 2016. YHA is the Managing Member, and manages the Partnership under a property management agreement, which provides for a management fee that does not exceed 8% of gross rental collections. For the period ended December 31, 2021, \$69,283 was recorded as a management fee expense, \$0 of which was outstanding at December 31, 2021.

Asset management fee – Yakima Affordable Housing, LLLP pays an annual asset management fee to the Limited Partner in the amount of \$4,500 per annum. The payment is due on December 1 of the year that the first building in the Project is placed in service, and on June 1st of each year thereafter, increased by 3% per annum. For the period ended December 31, 2021, there was no management fee expense, and there was no outstanding fee payable at December 31, 2021.

Yakima Veterans Housing, LLLP

In June of 2020, YVH signed four promissory notes with Yakima Housing Authority to provide financing for the rehabilitation and construction of buildings to house veterans and the homeless. Funding provided to Yakima Housing Authority is then passed on to YVH from the following four grantors: CCFU grants a total of \$1,050,000, City of Yakima grants a total of \$1,100,000, FHLB grants a total of \$750,000, and Pacific Power Solar grant totals \$156,623. Both the FHLB and Solar grants are secured by a deed of trust on the Partnership, and the Solar Loan has interest of 8%. As of December 31, 2021, all available credit was drawn down for the construction and YVH owes

Housing Authority of the City of Yakima

Notes to Basic Financial Statements

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NOTE 14 — RELATED PARTY TRANSACTIONS (CONTINUED):

Yakima Veterans Housing, LLLP (continued):

that amount back to YHA. In addition, the Partnership obtained a ground lease from YVH in the original amount of \$67,853. As of December 31, 2021, the outstanding balance was \$67,853 and the interest receivable was \$3,393.

Property management fee – YHA owns a 0.01% interest in YVH which was formed in 2020. YHA is the General Partner, and manages the Partnership under a property management agreement, which provides for a management fee that does not exceed 7% of gross rental collections. The management fee payment may be reduced no lower than 5% by the amount of any operating deficit, and any unpaid amounts shall be deferred and paid in the following month in which there is no operating deficit, payable out of the next available cash flow. For the period ended December 31, 2021, \$4,726 was recorded as a management fee expense, \$0 of which was outstanding at December 31, 2021.

Development fee – Pursuant to the Development Services Agreement dated June 19, 2020 (the “Development Agreement”), the YVH agreed to pay the General Partner a total fee of \$1,096,260 for services relating to the development of the Property. The remaining unpaid portion after the fourth installment of the Limited Partner’s capital contribution will be the Deferred Development Fee, which shall accrue interest at 8% and is payable out of the next available cash flow. The development fee receivable as of December 31, 2021 was \$825,440.

NOTE 15 — RESERVES:

YHA Family Housing, LLC:

Operating reserve:

The YHA Family Housing, LLC operating agreement requires an initial funding of \$431,425, to be deposited upon the LLC attaining stabilization.

At December 31, 2021, the balance in the reserve was \$433,104, and was overfunded by \$1,679.

Withdrawals in excess of \$10,000 in any one fiscal year require the consent of the Limited Partner. Should the balance in the operating reserve fall below the operating reserve minimum (\$215,623), distributions shall be made from Net Cash Flows on each payment date to maintain a minimum balance equal to the operating reserve minimum. Subsequent to the end of the compliance period the operating reserve may be related and distributed as net cash flow.

Replacement reserves:

The YHA Family Housing, LLC operating agreement requires an initial funding of \$825,000, to be deposited upon the LLC attaining stabilization. Additional contributions of \$52,500 annually are required to be made to the replacement reserve commencing the earlier of six months after completion of construction or the first month of stabilized operations. Payments are increased annually by 2% per annum. Any interest earned on the Replacement Reserve shall become a part of the Replacement Reserve.

Draws from the Replacement Reserve are restricted for capital costs that result in a depreciable asset with a useful life exceeding two years. Draws from the Replacement Reserve are limited to \$25,000 in any one fiscal year except for emergency expenditures. At December 31, 2021, the balance in the reserve was \$1,077,162, and was under funded by \$118,683.

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Notes to Basic Financial Statements

December 31, 2021

NOTE 15 — RESERVES (CONTINUED):

YHA Family Housing, LLC (continued):

Working capital reserve:

YHA Family Housing, LLC has a working capital reserve that was funded upon the closing of their Project. The use of these funds is limited to funding operating deficits and is to be maintained throughout the duration of the compliance period. At December 31, 2021, YHA Family Housing, LLC maintained operating cash in excess of the required reserve amount of \$50,000.

Toppenish Family Housing, LLC:

Operating reserve:

The Toppenish Family Housing, LLC operating agreement requires an initial funding of \$75,708, to be deposited upon the LLC attaining stabilization. The reserve is to be used to pay any operating deficits. As of December 31, 2021, the reserve balance was \$75,708.

Withdrawals in excess of \$10,000 in any one fiscal year require to consent of the Limited Partner. Should the balance in the operating reserve fall below the operating reserve minimum (\$37,854), additional deposits shall be made for the Net Cash Flows as outlined in the partnership agreement.

Replacement reserves:

The Toppenish Family Housing, LLC operating agreement requires an initial funding of \$130,000, which is not required to be funded until October 1, 2021. A second replacement reserve capital contribution of \$230,000 is required on October 1, 2026. Any interest earned on the Replacement Reserve shall become a part of the Replacement Reserve. As of December 31, 2021, the reserve balance was \$353,086.

Yakima Affordable Housing, LLLP

Operating reserve:

The Yakima Affordable Housing, LLLP operating agreement requires an initial funding of \$175,000, to be deposited upon the LLLP attaining stabilization. The reserve is to be used to pay any operating deficits of Yakima Affordable Housing, LLLP.

As of December 31, 2021, the reserve balance was \$182,088, as the stabilization capital contribution has not yet occurred.

Withdrawals in excess of \$10,000 in any one fiscal year require the consent of the Limited Partner. Should the balance in the operating reserve fall below the operating reserve minimum (\$175,000), additional deposits shall be made from Net Cash Flows on each payment date to maintain a minimum balance equal to the operating reserve minimum. Subsequent to the end of the compliance period, the operating reserve may be related and distributed as net cash flow.

Replacement reserves:

The Yakima Affordable Housing, LLLP partnership agreement required the establishment of a replacement reserve account in the initial amount of \$75,000. The Partnership is required to fund the replacement reserve in the annual amount of \$375 per unit increasing by 3% per annum. As of December 31, 2021, the reserve balance was \$226,611, and was in compliance with the reserve requirement.

Housing Authority of the City of Yakima

Notes to Basic Financial Statements

December 31, 2021

NOTE 15 — RESERVES (CONTINUED):

Yakima Veterans Housing, LLLP:

Operating reserve:

The Yakima Veterans Housing, LLLP operating agreement requires an initial funding of \$25,000 into an operating reserve account, and another \$123,535 upon the payment of the fifth installment of the Limited Partner's capital contribution. The reserve is to be used to pay any operating deficits of Yakima Affordable Housing, LLLP only after the stabilization date, or loan conversion.

As of December 31, 2021, the reserve balance was \$94, as the stabilization capital contribution has not yet occurred.

Should the balance in the operating reserve fall below \$25,000, or if after the fifth installment, below the Operating Reserve Amount of \$148,535, additional deposits shall be made from net cash flows

Replacement reserves:

The Yakima Veterans Housing, LLLP partnership agreement required the establishment of a replacement reserve account in the initial amount of \$16,400. Additional annual contributions of \$16,400 are required to be made to the replacement reserve commencing the second month after completion of construction. Any interest earned on the replacement reserve shall become a part of the replacement reserve. Withdrawals in excess of \$10,000 in any one fiscal year require the consent of the Limited Partner. Draws from the replacement reserve are restricted for funding of major repair, capital expenditures and replacement of capital item. As of December 31, 2021, the reserve balance was \$62.

NOTE 16 — COMMITMENTS:

YHA has been approved for Multifamily Preservation and Rehabilitation (MPR) funding that will rehabilitate its 142 farm labor housing units located throughout Yakima County. The USDA RD MPR program is designed to make projects sustainable over a 20-year period through a combination of debt deferral, loans and grants. Contracts were signed in October 2020, and construction completed in January 2022.

There are construction projects in process as of December 31, 2021 including Valley 7, Harmony Park, YHA office renovations, Fruitvale Housing, and Milroy Park. Valley 7 construction contract is for \$6.4 million, of which \$4.3 million has been spent as of December 31, 2021. Construction has not started on Fruitvale Housing and Milroy Park. Fruitvale Housing construction costs are expected to be \$85,000. Milroy Park project is anticipated to cost \$180,000.

YVH entered into a Guaranty Agreement with YHA (the "Guarantor") to induce the Limited Partner to acquire an interest in the partnership, to enter into the Partnership Agreement, and to become the Limited Partner of the Partnership. The Guarantors have provided an unlimited guaranty to the Partnership to assure the performance of the General Partner and the Developer of all their obligations under the Partnership Agreement.

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of a deadly Covid-19 virus. Although progress has been made to return to a state of normalcy, there are lingering effects from the healthcare crisis and economic shut-down. During 2020, YHA was awarded funding from the CARES Act in response to this crisis, and there is still currently funding left for YHA to draw on for both HCV and Mainstream programs. As of December 31, 2021, all CARES Act funding was received and the funds have been spent.

Housing Authority of the City of Yakima

Notes to Basic Financial Statements

December 31, 2021

NOTE 17 — SUBSEQUENT EVENTS:

Subsequent to the end of the year, YHA began construction work on Fruitvale Housing. A phase II preconstruction loan from Impact Capital was approved for construction of the Fruitvale Housing. The first draw from this loan was received in April 2022 and construction is scheduled to start in October 2022. YHA entered into a contract with an architect subsequent to year-end in the amount of approximately \$800,000 for Fruitvale.

The City of Yakima was awarded a CHIP (Connecting Housing to Infrastructure Program) grant from the Department of Commerce for \$767,000. This grant will be passed through to YHA for Fruitvale Housing to pay for water, sewer, and storm water infrastructure. The grant has not yet been received nor have any contracts been signed.

The Washington State Department of Ecology awarded YHA with a one time recoverable grant to excavate contaminated soils existing under a structure that will be removed prior to the start of construction of Fruitvale Housing. The total grant is for \$100,000 and has an ending date of June 30, 2023.

The Impact Capital loan for Fruitvale Housing was paid off as of June 30, 2022. The amount drawn at December 31, 2021 was \$81,245.

NOTE 18 — ADOPTION OF NEW ACCOUNTING STANDARDS:

During the year ended December 31, 2021 and beyond, YHA has and will implement several new Governmental Accounting Standards Board (GASB) pronouncements. These pronouncements are as follows:

GASB No. 87, *Leases* - The objective of this statement is to increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This Statement is effective for fiscal years beginning after June 15, 2021. YHA has not yet evaluated the impact from this statement on future financial reporting.

GASB No. 91, *Conduit Debt Obligations* - The primary objective of this statement is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in the accounting and reporting of conduit debt obligations. This Statement is effective for fiscal years beginning after December 15, 2021. YHA has not yet evaluated the impact from this statement on future financial reporting.

GASB No. 90, *Majority Equity Interests* - YHA has adopted GASB No. 90, Majority Equity Interest, which is effective fiscal years beginning after December 15, 2019. The objective of this standard is to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate entity and to improve the relevance of the financial statement information of certain component units. The standard requires that if an entity holds a majority equity interest in a legally separate organization, the equity interest should be reported as an investment. If the majority equity interest does not meet the definition of an investment, then the entity should report the legally separate organization as a component unit. The implementation of GASB Statement Number 90 does not have a material impact on YHA's financial statements.

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Housing Authority of the City of Yakima
Combining Schedule of Net Position - Primary Government
December 31, 2021

	YHA Business Activities	YHA COCC	Housing Choice Vouchers	FSS	Mainstream	EHV	State & Local	Rural Assistance Programs	HCV CARES	Mainstream CARES	COCC CARES	Subtotal	Eliminating Entries	Primary Government
Current Assets:														
Cash and cash equivalents - unrestricted	\$ 3,739,846	\$ 160,699	\$ 20,485	\$ 13,019	\$ 45,358	\$ 190,568	\$ 200,133	\$ 218,798	\$ -	\$ -	\$ -	\$ 4,588,906	\$ -	\$ 4,588,906
Accounts receivables, net of allowance	3,098,068	-	8,245	-	-	-	11,702	29,614	-	-	-	3,147,629	(315,000)	2,832,629
Prepaid expenses and other assets	-	-	-	-	-	-	-	2,041	-	-	-	2,041	-	2,041
Inventories	3,329	-	-	-	-	-	-	-	-	-	-	3,329	-	3,329
Due from other funds	59,258	15,114	-	-	-	-	-	-	-	-	-	74,372	(74,372)	-
	6,900,501	175,813	28,730	13,019	45,358	190,568	211,835	250,453	-	-	-	7,816,277	(389,372)	7,426,905
Restricted Assets:														
Cash and cash equivalents - other restricted	2,002	-	593,385	-	8,589	171,479	-	-	-	-	-	775,455	-	775,455
Cash - tenant security deposits	-	-	-	-	-	-	30,522	35,227	-	-	-	65,749	-	65,749
Investments - restricted	168,054	6,023	-	-	-	-	1,024,741	951,206	-	-	-	2,150,024	-	2,150,024
	170,056	6,023	593,385	-	8,589	171,479	1,055,263	986,433	-	-	-	2,991,228	-	2,991,228
Total current assets	7,070,557	181,836	622,115	13,019	53,947	362,047	1,267,098	1,236,886	-	-	-	10,807,505	(389,372)	10,418,133
Noncurrent Assets:														
Investment in Component Units	766,659	-	-	-	-	-	-	-	-	-	-	766,659	-	766,659
Loan Receivable from Component Units	11,347,596	-	-	-	-	-	-	-	-	-	-	11,347,596	-	11,347,596
Capital assets:														
Land	1,056,183	-	-	-	-	-	787,021	961,692	-	-	-	2,804,896	-	2,804,896
Buildings	6,529,578	-	-	-	-	-	10,474,641	16,642,231	-	-	-	33,646,450	-	33,646,450
Building improvements	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture, equipment and machinery - dwellings	-	-	35,128	-	-	-	448,032	402,334	-	-	-	885,494	-	885,494
Furniture, equipment and machinery - admin	768,091	20,367	-	-	-	-	17,020	-	-	-	-	805,478	-	805,478
Accumulated depreciation	(774,251)	-	(35,043)	-	-	-	(4,300,529)	(9,742,066)	-	-	-	(14,851,889)	-	(14,851,889)
Construction in progress	345,773	-	-	-	-	-	-	4,367,489	-	-	-	4,713,262	-	4,713,262
Total noncurrent assets	20,039,629	20,367	85	-	-	-	7,426,185	12,631,680	-	-	-	40,117,946	-	40,117,946
Total assets	\$ 27,110,186	\$ 202,203	\$ 622,200	\$ 13,019	\$ 53,947	\$ 362,047	\$ 8,693,283	\$ 13,868,566	\$ -	\$ -	\$ -	\$ 50,925,451	\$ (389,372)	\$ 50,536,079
Current Liabilities:														
Accounts payable less than 90 days	\$ 4,118	\$ 2,610	\$ 342	\$ -	\$ -	\$ -	\$ 2,875	\$ 144,487	\$ -	\$ -	\$ -	154,432	\$ -	\$ 154,432
Accrued wages and payroll taxes	4,387	9,577	7,184	2,456	-	-	1,676	5,987	-	-	-	31,267	-	31,267
Accrued compensated absences - current	8,139	40,889	30,083	9,507	-	-	7,471	18,643	-	-	-	114,732	-	114,732
Accrued interest payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued liabilities - other	-	-	-	-	-	-	315,000	-	-	-	-	315,000	(315,000)	-
Unearned income	-	-	-	-	-	131,250	7,926	18,559	-	-	-	157,735	-	157,735
Short-term note payable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Current portion of long term debt	35,576	-	-	-	-	-	72,756	102,168	-	-	-	210,500	-	210,500
Due to other funds	-	-	43,365	-	-	-	-	31,007	-	-	-	74,372	(74,372)	-
	52,220	53,076	80,974	11,963	-	131,250	407,704	320,851	-	-	-	1,058,038	(389,372)	668,666
Payables from Restricted Assets:														
Accounts payable - other government	-	-	-	-	-	-	-	5,279	-	-	-	5,279	-	5,279
FSS Escrow deposit	-	-	490,499	-	-	-	-	-	-	-	-	490,499	-	490,499
Tenant security deposits	-	-	-	-	-	-	30,522	35,227	-	-	-	65,749	-	65,749
	-	-	490,499	-	-	-	30,522	40,506	-	-	-	561,527	-	561,527
Total current liabilities	52,220	53,076	571,473	11,963	-	131,250	438,226	361,357	-	-	-	1,619,565	(389,372)	1,230,193
Noncurrent Liabilities:														
Long-term debt, net of current	4,895,576	-	-	-	-	-	4,592,686	6,457,659	-	-	-	15,945,921	-	15,945,921
Accrued compensated absences, net of current	904	4,543	3,343	1,056	-	-	830	2,071	-	-	-	12,747	-	12,747
Other noncurrent liabilities	51,477	-	-	-	-	-	-	-	-	-	-	51,477	-	51,477
Total noncurrent liabilities	4,947,957	4,543	3,343	1,056	-	-	4,593,516	6,459,730	-	-	-	16,010,145	-	16,010,145
Total liabilities	5,000,177	57,619	574,816	13,019	-	131,250	5,031,742	6,821,087	-	-	-	17,629,710	(389,372)	17,240,338
Net Position:														
Net investment in capital assets	2,994,222	20,367	85	-	-	-	2,760,743	6,071,853	-	-	-	11,847,270	-	11,847,270
Restricted for:														
Grantor requirements	1,004,996	-	-	-	-	-	433,341	868,460	-	-	-	2,306,797	-	2,306,797
Required reserves	(834,940)	6,023	102,886	-	8,589	171,479	591,400	82,746	-	-	-	128,183	-	128,183
Unrestricted net position	18,945,731	118,194	(55,587)	-	45,358	59,318	(123,943)	24,420	-	-	-	19,013,491	-	19,013,491
Total net position	22,110,009	144,584	47,384	-	53,947	230,797	3,661,541	7,047,479	-	-	-	33,295,741	-	33,295,741
Total liabilities and net position	\$ 27,110,186	\$ 202,203	\$ 622,200	\$ 13,019	\$ 53,947	\$ 362,047	\$ 8,693,283	\$ 13,868,566	\$ -	\$ -	\$ -	\$ 50,925,451	\$ (389,372)	\$ 50,536,079

