

# **HOUSING AUTHORITY OF THE CITY OF YAKIMA**

## **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**YEAR ENDED DECEMBER 31, 2024**



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## INTRODUCTORY SECTION







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*"Committed to Safe and Affordable Housing"*

September 30, 2025

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

We are pleased to present the Annual Comprehensive Financial Report (ACFR) for the Housing Authority of the City of Yakima (YHA) for the year ended December 31, 2024. 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 Finney, Neill & Company, P.S. *The auditors issued unmodified opinions on YHA's financial statements for the year ended December 31, 2024.* 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.

P.O. BOX 1447 Yakima WA 98907 • [www.yakimahousing.org](http://www.yakimahousing.org)

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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 2023, HUD and other federal agencies provided approximately 75% 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 2024 was prorated at 100% and 92.834% 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 by becoming more innovative in its approach to development, maintenance and management of its units. YHA has continued to grow its portfolio through new construction and continues to seek out acquisition and development opportunities.

In 2024, YHA secured permanent financing for Cosecha Court II Phase III, offering 60 beds of seasonal farmworker housing in Granger, Washington. The project is funded by the Washington Housing Trust Fund (HTF) (\$3.0 million) and Yakima Federal Bank (\$947,000). Construction is anticipated to be completed in August 2025 with plans to lease by September 2025.

In August 2024, the new Vale Square development was placed into service. The 54-unit complex is now occupied and was developed in partnership with the National Equity Fund (NEF), who was the syndicator for the tax credits with Chase Bank as the investor.

In December 2024, YHA entered into a purchase and sale agreement for Mabel Swan Manor (99 units) and Mabel Swan North (45 elderly disabled units). The project remains in the predevelopment phase. As of August 2025, the option period to purchase has been extended while financing is pursued. YHA has notified HUD of its interest in the RAD program.

Also, in December 2024, YHA acquired property located at 816 N 6th street. The existing structure was demolished in 2025; and the site is intended for future storage use.

Looking ahead, YHA plans to close on financing in November 2025 on a 50-unit housing complex,

Lewis, Spruce and Sixth. The project will be funded with a 9% LITHC program as well as funding from Washington Housing Trust Funds (HTF) and Department of Commerce Housing and Infrastructure Program (CHIP).

YHA continues to actively plan for the rehabilitation of Rainer Vista, Meadow Annex, and Zillah Gardens, consisting of 84 units of affordable housing, and is currently in the predevelopment phase.

### **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 Annual Comprehensive Financial Report for the year ended December 31, 2023. 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 annual comprehensive financial report whose contents conform to program standards. Such ACFR 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 Annual Comprehensive 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". The signature is fluid and cursive, with a prominent initial "L" and a long, sweeping underline.

Lowel Krueger, CPA, MBA Executive  
Director

A handwritten signature in black ink, appearing to read "Chanelle Murphy". The signature is cursive and elegant, with a large initial "C" and a long, flowing underline.

Chanelle Murphy  
Finance Director





Government Finance Officers Association

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

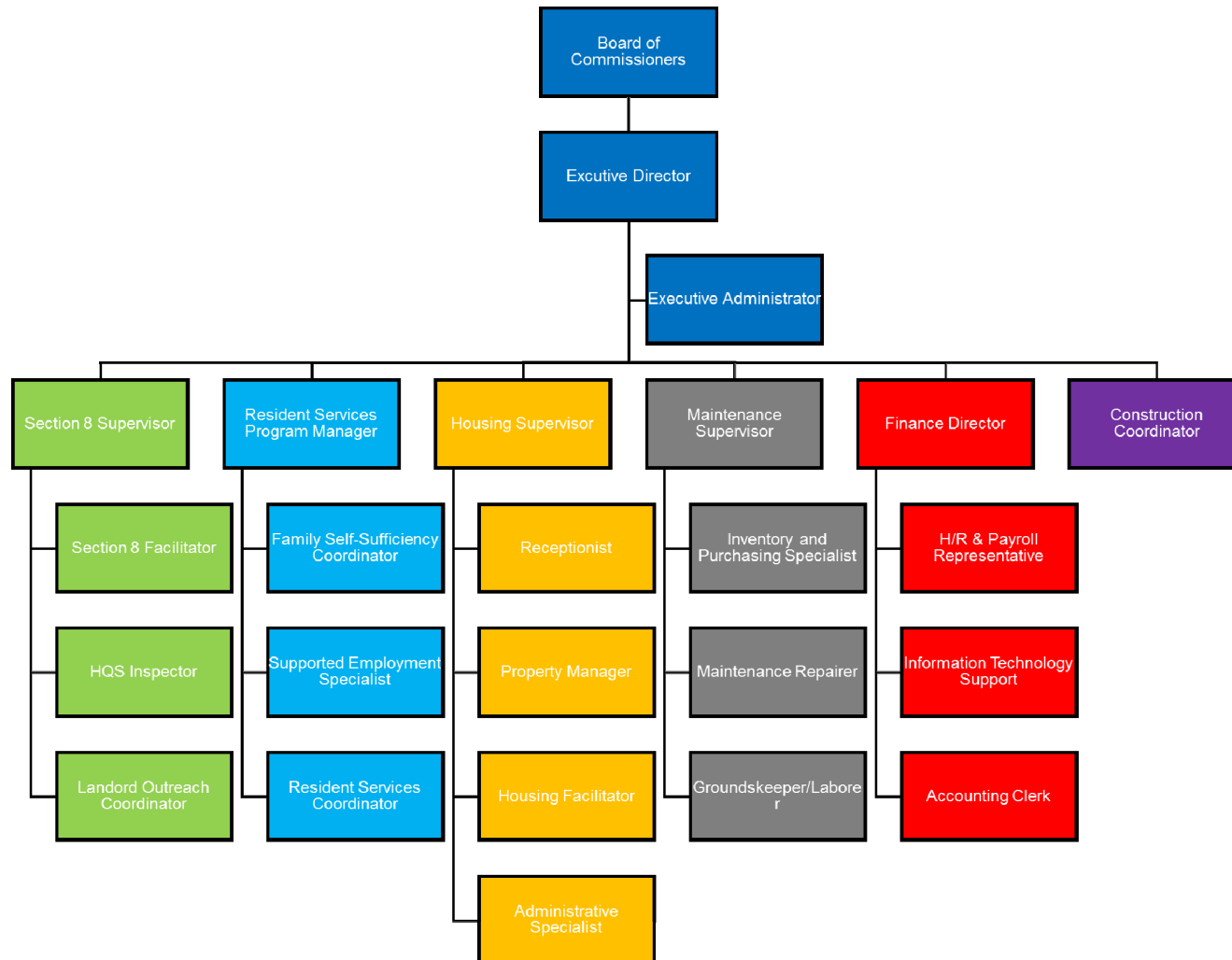
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2023

*Christopher P. Morill*

Executive Director/CEO

**HOUSING AUTHORITY OF THE CITY OF YAKIMA  
ORGANIZATIONAL CHART  
YEAR ENDED DECEMBER 31, 2024**



**HOUSING AUTHORITY OF THE CITY OF YAKIMA  
LIST OF PRINCIPAL OFFICIALS  
YEAR ENDED DECEMBER 31, 2024**

**Board of Commissioners**

Bob Ponti  
Abby Bailey Grim  
Abdon Godinez  
Nick Marquez  
Linda Orozco

Chairperson  
Vice-Chairperson  
Commissioner  
Commissioner  
Commissioner

**Management**

Lowel Krueger, CPA, MBA  
Chanelle Murphy  
Manuel Olivas  
Elsa Mendez  
Amanda Delp  
Carlos Reyes

Executive Director  
Finance Director  
Maintenance Supervisor  
Housing Supervisor  
Housing Choice Voucher Supervisor  
Resident Services Program Manager

## FINANCIAL SECTION



**INDEPENDENT AUDITORS' REPORT**

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

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the accompanying financial statements of the business-type activities (Primary Government) and of 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, 2024, 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, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Housing Authority of the City of Yakima as of December 31, 2024, 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, Yakima Veterans Housing LLLP, or Fruitvale Housing, LLLP, discretely presented component units of the Housing Authority of the City of Yakima, which represent 100% of the assets, net position, and revenues of the aggregate discretely presented component units as of December 31, 2024. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the aggregate discretely presented component units, is based solely on the reports of the other auditors.

***Basis for Opinions***

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. The financial statements of the aggregate discretely presented component units, except for Fruitvale Housing, LLLP and Yakima Affordable Housing LLLP, were not audited in accordance with *Government Auditing Standards*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Housing Authority of the City of Yakima 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.

***Emphasis of Matter***

As discussed in Note 18 to the financial statements, a correction of an error resulted in a prior period adjustment to the financial statements which resulted in a decrease in beginning net position of \$5,392,557. Our opinion is not modified with respect to that matter.

***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.



## **INDEPENDENT AUDITORS' REPORT, CONTINUED**

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Housing Authority of the City of Yakima'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.

### ***Auditors' 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 would 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 Housing Authority of the City of Yakima's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Housing Authority of the City of Yakima's ability to continue as a going concern for a reasonable period of time.

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 13 to 20, 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.

## **INDEPENDENT AUDITORS' REPORT, CONTINUED**

### ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The Schedule of Expenditures of Federal Awards on pages 99 to 100 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) and is not a required part of the basic financial statements. The Financial Data Schedule presented on pages 75 to 88, and the Rural Assistance Programs Combining Financial Schedules presented on pages 89 to 92, are presented for the purpose of additional analysis as required by HUD and USDA, and are also 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 Financial Data Schedule, and the Rural Assistance Programs Combining Financial Schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, primary government combining schedules, and statistical section, but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2025, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*Finney, Neill & Company, P.S.*

September 30, 2025  
Seattle, Washington

**HOUSING AUTHORITY OF THE CITY OF YAKIMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(UNAUDITED)**

This narrative overview and analysis of the Housing Authority of the City of Yakima's (YHA) performance for the year ended December 31, 2024 is provided as a 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 (U.S. GAAP), 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 statement of net position.

**FINANCIAL HIGHLIGHTS**

- Total net position increased by approximately \$1.6 million from December 31, 2023 to December 31, 2024. This is mainly the result of current year net income.
- As of December 31, 2024, the assets of YHA exceeded liabilities and deferred inflows of resources by approximately \$32.5 million (net position). Of this amount, approximately \$13.8 million (unrestricted net position) may be used to meet ongoing obligations, \$16.4 million is net investment in capital assets and \$2.3 million is restricted as to its allowable usage. As of December 31, 2023, the assets of YHA exceeded liabilities and deferred inflows of resources by approximately \$30.9 million (net position). Of this amount, approximately \$20.4 million (unrestricted net position) may be used to meet ongoing obligations, \$8.0 million is net investment in capital assets and \$2.5 million is restricted as to its allowable usage.
- Total assets increased by approximately \$4.3 million (6.3%) from December 31, 2023 to December 31, 2024. The increase is primarily due to the increases in net capital assets of \$3.0 million.
- Total liabilities increased by approximately \$2.7 million (9.9%) from December 31, 2023 to December 31, 2024. The increase is due to an increase in long-term debt of \$2.7 million.
- December 31, 2024 operating revenues increased by approximately \$2.9 million (19.2%) in comparison to the prior year. The increase relates to additional HUD funding for both the Housing Choice Voucher and Mainstream Voucher programs.
- December 31, 2024 operating expenses increased by approximately \$2.8 million (17.1%) in comparison to the prior year. The increase is attributed to higher administrative and housing assistance payments expenses.
- Nonoperating revenues, net of nonoperating expenses, and income before other revenues, expenses, gains, losses, decreased by approximately \$90 thousand (3.5%) from December 31, 2023 to December 31, 2024.