Housing Authority of the City of Yakima
Combining Schedule of Revenue, Expenses and Changes in Net Position - Primary Government for the fiscal period ending December 31, 2021

	YHA Business Activities	YHA COCC	Housing Choice Vouchers	FSS	Mainstream	EHV	State & Local	Rural Assistance Programs	HCV CARES	Mainstream CARES	COCC CARES	Subtotal	Eliminating Entries	Primary Government
Operating Revenue:														
Intergovernmental revenue	\$ -	\$ -	\$ 8,071,974	\$ -	\$ 317,039	\$ 270,052	\$ -	\$ -	\$ 227,358	\$ 2,604	\$ -	\$ 8,889,027	\$ -	\$ 8,889,027
Net tenant rental revenue	145,864	-	-	-	-	-	990,503	951,552	-	-	-	2,087,919	-	2,087,919
Other revenue	1,091,818	890,413	32,787	24,791	2,289	-	8,731	85,672	-	-	114,818	2,251,319	(659,985)	1,591,334
Other tenant revenue	33,343	-	-	-	-	-	5,490	240	-	-	-	39,073	-	39,073
Total operating revenue	1,271,025	890,413	8,104,761	24,791	319,328	270,052	1,004,724	1,037,464	227,358	2,604	114,818	13,267,338	(659,985)	12,607,353
Operating Expenses:														
Administrative:														
Administrative wages	52,569	483,999	254,690	-	2,046	-	45,164	58,932	77,510	1,954	86,113	1,062,977	-	1,062,977
Professional fees	2,996	3,622	40,660	-	-	-	6,489	15,237	-	-	-	69,004	-	69,004
Employee benefit contributions	36,612	129,904	78,187	-	1,350	-	19,316	35,977	25,838	650	28,705	356,539	-	356,539
Other operating - administrative	26,721	19,940	300,006	-	3,675	5,020	98,416	247,493	114,818	-	-	816,089	(636,025)	180,064
Tenant services	165,324	-	-	154,077	-	-	8,680	15,000	-	-	-	343,081	(23,960)	319,121
	284,222	637,465	673,543	154,077	7,071	5,020	178,065	372,639	218,166	2,604	114,818	2,647,690	(659,985)	1,987,705
Utilities:														
Electricity	15,313	8,366	-	-	-	-	31,223	25,488	-	-	-	80,390	-	80,390
Other utilities expense	3,485	2,863	-	-	-	-	-	892	-	-	-	7,240	-	7,240
Sewer	9,123	1,562	-	-	-	-	47,557	148,534	-	-	-	206,776	-	206,776
Water	7,522	2,592	-	-	-	-	51,081	164,618	-	-	-	225,813	-	225,813
	35,443	15,383	-	-	-	-	129,861	339,532	-	-	-	520,219	-	520,219
Ordinary maintenance and operations:														
Contract costs	76,305	173,993	197,401	-	670	-	107,695	240,999	-	-	-	797,063	-	797,063
Employee benefit contributions	7,331	17,429	8,361	-	-	-	24,395	70,776	-	-	-	128,292	-	128,292
Maintenance and operations wages	23,354	54,421	24,157	-	-	-	68,561	234,073	-	-	-	404,566	-	404,566
Materials and other	15,198	516	1,585	-	-	-	40,302	117,913	-	-	-	175,514	-	175,514
	122,188	246,359	231,504	-	670	-	240,953	663,761	-	-	-	1,505,435	-	1,505,435
General expenses:														
Depreciation expense	97,996	-	1,322	-	-	-	295,453	368,295	-	-	-	763,066	-	763,066
Amortization expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing assistance payments	-	-	7,348,743	-	301,036	34,235	-	-	-	-	-	7,684,014	-	7,684,014
Insurance premiums	5,271	4,971	7,887	-	-	-	30,136	62,443	-	-	-	110,708	-	110,708
Bad debt - tenant rents	-	-	-	-	-	-	7,125	40,683	-	-	-	47,808	-	47,808
Bad debt - other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other general expenses	5,133	-	2,767	-	-	-	18,380	52,936	-	-	-	79,216	-	79,216
Protective services contract costs	538	943	1,714	-	-	-	1,599	780	-	-	-	5,574	-	5,574
Payments in lieu of taxes	-	-	-	-	-	-	-	4,917	-	-	-	4,917	-	4,917
	108,938	5,914	7,362,433	-	301,036	34,235	352,693	530,054	-	-	-	8,695,303	-	8,695,303
Total operating expenses	550,791	905,121	8,267,480	154,077	308,777	39,255	901,572	1,905,986	218,166	2,604	114,818	13,368,647	(659,985)	12,708,662
Operating Income (Loss)	\$ 720,234	\$ (14,708)	\$ (162,719)	\$ (129,286)	\$ 10,551	\$ 230,797	\$ 103,152	\$ (868,522)	\$ 9,192	\$ -	\$ -	\$ (101,309)	\$ -	\$ (101,309)
Nonoperating Revenue (Expenses)														
Gain on the sale of capital assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest expense	(49,063)	-	-	-	-	-	(125,398)	(34,522)	-	-	-	(208,983)	-	(208,983)
Intergovernmental revenue	2,948,654	-	-	129,286	-	-	557,877	1,860,761	-	-	-	5,496,578	-	5,496,578
Investment revenue - restricted	-	-	-	-	-	-	-	148	-	-	-	148	-	148
Investment revenue - unrestricted	560,921	-	-	-	-	-	252	65	-	-	-	561,238	-	561,238
Total nonoperating revenue (expenses)	3,460,512	-	-	129,286	-	-	432,731	1,826,452	-	-	-	5,848,981	-	5,848,981
Income (Loss) Before Other Revenues, Expenses														
Gains, Losses, and Transfers	4,180,746	(14,708)	(162,719)	-	10,551	230,797	535,883	957,930	9,192	-	-	5,747,672	-	5,747,672
Increase (Decrease) in Net Position	4,180,746	(14,708)	(162,719)	-	10,551	230,797	535,883	957,930	9,192	-	-	5,747,672	-	5,747,672
Net Position, Beginning of Year	17,920,071	159,292	210,103	-	43,396	-	3,125,658	6,089,549	-	-	-	27,548,069	-	27,548,069
Equity Transfer	9,192	-	-	-	-	-	-	-	(9,192)	-	-	-	-	-
Prior period adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital contribution	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Position, End of Year	\$ 22,110,009	\$ 144,584	\$ 47,384	\$ -	\$ 53,947	\$ 230,797	\$ 3,661,541	\$ 7,047,479	\$ -	\$ -	\$ -	\$ 33,295,741	\$ -	\$ 33,295,741

Housing Authority of the City of Yakima

Notes to Combining Financial Schedules

December 31, 2021

YHA Business Activities – Consists of the Unrestricted Fund, and Cosecha Court II Phase II. Used to account for the general administration and operations of the Housing Authority of the City of Yakima, as well as unrestricted receipts unrelated to other funds.

Central Office Cost Center – Used to account for housing authority fee income from the management of the other programs and expenses incurred by the housing authority are recovered by these fees.

Housing Choice Vouchers – Used to account for Housing Assistance Payments made to landlords on behalf of eligible low- income clients, Veterans Affairs Supportive Housing (VASH), and Non-Elderly Disabled Housing (NED). VASH payments are made on behalf of Veterans that have been previously approved with supportive services. NED payments are made on behalf of individuals who are under the age of 62, and disabled, that have been previously approved with supportive services.

Family Self-Sufficiency – Used to account for HUD-assisted families involved in the program who are trying to increase their earned income and reduce dependency on welfare assistance and rental subsidies.

Mainstream Vouchers – Used to account for Housing Assistance Payments made to landlords on behalf of eligible low- income clients, specifically non-elderly persons with disabilities, in the same manner as housing choice vouchers, however the funding and reporting is separate from regular tenant-based vouchers.

State & Local – Consists of Mariposa Park, Nueva Primavera, and Cosecha Court II properties. Used to account for the administration, operating, maintenance, improvement and construction of an apartment complex for YHA's multi-family housing.

Rural Assistance Programs – Consists of Harmony Park, Valley Seven, and Cosecha Court properties. Used to account for administration, operation, maintenance, improvement and construction of Rural Housing units with USDA RD and Farm Labor Housing Loans and Grants.

HCV CARES – Used to account for additional Housing Assistance Payments administrative fees allocated to the HCV program due to the CARES Act passed by US Congress in 2020 to help battle the Covid-19 pandemic.

Mainstream CARES – Used to account for additional Mainstream administrative fees allocated to the program due to the CARES Act passed by US Congress in 2020 to help battle the Covid-19 pandemic.

COCC CARES – Used to account for additional fees up to 50% of regular fees charged by the COCC program that were allowed from the CARES Act funding.

Housing Authority of the City of Yakima

Statistical Section:

Financial Trends

Revenue Capacity

Debt Capacity

Demographic and Economic Information

Operating Information



Housing Authority of the City of Yakima

Statistical Section (Unaudited)

This part of YHA's CAFR presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the YHA's overall financial health. The following tables present the prior ten fiscal years, which includes one nine month period, December 31, 2013, due to a change in year-end.

Contents	Tables
Financial Trends <i>These schedules contain trend information to help the reader understand how YHA's Financial performance and well-being have changed over the past 10 years.</i>	1 - 2
Revenue Capacity <i>These schedules contain trend information to help the reader assess YHA's most significant revenue sources.</i>	3 - 4
Debt Capacity <i>These schedules contain trend information to help the reader assess the affordability of YHA's current levels of outstanding debt and ability to issue additional debt in the future.</i>	5 - 6
Demographic and Economic Information <i>These schedules contain trend information of the demographic and economic indicators to help the reader understand the environment within which YHA's financial activities take place.</i>	7 - 10
Operating Information <i>These schedules contain data to help the reader understand how the information in YHA's financial report relates to the services YHA provides and the activities it performs.</i>	11 - 13

Housing Authority of the City of Yakima

Net Position – Last Ten Fiscal Years

(Unaudited)

Table 1

Fiscal Year	Net Investment in Capital Assets	Restricted Net Position	Unrestricted Net Position	Total
3/31/2013	13,331,020	1,462,202	184,281	14,977,503
12/31/2013	14,778,559	1,424,515	993,267	17,196,341
12/31/2014	12,467,861	1,904,635	2,348,573	17,196,341
12/31/2015	6,461,102	1,764,624	9,676,852	17,902,578
12/31/2016	5,966,020	1,295,618	14,602,032	21,863,670
12/31/2017	6,669,537	1,565,793	14,067,959	22,303,289
12/31/2018	9,015,253	1,476,781	14,354,939	24,846,973
12/31/2019	8,478,605	1,749,890	14,802,626	25,031,121
12/31/2020	8,596,881	2,473,430	16,477,758	27,548,069
12/31/2021	11,847,270	2,434,980	19,013,491	33,295,741

Source: Previous years' audits and current year financial statements

Housing Authority of the City of Yakima
Changes in Net Position – Last Ten Fiscal Years
(Unaudited)

	March 31, 2013	December 31, 2013	December 31, 2014	December 31, 2015
<i>Operating Revenue:</i>				
Intergovernmental revenues	\$ 3,815,409	\$ 2,584,579	\$ 3,812,160	\$ 4,465,763
Net tenant revenue	1,438,835	1,092,641	1,347,657	1,555,931
Other revenues	227,054	321,960	1,040,913	638,583
	<u>5,481,298</u>	<u>3,999,180</u>	<u>6,200,730</u>	<u>6,660,277</u>
<i>Operating Expenses:</i>				
Administrative	1,125,627	962,910	880,236	1,303,055
Utilities	489,594	362,941	494,291	492,280
Ordinary maintenance and operating	996,766	651,002	868,013	806,893
General expenses	151,951	161,977	199,852	118,336
Depreciation	965,006	732,592	944,793	949,616
Housing assistance payments	3,173,252	2,301,902	3,631,338	3,983,015
	<u>6,902,196</u>	<u>5,173,324</u>	<u>7,018,523</u>	<u>7,653,195</u>
<i>Operating Loss</i>	<u>(1,420,898)</u>	<u>(1,174,144)</u>	<u>(817,793)</u>	<u>(992,918)</u>
<i>Nonoperating Revenue (Expenses):</i>				
Intergovernmental	815,325	695,678	920,683	919,704
Investment revenue	10,838	8,651	1,107	357,882
Interest expense	(143,456)	(128,620)	(582,944)	(240,573)
Debt issuance costs	-	-	(109,126)	(310,750)
Gain (loss) on disposition of assets	(2,461)	1,029,116	310,480	-
	<u>680,246</u>	<u>1,604,825</u>	<u>540,200</u>	<u>726,263</u>
<i>Income (Loss) before Capital Contributions</i>	<u>(740,652)</u>	<u>430,681</u>	<u>(277,593)</u>	<u>(266,655)</u>
<i>Pass-through funds</i>	-	(171,327)	-	-
<i>Partnership net income</i>				(41,782)
<i>Capital grants</i>	<u>2,938,180</u>	<u>909,481</u>	<u>1,065,000</u>	<u>654,570</u>
Change in net position	2,197,528	1,168,835	787,407	346,133
<i>Net Position, Beginning of Year</i>	<u>12,780,484</u>	<u>14,978,012</u>	<u>17,196,847</u>	<u>17,984,254</u>
Capital contributions	-	1,050,000	-	(427,299)
Prior Period Adjustments	-	-	-	-
<i>Net Position, End of Year</i>	<u>\$ 14,978,012</u>	<u>\$ 17,196,847</u>	<u>\$ 17,984,254</u>	<u>\$ 17,903,088</u>

Note: The December 31, 2013 row is for a nine-month period, the remaining columns are for a 12-month period.

Source: Previous years' audits and current year financial statements

Table 2

Table 2

December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
\$ 5,108,871	\$ 5,236,400	\$ 5,853,773	\$ 5,963,064	\$ 8,134,603	\$ 8,889,027
1,544,233	1,461,204	1,637,226	1,722,149	1,926,741	2,126,992
1,969,497	701,576	732,753	919,773	1,199,284	1,591,334
8,622,601	7,399,180	8,223,752	8,604,986	11,260,628	12,607,353
1,423,049	1,456,614	1,654,048	1,941,884	1,834,732	1,987,705
525,481	539,788	483,310	530,426	464,907	520,219
792,754	901,460	804,225	940,660	1,070,745	1,505,435
157,717	120,549	187,698	243,578	357,400	248,224
819,063	938,984	962,676	840,698	944,765	763,066
4,375,261	4,568,069	5,195,877	5,249,567	6,902,117	7,684,013
8,093,325	8,525,464	9,287,834	9,746,813	11,574,666	12,708,662
529,276	(1,126,284)	(1,064,082)	(1,141,827)	(314,038)	(101,309)
739,836	770,556	711,689	824,868	2,454,651	5,496,578
451,374	432,859	413,518	679,037	542,770	561,386
(211,319)	(137,205)	(163,153)	(177,930)	(165,530)	(208,983)
(5,096)	-	-	-	-	-
1,529,195	3,317	350	-	-	-
2,503,990	1,069,527	962,404	1,325,975	2,831,891	5,848,981
3,033,266	(56,757)	(101,678)	184,148	2,517,853	5,747,672
-	-	-	-	-	-
(76)	-	-	-	-	-
927,902	495,867	2,645,362	-	-	-
3,961,092	439,110	2,543,684	184,148	2,517,853	5,747,672
17,903,088	21,864,180	22,303,290	24,846,974	25,031,121	27,548,069
-	-	-	-	(905)	-
-	-	-	-	-	-
\$ 21,864,180	\$ 22,303,290	\$ 24,846,974	\$ 25,031,122	\$ 27,548,069	\$ 33,295,741

Housing Authority of the City of Yakima
Operating Revenues by Source - Last Ten Fiscal Years
(Unaudited)

Table 3

Fiscal Year	Net Tenant Rental		Intergovernmental		Other		Total	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
3/31/2013	\$ 1,438,835	26.25%	\$ 3,815,409	69.61%	\$ 227,054	4.14%	\$ 5,481,298	100.00%
12/31/2013	1,092,641	27.32%	2,584,579	64.63%	321,960	8.05%	3,999,180	100.00%
12/31/2014	1,347,657	21.73%	3,812,160	61.48%	1,040,913	16.79%	6,200,730	100.00%
12/31/2015	1,555,931	23.36%	4,465,763	67.05%	638,583	9.59%	6,660,277	100.00%
12/31/2016	1,544,233	17.91%	5,108,871	59.25%	1,969,497	22.84%	8,622,601	100.00%
12/31/2017	1,461,204	19.75%	5,236,400	70.77%	701,576	9.48%	7,399,180	100.00%
12/31/2018	1,637,226	19.91%	5,853,773	71.18%	732,753	8.91%	8,223,752	100.00%
12/31/2019	1,722,149	20.01%	5,963,064	69.30%	919,773	10.69%	8,604,986	100.00%
12/31/2020	1,926,741	17.11%	8,134,603	72.24%	1,199,284	10.65%	11,260,628	100.00%
12/31/2021	2,126,992	16.87%	8,889,027	70.51%	1,591,334	12.62%	12,607,353	100.00%

Note: The December 31, 2013 row is for a nine-month period, the remaining columns are for a 12-month period.

Source: Previous years' audits and current year financial statements

Housing Authority of the City of Yakima
Non-Operating Revenues by Source - Last Ten Fiscal Years
(Unaudited)

Table 4

Fiscal Year	Intergovernmental		Investment		Gain (Loss) on Assets		Total	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
3/31/2013	815,325	98.98%	10,838	1.32%	(2,461)	-0.30%	823,702	100.00%
12/31/2013	695,678	40.13%	8,651	0.50%	1,029,116	59.37%	1,733,445	100.00%
12/31/2014	920,683	74.71%	1,107	0.09%	310,480	25.20%	1,232,270	100.00%
12/31/2015	919,704	71.99%	357,882	28.01%	-	0.00%	1,277,586	100.00%
12/31/2016	739,836	27.20%	451,374	16.59%	1,529,195	56.21%	2,720,405	100.00%
12/31/2017	770,556	63.85%	432,859	35.87%	3,317	0.28%	1,206,732	100.00%
12/31/2018	711,689	63.23%	413,518	36.74%	350	0.03%	1,125,557	100.00%
12/31/2019	824,868	54.85%	679,037	45.15%	-	0.00%	1,503,905	100.00%
12/31/2020	712,699	56.77%	542,770	43.23%	-	0.00%	1,255,469	100.00%
12/31/2021	5,496,578	90.73%	561,386	9.27%	-	0.00%	6,057,964	100.00%

Note: The December 31, 2013 row is for a nine-month period, the remaining columns are for a 12-month period.

Source: Previous years' audits and current year financial statements

Housing Authority of the City of Yakima

Debt Service Coverage - Last Ten Fiscal Years

(Unaudited)

Table 5

	March 31, 2013	December 31, 2013	December 31, 2014	December 31, 2015	December 31, 2016	December 31, 2017	December 31, 2018	December 31, 2019	December 31, 2020	December 31, 2021
Revenue (excluding HAP subsidy)	\$ 2,949,559	\$ 3,981,124	\$ 5,694,917	\$ 4,897,868	\$ 6,670,985	\$ 3,909,219	\$ 3,977,389	\$ 4,627,428	\$ 5,453,529	\$ 10,003,648
Expenses (excluding depreciation, HAP)	2,763,939	2,052,471	3,212,057	3,126,261	2,899,001	3,018,411	3,129,281	3,656,548	4,838,079	5,233,631
Revenue available for debt service	<u>\$ 185,620</u>	<u>\$ 1,928,653</u>	<u>\$ 2,482,860</u>	<u>\$ 1,771,607</u>	<u>\$ 3,771,984</u>	<u>\$ 890,808</u>	<u>\$ 848,108</u>	<u>\$ 970,880</u>	<u>\$ 615,450</u>	<u>\$ 4,770,017</u>
Debt Service Requirements:										
Principal	\$ 174,577	\$ 180,030	\$ 145,248	\$ 249,160	\$ 182,162	\$ 212,600	\$ 230,200	\$ 188,248	\$ 138,200	\$ 262,781
Interest	146,900	146,900	212,336	241,000	142,970	169,400	158,700	171,500	166,000	209,000
Total	<u>\$ 321,477</u>	<u>\$ 326,930</u>	<u>\$ 357,584</u>	<u>\$ 490,160</u>	<u>\$ 325,132</u>	<u>\$ 382,000</u>	<u>\$ 388,900</u>	<u>\$ 359,748</u>	<u>\$ 304,200</u>	<u>\$ 471,781</u>
Debt service coverage	0.58	5.9	6.94	3.61	11.6	2.33	2.18	2.7	2.0	10.1

Note: The December 31, 2013 column is for a nine-month period, the remaining columns are for a 12-month period.

Source: Previous years' audits and current year financial statements

Housing Authority of the City of Yakima
Ratio of Debt to Capital Assets - Last Ten Fiscal Years
(Unaudited)

Table 6

Fiscal Year	Notes Payable	Bonds Payable	Total Debt	Capital Assets	Ratio of Total Debt to Capital Assets
3/31/2013	\$ 4,301,675	\$ 1,875,000	\$ 6,176,675	\$ 36,233,259	18.46%
12/31/2013	4,236,944	1,795,000	6,031,944	29,409,779	20.51%
12/31/2014	4,597,430	3,554,062	8,151,492	23,605,663	34.53%
12/31/2015	5,644,301	2,022,272	7,666,573	27,841,171	18.95%
12/31/2016	6,113,889	1,988,754	7,666,573	24,909,095	30.78%
12/31/2017	6,426,833	1,955,504	8,102,643	26,578,300	30.49%
12/31/2018	7,075,887	1,917,161	8,993,048	30,664,198	29.33%
12/31/2019	7,141,351	1,878,950	9,020,301	31,702,836	28.45%
12/31/2020	11,265,035	1,839,034	13,104,069	35,789,772	36.61%
12/31/2021	14,359,086	1,797,335	16,156,421	42,855,580	37.70%

Source: Previous years' audits and current year financial statements

Note: Total debt amount includes short-term portion due within one year

Housing Authority of the City of Yakima
Service Area Demographics
(Unaudited)

Table 7

Fiscal Year	Yakima County Population	Residents of YHA	Yakima Unemployment Rate
3/31/2013	247,250	2,725	10.10%
12/31/2013	247,044	2,581	8.80%
12/31/2014	247,944	2,681	8.80%
12/31/2015	245,452	3,003	8.30%
12/31/2016	249,502	2,855	7.70%
12/31/2017	251,398	2,893	7.00%
12/31/2018	250,193	2,870	6.60%
12/31/2019	250,873	2,943	7.10%
12/31/2020	251,184	2,932	7.90%
12/31/2021	256,035	2,939	6.50%

Note: This table includes all YHA housing programs.

Sources: State of Washington – Office of Financial Management Workforce Explorer Washington and previous years’ audits, current year financial statements, and YHA tenant records.

Housing Authority of the City of Yakima

Principal Employers for the County of Yakima – Current year and nine years ago

(Unaudited)

Table 8

	2021		
	Employees	Rank	Percentage of Total County Employment
Virginia Mason Memorial Hospital	2,500	1	0.98%
Walmart - Yakima/Sunnyside/Grandview	1,700	2	0.66%
Yakima School District 7	1,584	3	0.62%
Zirkle Fruit	1,500	4	0.59%
Washington Fruit & Produce	1,500	5	0.59%
Yakama Nation Government Operations	1,289	6	0.50%
Borton Fruit	1,212	7	0.47%
Astria Regional Medical Health	1,200	8	0.47%
Yakima Nation Enterprises	1,170	9	0.46%
Yakima County	1,074	10	0.42%

	2011		
	Employees	Rank	Percentage of Total County Employment
Yakima Valley Memorial Hospital	2,500	1	2.03%
Yakima School District, No. 7	1,723	2	1.40%
Walmart	1,700	3	1.38%
Yakima Valley Farm Workers Clinic	1,181	4	0.96%
Yakima County	1,169	5	0.95%
Yakima Regional Medical Center	942	6	0.77%
Washington Beef	850	7	0.69%
City of Yakima	725	8	0.59%
Sunnyside School District	670	9	0.54%
Yakama Nation Legends Casino	634	10	0.52%

Source: Yakima Chamber of Commerce

Housing Authority of the City of Yakima

Resident Demographics / Population Statistics - Last Ten Fiscal Years

(Unaudited)

Table 9

Public Housing and Non-HUD Housing Programs				
Fiscal Year	Number of minors (ages 0-18)	Number of adults (ages 19-61)	Number of elderly (ages 62+)	Total number of residents
3/31/2013	674.0	509.0	84.0	1,267.0
12/31/2013	588.0	455.0	88.0	1,131.0
12/31/2014	357.0	327.0	69.0	753.0
12/31/2015	669.0	585.0	143.0	1,397.0
12/31/2016	445.0	339.0	35.0	819.0
12/31/2017	433.0	315.0	38.0	786.0
12/31/2018	805.0	575.0	150.0	1,530.0
12/31/2019	804.0	585.0	159.0	1,548.0
12/31/2020	737.0	564.0	155.0	1,456.0
12/31/2021	775.0	607.0	179.0	1,561.0

Housing Choice Voucher Program				
Fiscal Year	Number of minors (ages 0-18)	Number of adults (ages 19-61)	Number of elderly (ages 62+)	Total number of residents
3/31/2013	663	624	171	1,458
12/31/2013	655	616	179	1,450
12/31/2014	597	604	173	1,374
12/31/2015	949	462	195	1,606
12/31/2016	539	577	196	1,312
12/31/2017	574	607	210	1,391
12/31/2018	546	595	215	1,356
12/31/2019	578	605	212	1,395
12/31/2020	611	642	223	1,476
12/31/2021	554	607	217	1,378

Source: Housing Authority of the City of Yakima's tenant records

Housing Authority of the City of Yakima

Resident Demographics / Ethnicity Statistics - Last Ten Fiscal Years

(Unaudited)

Table 10

Public Housing and Non-HUD Housing Programs						
Fiscal Year	Caucasian	Latino	African American	Native American	Other	Total
3/31/2013	193	1,005	21	33	15	1,267
12/31/2013	135	926	18	35	17	1,131
12/31/2014	100	624	19	6	4	753
12/31/2015	104	1,248	19	26	-	1,397
12/31/2016	82	688	20	28	1	819
12/31/2017	72	680	14	19	1	786
12/31/2018	171	1,250	30	72	7	1,530
12/31/2019	165	1,299	23	54	7	1,548
12/31/2020	169	1,212	26	40	9	1,456
12/31/2021	184	1,298	30	35	14	1,561

Housing Choice Voucher Program						
Fiscal Year	Caucasian	Latino	African American	Native American	Other	Total
3/31/2013	778	477	109	62	32	1,458
12/31/2013	739	488	132	77	14	1,450
12/31/2014	628	577	97	56	16	1,374
12/31/2015	929	546	61	56	14	1,606
12/31/2016	716	429	89	56	22	1,312
12/31/2017	763	448	89	69	22	1,391
12/31/2018	740	426	86	78	26	1,356
12/31/2019	722	463	93	82	35	1,395
12/31/2020	785	437	99	97	58	1,476
12/31/2021	732	451	107	61	27	1,378

Source: Housing Authority of the City of Yakima's tenant records

Housing Authority of the City of Yakima
Number of YHA Dwelling Units - Last Ten Fiscal Years
(Unaudited)

Table 11

Fiscal Year	Public Housing	Farm Labor Units	Housing Choice Vouchers	Emergency Housing Choice Vouchers	VASH	NED	Mainstream	Cosecha Court *	Nueva Primavera **	Mariposa Park LP	Harmony Park	Glenn Acres	Naches House	YHA Family Housing **	Toppenish Family Housing **	Yakima Veterans **	Total
3/31/2013	150	147	635	-	70	15	-	-	39	26	-	38	-	-	-	-	1,120
12/31/2013	-	146	660	-	70	15	-	10	39	26	-	38	-	150	-	-	1,154
12/31/2014	-	142	810	-	70	15	-	10	38	26	-	38	51	150	-	-	1,350
12/31/2015	-	142	818	-	70	15	-	10	38	26	24	38	51	150	-	-	1,382
12/31/2016	-	142	919	-	78	15	-	10	38	26	24	38	51	150	30	-	1,521
12/31/2017	-	142	919	-	78	15	-	10	38	26	24	38	51	150	30	-	1,521
12/31/2018	-	142	934	-	78	15	-	16	38	26	24	38	51	150	30	-	1,548
12/31/2019	-	142	934	-	83	15	-	16	38	26	24	38	51	150	30	-	1,553
12/31/2020	-	142	1,040	-	93	15	65	16	38	26	24	38	51	150	30	-	1,728
12/31/2021	-	142	1,041	75	93	15	115	26	38	26	24	38	51	150	30	41	1,905

* Seasonal Farmworker Housing - 16 units, includes phase 1 and 2.