**HOUSING AUTHORITY OF THE CITY OF YAKIMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(UNAUDITED)**

**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.

**Statement of Net Position**

The Statement of Net Position includes 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.

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

The Statement of Revenues, Expenses, and Change in Net Position presents all of the current year'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.

**Statement of Cash Flows**

The Statement of Cash Flows provides information about YHA's cash receipts and cash payments during the reporting year. 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 year.

**Notes to the Basic Financial Statements**

The 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**

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

**Notes to Combining Schedules**

The 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  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(UNAUDITED)**

**FINANCIAL ANALYSIS**

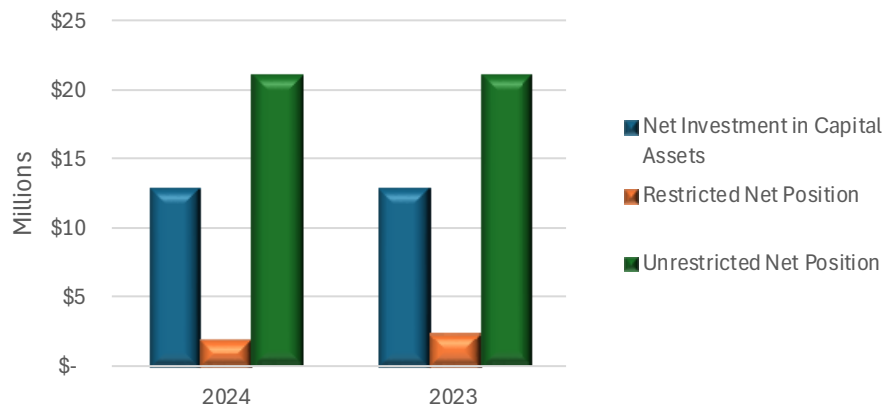
**Net Position**

The following table represents the condensed Statement of Net Position compared to the prior year:

**STATEMENTS OF NET POSITION  
DECEMBER 31, 2024 AND 2023**

	2024	(As Restated) 2023
<b>ASSETS</b>		
Current Assets, Unrestricted	\$ 6,433,774	\$ 8,586,076
Current Assets, Restricted	2,788,818	2,968,019
Noncurrent Assets	17,554,300	14,014,934
Capital Assets, Net	45,506,235	42,457,178
Total Assets	<u>72,283,127</u>	<u>68,026,207</u>
<b>LIABILITIES</b>		
Current Liabilities	834,423	1,042,737
Payables from Restricted Assets	512,035	374,933
Noncurrent Liabilities	28,764,859	25,991,002
Total Liabilities	<u>30,111,317</u>	<u>27,408,672</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Capitalized Rent	300,000	300,000
Service Concession Arrangements	9,340,804	9,380,753
Total Deferred Inflows of Resources	<u>9,640,804</u>	<u>9,680,753</u>
<b>NET POSITION</b>		
Net Investments in Capital Assets	6,764,760	7,968,534
Restricted	2,326,783	2,516,638
Unrestricted	23,439,463	20,451,610
Total Net Position	<u>\$ 32,531,006</u>	<u>\$ 30,936,782</u>

Total assets of YHA at December 31, 2024 and 2023 amounted to \$72.3 and \$64.8 million, respectively. The following presents the Statements of Net Position in graphical form:





**HOUSING AUTHORITY OF THE CITY OF YAKIMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(UNAUDITED)**

**FINANCIAL ANALYSIS (CONTINUED)**

**Net Position (Continued)**

Unrestricted current assets are comprised of cash, receivables, prepaid expenses and other assets, and inventories. Unrestricted current assets are approximately 25.1% lower at December 31, 2024 than December 31, 2023, which represents a decrease of approximately \$2.2 million.

Restricted current assets are comprised of cash and investments that are restricted for repayment of security deposits and required reserves at the end of the year. December 31, 2024 restricted assets decreased by approximately \$179 thousand (6%) in comparison to December 31, 2023.

Capital assets include land, buildings, building improvements, furniture, equipment and machinery, right-of-use, subscription-based information technology arrangements, and construction in progress and are shown net of accumulated depreciation and amortization. Capital assets increased by approximately \$3.0 million (7.2%) from December 31, 2023 to December 31, 2024, due to purchases exceeding depreciation expense.

Total liabilities of YHA, which are segregated between current and noncurrent portions, amounted to approximately \$30.1 million and \$27.4 million at December 31, 2024 and 2023, respectively.

Current liabilities consist of accounts payable, accrued wages and payroll taxes, compensated absences, accrued interest, unearned revenue, accrued liabilities, short-term notes payable, due to other funds, and current portion of notes payable. Current liabilities decreased from December 31, 2023 to December 31, 2024 by approximately \$208 thousand (20.0%).

Current liabilities payable from restricted assets primarily consist of tenant security deposits and restricted, FSS escrows, and scholarship funds. These liabilities increased by \$137 thousand (36.6%) from December 31, 2023 to December 31, 2024.

Long-term liabilities consist of mortgages, notes payable, and the long-term portion of compensated absences. The increase in long-term liabilities from December 31, 2023 to December 31, 2024 was approximately \$2.8 million (10.7%) due to permanent financing that was acquired for Cosecha Court II Phase III.

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, right-of-use, subscription-based information technology arrangements, 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 \$1.6 million from December 31, 2023 to December 31, 2024.

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, 2024 and 2023, YHA's current ratios were 6.85 and 8.15, respectively.

**HOUSING AUTHORITY OF THE CITY OF YAKIMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(UNAUDITED)**

**FINANCIAL ANALYSIS (CONTINUED)**

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

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

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

	2024	2023
<b>REVENUE</b>		
Intergovernmental Revenue - Operating	\$ 13,768,857	\$ 11,406,238
Tenant and Other - Operating	4,487,233	3,907,698
Gain (Loss) on Sale of Capital Assets	20,108	-
Intergovernmental Revenue - Nonoperating	2,464,600	2,271,326
Investment Revenue - Nonoperating	652,485	623,213
Total Revenue	<u>21,393,283</u>	<u>18,208,475</u>
<b>EXPENSES</b>		
Administrative	3,312,806	2,857,136
Utilities	711,484	603,762
Ordinary Maintenance and Operation	1,504,544	1,354,122
General Expenses	455,168	602,517
Payments in Lieu of Taxes	7,986	325
Housing Assistance Payments	11,482,442	9,941,468
Depreciation	1,678,387	999,932
Interest Expense - Nonoperating	646,242	313,627
Total Expenses	<u>19,799,059</u>	<u>16,672,889</u>
<b>INCOME BEFORE CONTRIBUTIONS, TRANSFERS, EXTRAORDINARY AND SPECIAL ITEMS</b>	1,594,224	1,535,586
<b>EQUITY TRANSFER</b>	<u>-</u>	<u>248,308</u>
<b>CHANGE IN NET POSITION</b>	<u>1,594,224</u>	<u>1,783,894</u>
<b>NET POSITION - BEGINNING OF YEAR AS PREVIOUSLY REPORTED</b>	30,936,782	34,545,445
Prior Period Adjustments - Correction of Error (Note 18)	<u>-</u>	<u>(5,392,557)</u>
<b>NET POSITION - BEGINNING OF YEAR AS RESTATED</b>	<u>30,936,782</u>	<u>29,152,888</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 32,531,006</u></u>	<u><u>\$ 30,936,782</u></u>

Total revenues increased by approximately \$3.2 million (17.5%) from December 31, 2023 to December 31, 2024, driven primarily by an increase in operating intergovernmental revenues. This category includes HUD funding allocated to various programs at YHA. The revenue growth in 2024 reflects higher HUD contributions, particularly due to housing assistance payments (HAP) funding for the housing choice voucher and mainstream programs.

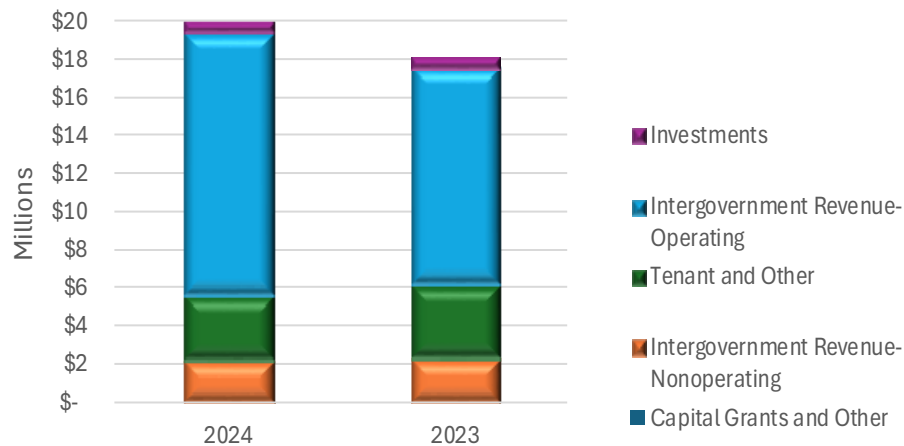
**HOUSING AUTHORITY OF THE CITY OF YAKIMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(UNAUDITED)**

**FINANCIAL ANALYSIS (CONTINUED)**

**Revenues, Expenses and Changes in Net Position (Continued)**

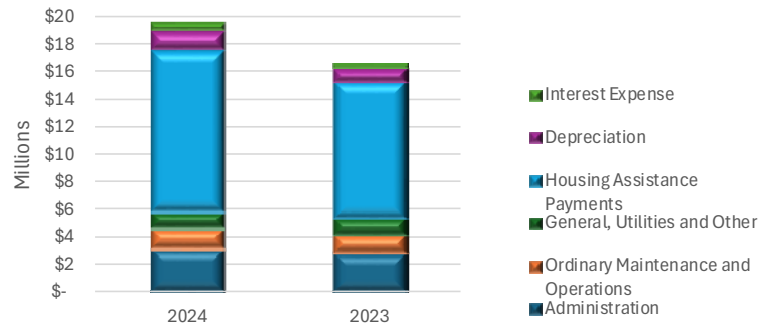
**REVENUES  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

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



**EXPENSES  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

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



Total expenses increased by approximately \$3.1 million (18.8%) from December 31, 2023 to December 31, 2024 with the most significant contributor being the rise in Housing Assistance Payments (HAP). This rise in HAP expenses reflects YHA's expanded leasing activities, which include serving more households and incurring higher per-unit costs due to market rent adjustments. Additionally, depreciation and interest costs increased, largely due to the addition of the new housing proprieties: Rainier Vista, Zillah Gardens, and Meadows Annex at the end of prior year. The equity transfer of \$248 thousand during 2023 represents the inclusion of these properties into YHA's portfolio

**HOUSING AUTHORITY OF THE CITY OF YAKIMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(UNAUDITED)**

**FINANCIAL ANALYSIS (CONTINUED)**

**Capital Assets and Debt Administration**

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

**STATEMENTS OF CAPITAL ASSETS  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

	2024	(As Restated) 2023
Land	\$ 4,967,380	\$ 4,818,549
Construction in Progress	3,615,469	423,395
PPP Assets - Nondepreciable	923,605	923,605
Buildings and Improvements	49,965,639	48,735,496
Furniture and Equipment	1,996,827	1,852,551
PPP Assets - Depreciable	17,620,410	17,620,410
Right-to-Use Software	428,027	415,907
Total Capital Assets	<u>79,517,357</u>	<u>74,789,913</u>
Less: Accumulated Depreciation and Amortization	<u>(34,011,122)</u>	<u>(32,332,735)</u>
Total Capital Assets, Net	<u>\$ 45,506,235</u>	<u>\$ 42,457,178</u>

Net capital assets increased by approximately \$3.0 million (7.2%) from December 31, 2023 to December 31, 2024. This increase was due to additions exceeding depreciation. Major additions in 2024 include the acquisition of land and building from Fruitvale Housing, LLP as well as ongoing construction for Cosecha Court II Phase III. For further details on YHA's capital assets, please refer to Note 5 to the basic financial statements.