** Including HCV's that are project based.

Source: YHA financial statements and audits

Housing Authority of the City of Yakima
Property Characteristics and Unit Comparison
(Unaudited)

Table 12

Name of Development	Address	Number of Units	Year built or acquired
Valley Seven (Farm Labor Units):	301-309 S 1st St	10	1980
Harvest Plaza - Granger	208-212 S 2nd St	6	1980
Horizon Apartments- Toppenish	712 Washington Ave	9	1982
	501 & 502 E 1st Ave	12	1982
	115 & 117 S 'G' St	2	1982
Linda Vista - Toppenish	1106 Washington Ave	4	1993
	810 Monroe Ave	2	1993
	822 Rentschler Ave	3	1993
	701-709 Guyette	12	1993
	708 Rentschler Ave	4	1993
	712 Rentschler Ave	3	1993
	308 W 3rd	2	1993
Valley West - Tieton/Cowiche	16901-16907 Summitview	4	1992
	16941-16947 Summitview	4	1992
	1002-1006 Naches Ave	3	1992
	400/402 Newland Pl	2	1992
	815/817 Franklin	2	1992
	1215/1217 Tieton Ave	2	1992
	261/263 S Tieton Rd	2	1992
	19861-19867 Summitview	4	1992
Pioneer Plaza - Yakima	408-412 E Spruce St	3	1983
	902-906 E Beech St	3	1983
	115-1121 Pleasant Ave	4	1983
	1314-1316 S 12th Ave	2	1983
	1408-1414 Willow St	4	1983
	507/509 N 6th Ave	2	1983
	510/512 Cherry Ave	2	1983
Sage Court - Toppenish	614 Washington	7	1986
	110 S Beech St	3	1986

Sunset Terrace - Yakima	417/419/503/505 N 6th Ave	4	1986
	1004-1010 Buwalda	4	1986
	202 N 9th St	2	1986
	1707 Pleasant Ave	2	1986
	1611-1617 S 1st St	4	1986
	603/605 S 4th St	2	1986
	1112/1114 S 18th Ave	2	1986

Total Valley Seven (Farm Labor Units)	142
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YHA Family Housing, LLC: - Yakima WA

Fair Avenue Apartments	110 S Fair Ave	14	1979
Pacific Apartments	504/508 Pacific	15	1979
Evergreen Apartments	1322 S 18th Ave	6	1979
Cascade Apartments	615 N 15th Ave	15	1979
Eastwood Apartments	610 E Arlington St	10	1979
Spruce Lane Apartments	914 E Spruce St	20	1980
Edgewood Apartments	621 N 16th Ave	10	1980
Willow Lane Apartments	1214 Willow St	10	1980
Sierra Apartments	603 Central Ave	14	1980
Parkview Apartments	801 Central Ave	10	1980
9th Street Apartments	1212 S 9th St	4	1982
Yakima Terrace	1307/1309/1311 A & B S 18th Ave	6	1987
Nueva Primavera	810 N 6th Ave	16	1999

Total YHA Family Housing Units	150
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Other housing developments:

Harmony Park- Toppenish	711 Rentschler Lane	24	1988
Nueva Primavera - Yakima	1118 Fruitvale Ave & 810 N 6th Ave	38	1999
Mariposa Apartments - Yakima	314 Cherry Ave/918 & 919 Fenton	26	1999
Glenn Acres - Yakima	15 N 37th Ave	38	1999
Cosecha Court (76 beds) - Granger	416 5th Street	10	2013
Cosecha Court II Phase I - (96 beds) Granger	250 Cherry Hill Road	6	2018
Cosecha Court II Phase II (80 beds) - Granger	250 Cherry Hill Road	40	
Naches House - Yakima	314 N Naches Ave	51	2014
Toppenish Family Housing - Toppenish	800 Guyette Lane	30	2016
Chuck Austin Place - Yakima	1630 S. 16th Ave.	41	2021

Total other housing developments:	304
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Total Units	596
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Source: YHA's development & deed files

Housing Authority of the City of Yakima

Number of YHA Staff - Last Ten Fiscal Years

(Unaudited)

Table 13

Fiscal Year	Administration	Finance	Housing Choice Vouchers	Asset Management	Development	Total
3/31/2013	2	4	5	13	-	24
12/31/2013	2	4	6	12	-	24
12/31/2014	2	4	6	14	-	26
12/31/2015	2	4	6	20	-	32
12/31/2016	3	5	6	17	-	31
12/31/2017	3	5	8	17	1	34
12/31/2018	3	5	8	18	3	37
12/31/2019	3	4	9	22	3	41
12/31/2020	3	5	9	21	2	40
12/31/2021	2	6	9	24	2	43



Loveridge Hunt & Co., PLLC
CERTIFIED PUBLIC ACCOUNTANTS

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Housing Authority of the City of Yakima (the Authority) as of and for the year ended December 31, 2021, 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 27, 2022. Our report includes a reference to other auditors who audited the financial statements of the Yakima Affordable Housing LLLP, Toppenish Family Housing LLC, YHA Family Housing LLC and Yakima Veterans Housing LLLP as described in our report on the Authority's financial statements. This report includes our consideration of the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported on separately by those auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors. The financial statements of the aggregate discretely presented component units were not audited in accordance with *Government Auditing Standards*, except for Yakima Affordable Housing LLLP, and accordingly. This report does not include the results of other auditor's testing of internal control over financial reporting or compliance and other matters that are reported on separately by that auditor.

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 opinions 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

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

on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified deficiency in internal control, described in the accompanying schedule of findings and questioned costs item 2021-001 that we consider to be a material weakness.

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*.

The Authority's Response to Findings

The Authority's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

Loveridge Hunt & Co., PLLC

Bellevue, Washington
July 27, 2022



Loveridge Hunt & Co., PLLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Housing Authority of the City of Yakima's (the Authority) compliance with the types of compliance requirements identified as subject to audit in the 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, 2021. The Authority's major federal programs are identified in the summary of 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, 2021.

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). Our responsibilities under those standards and the 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 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 of the Authority's compliance with the compliance requirements referred to above.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
UNIFORM GUIDANCE - (CONTINUED)

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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting 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 judgment 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.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- 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.

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.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
UNIFORM GUIDANCE - (CONTINUED)

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 a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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. 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. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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.

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.

Loveridge Hunt & Co., PLLC

Bellevue, Washington
July 27, 2022

Housing Authority of the City of Yakima
Schedule of Expenditures of Federal Awards
12/31/2021

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Federal Expenditures
U. S. Department of Housing and Urban Development		
Housing Voucher Cluster:		
Section 8 Housing Choice Voucher Program	14.871	\$ 8,071,974
COVID-19 Section 8 Housing Choice Voucher Program CARES funding	14.871	227,358
Mainstream Voucher Program	14.879	317,039
COVID-19 Mainstream Voucher Program CARES funding	14.879	2,604
Section 8 Emergency Housing Choice Voucher Program	14.EHV	270,052
Total Housing Voucher Cluster		<u>8,889,027</u>
PIH Family Self-Sufficiency Program	14.896	<u>129,286</u>
<i>Total U.S. Department of Housing and Urban Development</i>		<u>9,018,313</u>
U. S. Department of Agriculture and U.S. Department of Commerce		
Farm Labor Housing Loan and Grants	10.405	163,193
Farm Labor Housing Loan and Grants	10.405	<u>279,247</u>
<i>Total 10.405</i>		442,440
Rural Rental Housing Loans	10.415	668,805
<i>Passed through Office of Rural and Farmwork Housing:</i>		
515 Multi-Family Housing Preservation Revolving Loan		
Fund Demonstration Project	10.415	<u>197,822</u>
<i>Total 10.415</i>		866,627
Rural Rental Assistance Payments	10.427	109,700
Rural Rental Assistance Payments	10.427	88,645
Rural Rental Assistance Payments	10.427	<u>507,051</u>
<i>Total 10.427</i>		705,396
Rural Development Multi-Family Housing Revitalization Demonstration Program (MPR) - Grant	10.447	868,801
Rural Development Multi-Family Housing Revitalization Demonstration Program (MPR) - Loan	10.447	<u>4,744,110</u>
<i>Total 10.447</i>		5,612,911
<i>Total U.S. Department of Agriculture and U.S. Department of Commerce</i>		<u>7,627,374</u>
Total Expenditures of Federal Awards		<u><u>\$ 16,645,687</u></u>

Housing Authority of the City of Yakima

Notes to Schedule of Expenditures of Federal Awards

December 31, 2021

General – The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Housing Authority of City of Yakima (YHA). YHA’s reporting entity is defined in note 1 to the basic financial statements.

YHA’s basic financial statements include the operations of Yakima Affordable Housing, LLLP, discretely presented component units, which received \$656,386 in federal awards which are not included in YHA’s schedule of expenditures of federal awards for the year ended December 31, 2021.

Basis of Accounting – The schedule of expenditures of federal awards is prepared on the accrual basis of accounting. Revenues are recognized when program costs have been incurred or when revenues have otherwise been earned.

Indirect cost rate – YHA has elected not to use the de-minimis indirect cost rate.

Farm Labor Housing Loan – The expenditures shown consist of loan funds received and expended in the Cosecha Court development. The total balance of the loan outstanding at December 31, 2021 was \$157,307.

Farm Labor Housing Loan – The expenditures shown consist of loan funds received and expended in the Valley Seven development. The total balance of the loan outstanding at December 31, 2021 was \$258,480.

Rural Rental Housing – The expenditures shown consist of loan funds received and expended in the Harmony Park development. The total balance of the loan outstanding at December 31, 2021 was \$662,017.

Multi-Family Housing Preservation Revolving Loan Fund Demonstration Program – The expenditures shown consist of loan funds received as a pass through from the Office of Rural and Farmworker Housing and expended in the Valley Seven development. The total balance of the loan outstanding at December was \$187,171.

Multi-Family Housing Preservation Revolving Loan Fund Demonstration Program – The expenditures shown consist of loan funds received and expended in the Valley Seven development. The total balance of the loan outstanding at December 31, 2021 was \$4,700,670.

Subrecipients - Yakima Housing Authority does not have any subrecipients.

Housing Authority of the City of Yakima
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? X Yes No

- Significant deficiency(ies) identified that
are not considered to be material weaknesses Yes X No

Noncompliance material to financial statements
noted: Yes X No

FEDERAL AWARDS

Internal control over major programs:

- Material weakness(es) identified? Yes X No

- Significant deficiency(ies) identified that
are not considered to be material weaknesses Yes X No

Type of auditor's report issued on compliance
for major programs: Unmodified

Any audit findings disclosed that are required
to be reported in accordance with the
Uniform Guidance? Yes X No

Identification of major programs:

Assistance Listing

numbers

10.405

10.415

10.447

Name of Federal Program or Cluster

Farm Labor Housing Loans and Grants

Rural Rental Housing Loans

Rural Development Multi-Family Housing Revitalization
Demonstration Program (MPR)

Housing Authority of the City of Yakima

Schedule of Findings and Questioned Costs - (Continued)

For the Year Ended December 31, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS - (Continued)

Dollar threshold used to distinguish between
Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee:

_____ Yes X No

SECTION II - FINANCIAL STATEMENT FINDINGS

Financial statement findings 2021-001 are described below. No other findings were noted.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No federal award findings and questioned costs were noted.

Housing Authority of the City of Yakima
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2021

Finding Reference Number:
2021-001

Perspective:

During our review of the financial records prepared by management, we performed procedures to audit the financial statements and to underlying financial records, grant agreements, loan documents and other support.

Criteria:

The Authority must properly design, implement, and maintain effective internal controls to ensure that financial information is reliable and properly reported in conformity with U.S. generally accepted accounting principles

Condition:

The assets were understated by approximately \$1.055 million, liabilities overstated by approximately \$960,000, and revenues understated by \$2.015 million. This was due to understatement of loan receivable/interest receivable and grant/interest income of \$162,000 from a component unit, developer fee receivable and developer fee income of \$825,000 from a component unit, lease receivable and ground lease income of \$68,000 from a component unit and overstatement of a loan by \$960,000 and understatement of rental assistance by \$91,000 and grant income by \$869,000.

Cause:

Management's internal review process did not detect these items in a timely manner.

Effect or potential effect:

The assets and net income were understated by approximately \$1.055 million. Potential effects of the condition noted could result in materially misstated financial statements.

Recommendation:

We recommend the Authority develop a process to develop expectations of key account balances based upon current year development activities and to ensure timely review of adjustments that typically are recorded as part of the financial statement drafting process.

Views of Responsible Officials:

See Corrective Action Plan.



"Committed to Safe and Affordable Housing"

Corrective Action Plan

For the year ended December 31, 2021

U.S. Department of Housing and Urban Development:

Yakima Housing Authority respectfully submits the following corrective action plan for the year ended December 31, 2021.

Auditor:

Loveridge Hunt & Co., PLLC
14725 SE 36th Street, Suite 401
Bellevue, WA 98006

The findings from the December 31, 2021 schedule of findings and questioned costs are discussed below. The findings are numbered consistently with the numbers assigned in the schedule.

Findings – Financial Statement Audit

Finding Reference Number:

2021-001

Perspective:

During our review of the financial records prepared by management, we performed procedures to audit the financial statements and to underlying financial records, grant agreements, loan documents and other support.

Criteria:

The Authority must properly design, implement, and maintain effective internal controls to ensure that financial information is reliable and properly reported in conformity with U.S. generally accepted accounting principles

Condition:

The assets were understated by approximately \$1.055 million, liabilities overstated by approximately \$91,000, and revenues understated by \$1,146 million. This was due to understatement of loan receivable/interest receivable and grant/interest income of \$162,000 from a component unit, developer fee receivable and developer fee income of \$825,000 from a component unit, lease receivable and ground lease income of \$68,000 from a component unit and overstatement of a loan and understatement of rental assistance by \$91,000.

Cause:

Management's internal review process did not detect these items in a timely manner.

Effect or potential effect:

The assets and net income were understated by approximately \$1.055 million. Potential effects of the condition noted could result in materially misstated financial statements.



"Committed to Safe and Affordable Housing"

Recommendation:

We recommend the Authority develop a process to develop expectations of key account balances based upon current year development activities and to ensure timely review of adjustments that typically are recorded as part of the financial statement drafting process.

Views of responsible officials and planned corrective action:

The Housing Authority will ensure that all proper documentation of loans and grants are reviewed on a timely basis and a conversation with all members of development and accounting team are involved. All documentation will be analyzed for appropriate classification before any journal entries are posted, and there will be listing of all agreements to make sure nothing is missed.

Responsible Party:

The Housing Authority's accounting staff, management, and outsourced fee accountant.



"Committed to Safe and Affordable Housing"

Schedule of Prior Year Findings

Findings – Financial Statement Audit

Finding Reference Number:

2020-001

Condition:

The assets and revenue were understated by approximately \$1.377 million. This was due to understatement of accounts receivable/loans receivable of \$1.206 from a component unit, CIP/fixed assets understated by \$171k, interest income overstated by \$174k and grant revenue understated by \$1.551 million.

Response:

Corrective action was not fully implemented during the fiscal year, and a similar finding was noted (see finding 2021-001).

Findings – SEFA

Finding Reference Number:

2020-002

Condition:

The initial SEFA was understated by approximately \$324,000. This was due to the exclusion of a new loan received during 2020.

Response:

Corrective action was implemented during the fiscal year, and no similar finding was noted.

HA City of Yakima (WA042)
YAKIMA, WA
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	Project Total	14.879 Mainstream Vouchers	1 Business Activities	2 State/Local	14.MSC Mainstream CARES Act Funding
111 Cash - Unrestricted		\$45,358	\$3,739,846	\$200,133	\$0
112 Cash - Restricted - Modernization and Development		\$0	\$0	\$0	\$0
113 Cash - Other Restricted		\$8,589	\$2,002	\$0	\$0
114 Cash - Tenant Security Deposits		\$0	\$0	\$30,522	\$0
115 Cash - Restricted for Payment of Current Liabilities		\$0	\$0	\$0	\$0
100 Total Cash	\$0	\$53,947	\$3,741,848	\$230,655	\$0
121 Accounts Receivable - PHA Projects		\$0	\$0	\$0	\$0
122 Accounts Receivable - HUD Other Projects		\$0	\$0	\$0	\$0
124 Accounts Receivable - Other Government		\$0	\$0	\$0	\$0
125 Accounts Receivable - Miscellaneous		\$0	\$1,140,440	\$0	\$0
126 Accounts Receivable - Tenants		\$0	\$0	\$24,593	\$0
126.1 Allowance for Doubtful Accounts -Tenants		\$0	\$0	-\$12,891	\$0
126.2 Allowance for Doubtful Accounts - Other		\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current		\$0	\$0	\$0	\$0
128 Fraud Recovery		\$0	\$0	\$0	\$0
128.1 Allowance for Doubtful Accounts - Fraud		\$0	\$0	\$0	\$0
129 Accrued Interest Receivable		\$0	\$1,957,628	\$0	\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$0	\$3,098,068	\$11,702	\$0
131 Investments - Unrestricted		\$0	\$0	\$0	\$0
132 Investments - Restricted		\$0	\$168,054	\$1,024,741	\$0
135 Investments - Restricted for Payment of Current Liability		\$0	\$0	\$0	\$0
142 Prepaid Expenses and Other Assets		\$0	\$0	\$0	\$0
143 Inventories		\$0	\$3,699	\$0	\$0

HA City of Yakima (WA042)
YAKIMA, WA
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	Project Total	14.879 Mainstream Vouchers	1 Business Activities	2 State/Local	14.MSC Mainstream CARES Act Funding
143.1 Allowance for Obsolete Inventories		\$0	-\$370	\$0	\$0
144 Inter Program Due From		\$0	\$59,258	\$0	\$0
145 Assets Held for Sale		\$0	\$0	\$0	\$0
150 Total Current Assets	\$0	\$53,947	\$7,070,557	\$1,267,098	\$0
161 Land		\$0	\$1,056,183	\$787,021	\$0
162 Buildings		\$0	\$6,529,578	\$10,474,641	\$0
163 Furniture, Equipment & Machinery - Dwellings		\$0	\$0	\$448,032	\$0
164 Furniture, Equipment & Machinery - Administration		\$0	\$768,090	\$17,020	\$0
165 Leasehold Improvements		\$0	\$0	\$0	\$0
166 Accumulated Depreciation		\$0	-\$774,251	-\$4,300,529	\$0
167 Construction in Progress		\$0	\$345,774	\$0	\$0
168 Infrastructure		\$0	\$0	\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$7,925,374	\$7,426,185	\$0
171 Notes, Loans and Mortgages Receivable - Non-Current		\$0	\$11,347,596	\$0	\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past		\$0	\$0	\$0	\$0
173 Grants Receivable - Non Current		\$0	\$0	\$0	\$0
174 Other Assets		\$0	\$0	\$0	\$0
176 Investments in Joint Ventures		\$0	\$766,659	\$0	\$0
180 Total Non-Current Assets	\$0	\$0	\$20,039,629	\$7,426,185	\$0
200 Deferred Outflow of Resources		\$0	\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$0	\$53,947	\$27,110,186	\$8,693,283	\$0