All debt service payments were made in 2024 and 2023 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 of 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, 2024 is the 10th year YHA has not received public housing subsidy and received Section 8 funding only. 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.

**HOUSING AUTHORITY OF THE CITY OF YAKIMA  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2024  
(UNAUDITED)**

**ECONOMIC FACTORS AFFECTING YHA'S FUTURE (CONTINUED)**

In addition, the majority of YHA's \$45.5 million of net capital assets as of December 31, 2024 were acquired and/or developed over the years with financial assistance from HUD and U.S. Department of Agriculture Rural Development (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.

**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  
1116 Fruitvale Boulevard, Yakima, WA 98902  
(509)453-3106  
[www.yakimahousing.org](http://www.yakimahousing.org)



**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2024**

	Primary Government	Discretely Presented Component Units
<b>ASSETS</b>		
Current Assets:		
Cash and Cash Equivalents - Unrestricted	\$ 4,423,986	\$ 1,054,138
Accounts Receivables, Net of Allowance	685,677	67,993
Due from Component Units:		
Miscellaneous Receivables	428,997	-
Developer Fee Receivable, Current Portion	830,913	-
Ground Rent Receivable, Current Portion	2,618	-
Inventories	61,583	-
Total Current Assets	<u>6,433,774</u>	<u>1,122,131</u>
Restricted Assets:		
Cash and Cash Equivalents - Restricted	2,684,021	2,642,793
Cash - Tenant Security Deposits	104,797	112,930
Total Restricted Assets	<u>2,788,818</u>	<u>2,755,723</u>
Noncurrent Assets:		
Due from Components Units:		
Accrued Interest Receivable	3,303,787	-
Developer Fee Receivable, Net of Current Portion	205,705	-
Ground Rent Receivable, Net of Current Portion	1,284,288	-
Notes Receivable	11,394,443	-
Prepaid Expenses and Other Assets	50,000	547,651
Investment in Component Units	1,316,077	-
Total Noncurrent Assets	<u>17,554,300</u>	<u>547,651</u>
Capital Assets:		
Capital Assets, Not Being Depreciated	9,506,454	2,250,617
Capital Assets, Net of Depreciation and Amortization	35,999,781	53,208,211
Total Capital Assets	<u>45,506,235</u>	<u>55,458,828</u>
Total Assets	<u><u>\$ 72,283,127</u></u>	<u><u>\$ 59,884,333</u></u>

*See accompanying Notes to Financial Statements.*

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**STATEMENT OF NET POSITION (CONTINUED)**  
**DECEMBER 31, 2024**

	Primary Government	Discretely Presented Component Units
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts Payable	\$ 86,358	\$ 37,226
Accrued Wages and Payroll Taxes	133,002	24,899
Compensated Absences, Current Portion	141,360	43,251
Accrued Interest Payable	3,688	18,605
Due to Primary Government:		
Other Current Liabilities	-	428,997
Developer Fee Payable, Current Portion	-	830,913
Ground Rent Payable, Current Portion	-	2,618
Accrued Liabilities - Other	3,200	-
Unearned Income	68,073	118,834
Current Portion of Long-Term Debt	329,965	1,193,084
Current Portion of SBITA Liability	68,777	-
Total Current Liabilities	<u>834,423</u>	<u>2,698,427</u>
Current Payables from Restricted Assets:		
Tenant Security Deposits	104,797	112,930
Unearned Income	81,907	-
Total Current Payables from Restricted Assets	<u>186,704</u>	<u>112,930</u>
Noncurrent Liabilities:		
Compensated Absences, Net of Current Portion	15,707	4,806
Payables from Restricted Assets	325,331	-
Accrued Interest Payable	47,223	292,614
Due to Primary Government:		
Accrued Interest Payable	-	3,303,787
Developer Fee Payable, Net of Current Portion	-	205,705
Ground Rent Payable, Net of Current Portion	-	1,284,288
Notes Payable	-	11,394,443
Long-Term Debt, Net of Current Portion	28,545,467	11,836,731
Other Long-Term Liabilities	-	64,919
SBITA Liability, Net of Current Portion	156,462	-
Total Noncurrent Liabilities	<u>29,090,190</u>	<u>28,387,293</u>
Total Liabilities	<u>30,111,317</u>	<u>31,198,650</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Capitalized Rent	300,000	-
Service Concession Arrangements	9,340,804	-
Total Deferred Inflows of Resources	<u>9,640,804</u>	<u>-</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	6,764,760	29,750,282
Restricted Net Position for:		
Future Capital Improvements	50,000	-
Required Reserves	2,276,783	2,642,793
Unrestricted Net Position	23,439,463	(3,707,392)
Total Net Position	<u>\$ 32,531,006</u>	<u>\$ 28,685,683</u>

See accompanying Notes to Financial Statements.  
(22)

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Primary Government	Discretely Presented Component Units
<b>OPERATING REVENUE</b>		
Intergovernmental Revenue	\$ 13,768,857	\$ -
Net Tenant Rental Revenue	2,355,764	1,600,665
Other Revenue	2,051,062	67,165
Other Tenant Revenue	80,407	25,481
Total Operating Revenue	<u>18,256,090</u>	<u>1,693,311</u>
<b>OPERATING EXPENSES</b>		
Administrative:		
Administrative Wages	1,356,426	227,663
Professional Fees	100,128	141,341
Employee Benefit Contributions	556,085	78,893
Other Operating - Administrative	682,085	734,185
Tenant Services	618,082	5,103
Total Administrative	<u>3,312,806</u>	<u>1,187,185</u>
Utilities:		
Electricity	122,227	96,621
Other Utilities Expense	8,164	19,548
Sewer	290,034	141,111
Water	291,059	144,060
Total Utilities	<u>711,484</u>	<u>401,340</u>
Ordinary Maintenance and Operations:		
Contract Costs	588,094	358,213
Employee Benefit Contributions	206,030	156,209
Maintenance and Operations Wages	570,248	476,460
Materials and Other	140,172	75,861
Total Ordinary Maintenance and Operations	<u>1,504,544</u>	<u>1,066,743</u>
General Expenses:		
Depreciation Expense	1,678,387	1,624,437
Housing Assistance Payments	11,482,442	-
Insurance Premiums	264,830	220,271
Bad Debt - Tenant Rents	85,312	115,442
Other General Expenses	99,200	141,259
Compensated Absences	-	9,535
Protective Services Contract Costs	5,826	2,445
Payments in Lieu of Taxes	7,986	3,652
Total General Expenses	<u>13,623,983</u>	<u>2,117,041</u>
Total Operating Expenses	<u>19,152,817</u>	<u>4,772,309</u>
<b>OPERATING LOSS</b>	<u><u>\$ (896,727)</u></u>	<u><u>\$ (3,078,998)</u></u>

*See accompanying Notes to Financial Statements.*

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION (CONTINUED)**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Primary Government	Discretely Presented Component Units
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Gain (Loss) on Sale of Capital Assets	\$ 20,108	\$ (52,735)
Interest Expense	(646,242)	(1,092,171)
Amortization of Bond Issue Costs	-	(70,537)
Intergovernmental Revenue	2,464,600	1,986,305
Investment Revenue:		
Restricted	1,715	243
Unrestricted	650,770	368
Total Nonoperating Revenues (Expenses)	<u>2,490,951</u>	<u>771,473</u>
<b>CHANGE IN NET POSITION</b>	1,594,224	(2,307,525)
<b>NET POSITION - BEGINNING OF YEAR, AS PREVIOUSLY REPORTED</b>	36,329,339	22,449,955
Prior Period Adjustments - Correction of an Error (Note 18)	<u>(5,392,557)</u>	<u>-</u>
<b>NET POSITION - BEGINNING OF YEAR, AS RESTATED</b>	30,936,782	22,449,955
Partner Contributions	<u>-</u>	<u>8,543,253</u>
<b>NET POSITION - END OF YEAR</b>	<u><u>\$ 32,531,006</u></u>	<u><u>\$ 28,685,683</u></u>

*See accompanying Notes to Financial Statements.*

**HOUSING AUTHORITY OF THE CITY OF YAKIMA  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	<b><u>Primary Government</u></b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Received from Tenants	\$ 2,457,160
Received from Grants	13,373,419
Received from Other Sources	1,138,362
Paid to Employees for Services	(3,217,629)
Paid for Housing Assistance	(11,502,738)
Paid to Suppliers for Goods and Services	<u>(2,434,887)</u>
Net Cash Used by Operating Activities	<u>(186,313)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Principal Payments on Loans	(713,497)
Loan Proceeds	3,669,851
Interest Paid	(671,687)
Due From Component Units	(72,984)
Purchase of Capital Assets	(4,727,444)
Proceeds from Disposal of Capital Assets	20,108
Capital Contributions to Component Unit	<u>(249,557)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(2,745,210)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Intergovernmental Revenues	<u>2,464,600</u>
Net Cash Provided by Noncapital and Financing Activities	<u>2,464,600</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest Income	<u>(6,787)</u>
Net Cash Used by Investing Activities	<u>(6,787)</u>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(473,710)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>7,686,514</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 7,212,804</u></u>
Cash and Cash Equivalents - Unrestricted	\$ 4,423,986
Cash and Cash Equivalents - Restricted	2,684,021
Cash - Tenant Security Deposits	104,797
	<u><u>\$ 7,212,804</u></u>



**HOUSING AUTHORITY OF THE CITY OF YAKIMA  
STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED DECEMBER 31, 2024**

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

Operating Loss	\$ (896,727)
Adjustment to Reconcile Operating Loss to Net Cash	
Used by Operating Activities:	
Depreciation and amortization	1,678,387
Provision for Bad Debt	85,312
Changes in Assets and Liabilities:	
Accounts Receivables	(485,989)
Due from Component Units	(945,723)
Prepaid Expenses and Other Assets	254,802
Accounts Payable	(7,767)
Accrued Wages and Taxes Payable	83,186
Accrued Liabilities	3,195
Compensated Absences	6,056
Tenant Security Deposits	5,932
FSS Escrows	2,786
Deferred Revenues	30,237
Net Cash Used by Operating Activities	<u><u>\$ (186,313)</u></u>

*See accompanying Notes to Financial Statements.*

**HOUSING AUTHORITY OF THE CITY OF YAKIMA  
COMBINING STATEMENT OF NET POSITION  
DISCRETELY PRESENTED COMPONENT UNITS  
DECEMBER 31, 2024**

	<u>YHA Family Housing, LLC</u>	<u>Toppenish Family Housing, LLC</u>	<u>Yakima Affordable Housing, LLLP</u>	<u>Fruitvale Housing, LLLP</u>	<u>Yakima Veterans Housing, LLLP</u>	<u>Total</u>
<b>ASSETS</b>						
Current Assets:						
Cash and Cash Equivalents -						
Unrestricted	\$ 439,821	\$ 106,568	\$ 176,585	\$ 257,261	\$ 73,903	\$ 1,054,138
Accounts Receivables, Net of Allowance	22,979	9,730	3,288	24,217	7,779	67,993
Total Current Assets	<u>462,800</u>	<u>116,298</u>	<u>179,873</u>	<u>281,478</u>	<u>81,682</u>	<u>1,122,131</u>
Restricted Assets:						
Cash and Cash Equivalents - Other						
Restricted	1,652,998	396,327	515,131	-	78,337	2,642,793
Cash - Tenant Security Deposits	41,175	9,600	30,329	17,348	14,478	112,930
Total Restricted Assets	<u>1,694,173</u>	<u>405,927</u>	<u>545,460</u>	<u>17,348</u>	<u>92,815</u>	<u>2,755,723</u>
Capital Assets:						
Capital Assets not Being Depreciated	1,500,000	188,757	-	498,555	63,305	2,250,617
Capital Assets, net of Depreciation						
and Amortization	11,129,082	4,657,795	7,969,172	15,655,646	13,796,516	53,208,211
Total Capital Assets	<u>12,629,082</u>	<u>4,846,552</u>	<u>7,969,172</u>	<u>16,154,201</u>	<u>13,859,821</u>	<u>55,458,828</u>
Noncurrent Assets - Other	<u>42,908</u>	<u>54,468</u>	<u>139,422</u>	<u>172,237</u>	<u>138,616</u>	<u>547,651</u>
Total Assets	<u>\$ 14,828,963</u>	<u>\$ 5,423,245</u>	<u>\$ 8,833,927</u>	<u>\$ 16,625,264</u>	<u>\$ 14,172,934</u>	<u>\$ 59,884,333</u>

*See accompanying Notes to Financial Statements.*

**HOUSING AUTHORITY OF THE CITY OF YAKIMA  
COMBINING STATEMENT OF NET POSITION (CONTINUED)  
DISCRETELY PRESENTED COMPONENT UNITS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

	YHA Family Housing, LLC	Toppenish Family Housing, LLC	Yakima Affordable Housing, LLLP	Fruitvale Housing, LLLP	Yakima Veterans Housing, LLLP	Total
<b>LIABILITIES</b>						
Current Liabilities:						
Accounts Payable	\$ 7,378	\$ 7,809	\$ 2,622	\$ 18,400	\$ 1,017	\$ 37,226
Accrued Wages and Payroll Taxes	11,230	1,486	5,012	4,159	3,012	24,899
Compensated Absences -						
Current Portion	21,021	3,342	8,951	4,626	5,311	43,251
Accrued Interest Payable	-	-	18,605	-	-	18,605
Due to Primary Government:						
Other Current Liabilities	57,894	12,058	91,234	149,225	118,586	428,997
Developer Fee Payable,						
Current Portion	-	-	-	830,913	-	830,913
Ground Rent Payable, Current Portion	-	-	-	-	2,618	2,618
Unearned Income	55,872	17,876	32,414	8,064	4,608	118,834
Current Portion of Long-Term Debt	-	-	76,492	1,116,592	-	1,193,084
Total Current Liabilities	<u>153,395</u>	<u>42,571</u>	<u>235,330</u>	<u>2,131,979</u>	<u>135,152</u>	<u>2,698,427</u>
Payables from Restricted Assets:						
Tenant Security Deposits	<u>41,175</u>	<u>9,600</u>	<u>30,329</u>	<u>17,348</u>	<u>14,478</u>	<u>112,930</u>
Total Payables from Restricted Assets	<u>41,175</u>	<u>9,600</u>	<u>30,329</u>	<u>17,348</u>	<u>14,478</u>	<u>112,930</u>
Noncurrent Liabilities:						
Compensated Absences -						
Net of Current Portion	2,336	371	995	514	590	4,806
Accrued Interest Payable	-	190,268	-	33,174	69,172	292,614
Due to Primary Government:						
Accrued Interest Payable	1,990,748	-	1,207,725	-	105,314	3,303,787
Developer Fee Payable,						
Net of Current Portion	-	-	-	-	205,705	205,705
Ground Rent Payable,						
Net of Current	-	-	-	-	1,284,288	1,284,288
Notes Payable	5,873,120	-	2,350,000	114,700	3,056,623	11,394,443
Long-Term Debt, Net of Current Portion	-	2,100,000	4,115,674	3,619,000	2,002,057	11,836,731
Other Long-Term Liabilities	-	19,002	-	6,250	39,667	64,919
Total Noncurrent Liabilities	<u>7,866,204</u>	<u>2,309,641</u>	<u>7,674,394</u>	<u>3,773,638</u>	<u>6,763,416</u>	<u>28,387,293</u>
Total Liabilities	<u>8,060,774</u>	<u>2,361,812</u>	<u>7,940,053</u>	<u>5,922,965</u>	<u>6,913,046</u>	<u>31,198,650</u>
<b>NET POSITION</b>						
Net Investment in Capital Assets	6,755,962	2,746,552	1,427,006	11,303,909	7,516,853	29,750,282
Restricted Net Position for:						
Required Reserves	1,652,998	396,327	515,131	-	78,337	2,642,793
Unrestricted	<u>(1,640,771)</u>	<u>(81,446)</u>	<u>(1,048,263)</u>	<u>(601,610)</u>	<u>(335,302)</u>	<u>(3,707,392)</u>
Total Net Position	<u>\$ 6,768,189</u>	<u>\$ 3,061,433</u>	<u>\$ 893,874</u>	<u>\$ 10,702,299</u>	<u>\$ 7,259,888</u>	<u>\$ 28,685,683</u>

See accompanying Notes to Financial Statements.

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**COMBINING STATEMENT OF NET POSITION (CONTINUED)**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	YHA Family Housing, LLC	Toppenish Family Housing, LLC	Yakima Affordable Housing, LLLP	Fruitvale Housing, LLLP	Yakima Veterans Housing, LLLP	Total
<b>OPERATING REVENUE</b>						
Net Tenant Rental Revenue	\$ 800,469	\$ 267,474	\$ 330,392	\$ 75,735	\$ 126,595	\$ 1,600,665
Other Revenue	-	-	-	115	67,050	67,165
Other Tenant Revenue	17,103	-	838	1,996	5,544	25,481
Total Operating Revenue	<u>817,572</u>	<u>267,474</u>	<u>331,230</u>	<u>77,846</u>	<u>199,189</u>	<u>1,693,311</u>
<b>OPERATING EXPENSES</b>						
Administrative:						
Administrative Wages	102,411	12,749	66,976	20,429	25,098	227,663
Professional Fees	34,894	14,813	22,530	17,853	51,251	141,341
Employee Benefit Contributions	35,194	4,632	25,755	5,048	8,264	78,893
Other Operating - Administrative	295,480	80,451	178,247	65,291	114,716	734,185
Tenant Services	20	4	465	82	4,532	5,103
Total Administrative	<u>467,999</u>	<u>112,649</u>	<u>293,973</u>	<u>108,703</u>	<u>203,861</u>	<u>1,187,185</u>
Utilities:						
Electricity	17,064	922	58,644	15,599	4,392	96,621
Other Utilities Expense	667	24	10,632	-	8,225	19,548
Sewer	73,527	33,565	24,239	3,348	6,432	141,111
Water	97,606	29,052	12,037	1,620	3,745	144,060
Total Utilities	<u>188,864</u>	<u>63,563</u>	<u>105,552</u>	<u>20,567</u>	<u>22,794</u>	<u>401,340</u>
Ordinary Maintenance and Operations:						
Contract Costs	188,064	31,260	71,968	16,141	50,780	358,213
Employee Benefit Contributions	76,650	12,417	26,096	15,330	25,716	156,209
Maintenance and Operations Wages	222,617	30,448	83,267	46,183	93,945	476,460
Materials and Other	37,901	6,420	14,482	2,730	14,328	75,861
Total Ordinary Maintenance and Operations	<u>525,232</u>	<u>80,545</u>	<u>195,813</u>	<u>80,384</u>	<u>184,769</u>	<u>1,066,743</u>

See accompanying Notes to Financial Statements.

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**COMBINING STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION (CONTINUED)**  
**DISCRETELY PRESENTED COMPONENT UNITS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	YHA Family Housing, LLC	Toppenish Family Housing, LLC	Yakima Affordable Housing, LLLP	Fruitvale Housing, LLLP	Yakima Veterans Housing, LLLP	Total
<b>OPERATING EXPENSES (CONTINUED)</b>						
General Expenses:						
Depreciation Expense	\$ 627,230	\$ 156,344	\$ 256,360	\$ 213,876	\$ 370,627	\$ 1,624,437
Insurance Premiums	117,448	23,025	37,596	12,311	29,891	220,271
Bad Debt - Tenant Rents	63,001	12,238	19,923	-	20,280	115,442
Other General Expenses	115	247	9	95,022	45,866	141,259
Compensated Absences	3,162	1,094	362	5,140	(223)	9,535
Protective Services Contract Costs	1,171	227	607	-	440	2,445
Payments in Lieu of Taxes	3,652	-	-	-	-	3,652
Total General Expenses	<u>815,779</u>	<u>193,175</u>	<u>314,857</u>	<u>326,349</u>	<u>466,881</u>	<u>2,117,041</u>
Total Operating Expenses	<u>1,997,874</u>	<u>449,932</u>	<u>910,195</u>	<u>536,003</u>	<u>878,305</u>	<u>4,772,309</u>
<b>OPERATING LOSS</b>	<u>(1,180,302)</u>	<u>(182,458)</u>	<u>(578,965)</u>	<u>(458,157)</u>	<u>(679,116)</u>	<u>(3,078,998)</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Gain (Loss) on Sale of Capital Assets	-	-	-	(52,735)	-	(52,735)
Interest Expense	(397,633)	(21,000)	(406,536)	(206,408)	(60,594)	(1,092,171)
Amortization of Bond Issue Costs	(9,535)	(4,515)	(8,861)	(40,528)	(7,098)	(70,537)
Intergovernmental Revenue	772,838	9,684	688,343	170,458	344,982	1,986,305
Investment Revenue - Restricted	82	16	143	-	2	243
Investment Revenue - Unrestricted	259	50	58	-	1	368
Total Nonoperating Expenses	<u>366,011</u>	<u>(15,765)</u>	<u>273,147</u>	<u>(129,213)</u>	<u>277,293</u>	<u>771,473</u>
Partner Contributions	-	-	-	8,543,253	-	8,543,253
<b>CHANGE IN NET POSITION</b>	<u>(814,291)</u>	<u>(198,223)</u>	<u>(305,818)</u>	<u>7,955,883</u>	<u>(401,823)</u>	<u>6,235,728</u>
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>7,582,480</u>	<u>3,259,656</u>	<u>1,199,692</u>	<u>2,746,416</u>	<u>7,661,711</u>	<u>22,449,955</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 6,768,189</u>	<u>\$ 3,061,433</u>	<u>\$ 893,874</u>	<u>\$ 10,702,299</u>	<u>\$ 7,259,888</u>	<u>\$ 28,685,683</u>

See accompanying Notes to Financial Statements.