HA City of Yakima (WA042)
YAKIMA, WA
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	Project Total	14.879 Mainstream Vouchers	1 Business Activities	2 State/Local	14.MSC Mainstream CARES Act Funding
311 Bank Overdraft		\$0	\$0	\$0	\$0
312 Accounts Payable <= 90 Days		\$0	\$4,118	\$2,875	\$0
313 Accounts Payable >90 Days Past Due		\$0	\$0	\$0	\$0
321 Accrued Wage/Payroll Taxes Payable		\$0	\$4,387	\$1,676	\$0
322 Accrued Compensated Absences - Current Portion		\$0	\$8,139	\$7,471	\$0
324 Accrued Contingency Liability		\$0	\$0	\$0	\$0
325 Accrued Interest Payable		\$0	\$0	\$0	\$0
331 Accounts Payable - HUD PHA Programs		\$0	\$0	\$0	\$0
332 Account Payable - PHA Projects		\$0	\$0	\$0	\$0
333 Accounts Payable - Other Government		\$0	\$0	\$0	\$0
341 Tenant Security Deposits		\$0	\$0	\$30,522	\$0
342 Unearned Revenue		\$0	\$0	\$7,926	\$0
343 Current Portion of Long-term Debt - Capital		\$0	\$35,576	\$72,756	\$0
344 Current Portion of Long-term Debt - Operating Borrowings		\$0	\$0	\$0	\$0
345 Other Current Liabilities		\$0	\$0	\$315,000	\$0
346 Accrued Liabilities - Other		\$0	\$0	\$0	\$0
347 Inter Program - Due To		\$0	\$0	\$0	\$0
348 Loan Liability - Current		\$0	\$0	\$0	\$0
310 Total Current Liabilities	\$0	\$0	\$52,220	\$438,226	\$0
351 Long-term Debt, Net of Current - Capital Projects/Mortgage		\$0	\$4,895,576	\$4,592,686	\$0
352 Long-term Debt, Net of Current - Operating Borrowings		\$0	\$0	\$0	\$0
353 Non-current Liabilities - Other		\$0	\$51,477	\$0	\$0
354 Accrued Compensated Absences - Non Current		\$0	\$904	\$830	\$0
355 Loan Liability - Non Current		\$0	\$0	\$0	\$0
356 FASB 5 Liabilities		\$0	\$0	\$0	\$0

HA City of Yakima (WA042)
YAKIMA, WA
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	Project Total	14.879 Mainstream Vouchers	1 Business Activities	2 State/Local	14.MSC Mainstream CARES Act Funding
357 Accrued Pension and OPEB Liabilities		\$0	\$0	\$0	\$0
350 Total Non-Current Liabilities	\$0	\$0	\$4,947,957	\$4,593,516	\$0
300 Total Liabilities	\$0	\$0	\$5,000,177	\$5,031,742	\$0
400 Deferred Inflow of Resources		\$0	\$0	\$0	\$0
508.4 Net Investment in Capital Assets	\$0	\$0	\$2,994,222	\$2,760,743	\$0
511.4 Restricted Net Position	\$0	\$8,589	\$170,056	\$1,024,741	\$0
512.4 Unrestricted Net Position	\$0	\$45,358	\$18,945,731	-\$123,943	\$0
513 Total Equity - Net Assets / Position	\$0	\$53,947	\$22,110,009	\$3,661,541	\$0
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$0	\$53,947	\$27,110,186	\$8,693,283	\$0

HA City of Yakima (WA042)
YAKIMA, WA
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	14.896 PIH Family Self-Sufficiency Program	14.CCC Central Office Cost Center CARES Act Funding	6.1 Component Unit - Discretely Presented	10.427 Rural Rental Assistance Payments	10.405 Farm Labor Housing Loans and Grants
111 Cash - Unrestricted	\$13,019	\$0	\$361,826	\$218,798	\$0
112 Cash - Restricted - Modernization and Development	\$0	\$0	\$0	\$0	\$0
113 Cash - Other Restricted	\$0	\$0	\$0	\$0	\$0
114 Cash - Tenant Security Deposits	\$0	\$0	\$81,160	\$35,227	\$0
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0	\$0	\$0	\$0
100 Total Cash	\$13,019	\$0	\$442,986	\$254,025	\$0
121 Accounts Receivable - PHA Projects	\$0	\$0	\$0	\$0	\$0
122 Accounts Receivable - HUD Other Projects	\$0	\$0	\$7,855	\$0	\$0
124 Accounts Receivable - Other Government	\$0	\$0	\$0	\$0	\$0
125 Accounts Receivable - Miscellaneous	\$0	\$0	\$51,688	\$0	\$0
126 Accounts Receivable - Tenants	\$0	\$0	\$62,099	\$114,007	\$0
126.1 Allowance for Doubtful Accounts -Tenants	\$0	\$0	-\$24,811	-\$84,393	\$0
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0	\$0	\$0	\$0	\$0
128 Fraud Recovery	\$0	\$0	\$0	\$0	\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0	\$0	\$0	\$0	\$0
129 Accrued Interest Receivable	\$0	\$0	\$0	\$0	\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$0	\$96,831	\$29,614	\$0
131 Investments - Unrestricted	\$0	\$0	\$0	\$0	\$0
132 Investments - Restricted	\$0	\$0	\$2,348,494	\$673,076	\$278,130
135 Investments - Restricted for Payment of Current Liability	\$0	\$0	\$0	\$0	\$0
142 Prepaid Expenses and Other Assets	\$0	\$0	\$36,606	\$2,041	\$0
143 Inventories	\$0	\$0	\$0	\$0	\$0
143.1 Allowance for Obsolete Inventories	\$0	\$0	\$0	\$0	\$0

HA City of Yakima (WA042)
YAKIMA, WA
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	14.896 PIH Family Self-Sufficiency Program	14.CCC Central Office Cost Center CARES Act Funding	6.1 Component Unit - Discretely Presented	10.427 Rural Rental Assistance Payments	10.405 Farm Labor Housing Loans and Grants
144 Inter Program Due From	\$0	\$0	\$0	\$0	\$0
145 Assets Held for Sale	\$0	\$0	\$0	\$0	\$0
150 Total Current Assets	\$13,019	\$0	\$2,924,917	\$958,756	\$278,130
161 Land	\$0	\$0	\$1,752,064	\$749,667	\$212,025
162 Buildings	\$0	\$0	\$46,992,007	\$13,822,884	\$2,819,347
163 Furniture, Equipment & Machinery - Dwellings	\$0	\$0	\$884,089	\$152,965	\$249,369
164 Furniture, Equipment & Machinery - Administration	\$0	\$0	\$0	\$0	\$0
165 Leasehold Improvements	\$0	\$0	\$0	\$0	\$0
166 Accumulated Depreciation	\$0	\$0	-\$7,606,069	-\$8,888,123	-\$853,943
167 Construction in Progress	\$0	\$0	\$0	\$4,355,507	\$11,982
168 Infrastructure	\$0	\$0	\$0	\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$42,022,091	\$10,192,900	\$2,438,780
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0	\$0	\$0	\$0	\$0
172 Notes, Loans, & Mortgages Receivable - Non Current - Past	\$0	\$0	\$0	\$0	\$0
173 Grants Receivable - Non Current	\$0	\$0	\$0	\$0	\$0
174 Other Assets	\$0	\$0	\$0	\$0	\$0
176 Investments in Joint Ventures	\$0	\$0	\$0	\$0	\$0
180 Total Non-Current Assets	\$0	\$0	\$42,022,091	\$10,192,900	\$2,438,780
200 Deferred Outflow of Resources	\$0	\$0	\$0	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$13,019	\$0	\$44,947,008	\$11,151,656	\$2,716,910
311 Bank Overdraft	\$0	\$0	\$0	\$0	\$0

HA City of Yakima (WA042)
YAKIMA, WA
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	14.896 PIH Family Self-Sufficiency Program	14.CCC Central Office Cost Center CARES Act Funding	6.1 Component Unit - Discretely Presented	10.427 Rural Rental Assistance Payments	10.405 Farm Labor Housing Loans and Grants
312 Accounts Payable <= 90 Days	\$0	\$0	\$21,691	\$144,449	\$39
313 Accounts Payable >90 Days Past Due	\$0	\$0	\$0	\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$2,456	\$0	\$13,024	\$5,506	\$480
322 Accrued Compensated Absences - Current Portion	\$9,507	\$0	\$33,095	\$16,823	\$1,820
324 Accrued Contingency Liability	\$0	\$0	\$0	\$0	\$0
325 Accrued Interest Payable	\$0	\$0	\$2,124,705	\$0	\$0
331 Accounts Payable - HUD PHA Programs	\$0	\$0	\$0	\$0	\$0
332 Account Payable - PHA Projects	\$0	\$0	\$0	\$0	\$0
333 Accounts Payable - Other Government	\$0	\$0	\$0	\$5,279	\$0
341 Tenant Security Deposits	\$0	\$0	\$81,160	\$35,227	\$0
342 Unearned Revenue	\$0	\$0	\$20,192	\$18,559	\$0
343 Current Portion of Long-term Debt - Capital	\$0	\$0	\$65,764	\$96,252	\$5,916
344 Current Portion of Long-term Debt - Operating Borrowings	\$0	\$0	\$0	\$0	\$0
345 Other Current Liabilities	\$0	\$0	\$825,440	\$0	\$0
346 Accrued Liabilities - Other	\$0	\$0	\$0	\$0	\$0
347 Inter Program - Due To	\$0	\$0	\$0	\$0	\$31,007
348 Loan Liability - Current	\$0	\$0	\$0	\$0	\$0
310 Total Current Liabilities	\$11,963	\$0	\$3,185,071	\$322,095	\$39,262
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	\$0	\$0	\$24,723,439	\$6,306,268	\$151,391
352 Long-term Debt, Net of Current - Operating Borrowings	\$0	\$0		\$0	\$0
353 Non-current Liabilities - Other	\$0	\$0	\$2,578,434	\$0	\$0
354 Accrued Compensated Absences - Non Current	\$1,056	\$0	\$3,677	\$1,869	\$202
355 Loan Liability - Non Current	\$0	\$0	\$0	\$0	\$0
356 FASB 5 Liabilities	\$0	\$0	\$0	\$0	\$0
357 Accrued Pension and OPEB Liabilities	\$0	\$0	\$0	\$0	\$0

HA City of Yakima (WA042)
YAKIMA, WA
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	14.896 PIH Family Self-Sufficiency Program	14.CCC Central Office Cost Center CARES Act Funding	6.1 Component Unit - Discretely Presented	10.427 Rural Rental Assistance Payments	10.405 Farm Labor Housing Loans and Grants
350 Total Non-Current Liabilities	\$1,056	\$0	\$27,305,550	\$6,308,137	\$151,593
300 Total Liabilities	\$13,019	\$0	\$30,490,621	\$6,630,232	\$190,855
400 Deferred Inflow of Resources	\$0	\$0	\$0	\$0	\$0
508.4 Net Investment in Capital Assets	\$0	\$0	\$17,232,888	\$3,790,380	\$2,281,473
511.4 Restricted Net Position	\$0	\$0	\$2,347,914	\$673,076	\$278,130
512.4 Unrestricted Net Position	\$0	\$0	-\$5,124,415	\$57,968	-\$33,548
513 Total Equity - Net Assets / Position	\$0	\$0	\$14,456,387	\$4,521,424	\$2,526,055
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$13,019	\$0	\$44,947,008	\$11,151,656	\$2,716,910

HA City of Yakima (WA042)
YAKIMA, WA
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	14.HCC HCV CARES Act Funding	14.EHV Emergency Housing Voucher	14.871 Housing Choice Vouchers	COCC	Subtotal
111 Cash - Unrestricted	\$0	\$190,568	\$20,485	\$160,699	\$4,950,732
112 Cash - Restricted - Modernization and Development	\$0			\$0	\$0
113 Cash - Other Restricted	\$0	\$171,479	\$593,385	\$0	\$775,455
114 Cash - Tenant Security Deposits	\$0			\$0	\$146,909
115 Cash - Restricted for Payment of Current Liabilities	\$0			\$0	\$0
100 Total Cash	\$0	\$362,047	\$613,870	\$160,699	\$5,873,096
121 Accounts Receivable - PHA Projects	\$0			\$0	\$0
122 Accounts Receivable - HUD Other Projects	\$0			\$0	\$7,855
124 Accounts Receivable - Other Government	\$0			\$0	\$0
125 Accounts Receivable - Miscellaneous	\$0			\$0	\$1,192,128
126 Accounts Receivable - Tenants	\$0			\$0	\$200,699
126.1 Allowance for Doubtful Accounts -Tenants	\$0			\$0	-\$122,095
126.2 Allowance for Doubtful Accounts - Other	\$0			\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$0			\$0	\$0
128 Fraud Recovery	\$0		\$31,839	\$0	\$31,839
128.1 Allowance for Doubtful Accounts - Fraud	\$0		-\$23,594	\$0	-\$23,594
129 Accrued Interest Receivable	\$0			\$0	\$1,957,628
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$0	\$0	\$8,245	\$0	\$3,244,460
131 Investments - Unrestricted	\$0			\$0	\$0
132 Investments - Restricted	\$0			\$6,023	\$4,498,518
135 Investments - Restricted for Payment of Current Liability	\$0			\$0	\$0
142 Prepaid Expenses and Other Assets	\$0			\$0	\$38,647
143 Inventories	\$0			\$0	\$3,699
143.1 Allowance for Obsolete Inventories	\$0			\$0	-\$370

HA City of Yakima (WA042)
YAKIMA, WA
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	14.HCC HCV CARES Act Funding	14.EHV Emergency Housing Voucher	14.871 Housing Choice Vouchers	COCC	Subtotal
144 Inter Program Due From	\$0			\$15,114	\$74,372
145 Assets Held for Sale	\$0			\$0	\$0
150 Total Current Assets	\$0	\$362,047	\$622,115	\$181,836	\$13,732,422
161 Land	\$0			\$0	\$4,556,960
162 Buildings	\$0			\$0	\$80,638,457
163 Furniture, Equipment & Machinery - Dwellings	\$0		\$35,128	\$0	\$1,769,583
164 Furniture, Equipment & Machinery - Administration	\$0			\$20,367	\$805,477
165 Leasehold Improvements	\$0			\$0	\$0
166 Accumulated Depreciation	\$0		-\$35,043	\$0	-\$22,457,958
167 Construction in Progress	\$0			\$0	\$4,713,263
168 Infrastructure	\$0			\$0	\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$85	\$20,367	\$70,025,782
171 Notes, Loans and Mortgages Receivable - Non-Current	\$0			\$0	\$11,347,596
172 Notes, Loans, & Mortgages Receivable - Non Current - Past	\$0			\$0	\$0
173 Grants Receivable - Non Current	\$0			\$0	\$0
174 Other Assets	\$0			\$0	\$0
176 Investments in Joint Ventures	\$0			\$0	\$766,659
180 Total Non-Current Assets	\$0	\$0	\$85	\$20,367	\$82,140,037
200 Deferred Outflow of Resources	\$0			\$0	\$0
290 Total Assets and Deferred Outflow of Resources	\$0	\$362,047	\$622,200	\$202,203	\$95,872,459
311 Bank Overdraft	\$0			\$0	\$0