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**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-income 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, Yakima Veterans Housing, LLLP, and Fruitvale 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.

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

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

**Reporting Entity (Continued)**

**Discretely Presented Component Units**

YHA's discretely presented component units include the limited liability partnerships/companies below. These entities follow all applicable Financial Accounting Standards Board (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, Yakima Veterans Housing, LLLP, Fruitvale Housing, LLLP are the five component units. YHA is the 0.01% owner and the general partner/managing member in these real estate partnerships as of December 31, 2024. The limited 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 receivable with YHA Family amounting to approximately \$5.9 million at December 31, 2024.

Toppenish Family Housing, LLC (TFH) was formed in May 2014 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 receivable amounting to approximately \$2.4 million at December 31, 2024.

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 five new, 27-unit total, two-story buildings for homeless veteran tenants. YHA also has an outstanding receivable amounting to approximately \$3.0 million at December 31, 2024.

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

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

**Reporting Entity (Continued)**

**Discretely Presented Component Units (Continued)**

Fruitvale Housing, LLLP (FVH) was formed in April 2023 as a separate legal entity to take advantage of low-income housing tax credits needed to finance the purchase of a 54-unit special needs low-income housing project.

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. The entities have a December 31 year-end and financial statements may be obtained by contacting YHA.

**New Accounting Standards Adopted**

During the year ended December 31, 2024 and beyond, YHA has implemented several new Governmental Accounting Standards Board (GASB) pronouncements. These pronouncements are as follows:

GASB Statement No. 100, Accounting Changes and Error Corrections is now effective. This GASB pronouncement had an effect on the beginning net position, see Note 18 for further information.

Effective January 1, 2024, YHA implemented GASB Statement No. 101, Compensated Absences. This statement updated the recognition and measurement guidance for compensated absences and associated salary-related payments and amended certain previously required disclosures. The impact to YHA was not material and no adjustment was required.

**New Accounting Standards to be Adopted in Future Years**

In December 2023, the GASB issued Statement No. 102, Certain Risk Disclosures. This statement is effective for YHA's December 31, 2025 fiscal year end. YHA is still evaluating the potential impacts of this standard.

In April 2024, the GASB issued Statement No. 103, Financial Reporting Model Improvements. This statement is effective for YHA's December 31, 2026 fiscal year end. YHA is still evaluating the potential impacts of this standard.



**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

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

**Summary of Significant Accounting Policies (Continued)**

**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.

**Budgeting**

YHA 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. When expenses are incurred for purposes for which both restricted and unrestricted resources are available, YHA uses restricted resources first. 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.

**HOUSING AUTHORITY OF THE CITY OF YAKIMA  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2024**

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

**Summary of Significant Accounting Policies (Continued)**

**Inventories and Prepaid Items**

Inventories consist of expendable supplies held for consumption. All inventories are valued at cost. Prepaid items are for payments made by the YHA for services or goods received which will be used in a subsequent fiscal year.

**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 acquisition 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, 2024.

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

Capital assets recognized under service concession arrangements (PPPs) and subscription-based information technology arrangements are amortized over their expected useful life or the term, whichever is shorter.

**Investment in Joint Ventures**

YHA's Unrestricted Fund accounts for its ownership in various Partnerships using the equity method. Under the equity method, the initial investment is recorded at cost, and then increased or decreased by YHA's share of income or losses and decreased by distributions (see Note 7). These entities are considered to be related parties of YHA.

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

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

**Summary of Significant Accounting Policies (Continued)**

**Public-Private and Public-Public Partnerships and Availability Payment Arrangements (PPPs)**

Arrangements are included in the accounts receivable current portion and deferred inflows of resources in the statement of net position. Receivables represent YHA's claim to receive payments over the term as specified in the contract in an exchange or exchange-like transaction. Receivables are recognized at commencement date based on the present value of expected payments over the term reduced by any provision for estimated uncollectible amounts. Deferred inflows of resources are recognized at the commencement date based on the initial measurement of the receivable, plus any payments received at or before the commencement of the term. The deferred inflows are recognized as revenue on a straight-line basis over the term of the agreement.

**Deferred Outflows/Inflows of Resources**

A deferred outflow of resources is defined as a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditure) until then. A deferred inflow of resources is defined as an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time.

**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.

**Compensated Absences**

For 2024, GASB Statement No. 101, Compensated Absences, was effective. GASB 101 defines a compensated absence as leave for which employees may receive cash payments when the leave is used for time off or receive payments for unused leave upon termination of employment. These payments could occur during employment or upon termination of employment. Compensated absences generally do not have a set payment schedule. YHA does not offer noncash settlements. Vacation and other compensated absences with similar characteristics are accrued as a liability based on the paid time off accumulated at the balance sheet date by those employees who currently are eligible to receive payments upon termination of employment.

YHA recognizes an expense for all earned but unused leave. Accrued but unused paid time off, up to 240 hours, is payable upon resignation, retirement or death.

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

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

**Summary of Significant Accounting Policies (Continued)**

**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 September 30, 2025, 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, Yakima Veterans Housing, LLLP, and Fruitvale 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.

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

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

**Summary of Significant Accounting Policies (Continued)**

**Subscription-Based Information Technology Arrangements**

In May 2020, GASB issued Statement No. 96, Subscription-Based Information Technology Arrangements ("SBITA"), which establishes that a government should recognize a subscription liability at the commencement of the subscription term, which is when the subscription is placed into service. The subscription liability should be initially measured at the present value of the subscription payments expected to be made during the subscription term. A SBITA results in a right-of-use ("ROU") subscription asset (an intangible asset) and a corresponding subscription liability. Implementation costs are also recorded.

**NOTE 2 DEPOSITS**

Deposits, including those in restricted assets, are defined as cash or cash equivalents on deposit with financial institutions. At December 31, 2024, the carrying amount of YHA's cash accounts deposited with financial institutions was \$7,212,504 and the bank balance was \$4,714,022. The bank deposits are held with financial institutions and are entirely insured or collateralized.

As of December 31, 2024, the carrying amount of the discretely presented component units deposited with financial institutions was \$3,809,661 and the bank balance was \$1,288,768. The bank deposits are held with financial institutions and are entirely insured or collateralized.

For the primary government and discretely presented component units, cash and cash equivalents consist of the following as of December 31, 2024:

	Primary Government	Discretely Presented Component Units
Current Assets:		
Cash and Cash Equivalents - Unrestricted	\$ 4,423,986	\$ 1,054,138
Cash and Cash Equivalents - Restricted	2,788,818	2,755,723
Total Cash and Cash Equivalents	7,212,804	3,809,861
Less: Cash on Hand - Petty Cash	(300)	(200)
Total Deposits	<u>\$ 7,212,504</u>	<u>\$ 3,809,661</u>

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 3 RESTRICTED CASH AND CASH EQUIVALENTS**

YHA's restricted cash and cash equivalents for the primary government as of December 31, 2024 are summarized in the following table:

Replacement and Operating Reserves	\$ 2,072,633
EHV Service Fee Funds	81,907
FSS Escrow Cash Accounts	278,854
FSS Forfeiture Funds	204,150
Tenant Security Deposits	104,797
Scholarship Funds	46,477
Total Restricted Cash and Cash Equivalents	<u>\$ 2,788,818</u>

For the discretely presented component units, restricted cash and cash equivalents consist of the following as of December 31, 2024:

Replacement and Operating Reserves	\$ 2,642,793
Cash - Tenant Security Deposits	112,930
Total Restricted Cash and Cash Equivalents	<u>\$ 2,755,723</u>

**NOTE 4 INVESTMENTS**

YHA has no investments as of December 31, 2024.

**NOTE 5 RECEIVABLES**

For the primary government, receivables consist of the following at December 31, 2024:

Tenant Accounts Receivable	\$ 347,055
HUD Accounts Receivable	219,751
Other Government Accounts Receivables	405,956
Miscellaneous Receivables - Landlords	20,296
Fraud Accounts Receivable	30,713
Total Receivables	<u>1,023,771</u>
Less: Allowance for Doubtful Accounts	<u>(338,094)</u>
Total Accounts Receivable, Net of Allowance	<u>\$ 685,677</u>

For the discretely presented component units, receivables consist of the following at December 31, 2024:

Tenants Receivables	\$ 330,368
Less: Allowance for Doubtful Accounts	<u>(262,375)</u>
Total Accounts Receivable, Net of Allowance	<u>\$ 67,993</u>

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 6 CAPITAL ASSETS**

The following is a summary of changes in capital assets for the primary government for the year ended December 31, 2024:

	(As Restated) Beginning Balance	Additions	Retirements	Transfers	Ending Balance
<b>PRIMARY GOVERNMENT</b>					
Capital Assets, Not Being Depreciated:					
Land	\$ 4,818,549	\$ 148,831	\$ -	\$ -	\$ 4,967,380
Construction in Progress	423,395	3,192,074	-	-	3,615,469
PPP Assets	923,605	-	-	-	923,605
Total Capital Assets, Not Being Depreciated	6,165,549	3,340,905	-	-	9,506,454
Capital Assets, Being Depreciated and Amortized:					
Buildings and Improvements	48,735,496	1,230,143	-	-	49,965,639
Furniture and Equipment	1,852,551	144,276	-	-	1,996,827
PPP Assets	17,620,410	-	-	-	17,620,410
Right-to-Use Software	415,907	12,120	-	-	428,027
Total Capital Assets, Being Depreciated and Amortized	68,624,364	1,386,539	-	-	70,010,903
Less: Accumulated Depreciation and Amortization:					
Buildings and Improvements	(15,477,552)	(1,215,148)	-	-	(16,692,700)
Furniture and Equipment	(1,396,873)	(250,981)	-	-	(1,647,854)
PPP Assets	(15,402,856)	(117,903)	-	-	(15,520,759)
Right-to-Use Software	(55,454)	(94,355)	-	-	(149,809)
Total Accumulated Depreciation and Amortization	(32,332,735)	(1,678,387)	-	-	(34,011,122)
Total Capital Assets, Being Depreciated and Amortized, Net	36,291,629	(291,848)	-	-	35,999,781
Total Capital Assets, Net	<u>\$ 42,457,178</u>	<u>\$ 3,049,057</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,506,235</u>

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**NOTE 6 CAPITAL ASSETS (CONTINUED)**

The following is a summary of changes in capital assets for the discretely presented component units for the year ended December 31, 2024:

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
<b>DISCRETELY PRESENTED COMPONENT UNITS</b>					
Capital Assets, Not Being Depreciated:					
Land	\$ 1,752,064	\$ -	\$ -	\$ 498,553	\$ 2,250,617
Construction in Progress	11,591,276	4,776,799		(16,368,075)	-
Total Capital Assets, Not Being Depreciated	13,343,340	4,776,799	-	(15,869,522)	2,250,617
Capital Assets, Being Depreciated:					
Buildings and Improvements	47,239,145	129,471	-	15,539,225	62,907,841
Furniture and Equipment	915,849	43,548	-	330,297	1,289,694
Total Capital Assets, Being Depreciated	48,154,994	173,019	-	15,869,522	64,197,535
Right-of-Use Asset	1,085,966	-	-	-	1,085,966
Less: Accumulated Amortization	-	(2,618)	-	-	(2,618)
Total Right-of-Use Asset, Net	1,085,966	(2,618)	-	-	1,083,348
Less: Accumulated Depreciation for:					
Buildings and Improvements	(9,896,710)	(1,538,689)	-	-	(11,435,399)
Furniture and Equipment	(551,525)	(85,748)	-	-	(637,273)
Total Accumulated Depreciation	(10,448,235)	(1,624,437)	-	-	(12,072,672)
Total Capital Assets, Being Depreciated, Net	38,792,725	(1,454,036)	-	15,869,522	53,208,211
Total Capital Assets, Net	\$ 52,136,065	\$ 3,322,763	\$ -	\$ -	\$ 55,458,828

**NOTE 7 INVESTMENT IN JOINT VENTURES**

As of December 31, 2024, YHA's investment in joint venture ownership interest and equity balance are as follows:

	Ownership Interest	Balance at December 31, 2024
Related Party Partnership		
YHA Family Housing, LLC	0.01%	\$ 766,518
Fruitvale Housing, LLC	0.01%	549,559
Total Investment in Joint Ventures		<u>\$ 1,316,077</u>

**NOTE 8 SHORT-TERM NOTES PAYABLE**

YHA has no short-term notes payable due as of December 31, 2024.



**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
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**NOTE 9 LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS**

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 principal balance, YHA shall pay any and all fees, penalties, or other costs incurred.

The following is a summary of changes in YHA's long-term debt and other long-term obligations for the year ended December 31, 2024:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Unsecured Note Payable:					
Banner Bank - Unrestricted	\$ 47,382	\$ 123,504	\$ -	\$ 170,886	\$ -
Revenue Bonds:					
Banner Bank - Nueva	1,708,272	-	47,535	1,660,737	48,500
Real Estate Mortgages:					
Banner Bank:					
Unrestricted - Fruitvale Condo	-	475,000	4,480	470,520	19,950
Admin Office - Nueva	247,358	-	247,358	-	-
Cosecha Court II	704,093	-	15,832	688,261	15,716
Impact Capital:					
Cosecha Court II Phase III	9,683	-	9,683	-	-
Cosecha Court II Phase III	142,910	-	142,910	-	-
Yakima Federal:					
Meadows Annex	525,000	-	-	525,000	-
Rainier Vista	3,100,000	-	-	3,100,000	-
Zillah Gardens	2,473,500	-	-	2,473,500	-
Cosecha Court II Phase II	1,114,498	-	25,148	1,089,350	23,170
Cosecha Court II Phase III	-	27,352	-	27,352	-
Washington State Housing Finance:					
Meadows Annex	1,633,582	3,718	-	1,637,300	-
Rainier Vista	1,506,571	3,429	-	1,510,000	-
Zillah Gardens	850,763	1,937	-	852,700	-
Office of Rural and Farmworker Housing:					
Preservation Revolving Loan - Valley 7	164,523	-	11,828	152,695	12,003
U.S. Dept of Agriculture:					
Valley 7	4,867,277	-	111,803	4,755,474	107,738
Cosecha Court	145,358	-	6,065	139,293	6,092
Harmony Park	647,761	-	7,481	640,280	7,594
Department of Commerce:					
Unrestricted	520,547	-	8,843	511,704	8,888
Cosecha Court II Phase II - HTF	3,027,171	30,273	-	3,057,444	61,314
Cosecha Court II Phase III - HTF	-	3,004,638	-	3,004,638	-
Valley 7	594,182	-	-	594,182	-
Nueva Primavera	968,510	-	26,250	942,260	15,000
Mariposa Park	776,800	-	8,000	768,800	4,000
Mariposa Park	103,056	-	-	103,056	-
Total Real Estate Mortgages	24,123,143	3,546,347	625,681	27,043,809	281,465
Payables from Restricted Assets:					
Scholarship Funds	46,477	-	-	46,477	-
FSS Escrow Liability	276,068	110,550	107,764	278,854	-
Total Payables from Restricted Assets	322,545	110,550	107,764	325,331	-
Accrued Other Liabilities:					
Accrued Interest Payable	-	47,223	-	47,223	-
Accrued Compensated Absences	151,011	6,056 *	-	157,067	141,360
SBITA Lease Payable	265,520	22,708	62,989	225,239	68,777
Total Accrued Other Liabilities	416,531	75,987	62,989	429,529	210,137
Total Long-Term Obligations	<u>\$ 26,617,873</u>	<u>\$ 3,856,388</u>	<u>\$ 843,969</u>	<u>\$ 29,630,292</u>	<u>\$ 540,102</u>

\* The change in compensated absences liability is presented as a net change.

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
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**NOTE 9 LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (CONTINUED)**

**Unsecured Note Payable**

**Banner Bank – Unrestricted**

Long-term note payable for \$250,000. The loan requires monthly interest payments at 8.5%. Final payment of all outstanding interest and principal is due in September 2026. The loan balance was \$170,886 as of December 31, 2024.

**Revenue Bond**

**Banner Bank – Nueva**

A private placement revenue bond for \$2,025,000, which refinanced Nueva Primavera's existing revenue bond, \$1,660,737 of which was outstanding at December 31, 2024. 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>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 48,500	\$ 72,657	\$ 121,157
2026	49,465	70,535	120,000
2027	51,629	68,371	120,000
2028	53,887	66,113	120,000
2029	1,457,256	21,252	1,478,508
Total	<u>\$ 1,660,737</u>	<u>\$ 298,928</u>	<u>\$ 1,959,665</u>

**Real Estate Mortgages**

**Banner Bank – Unrestricted - Fruitvale Condo**

Long-term note payable for \$475,000 collateralized by the property. The loan requires 180 monthly payments of \$4,094, including interest at 6.24% commencing September 1, 2024. Final payment of all outstanding interest and principal is due in September 2039. As of December 31, 2024, the loan balance was \$470,520.

**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. Final payment of all outstanding interest and principal was paid off in June 2024.

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
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**NOTE 9 LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (CONTINUED)**

**Real Estate Mortgages (Continued)**

**Banner Bank – Cosecha Court II**

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 2049. The loan balance was \$688,261 as of December 31, 2024.

**Yakima Federal Bank – Meadow Annex, Rainier Vista, and Zillah Gardens**

YHA secured loans totaling \$6,098,500 from Yakima Federal Bank, allocated as follows: Meadow Annex: \$525,000, Zillah Gardens: \$2,473,500, Rainier Vista: \$3,100,000. 60 monthly interest payments are required. At maturity on October 1, 2028, a final balloon payment is required. Interest accrues at the rate of 5.25% per annum. Funds are to be used solely for the acquisition and rehabilitation development and construction of the designated affordable housing properties.

**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, 2024, the Yakima Federal loan balance was \$1,089,350.

**Yakima Federal Bank – Cosecha Court II Phase III**

In 2024, YHA secured a loan totaling \$947,000 from Yakima Federal Bank with an interest rate of 5.50%. Monthly installments of \$5,377 including principal and interest will commence in May 2025 with the final payment due in May 2055. As of December 31, 2024, the amount drawn on the loan was \$27,352.

**Washington State Housing Finance Commission - Meadow Annex, Rainier Vista, and Zillah Gardens**

YHA secured \$4,000,000 in loans from the Washington State Housing Finance Commission, distributed as follows: Meadow Annex: \$1,637,300, Zillah Gardens: \$852,700, Rainier Vista: \$1,510,000. Interest accrues at the rate of 1% per annum. No payment of interest or principal is required until the maturity date of October 31, 2028. Funds are to be used solely for the acquisition and rehabilitation development and construction of the designated affordable housing properties.

**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 \$152,695 as of December 31, 2024.

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
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**NOTE 9 LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (CONTINUED)**

**Real Estate Mortgages (Continued)**

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 loan balance was \$3,185,424 as of December 31, 2024.

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 2045. The mortgage is collateralized by the property. The loan balance was \$1,570,050 as of December 31, 2024.

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 \$139,293 as of December 31, 2024.

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 3.250% for the year ended December 31, 2024. The mortgage is collateralized by the property. The loan balance was \$640,280 as of December 31, 2024.

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, interest of 1% will be charged. The final payment is due in 2040. The mortgage is collateralized by the property. 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. The loan balance was \$511,704 as of December 31, 2024.

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, 2024, the HTF loan balance was \$3,057,444.

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
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**NOTE 9 LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (CONTINUED)**

**Real Estate Mortgages (Continued)**

Department of Commerce HTF – Cosecha Court II Phase III

During 2024, permanent financing was obtained from the Housing Trust Fund (HTF) loan of \$3,741,624 with an interest rate of 1% and term of 40 years. Payments are only required from cash flow. As of December 31, 2024, the HTF loan balance was \$3,004,638.

Department of Commerce – Nueva

In 1999, YHA borrowed \$1,000,000 to construct Nueva Primavera, a 39-unit housing development. The mortgage is collateralized by the property. During the refinance of Nueva Primavera in May 2015, an additional \$21,010 was borrowed. Principal payments of \$3,750 are due quarterly beginning in 2016, with final payment due in 2049. The loan balance was \$942,260 as of December 31, 2024.

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, 2024.

Department of Commerce – Mariposa

In 1999, YHA borrowed \$840,800 of debt, 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 \$768,800 as of December 31, 2024.

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, 2024.

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 281,465	\$ 522,926	\$ 804,391
2026	286,602	516,098	802,700
2027	290,409	510,601	801,010
2028	10,392,824	651,634	11,044,458
2029	298,574	178,883	477,457
2030-2034	1,685,088	825,252	2,510,340
2035-2039	1,740,676	635,734	2,376,410
2040-2044	1,615,475	481,479	2,096,954
2045-2049	1,689,057	313,712	2,002,769
2050-2054	1,060,143	178,725	1,238,868
Thereafter	7,703,496	1,700,816	9,404,312
Total	<u>\$ 27,043,809</u>	<u>\$ 6,515,860</u>	<u>\$ 33,559,669</u>

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9 LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (CONTINUED)**

**Compensated Absences**

The compensated absence balances for the primary government and discretely presented component units as of December 31, 2024 is as follows:

	Primary Government	Discretely Presented Component Units
Compensated Absences:		
Balance - January 1, 2024	\$ 151,011	\$ 38,519
Earned/Utilized by Employees *	6,056	9,538
Balance - December 31, 2024	<u>\$ 157,067</u>	<u>\$ 48,057</u>
Current Portion	<u>141,360</u>	<u>43,251</u>

\* The change in compensated absences liability is presented as a net change.

**SBITA Liability**

For the year ended December 31, 2024, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA). The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. YHA uses Yardi for which it pays for right-to-use software, the liability is recorded under current and long-term liabilities.

The following is a summary of YHA's SBITA liability as of December 31, 2024:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 68,777	\$ 8,574	\$ 77,351
2026	74,945	4,958	79,903
2027	81,517	1,023	82,540
Total Requirements	<u>\$ 225,239</u>	<u>\$ 14,555</u>	<u>\$ 239,794</u>

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
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**NOTE 9 LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (CONTINUED)**

**Discretely Presented Component Units**

A summary of changes in YHA's discretely presented component units' long-term debt for the year ended December 31, 2024, is presented below:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue Bonds:					
Banner Bank - YHA Affordable Housing	\$ 4,265,390	\$ -	\$ 73,224	\$ 4,192,166	\$ 76,492
Note Payables Due to Primary Government:					
YHA Affordable Housing	2,350,000	-	-	2,350,000	-
Yakima Veterans	158,323	45,235	-	203,558	-
Yakima Veterans	3,056,623	-	-	3,056,623	-
YHA Family	5,873,120	-	-	5,873,120	-
Fruitvale	114,700	-	-	114,700	-
Total Note Payables Due to Primary Government	11,552,766	45,235	-	11,598,001	-
Real Estate Mortgages:					
Housing Trust Fund - Yakima Veterans	2,002,057	-	-	2,002,057	-
Housing Trust Fund - Fruitvale		3,619,000	-	3,619,000	-
Banner Bank - Fruitvale	5,145,908	-	4,029,316	1,116,592	1,116,592
Department of Community Trade and Economic Development - Toppenish	2,100,000	-	-	2,100,000	-
Total Real Estate Mortgages	9,247,965	3,619,000	4,029,316	8,837,649	1,116,592
Other Long-Term Liabilities:					
Ground Rent Payable	1,085,966		2,618	1,083,348	2,618
Accrued Other Liabilities	23,822	41,097	-	64,919	-
Developer Fee Payable to Primary Government	205,705	830,913	-	1,036,618	830,913
Total Other Long-Term Liabilities	1,315,493	872,010	2,618	2,184,885	833,531
Accrued Other Liabilities:					
Accrued Compensated Absences	38,519	9,538 *	-	48,057	43,251
Accrued Interest Payable	2,881,194	715,207	-	3,596,401	-
Total Accrued Other Liabilities	2,919,713	724,745	-	3,644,458	43,251
Total Long-Term Obligations	<u>\$ 29,301,327</u>	<u>\$ 5,260,990</u>	<u>\$ 4,105,158</u>	<u>\$ 30,457,159</u>	<u>\$ 2,069,866</u>

\* The change in compensated absences liability is presented as a net change.

**Revenue Bonds – Discretely Presented Component Units**

**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 \$4,192,166 as of December 31, 2024.

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 76,492	\$ 181,886	\$ 258,378
2026	79,907	178,471	258,378
2027	83,474	174,904	258,378
2028	87,200	171,178	258,378
2029	91,092	167,286	258,378
2030-2034	520,206	771,682	1,291,888
Thereafter	3,253,796	47,239	3,301,035
Total	<u>\$ 4,192,166</u>	<u>\$ 1,692,646</u>	<u>\$ 5,884,812</u>

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9 LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (CONTINUED)**

**Real Estate Mortgages – Discretely Presented Component Units**

**Department of Commerce – Toppenish Family**

In 2015, the YHA was granted a loan of \$2,100,000 to construct the Toppenish Family Housing, a 24-unit housing development. As of December 31, 2019, the entire loan amount had been drawn down. The principal is due in full by the year 2056. No interest accrues on this loan, and repayment is contingent upon cash flow generated by the property. The loan is secured by a mortgage on the property. As of December 31, 2024, the outstanding loan balance was \$2,100,000.

**Department of Commerce HTF – Yakima Veterans Housing, LLLP**

In 2020, YHA signed a promissory note for \$2,002,057 for the construction of Yakima Veterans Housing (YVH). The interest rate on the loan is 1%, and interest began accruing on July 31, 2021. Repayment of the loan is based on available cash flow, with the full balance of the note due by June 30, 2061. As of December 31, 2024, the outstanding loan balance was \$2,002,057.

**Department of Commerce HTF – Fruitvale Housing, LLLP**

On November 15, 2022, the Partnership entered into a loan agreement with the State of Washington Department of Commerce in the original amount of \$3,619,000. Commencing on January 30, 2024, the HTF Loan is secured by a deed of trust on the Partnership and bears interest at a rate of 1% per annum. Interest and principal payments shall be deferred until the loan maturity date which is January 30, 2064. The loan balance as of December 31, 2024 was \$3,619,000.

**Banner Bank – Fruitvale Housing, LLLP**

On November 17, 2022, the Partnership entered into a loan agreement with Banner Bank in the original amount of \$10,300,000. The loan is secured by a deed of trust. The Banner Bank Loan bears interest at a rate of 6.21% per annum and matures on November 17, 2024. The loan maturity date has a one six-month extension period option available, which the Partnership exercised to extend the maturity date to May 17, 2025. As of December 31, 2024, the loan balance was \$1,116,592.

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

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,116,592	\$ 32,708	\$ 1,149,300
2026	-	-	-
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030-2034	-	-	-
2035-2039	-	-	-
2040-2044	-	-	-
2045-2049	-	-	-
2050-2054	-	-	-
Thereafter	7,721,057	3,596,401	11,317,458
Total	<u>\$ 8,837,649</u>	<u>\$ 3,629,109</u>	<u>\$ 12,466,758</u>



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**NOTE 9 LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (CONTINUED)**

**Due to Primary Government and Public-Private and Public-Public Partnerships (PPPs)  
– Discretely Presented Component Units**

YHA has PPP agreements with the Discretely Presented Component Units. For the year ended December 31, 2024 the agreements are as follows:

**Yakima Affordable Housing, LLLP**

On April 1, 2016, the Partnership entered a promissory note in connection with an agreement with the General Partner in the original amount of \$4,490,000. The agreement is secured by the projects. The agreement accrues interest at a rate of 6% annually and matures in April 2066. Upon closing of the Projects, \$2,140,000 was paid to YHA from the Banner Bank Loan. Annual payments of principal and interest are to be made solely from distributions of net cash flow in accordance with the terms and conditions of the Amended and Restated Partnership agreement. Assuming sufficient cash flow over 50 years, monthly payments of \$12,900 will be paid. As of December 31, 2024, the balance was \$2,350,000.

**Yakima Veterans Housing, LLLP**

On June 15, 2020, the Partnership entered into an agreement with the General Partner for the Partnership to own, rehabilitate, and operate the Project on land owned by the General Partner. The term of the agreement is 75 years. The rent includes a base ground rent of \$45,235 per year and any operating expenses associated with maintaining the property. Commencing from June 15, 2020 to June 15, 2075, annual Base Rent shall be payable to the extent of available cash flow, as defined in the partnership agreement, and any unpaid rent shall accrue 5% interest per annum, compounded annually, until paid. Any unpaid Base Rent, plus accrued interest shall be paid on June 15, 2075. Beginning on June 15, 2076 and continuing throughout the remainder of the term of the agreement, the Base Rent shall be payable annually without regard to the availability of cash flow. Pursuant to the agreement, the Partnership owns the project at all times during the term of the agreement. The balance due was \$203,558 as of December 31, 2024.

On June 19, 2020, the Partnership entered into a master agreement with the General Partner in the original amount of \$3,056,623, which consists of four promissory notes, \$1,050,000 (the "Community Facilities Loan"), \$1,100,000 (the "HOME Loan"), \$750,000 (the "AHP Loan") (collectively known as the "Notes"), and \$156,623 (the "Solar Loan"). The Notes and Solar Loan are secured by a deed of trust on the Partnership. The Notes do not bear interest and the Solar Loan bears interest at a rate of 8% per annum. The principal and interest payments are to be made solely from distributions of net cash flow in accordance with the terms and conditions of the Partnership Agreement. Any unpaid portion of the Notes and Solar Loan plus accrued interest are due and payable on December 31, 2061. As of December 31, 2024, the combined balance was \$3,056,623.

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**NOTE 9 LONG-TERM DEBT AND OTHER LONG-TERM OBLIGATIONS (CONTINUED)**

**Due to Primary Government and Public-Private and Public-Public Partnerships (PPPs)**  
**– Discretely Presented Component Units (Continued)**

YHA Family Housing, LLC

In November of 2013, the Company entered into a promissory note in connection with an agreement with the Managing Member in the original amount of \$6,333,120. Together with an additional prepaid rent in the amount of \$703,680, they make up the capitalized rent. The agreement accrues compounding interest at a rate of 5.2% and matures in December of 2068. Annual payments of principal and interest are to be made solely from distributions of net cash flow in accordance with the terms and conditions of the Operating Agreement. The balance due was \$5,873,120 as of December 31, 2024.

Fruitvale Housing, LLLP

On November 17, 2022, the Partnership entered into a note payable with the General Partner in the original amount of \$114,700 which is secured by a deed of trust on the Partnership. The note payable does not bear interest and is payable out of cash flows. The note has a maturity date of November 17, 2062. As of December 31, 2024, the outstanding balance was \$114,700.

**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 YHA is not the owner of these assets, the plan assets and liabilities are not reported as part of YHA.

**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, 2024, there were 52 eligible participants in the Defined Contribution Plan. The covered payroll for employees in the plan was \$3,085,496 on December 31, 2024. Full-time employees are eligible after one year.

Employer contributions \$220,260 for the year ended December 31, 2024. Employees are vested in their account by years of service, 43% (year one), 54% (year two), 66% (year three), 77% (year four), 89% (year five), and 100% (year six).

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**NOTE 11 DEFINED CONTRIBUTION PLAN (CONTINUED)**

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**

YHA is not facing any type of risk and has no settlements that exceed 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.

YHA is a member of the 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), 55 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. 30 of the 80 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 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 on a 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.

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

The Property coverage offered by HARRP is on a replacement cost basis, with deductibles ranging from \$2,500 to \$25,000. Our property coverage includes 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 several federal and state assisted programs. These grants are subject to audit by the grantors or their representatives. Such audits could result in a request for reimbursement to grantor agencies for expenditures disallowed under the terms of the grants. YHA management believes that such disallowances, if any, will be immaterial.

YHA has a \$296,000 recoverable grant from the Washington State Housing Trust Fund for the construction of low-income temporary housing for farm workers at Cosecha Court. This grant is conditional on YHA providing low-income individuals with housing for a commitment period of 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.

YHA has a \$1,065,000 recoverable grant from Washington Housing Trust Fund for the rehabilitation of 51-unit apartment complex (Naches House), which currently provides low-income housing.

This grant is conditional on YHA providing low-income individuals with housing for a commitment period of 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.

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**NOTE 13 CONTINGENCIES (CONTINUED)**

YHA has a \$286,564 recoverable grant from Washington Department of Commerce for the rehabilitation of 24-unit apartment complex (Harmony Park), which currently provides low-income housing. This grant is conditional on YHA providing low-income individuals with housing for a commitment period of 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.