HA City of Yakima (WA042)
YAKIMA, WA
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	14.HCC HCV CARES Act Funding	14.EHV Emergency Housing Voucher	14.871 Housing Choice Vouchers	COCC	Subtotal
312 Accounts Payable <= 90 Days	\$0		\$342	\$2,610	\$176,124
313 Accounts Payable >90 Days Past Due	\$0			\$0	\$0
321 Accrued Wage/Payroll Taxes Payable	\$0		\$7,184	\$9,577	\$44,290
322 Accrued Compensated Absences - Current Portion	\$0		\$30,083	\$40,889	\$147,827
324 Accrued Contingency Liability	\$0			\$0	\$0
325 Accrued Interest Payable	\$0			\$0	\$2,124,705
331 Accounts Payable - HUD PHA Programs	\$0			\$0	\$0
332 Account Payable - PHA Projects	\$0			\$0	\$0
333 Accounts Payable - Other Government	\$0			\$0	\$5,279
341 Tenant Security Deposits	\$0			\$0	\$146,909
342 Unearned Revenue	\$0	\$131,250		\$0	\$177,927
343 Current Portion of Long-term Debt - Capital	\$0			\$0	\$276,264
344 Current Portion of Long-term Debt - Operating Borrowings	\$0			\$0	\$0
345 Other Current Liabilities	\$0			\$0	\$1,140,440
346 Accrued Liabilities - Other	\$0			\$0	\$0
347 Inter Program - Due To	\$0		\$43,365	\$0	\$74,372
348 Loan Liability - Current	\$0			\$0	\$0
310 Total Current Liabilities	\$0	\$131,250	\$80,974	\$53,076	\$4,314,137
351 Long-term Debt, Net of Current - Capital Projects/Mortgage	\$0			\$0	\$40,669,360
352 Long-term Debt, Net of Current - Operating Borrowings	\$0			\$0	\$0
353 Non-current Liabilities - Other	\$0		\$490,499	\$0	\$3,120,410
354 Accrued Compensated Absences - Non Current	\$0		\$3,343	\$4,543	\$16,424
355 Loan Liability - Non Current	\$0			\$0	\$0
356 FASB 5 Liabilities	\$0			\$0	\$0
357 Accrued Pension and OPEB Liabilities	\$0			\$0	\$0

HA City of Yakima (WA042)
YAKIMA, WA
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	14.HCC HCV CARES Act Funding	14.EHV Emergency Housing Voucher	14.871 Housing Choice Vouchers	COCC	Subtotal
350 Total Non-Current Liabilities	\$0	\$0	\$493,842	\$4,543	\$43,806,194
300 Total Liabilities	\$0	\$131,250	\$574,816	\$57,619	\$48,120,331
400 Deferred Inflow of Resources	\$0			\$0	\$0
508.4 Net Investment in Capital Assets	\$0	\$0	\$85	\$20,367	\$29,080,158
511.4 Restricted Net Position	\$0	\$171,479	\$102,886	\$6,023	\$4,782,894
512.4 Unrestricted Net Position	\$0	\$59,318	-\$55,587	\$118,194	\$13,889,076
513 Total Equity - Net Assets / Position	\$0	\$230,797	\$47,384	\$144,584	\$47,752,128
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$0	\$362,047	\$622,200	\$202,203	\$95,872,459

HA City of Yakima (WA042)
YAKIMA, WA
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	ELIM	Total
111 Cash - Unrestricted		\$4,950,732
112 Cash - Restricted - Modernization and Development		\$0
113 Cash - Other Restricted		\$775,455
114 Cash - Tenant Security Deposits		\$146,909
115 Cash - Restricted for Payment of Current Liabilities		\$0
100 Total Cash	\$0	\$5,873,096
121 Accounts Receivable - PHA Projects		\$0
122 Accounts Receivable - HUD Other Projects		\$7,855
124 Accounts Receivable - Other Government		\$0
125 Accounts Receivable - Miscellaneous	-\$315,000	\$877,128
126 Accounts Receivable - Tenants		\$200,699
126.1 Allowance for Doubtful Accounts -Tenants		-\$122,095
126.2 Allowance for Doubtful Accounts - Other		\$0
127 Notes, Loans, & Mortgages Receivable - Current		\$0
128 Fraud Recovery		\$31,839
128.1 Allowance for Doubtful Accounts - Fraud		-\$23,594
129 Accrued Interest Receivable		\$1,957,628
120 Total Receivables, Net of Allowances for Doubtful Accounts	-\$315,000	\$2,929,460
131 Investments - Unrestricted		\$0
132 Investments - Restricted		\$4,498,518
135 Investments - Restricted for Payment of Current Liability		\$0
142 Prepaid Expenses and Other Assets		\$38,647
143 Inventories		\$3,699
143.1 Allowance for Obsolete Inventories		-\$370

HA City of Yakima (WA042)
YAKIMA, WA
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	ELIM	Total
144 Inter Program Due From	-\$74,372	\$0
145 Assets Held for Sale		\$0
150 Total Current Assets	-\$389,372	\$13,343,050
161 Land		\$4,556,960
162 Buildings		\$80,638,457
163 Furniture, Equipment & Machinery - Dwellings		\$1,769,583
164 Furniture, Equipment & Machinery - Administration		\$805,477
165 Leasehold Improvements		\$0
166 Accumulated Depreciation		-\$22,457,958
167 Construction in Progress		\$4,713,263
168 Infrastructure		\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$70,025,782
171 Notes, Loans and Mortgages Receivable - Non-Current		\$11,347,596
172 Notes, Loans, & Mortgages Receivable - Non Current - Past		\$0
173 Grants Receivable - Non Current		\$0
174 Other Assets		\$0
176 Investments in Joint Ventures		\$766,659
180 Total Non-Current Assets	\$0	\$82,140,037
200 Deferred Outflow of Resources	\$0	\$0
290 Total Assets and Deferred Outflow of Resources	-\$389,372	\$95,483,087
311 Bank Overdraft		\$0

HA City of Yakima (WA042)
YAKIMA, WA
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	ELIM	Total
312 Accounts Payable <= 90 Days		\$176,124
313 Accounts Payable >90 Days Past Due		\$0
321 Accrued Wage/Payroll Taxes Payable		\$44,290
322 Accrued Compensated Absences - Current Portion		\$147,827
324 Accrued Contingency Liability		\$0
325 Accrued Interest Payable		\$2,124,705
331 Accounts Payable - HUD PHA Programs		\$0
332 Account Payable - PHA Projects		\$0
333 Accounts Payable - Other Government		\$5,279
341 Tenant Security Deposits		\$146,909
342 Unearned Revenue		\$177,927
343 Current Portion of Long-term Debt - Capital		\$276,264
344 Current Portion of Long-term Debt - Operating Borrowings		\$0
345 Other Current Liabilities	-\$315,000	\$825,440
346 Accrued Liabilities - Other		\$0
347 Inter Program - Due To	-\$74,372	\$0
348 Loan Liability - Current		\$0
310 Total Current Liabilities	-\$389,372	\$3,924,765
351 Long-term Debt, Net of Current - Capital Projects/Mortgage		\$40,669,360
352 Long-term Debt, Net of Current - Operating Borrowings		\$0
353 Non-current Liabilities - Other		\$3,120,410
354 Accrued Compensated Absences - Non Current		\$16,424
355 Loan Liability - Non Current		\$0
356 FASB 5 Liabilities		\$0
357 Accrued Pension and OPEB Liabilities		\$0

HA City of Yakima (WA042)
YAKIMA, WA
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	ELIM	Total
350 Total Non-Current Liabilities	\$0	\$43,806,194
300 Total Liabilities	-\$389,372	\$47,730,959
400 Deferred Inflow of Resources	\$0	\$0
508.4 Net Investment in Capital Assets		\$29,080,158
511.4 Restricted Net Position		\$4,782,894
512.4 Unrestricted Net Position		\$13,889,076
513 Total Equity - Net Assets / Position	\$0	\$47,752,128
600 Total Liabilities, Deferred Inflows of Resources and Equity -	-\$389,372	\$95,483,087

HA City of Yakima (WA042)

YAKIMA, WA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	Project Total	14.879 Mainstream Vouchers	1 Business Activities	2 State/Local	14.MSC Mainstream CARES Act Funding
70300 Net Tenant Rental Revenue		\$0	\$145,864	\$990,503	\$0
70400 Tenant Revenue - Other		\$0	\$33,343	\$5,490	\$0
70500 Total Tenant Revenue	\$0	\$0	\$179,207	\$995,993	\$0
70600 HUD PHA Operating Grants		\$317,039	\$0	\$0	\$2,604
70610 Capital Grants					
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees			\$0		
70700 Total Fee Revenue					
70800 Other Government Grants		\$0	\$2,948,654	\$557,877	\$0
71100 Investment Income - Unrestricted		\$0	\$560,921	\$252	\$0
71200 Mortgage Interest Income		\$0	\$0	\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale		\$0	\$0	\$0	\$0
71310 Cost of Sale of Assets		\$0	\$0	\$0	\$0
71400 Fraud Recovery		\$0	\$0	\$0	\$0
71500 Other Revenue		\$2,289	\$1,091,804	\$8,731	\$0
71600 Gain or Loss on Sale of Capital Assets		\$0	\$0	\$0	\$0
72000 Investment Income - Restricted		\$0	\$14	\$0	\$0
70000 Total Revenue	\$0	\$319,328	\$4,780,600	\$1,562,853	\$2,604
91100 Administrative Salaries		\$2,046	\$52,569	\$45,164	\$1,954

HA City of Yakima (WA042)

YAKIMA, WA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	Project Total	14.879 Mainstream Vouchers	1 Business Activities	2 State/Local	14.MSC Mainstream CARES Act Funding
91200 Auditing Fees		\$0	\$2,680	\$5,135	\$0
91300 Management Fee		\$2,100	\$1,152	\$38,016	\$0
91310 Book-keeping Fee		\$1,575	\$480	\$15,840	\$0
91400 Advertising and Marketing		\$0	\$356	\$660	\$0
91500 Employee Benefit contributions - Administrative		\$1,350	\$36,612	\$19,316	\$650
91600 Office Expenses		\$0	\$20,639	\$43,854	\$0
91700 Legal Expense		\$0	\$316	\$1,354	\$0
91800 Travel		\$0	\$9	\$46	\$0
91810 Allocated Overhead		\$0	\$0	\$0	\$0
91900 Other		\$0	\$4,085	\$0	\$0
91000 Total Operating - Administrative	\$0	\$7,071	\$118,898	\$169,385	\$2,604
92000 Asset Management Fee		\$0	\$280	\$8,680	\$0
92100 Tenant Services - Salaries		\$0	\$113,887	\$0	\$0
92200 Relocation Costs		\$0	\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services		\$0	\$51,157	\$0	\$0
92400 Tenant Services - Other		\$0	\$0	\$0	\$0
92500 Total Tenant Services	\$0	\$0	\$165,044	\$0	\$0
93100 Water		\$0	\$7,522	\$51,081	\$0
93200 Electricity		\$0	\$15,313	\$31,223	\$0
93300 Gas		\$0	\$3,485	\$0	\$0
93400 Fuel		\$0	\$0	\$0	\$0
93500 Labor		\$0	\$0	\$0	\$0
93600 Sewer		\$0	\$9,123	\$47,557	\$0
93700 Employee Benefit Contributions - Utilities		\$0	\$0	\$0	\$0

HA City of Yakima (WA042)

YAKIMA, WA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	Project Total	14.879 Mainstream Vouchers	1 Business Activities	2 State/Local	14.MSC Mainstream CARES Act Funding
93800 Other Utilities Expense		\$0	\$0	\$0	\$0
93000 Total Utilities	\$0	\$0	\$35,443	\$129,861	\$0
94100 Ordinary Maintenance and Operations - Labor		\$0	\$23,354	\$68,561	\$0
94200 Ordinary Maintenance and Operations - Materials and		\$0	\$15,198	\$40,302	\$0
94300 Ordinary Maintenance and Operations Contracts		\$670	\$76,305	\$107,695	\$0
94500 Employee Benefit Contributions - Ordinary Maintenance		\$0	\$7,331	\$24,395	\$0
94000 Total Maintenance	\$0	\$670	\$122,188	\$240,953	\$0
95100 Protective Services - Labor		\$0	\$0	\$0	\$0
95200 Protective Services - Other Contract Costs		\$0	\$538	\$1,599	\$0
95300 Protective Services - Other		\$0	\$0	\$0	\$0
95500 Employee Benefit Contributions - Protective Services		\$0	\$0	\$0	\$0
95000 Total Protective Services	\$0	\$0	\$538	\$1,599	\$0
96110 Property Insurance		\$0	\$4,245	\$26,142	\$0
96120 Liability Insurance		\$0	\$1,026	\$3,994	\$0
96130 Workmen's Compensation		\$0	\$0	\$0	\$0
96140 All Other Insurance		\$0	\$0	\$0	\$0
96100 Total insurance Premiums	\$0	\$0	\$5,271	\$30,136	\$0
96200 Other General Expenses		\$0	\$927	\$0	\$0
96210 Compensated Absences		\$0	\$4,206	\$18,380	\$0
96300 Payments in Lieu of Taxes		\$0	\$0	\$0	\$0
96400 Bad debt - Tenant Rents		\$0	\$0	\$7,125	\$0
96500 Bad debt - Mortgages		\$0	\$0	\$0	\$0

HA City of Yakima (WA042)

YAKIMA, WA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	Project Total	14.879 Mainstream Vouchers	1 Business Activities	2 State/Local	14.MSC Mainstream CARES Act Funding
96600 Bad debt - Other		\$0	\$0	\$0	\$0
96800 Severance Expense		\$0	\$0	\$0	\$0
96000 Total Other General Expenses	\$0	\$0	\$5,133	\$25,505	\$0
96710 Interest of Mortgage (or Bonds) Payable		\$0	\$49,063	\$125,398	\$0
96720 Interest on Notes Payable (Short and Long Term)		\$0	\$0	\$0	\$0
96730 Amortization of Bond Issue Costs		\$0	\$0	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$49,063	\$125,398	\$0
96900 Total Operating Expenses	\$0	\$7,741	\$501,858	\$731,517	\$2,604
97000 Excess of Operating Revenue over Operating Expenses	\$0	\$311,587	\$4,278,742	\$831,336	\$0
97100 Extraordinary Maintenance		\$0	\$0	\$0	\$0
97200 Casualty Losses - Non-capitalized		\$0	\$0	\$0	\$0
97300 Housing Assistance Payments		\$301,036	\$0	\$0	\$0
97350 HAP Portability-In		\$0	\$0	\$0	\$0
97400 Depreciation Expense		\$0	\$97,996	\$295,453	\$0
97500 Fraud Losses		\$0	\$0	\$0	\$0
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense		\$0	\$0	\$0	\$0
90000 Total Expenses	\$0	\$308,777	\$599,854	\$1,026,970	\$2,604
10010 Operating Transfer In		\$0	\$0	\$0	\$0
10020 Operating transfer Out		\$0	\$0	\$0	\$0

HA City of Yakima (WA042)

YAKIMA, WA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	Project Total	14.879 Mainstream Vouchers	1 Business Activities	2 State/Local	14.MSC Mainstream CARES Act Funding
10030 Operating Transfers from/to Primary Government		\$0	\$0	\$0	\$0
10040 Operating Transfers from/to Component Unit		\$0	\$0	\$0	\$0
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss		\$0	\$0	\$0	\$0
10080 Special Items (Net Gain/Loss)		\$0	\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In		\$0	\$0	\$0	\$0
10094 Transfers between Project and Program - Out		\$0	\$0	\$0	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$0	\$10,551	\$4,180,746	\$535,883	\$0
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$0	\$43,396	\$17,920,071	\$3,125,658	\$0
11040 Prior Period Adjustments, Equity Transfers and		\$0	\$9,192	\$0	\$0
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity					
11180 Housing Assistance Payments Equity					

HA City of Yakima (WA042)

YAKIMA, WA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	Project Total	14.879 Mainstream Vouchers	1 Business Activities	2 State/Local	14.MSC Mainstream CARES Act Funding
11190 Unit Months Available		645	0	840	0
11210 Number of Unit Months Leased		566	0	792	0
11270 Excess Cash	\$0				
11610 Land Purchases	\$0				
11620 Building Purchases	\$0				
11630 Furniture & Equipment - Dwelling Purchases	\$0				
11640 Furniture & Equipment - Administrative Purchases	\$0				
11650 Leasehold Improvements Purchases	\$0				
11660 Infrastructure Purchases	\$0				
13510 CFFP Debt Service Payments	\$0				
13901 Replacement Housing Factor Funds	\$0				

HA City of Yakima (WA042)

YAKIMA, WA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	14.896 PIH Family Self-Sufficiency Program	14.CCC Central Office Cost Center CARES Act Funding	6.1 Component Unit - Discretely Presented	10.427 Rural Rental Assistance Payments	10.405 Farm Labor Housing Loans and Grants
70300 Net Tenant Rental Revenue	\$0	\$0	\$1,100,091	\$897,804	\$53,748
70400 Tenant Revenue - Other	\$0	\$0	\$0	\$240	\$0
70500 Total Tenant Revenue	\$0	\$0	\$1,100,091	\$898,044	\$53,748
70600 HUD PHA Operating Grants	\$0	\$0	\$747,689	\$0	\$0
70610 Capital Grants					
70710 Management Fee					
70720 Asset Management Fee					
70730 Book Keeping Fee					
70740 Front Line Service Fee					
70750 Other Fees					
70700 Total Fee Revenue					
70800 Other Government Grants	\$129,286	\$0	\$656,386	\$1,751,061	\$109,700
71100 Investment Income - Unrestricted	\$0	\$0	\$427	\$65	\$0
71200 Mortgage Interest Income	\$0	\$0	\$0	\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0	\$0	\$0	\$0	\$0
71310 Cost of Sale of Assets	\$0	\$0	\$0	\$0	\$0
71400 Fraud Recovery	\$0	\$0	\$0	\$0	\$0
71500 Other Revenue	\$24,791	\$114,818	\$25,795	\$84,197	\$1,475
71600 Gain or Loss on Sale of Capital Assets	\$0	\$0	\$0	\$0	\$0
72000 Investment Income - Restricted	\$0	\$0	\$86	\$148	\$0
70000 Total Revenue	\$154,077	\$114,818	\$2,530,474	\$2,733,515	\$164,923
91100 Administrative Salaries	\$0	\$86,113	\$157,881	\$57,650	\$1,282
91200 Auditing Fees	\$0	\$0	\$44,331	\$8,933	\$1,084

HA City of Yakima (WA042)

YAKIMA, WA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	14.896 PIH Family Self-Sufficiency Program	14.CCC Central Office Cost Center CARES Act Funding	6.1 Component Unit - Discretely Presented	10.427 Rural Rental Assistance Payments	10.405 Farm Labor Housing Loans and Grants
91300 Management Fee	\$0	\$0	\$195,669	\$128,898	\$5,592
91310 Book-keeping Fee	\$0	\$0	\$65,220	\$31,248	\$1,398
91400 Advertising and Marketing	\$0	\$0	\$19,901	\$866	\$1,123
91500 Employee Benefit contributions - Administrative	\$0	\$28,705	\$62,350	\$31,604	\$4,373
91600 Office Expenses	\$0	\$0	\$139,756	\$47,351	\$30,902
91700 Legal Expense	\$0	\$0	\$17,416	\$4,737	\$483
91800 Travel	\$0	\$0	\$137	\$106	\$9
91810 Allocated Overhead	\$0	\$0	\$0	\$0	\$0
91900 Other	\$0	\$0	\$0	\$0	\$0
91000 Total Operating - Administrative	\$0	\$114,818	\$702,661	\$311,393	\$46,246
92000 Asset Management Fee	\$0	\$0	\$17,389	\$15,000	\$0
92100 Tenant Services - Salaries	\$118,771	\$0	\$8,722	\$0	\$0
92200 Relocation Costs	\$0	\$0	\$0	\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$35,306	\$0	\$0	\$0	\$0
92400 Tenant Services - Other	\$0	\$0	\$0	\$0	\$0
92500 Total Tenant Services	\$154,077	\$0	\$8,722	\$0	\$0
93100 Water	\$0	\$0	\$94,603	\$157,638	\$6,980
93200 Electricity	\$0	\$0	\$60,967	\$12,609	\$12,879
93300 Gas	\$0	\$0	\$12,685	\$892	\$0
93400 Fuel	\$0	\$0	\$0	\$0	\$0
93500 Labor	\$0	\$0	\$0	\$0	\$0
93600 Sewer	\$0	\$0	\$100,491	\$141,878	\$6,656
93700 Employee Benefit Contributions - Utilities	\$0	\$0	\$0	\$0	\$0
93800 Other Utilities Expense	\$0	\$0	\$0	\$0	\$0

HA City of Yakima (WA042)

YAKIMA, WA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	14.896 PIH Family Self-Sufficiency Program	14.CCC Central Office Cost Center CARES Act Funding	6.1 Component Unit - Discretely Presented	10.427 Rural Rental Assistance Payments	10.405 Farm Labor Housing Loans and Grants
93000 Total Utilities	\$0	\$0	\$268,746	\$313,017	\$26,515
94100 Ordinary Maintenance and Operations - Labor	\$0	\$0	\$67,756	\$211,004	\$23,069
94200 Ordinary Maintenance and Operations - Materials and	\$0	\$0	\$95,163	\$114,855	\$3,058
94300 Ordinary Maintenance and Operations Contracts	\$0	\$0	\$462,486	\$205,260	\$35,739
94500 Employee Benefit Contributions - Ordinary Maintenance	\$0	\$0	\$78,540	\$65,042	\$5,734
94000 Total Maintenance	\$0	\$0	\$703,945	\$596,161	\$67,600
95100 Protective Services - Labor	\$0	\$0	\$0	\$0	\$0
95200 Protective Services - Other Contract Costs	\$0	\$0	\$0	\$0	\$780
95300 Protective Services - Other	\$0	\$0	\$0	\$0	\$0
95500 Employee Benefit Contributions - Protective Services	\$0	\$0	\$0	\$0	\$0
95000 Total Protective Services	\$0	\$0	\$0	\$0	\$780
96110 Property Insurance	\$0	\$0	\$70,852	\$49,410	\$4,426
96120 Liability Insurance	\$0	\$0	\$27,166	\$7,837	\$770
96130 Workmen's Compensation	\$0	\$0	\$0	\$0	\$0
96140 All Other Insurance	\$0	\$0	\$0	\$0	\$0
96100 Total insurance Premiums	\$0	\$0	\$98,018	\$57,247	\$5,196
96200 Other General Expenses	\$0	\$0	\$123,857	\$0	\$0
96210 Compensated Absences	\$0	\$0	\$64,278	\$47,132	\$5,804
96300 Payments in Lieu of Taxes	\$0	\$0	\$0	\$4,917	\$0
96400 Bad debt - Tenant Rents	\$0	\$0	\$23,105	\$40,683	\$0
96500 Bad debt - Mortgages	\$0	\$0	\$0	\$0	\$0
96600 Bad debt - Other	\$0	\$0	\$0	\$0	\$0

HA City of Yakima (WA042)

YAKIMA, WA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	14.896 PIH Family Self-Sufficiency Program	14.CCC Central Office Cost Center CARES Act Funding	6.1 Component Unit - Discretely Presented	10.427 Rural Rental Assistance Payments	10.405 Farm Labor Housing Loans and Grants
96800 Severance Expense	\$0	\$0	\$0	\$0	\$0
96000 Total Other General Expenses	\$0	\$0	\$211,240	\$92,732	\$5,804
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$0	\$581,201	\$32,917	\$1,605
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0	\$326,269	\$0	\$0
96730 Amortization of Bond Issue Costs	\$0	\$0	\$148,548	\$0	\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$1,056,018	\$32,917	\$1,605
96900 Total Operating Expenses	\$154,077	\$114,818	\$3,066,739	\$1,418,467	\$153,746
97000 Excess of Operating Revenue over Operating Expenses	\$0	\$0	-\$536,265	\$1,315,048	\$11,177
97100 Extraordinary Maintenance	\$0	\$0	\$0	\$0	\$0
97200 Casualty Losses - Non-capitalized	\$0	\$0	\$0	\$0	\$0
97300 Housing Assistance Payments	\$0	\$0	\$0	\$0	\$0
97350 HAP Portability-In	\$0	\$0	\$0	\$0	\$0
97400 Depreciation Expense	\$0	\$0	\$1,251,792	\$265,822	\$102,473
97500 Fraud Losses	\$0	\$0	\$0	\$0	\$0
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense	\$0	\$0	\$0	\$0	\$0
90000 Total Expenses	\$154,077	\$114,818	\$4,318,531	\$1,684,289	\$256,219
10010 Operating Transfer In	\$0	\$0	\$0	\$0	\$0
10020 Operating transfer Out	\$0	\$0	\$0	\$0	\$0
10030 Operating Transfers from/to Primary Government	\$0	\$0	\$0	\$0	\$0

HA City of Yakima (WA042)

YAKIMA, WA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	14.896 PIH Family Self-Sufficiency Program	14.CCC Central Office Cost Center CARES Act Funding	6.1 Component Unit - Discretely Presented	10.427 Rural Rental Assistance Payments	10.405 Farm Labor Housing Loans and Grants
10040 Operating Transfers from/to Component Unit	\$0	\$0	\$0	\$0	\$0
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss	\$0	\$0	\$0	\$0	\$0
10080 Special Items (Net Gain/Loss)	\$0	\$0	\$0	\$0	\$0
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In	\$0	\$0	\$0	\$0	\$0
10094 Transfers between Project and Program - Out	\$0	\$0	\$0	\$0	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$0	\$0	-\$1,788,057	\$1,049,226	-\$91,296
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$0	\$0	\$16,204,744	\$3,472,198	\$2,617,351
11040 Prior Period Adjustments, Equity Transfers and	\$0	\$0	\$39,700	\$0	\$0
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity					
11180 Housing Assistance Payments Equity					
11190 Unit Months Available	0	0	3327	1992	120

HA City of Yakima (WA042)

YAKIMA, WA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	14.896 PIH Family Self-Sufficiency Program	14.CCC Central Office Cost Center CARES Act Funding	6.1 Component Unit - Discretely Presented	10.427 Rural Rental Assistance Payments	10.405 Farm Labor Housing Loans and Grants
11210 Number of Unit Months Leased	0	0	3261	1953	87
11270 Excess Cash					
11610 Land Purchases					
11620 Building Purchases					
11630 Furniture & Equipment - Dwelling Purchases					
11640 Furniture & Equipment - Administrative Purchases					
11650 Leasehold Improvements Purchases					
11660 Infrastructure Purchases					
13510 CFFP Debt Service Payments					
13901 Replacement Housing Factor Funds					

HA City of Yakima (WA042)

YAKIMA, WA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	14.HCC HCV CARES Act Funding	14.EHV Emergency Housing Voucher	14.871 Housing Choice Vouchers	COCC	Subtotal
70300 Net Tenant Rental Revenue	\$0			\$0	\$3,188,010
70400 Tenant Revenue - Other	\$0			\$0	\$39,073
70500 Total Tenant Revenue	\$0	\$0	\$0	\$0	\$3,227,083
70600 HUD PHA Operating Grants	\$227,358	\$270,052	\$8,071,974	\$0	\$9,636,716
70610 Capital Grants				\$0	\$0
70710 Management Fee				\$503,217	\$503,217
70720 Asset Management Fee				\$41,349	\$41,349
70730 Book Keeping Fee				\$214,603	\$214,603
70740 Front Line Service Fee				\$0	\$0
70750 Other Fees				\$0	\$0
70700 Total Fee Revenue				\$759,169	\$759,169
70800 Other Government Grants	\$0			\$0	\$6,152,964
71100 Investment Income - Unrestricted	\$0			\$1	\$561,666
71200 Mortgage Interest Income	\$0			\$0	\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0			\$0	\$0
71310 Cost of Sale of Assets	\$0			\$0	\$0
71400 Fraud Recovery	\$0			\$0	\$0
71500 Other Revenue	\$0		\$32,787	\$131,243	\$1,517,930
71600 Gain or Loss on Sale of Capital Assets	\$0			\$0	\$0
72000 Investment Income - Restricted	\$0			\$0	\$248
70000 Total Revenue	\$227,358	\$270,052	\$8,104,761	\$890,413	\$21,855,776
91100 Administrative Salaries	\$77,510		\$254,690	\$483,999	\$1,220,858
91200 Auditing Fees	\$0		\$32,132	\$883	\$95,178

HA City of Yakima (WA042)

YAKIMA, WA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	14.HCC HCV CARES Act Funding	14.EHV Emergency Housing Voucher	14.871 Housing Choice Vouchers	COCC	Subtotal
91300 Management Fee	\$65,610	\$570	\$131,220		\$568,827
91310 Book-keeping Fee	\$49,208	\$427	\$98,415		\$263,811
91400 Advertising and Marketing	\$0		\$4,848	\$1,075	\$28,829
91500 Employee Benefit contributions - Administrative	\$25,838		\$78,187	\$129,904	\$418,889
91600 Office Expenses	\$0	\$4,023	\$65,523	\$18,734	\$370,782
91700 Legal Expense	\$0		\$8,528	\$2,738	\$35,572
91800 Travel	\$0			\$132	\$439
91810 Allocated Overhead	\$0				\$0
91900 Other	\$0			\$0	\$4,085
91000 Total Operating - Administrative	\$218,166	\$5,020	\$673,543	\$637,465	\$3,007,270
92000 Asset Management Fee	\$0				\$41,349
92100 Tenant Services - Salaries	\$0			\$0	\$241,380
92200 Relocation Costs	\$0			\$0	\$0
92300 Employee Benefit Contributions - Tenant Services	\$0			\$0	\$86,463
92400 Tenant Services - Other	\$0			\$0	\$0
92500 Total Tenant Services	\$0	\$0	\$0	\$0	\$327,843
93100 Water	\$0			\$2,592	\$320,416
93200 Electricity	\$0			\$8,366	\$141,357
93300 Gas	\$0			\$2,863	\$19,925
93400 Fuel	\$0			\$0	\$0
93500 Labor	\$0			\$0	\$0
93600 Sewer	\$0			\$1,562	\$307,267
93700 Employee Benefit Contributions - Utilities	\$0			\$0	\$0
93800 Other Utilities Expense	\$0			\$0	\$0

HA City of Yakima (WA042)

YAKIMA, WA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	14.HCC HCV CARES Act Funding	14.EHV Emergency Housing Voucher	14.871 Housing Choice Vouchers	COCC	Subtotal
93000 Total Utilities	\$0	\$0	\$0	\$15,383	\$788,965
94100 Ordinary Maintenance and Operations - Labor	\$0		\$24,157	\$54,421	\$472,322
94200 Ordinary Maintenance and Operations - Materials and	\$0		\$1,585	\$516	\$270,677
94300 Ordinary Maintenance and Operations Contracts	\$0		\$197,401	\$173,993	\$1,259,549
94500 Employee Benefit Contributions - Ordinary Maintenance	\$0		\$8,361	\$17,429	\$206,832
94000 Total Maintenance	\$0	\$0	\$231,504	\$246,359	\$2,209,380
95100 Protective Services - Labor	\$0			\$0	\$0
95200 Protective Services - Other Contract Costs	\$0		\$1,714	\$943	\$5,574
95300 Protective Services - Other	\$0			\$0	\$0
95500 Employee Benefit Contributions - Protective Services	\$0			\$0	\$0
95000 Total Protective Services	\$0	\$0	\$1,714	\$943	\$5,574
96110 Property Insurance	\$0		\$990	\$3,838	\$159,903
96120 Liability Insurance	\$0		\$6,897	\$1,133	\$48,823
96130 Workmen's Compensation	\$0			\$0	\$0
96140 All Other Insurance	\$0			\$0	\$0
96100 Total insurance Premiums	\$0	\$0	\$7,887	\$4,971	\$208,726
96200 Other General Expenses	\$0			\$0	\$124,784
96210 Compensated Absences	\$0		\$2,767	\$0	\$142,567
96300 Payments in Lieu of Taxes	\$0			\$0	\$4,917
96400 Bad debt - Tenant Rents	\$0			\$0	\$70,913
96500 Bad debt - Mortgages	\$0			\$0	\$0
96600 Bad debt - Other	\$0			\$0	\$0

HA City of Yakima (WA042)

YAKIMA, WA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	14.HCC HCV CARES Act Funding	14.EHV Emergency Housing Voucher	14.871 Housing Choice Vouchers	COCC	Subtotal
96800 Severance Expense	\$0			\$0	\$0
96000 Total Other General Expenses	\$0	\$0	\$2,767	\$0	\$343,181
96710 Interest of Mortgage (or Bonds) Payable	\$0			\$0	\$790,184
96720 Interest on Notes Payable (Short and Long Term)	\$0			\$0	\$326,269
96730 Amortization of Bond Issue Costs	\$0			\$0	\$148,548
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$1,265,001
96900 Total Operating Expenses	\$218,166	\$5,020	\$917,415	\$905,121	\$8,197,289
97000 Excess of Operating Revenue over Operating Expenses	\$9,192	\$265,032	\$7,187,346	-\$14,708	\$13,658,487
97100 Extraordinary Maintenance	\$0			\$0	\$0
97200 Casualty Losses - Non-capitalized	\$0			\$0	\$0
97300 Housing Assistance Payments	\$0	\$34,235	\$7,348,743	\$0	\$7,684,014
97350 HAP Portability-In	\$0			\$0	\$0
97400 Depreciation Expense	\$0		\$1,322	\$0	\$2,014,858
97500 Fraud Losses	\$0			\$0	\$0
97600 Capital Outlays - Governmental Funds					
97700 Debt Principal Payment - Governmental Funds					
97800 Dwelling Units Rent Expense	\$0			\$0	\$0
90000 Total Expenses	\$218,166	\$39,255	\$8,267,480	\$905,121	\$17,896,161
10010 Operating Transfer In	\$0			\$0	\$0
10020 Operating transfer Out	\$0			\$0	\$0
10030 Operating Transfers from/to Primary Government	\$0			\$0	\$0

HA City of Yakima (WA042)

YAKIMA, WA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	14.HCC HCV CARES Act Funding	14.EHV Emergency Housing Voucher	14.871 Housing Choice Vouchers	COCC	Subtotal
10040 Operating Transfers from/to Component Unit	\$0			\$0	\$0
10050 Proceeds from Notes, Loans and Bonds					
10060 Proceeds from Property Sales					
10070 Extraordinary Items, Net Gain/Loss	\$0			\$0	\$0
10080 Special Items (Net Gain/Loss)	\$0			\$0	\$0
10091 Inter Project Excess Cash Transfer In					
10092 Inter Project Excess Cash Transfer Out					
10093 Transfers between Program and Project - In	\$0			\$0	\$0
10094 Transfers between Project and Program - Out	\$0			\$0	\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$9,192	\$230,797	-\$162,719	-\$14,708	\$3,959,615
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$0	\$0	\$210,103	\$159,292	\$43,752,813
11040 Prior Period Adjustments, Equity Transfers and	-\$9,192		\$0	\$0	\$39,700
11050 Changes in Compensated Absence Balance					
11060 Changes in Contingent Liability Balance					
11070 Changes in Unrecognized Pension Transition Liability					
11080 Changes in Special Term/Severance Benefits Liability					
11090 Changes in Allowance for Doubtful Accounts - Dwelling					
11100 Changes in Allowance for Doubtful Accounts - Other					
11170 Administrative Fee Equity			-\$55,502		-\$55,502
11180 Housing Assistance Payments Equity			\$102,886		\$102,886
11190 Unit Months Available	0	300	13685	0	20909

HA City of Yakima (WA042)

YAKIMA, WA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	14.HCC HCV CARES Act Funding	14.EHV Emergency Housing Voucher	14.871 Housing Choice Vouchers	COCC	Subtotal
11210 Number of Unit Months Leased	0	57	13122	0	19838
11270 Excess Cash					\$0
11610 Land Purchases				\$0	\$0
11620 Building Purchases				\$0	\$0
11630 Furniture & Equipment - Dwelling Purchases				\$0	\$0
11640 Furniture & Equipment - Administrative Purchases				\$0	\$0
11650 Leasehold Improvements Purchases				\$0	\$0
11660 Infrastructure Purchases				\$0	\$0
13510 CFFP Debt Service Payments				\$0	\$0
13901 Replacement Housing Factor Funds				\$0	\$0

HA City of Yakima (WA042)

YAKIMA, WA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	ELIM	Total
70300 Net Tenant Rental Revenue		\$3,188,010
70400 Tenant Revenue - Other		\$39,073
70500 Total Tenant Revenue	\$0	\$3,227,083
70600 HUD PHA Operating Grants		\$9,636,716
70610 Capital Grants		\$0
70710 Management Fee	-\$503,217	\$0
70720 Asset Management Fee	-\$41,349	\$0
70730 Book Keeping Fee	-\$214,603	\$0
70740 Front Line Service Fee		\$0
70750 Other Fees		\$0
70700 Total Fee Revenue	-\$759,169	\$0
70800 Other Government Grants		\$6,152,964
71100 Investment Income - Unrestricted		\$561,666
71200 Mortgage Interest Income		\$0
71300 Proceeds from Disposition of Assets Held for Sale		\$0
71310 Cost of Sale of Assets		\$0
71400 Fraud Recovery		\$0
71500 Other Revenue	-\$209,914	\$1,308,016
71600 Gain or Loss on Sale of Capital Assets		\$0
72000 Investment Income - Restricted		\$248
70000 Total Revenue	-\$969,083	\$20,886,693
91100 Administrative Salaries		\$1,220,858
91200 Auditing Fees		\$95,178

HA City of Yakima (WA042)

YAKIMA, WA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	ELIM	Total
91300 Management Fee	-\$568,827	\$0
91310 Book-keeping Fee	-\$263,811	\$0
91400 Advertising and Marketing		\$28,829
91500 Employee Benefit contributions - Administrative		\$418,889
91600 Office Expenses	-\$95,096	\$275,686
91700 Legal Expense		\$35,572
91800 Travel		\$439
91810 Allocated Overhead		\$0
91900 Other		\$4,085
91000 Total Operating - Administrative	-\$927,734	\$2,079,536
92000 Asset Management Fee	-\$41,349	\$0
92100 Tenant Services - Salaries		\$241,380
92200 Relocation Costs		\$0
92300 Employee Benefit Contributions - Tenant Services		\$86,463
92400 Tenant Services - Other		\$0
92500 Total Tenant Services	\$0	\$327,843
93100 Water		\$320,416
93200 Electricity		\$141,357
93300 Gas		\$19,925
93400 Fuel		\$0
93500 Labor		\$0
93600 Sewer		\$307,267
93700 Employee Benefit Contributions - Utilities		\$0
93800 Other Utilities Expense		\$0

HA City of Yakima (WA042)

YAKIMA, WA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	ELIM	Total
93000 Total Utilities	\$0	\$788,965
94100 Ordinary Maintenance and Operations - Labor		\$472,322
94200 Ordinary Maintenance and Operations - Materials and		\$270,677
94300 Ordinary Maintenance and Operations Contracts		\$1,259,549
94500 Employee Benefit Contributions - Ordinary Maintenance		\$206,832
94000 Total Maintenance	\$0	\$2,209,380
95100 Protective Services - Labor		\$0
95200 Protective Services - Other Contract Costs		\$5,574
95300 Protective Services - Other		\$0
95500 Employee Benefit Contributions - Protective Services		\$0
95000 Total Protective Services	\$0	\$5,574
96110 Property Insurance		\$159,903
96120 Liability Insurance		\$48,823
96130 Workmen's Compensation		\$0
96140 All Other Insurance		\$0
96100 Total insurance Premiums	\$0	\$208,726
96200 Other General Expenses		\$124,784
96210 Compensated Absences		\$142,567
96300 Payments in Lieu of Taxes		\$4,917
96400 Bad debt - Tenant Rents		\$70,913
96500 Bad debt - Mortgages		\$0
96600 Bad debt - Other		\$0

HA City of Yakima (WA042)

YAKIMA, WA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	ELIM	Total
96800 Severance Expense		\$0
96000 Total Other General Expenses	\$0	\$343,181
96710 Interest of Mortgage (or Bonds) Payable		\$790,184
96720 Interest on Notes Payable (Short and Long Term)		\$326,269
96730 Amortization of Bond Issue Costs		\$148,548
96700 Total Interest Expense and Amortization Cost	\$0	\$1,265,001
96900 Total Operating Expenses	-\$969,083	\$7,228,206
97000 Excess of Operating Revenue over Operating Expenses	\$0	\$13,658,487
97100 Extraordinary Maintenance		\$0
97200 Casualty Losses - Non-capitalized		\$0
97300 Housing Assistance Payments		\$7,684,014
97350 HAP Portability-In		\$0
97400 Depreciation Expense		\$2,014,858
97500 Fraud Losses		\$0
97600 Capital Outlays - Governmental Funds		
97700 Debt Principal Payment - Governmental Funds		
97800 Dwelling Units Rent Expense		\$0
90000 Total Expenses	-\$969,083	\$16,927,078
10010 Operating Transfer In		\$0
10020 Operating transfer Out		\$0
10030 Operating Transfers from/to Primary Government		\$0

HA City of Yakima (WA042)

YAKIMA, WA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	ELIM	Total
10040 Operating Transfers from/to Component Unit		\$0
10050 Proceeds from Notes, Loans and Bonds		
10060 Proceeds from Property Sales		
10070 Extraordinary Items, Net Gain/Loss		\$0
10080 Special Items (Net Gain/Loss)		\$0
10091 Inter Project Excess Cash Transfer In		
10092 Inter Project Excess Cash Transfer Out		
10093 Transfers between Program and Project - In		\$0
10094 Transfers between Project and Program - Out		\$0
10100 Total Other financing Sources (Uses)	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$0	\$3,959,615
11020 Required Annual Debt Principal Payments		\$0
11030 Beginning Equity		\$43,752,813
11040 Prior Period Adjustments, Equity Transfers and		\$39,700
11050 Changes in Compensated Absence Balance		
11060 Changes in Contingent Liability Balance		
11070 Changes in Unrecognized Pension Transition Liability		
11080 Changes in Special Term/Severance Benefits Liability		
11090 Changes in Allowance for Doubtful Accounts - Dwelling		
11100 Changes in Allowance for Doubtful Accounts - Other		
11170 Administrative Fee Equity		-\$55,502
11180 Housing Assistance Payments Equity		\$102,886
11190 Unit Months Available		20909

HA City of Yakima (WA042)

YAKIMA, WA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2021

	ELIM	Total
11210 Number of Unit Months Leased		19838
11270 Excess Cash		\$0
11610 Land Purchases		\$0
11620 Building Purchases		\$0
11630 Furniture & Equipment - Dwelling Purchases		\$0
11640 Furniture & Equipment - Administrative Purchases		\$0
11650 Leasehold Improvements Purchases		\$0
11660 Infrastructure Purchases		\$0
13510 CFFP Debt Service Payments		\$0
13901 Replacement Housing Factor Funds		\$0

Housing Authority of the City of Yakima
Combining Balance Sheet – Rural Assistance Programs
December 31, 2021

	Harmony Park	Valley 7	Cosecha Court	Total
Assets				
<i>Current Assets:</i>				
Cash and cash equivalents - unrestricted	\$ 47,148	\$ 171,650	\$ -	\$ 218,798
Accounts receivables, net of allowance	6,114	23,500	-	29,614
Prepaid expenses and other assets	-	2,041	-	2,041
Due from other funds	-	-	-	-
	53,262	197,191	-	250,453
<i>Restricted Assets:</i>				
Cash - tenant security deposits	10,502	24,725	-	35,227
Investments - restricted	137,944	535,132	278,130	951,206
	148,446	559,857	278,130	986,433
Total current assets	201,708	757,048	278,130	1,236,886
<i>Noncurrent Assets:</i>				
<i>Capital assets:</i>				
Land	137,800	611,867	212,025	961,692
Buildings	2,069,324	11,753,560	2,819,347	16,642,231
Furniture, equipment and machinery - dwellings	10,050	142,915	249,369	402,334
Accumulated depreciation	(211,329)	(8,676,794)	(853,943)	(9,742,066)
Construction in progress	-	4,355,507	11,982	4,367,489
Total noncurrent assets	2,005,845	8,187,055	2,438,780	12,631,680
Total assets	\$ 2,207,553	\$ 8,944,103	\$ 2,716,910	\$ 13,868,566

Housing Authority of the City of Yakima
Combining Balance Sheet – Rural Assistance Programs
December 31, 2021

	Harmony Park	Valley 7	Cosecha Court	Total
Liabilities and Net Position				
<i>Current Liabilities:</i>				
Accounts payable less than 90 days	\$ 273	\$ 144,175	\$ 38	\$ 144,486
Accrued wages and payroll taxes	287	5,219	480	5,986
Accrued compensated absences - current portion	1,835	14,988	1,820	18,643
Accrued liabilities - other	-	5,279	-	5,279
Unearned income	3,850	14,709	-	18,559
Current portion of long term debt	6,888	89,364	5,916	102,168
Due to related party	-	-	31,007	31,007
	<u>13,133</u>	<u>273,734</u>	<u>39,261</u>	<u>326,128</u>
<i>Payables from Restricted Assets:</i>				
Tenant security deposits	10,502	24,725	-	35,227
	<u>10,502</u>	<u>24,725</u>	<u>-</u>	<u>35,227</u>
Total current liabilities	<u>23,635</u>	<u>298,459</u>	<u>39,261</u>	<u>361,355</u>
<i>Noncurrent Liabilities:</i>				
Long-term debt, net of current	655,129	6,519,940	151,391	7,326,460
Accrued compensated absences, net of current	204	1,665	202	2,071
Other noncurrent liabilities	-	-	-	-
Total noncurrent liabilities	<u>655,333</u>	<u>6,521,605</u>	<u>151,593</u>	<u>7,328,531</u>
Total liabilities	<u>678,968</u>	<u>6,820,064</u>	<u>190,854</u>	<u>7,689,886</u>
<i>Net Position:</i>				
Net investment in capital assets	1,343,828	1,577,751	2,281,473	5,203,052
Restricted for:				
Required reserves	137,944	535,132	278,130	951,206
Unrestricted net position	46,813	11,156	(33,547)	24,422
Total net position	<u>1,528,585</u>	<u>2,124,039</u>	<u>2,526,056</u>	<u>6,178,680</u>
Total liabilities, deferred inflow of resources and net position	<u>\$ 2,207,553</u>	<u>\$ 8,944,103</u>	<u>\$ 2,716,910</u>	<u>\$ 13,868,566</u>

Housing Authority of the City of Yakima

Schedule Revenues, Expenses and Changes in Net Position - Rural Assistance Programs December 31, 2021

	Harmony Park	Valley 7	Cosecha Court	Total
<i>Operating Revenue:</i>				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Net tenant rental revenue	111,477	786,327	53,748	951,552
Other revenue	3,769	80,428	1,475	85,672
Other tenant revenue	240	-	-	240
Total operating revenue	115,486	866,755	55,223	1,037,464
<i>Operating Expenses:</i>				
Administrative:				
Administrative wages	4,090	53,560	1,282	58,932
Professional fees	3,423	10,247	1,567	15,237
Employee benefit contributions	3,120	28,484	4,372	35,976
Other operating - administrative	30,327	178,141	39,029	247,497
Tenant services	7,500	7,500	-	15,000
	48,460	277,932	46,250	372,642
Utilities:				
Electricity	2,433	10,176	12,879	25,488
Gas	91	801	-	892
Sewer	25,073	116,805	6,656	148,534
Water	16,787	140,851	6,980	164,618
	44,384	268,633	26,515	339,532
Ordinary maintenance and operations:				
Contract costs	19,971	185,289	35,737	240,997
Employee benefit contributions	7,206	57,836	5,733	70,775
Maintenance and operations wages	21,410	189,594	23,069	234,073
Materials and other	36,581	78,274	3,057	117,912
	85,168	510,993	67,596	663,757
General expenses:				
Depreciation expense	41,861	223,961	102,473	368,295
Amortization expense	-	-	-	-
Housing assistance payments	-	-	-	-
Insurance premiums	6,901	50,348	5,195	62,444
Bad debt - tenant rents	18,217	22,465	-	40,682
Bad debt - other	-	-	-	-
Other general expenses	6,049	41,083	5,804	52,936
12/31/2021	-	-	780	780
Payments in lieu of taxes	-	4,917	-	4,917
	73,028	342,774	114,252	530,054
Total operating expenses	251,040	1,400,332	254,613	1,905,985
<i>Operating Income (Loss)</i>	\$ (135,554)	\$ (533,577)	\$ (199,390)	\$ (868,521)

Housing Authority of the City of Yakima

Schedule Revenues, Expenses and Changes in Net Position - Rural Assistance Programs

December 31, 2021

	Harmony Park	Valley 7	Cosecha Court	Total
<i>Operating Income (Loss) (continued)</i>	\$ (135,554)	\$ (533,577)	\$ (199,390)	\$ (868,521)
<i>Nonoperating Revenue (Expenses):</i>				
Interest expense	(11,058)	(21,858)	(1,605)	(34,521)
Intergovernmental revenue	375,209	507,051	109,700	991,960
Investment revenue - restricted	-	148	-	148
Investment revenue - unrestricted	57	8	-	65
Total nonoperating revenue (expenses)	364,208	485,349	108,095	957,652
<i>Loss Before Contributions, Transfers, Extraordinary and Special Items</i>	228,654	(48,228)	(91,295)	89,131
<i>Capital contribution</i>	-	-	-	-
<i>Capital grants</i>	-	-	-	-
<i>Increase (Decrease) in Net Position</i>	228,654	(48,228)	(91,295)	89,131
<i>Net Position, Beginning of Year</i>	1,299,931	2,172,267	2,617,351	6,089,549
<i>Net Position, End of Year</i>	\$ 1,528,585	\$ 2,124,039	\$ 2,526,056	\$ 6,178,680