YHA has a \$557,877 recoverable grant from Washington Department of Commerce for the construction of 26-unit apartment complex (Mariposa Park Apartments), which currently provides low- income housing. This grant is conditional on YHA providing low-income individuals with housing for a commitment period of 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.

YHA 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 YHA providing low-income individuals with housing for a commitment period of 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.

YHA 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.

YHA 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 YHA providing low-income individuals with housing for a commitment period of 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, 2024, YHA had drawn \$1,100,000 on the total amount available.

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**NOTE 13 CONTINGENCIES (CONTINUED)**

YHA 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 YHA providing low-income individuals with housing for a commitment period of 40 years. If the award is not used as required by YHA for a period of 10 years, YHA must repay the funds with an annual interest rate of 5%. As of December 31, 2024, YHA had drawn \$1,400,000 on the total amount available.

YHA 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 noncompliance with the terms of the FHLB AHP application. As of December 31, 2024, YHA had drawn \$750,000 on the total amount available.

YHA has a \$250,000 recoverable grant from Washington Department of Commerce for the rehabilitation and preservation of seven affordable housing units (Mariposa Park Apartments), which currently provides low-income housing. This grant is conditional on YHA providing low-income individuals with housing for a commitment period of 32 years. If the project is sold, refinanced, transferred, the use changes during the 32-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 and as of December 31, 2024, \$213,302 has been received.

As of December 31, 2024, YHA has received a recoverable grant totaling \$630,565 from the Washington Department of Commerce for the rehabilitation and preservation of the Harmony Park project, which currently provides low-income housing. The grant is conditional on YHA's continued provision of housing to low-income individuals for a commitment period of 35 years. The commitment period is set to expire on December 31, 2058. In the event that the project is sold, refinanced, transferred, experiences a change in use during the 32-year commitment period, or is found to be out of compliance with the contract's conditions, the full grant amount of \$630,565, in addition to a proportional share of any appreciation in the property's value, will be due and payable to the Washington Department of Commerce within 30 days of such an event. As of December 31, 2024, management has confirmed receipt of the full grant amount.

**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.

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**NOTE 14 RELATED PARTY TRANSACTIONS (CONTINUED)**

**YHA Family Housing, LLC (Continued)**

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 with an initial principal balance of \$6,333,120, \$5,873,120 of which was outstanding at December 31, 2024. As of December 31, 2024, accrued interest of \$1,990,748 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, 2024, 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, 2024, 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 Company 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 year ended December 31, 2024, \$160,885 was recorded as a management fee expense, \$14,728 of which was outstanding at December 31, 2024.

**Asset Management Fee**

YHA Family Housing, LLC pays an annual asset management fee to the Investor Member 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 year ended December 31, 2024, \$9,786 was recorded as asset management fee expense, and there was no outstanding fee payable at December 31, 2024.

**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 provided \$4.9 million dollars of equity contributions from the LLC's Investor Member, of which \$4,880,158 had been received as of December 31, 2024.

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**NOTE 14 RELATED PARTY TRANSACTIONS (CONTINUED)**

**Toppenish Family Housing LLC (Continued)**

**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 Company 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 year ended December 31, 2024, \$22,173 was recorded as a management fee expense, \$2,115 of which was outstanding at December 31, 2024.

**Company Management Fee**

Toppenish Family Housing, LLC pays an annual asset management fee to the YHA, the Managing Member, 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 year ended December 31, 2024, \$19,002 was recorded as management fee expense, \$19,002 of which was outstanding at December 31, 2024.

**Asset Management Fee**

Toppenish Family Housing, LLC pays an annual asset management fee to the Investor Member in the amount of \$5,000 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 December 1st of each year thereafter, increased by 3% per annum. For the year ended December 31, 2024, \$6,334 was recorded as asset management fee expense, and there was no outstanding fee payable at December 31, 2024.

**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, 2024. In addition, the Partnership entered into a service concession arrangement with YHA in the original amount of \$4,490,000. The agreement accrues interest at a rate of 4.375% annually. As of December 31, 2024, the outstanding balance was \$4,192,166 and the interest payable was \$18,605. For the year ended December 31, 2024 interest expense was \$184,984.

**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 General Partner, and manages the Partnership under a property management agreement, which provides for a management fee that does not exceed 6% of gross rental collections. For the year ended December 31, 2024, \$61,099 was recorded as a management fee expense, \$3,407 of which was outstanding at December 31, 2024.



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**NOTE 14 RELATED PARTY TRANSACTIONS (CONTINUED)**

**Yakima Affordable Housing, LLLP (Continued)**

**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 year ended December 31, 2024, \$5,700 was recorded as asset management fee expense, and there was no outstanding fee payable at December 31, 2024.

**Yakima Veterans Housing, LLLP**

In June of 2020, YVH signed four promissory notes with YHA to provide financing for the rehabilitation and construction of buildings to house veterans and the homeless. Funding provided to YHA 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, 2024, all available credit was drawn down for the construction and YVH owes that amount back to YHA.

**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 year ended December 31, 2024, \$33,010 was recorded as a management fee expense, \$29,210 of which was outstanding at December 31, 2024.

**Investor Service Fee**

The Partnership pays an annual investor services fee to the Limited Partner in the amount of \$5,000, beginning in the later of 2021 or the first calendar year the Partnership receives rental income, increased by 3% per annum. The Investor Services Fee for the initial year shall be prorated for the number of months the Partnership has rental income. The Investor Services Fee is payable from available cash flows. In the case that cash flows are insufficient to pay the Investor Services Fee, any unpaid fees shall accrue without interest and shall be payable out of the next available cash flow. For the year ended December 31, 2024, the Limited Partner earned an Investor Services Fee of \$5,464, all of which was accrued at December 31, 2024.

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**NOTE 14 RELATED PARTY TRANSACTIONS (CONTINUED)**

**Yakima Veterans Housing, LLLP (Continued)**

**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, 2024 was \$205,705 and accrued interest was \$37,026.

**Partnership Administration Fee**

Pursuant to the Partnership Administration Agreement, the Partnership pays an annual partnership administration fee of \$9,500 to the General Partner, beginning in the later of 2021 or the first calendar year the Partnership receives rental income, increased by 3% per annum. The Partnership Administration Fee for the initial year shall be prorated for the number of months the Partnership has rental income. The Partnership Administration Fee is payable from available cash flows. In the case that cash flows are insufficient to pay the Partnership Administration Fee, any unpaid fees shall accrue without interest and shall be payable out of the next available cash flow. As of December 31, 2024, the General Partner earned a Partnership Administration Fee of \$10,381 and the Partnership Administration Fee owed was \$34,203.

**Fruitvale Housing, LLLP**

In November of 2023, Fruitvale Housing, LLLP signed a promissory note with YHA to provide financing for the construction of buildings to house low-income and formerly homeless households. Funding provided to YHA is then passed on to Fruitvale Housing from the following grantors: Department of Ecology grant totals \$114,700. In addition, the Partnership entered into an agreement with the General Partner. A capitalized rent payment of \$300,000 was incurred and paid.

**Property Management Fee**

YHA owns a 0.01% interest in Fruitvale Housing, LLLP (the LLLP), which was formed in April 2022. YHA is the General Partner, and manages the Partnership under a property management agreement, which provides for a management fee that does not exceed 7.2% of gross rental collections. For the year ended December 31, 2024, \$23,506 was recorded as a management fee expense, \$23,506 of which was outstanding at December 31, 2024.

**Development Fee**

Pursuant to the Development Services Agreement dated November 17, 2022 (the Development Agreement), the Fruitvale Housing, LLLP agreed to pay the General Partner a total fee of \$1,310,000 for services relating to the development of the Property. The remaining unpaid portion is payable out of the next available cash flow. The development fee receivable as of December 31, 2024 was \$830,913.

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**NOTE 14 RELATED PARTY TRANSACTIONS (CONTINUED)**

**Fruitvale Housing, LLLP (Continued)**

**Asset Management Fee**

Fruitvale Housing, LLLP pays an annual asset management fee to the Limited Partner in the amount of \$5,000 per annum, increased by 3% per annum, commencing upon the Limited Partner's third capital contribution. For the year ended December 31, 2024, \$2,083 was recorded as asset management fee expense, and there was \$2,083 outstanding fee payable at December 31, 2024.

**Partnership Management Fee**

Pursuant to the Partnership Agreement, the Partnership pays an annual partnership management fee of \$10,000, increased by 3% per annum, commencing in 2024. The Partnership Management Fee for the initial year shall be prorated for the number of months the Partnership has rental income. The Partnership Administration Fee is payable from available cash flows. In the case that cash flows are insufficient to pay the Partnership Administration Fee, any unpaid fees shall accrue without interest and shall be payable out of the next available cash flow. As of December 31, 2024, the General Partner earned a Partnership Management Fee of \$4,167 and the Partnership Management Fee owed was \$4,167.

**Sale of Commercial Property**

On November 17, 2022, the Partnership entered into a purchase and sale agreement with the General Partner for the sale of the commercial property of the Project. On August 14, 2024, the General Partner paid \$992,412 for the commercial property with a basis of \$1,045,147. For the period from April 25, 2022 (inception) to December 31, 2024, the Partnership incurred a loss on sale of \$52,735.

**NOTE 15 RESERVES**

**YHA Family Housing, LLC**

**Operating Reserves**

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, 2024, the balance in the reserve was \$433,304, and was overfunded by \$1,879.

Withdrawals in excess of \$10,000 in any one fiscal year require the consent of the Investor Member. 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.

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**NOTE 15 RESERVES (CONTINUED)**

**YHA Family Housing, LLC (Continued)**

**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 3% 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, 2024, the balance in the reserve was \$1,219,694, and was over funded by \$7,465.

**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, 2024, YHA Family Housing, LLC maintained operating cash in excess of the required reserve amount of \$50,000.

**Toppenish Family Housing, LLC**

**Operating Reserves**

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, 2024, the reserve balance was \$75,708.

Withdrawals in excess of \$10,000 in any one fiscal year require the consent of the Investor Member. Should the balance in the operating reserve fall below the operating reserve minimum (\$37,854), additional deposits should be made for 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, 2024, the reserve balance was \$320,619.

**Yakima Affordable Housing, LLLP**

**Operating Reserves**

The Yakima Affordable Housing, LLLP partnership 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, 2024, the reserve balance was \$182,197.

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 15 RESERVES (CONTINUED)**

**Yakima Affordable Housing, LLLP (Continued)**

**Operating Reserves (Continued)**

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, 2024, the reserve balance was \$332,934 and was in compliance with the reserve requirement.

**Yakima Veterans Housing, LLLP**

**Operating Reserves**

The Yakima Veterans Housing, LLLP partnership 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, 2024, the reserve balance was \$25,017. 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, 2024, the reserve balance was \$53,320.

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 15 RESERVES (CONTINUED)**

**Fruitvale Housing, LLLP**

**Operating Reserves**

The Fruitvale Housing, LLLP partnership agreement requires an initial funding of \$164,802 into an operating reserve account upon the fourth installment of the Limited Partner's capital contribution. The reserve is to be used to pay for any operating deficits of the Partnership. Withdrawals in any one fiscal year require the consent of NEF Asset Manager, LLC (the "Asset Manager"), an affiliate of the Limited Partner. Should the balance in the operating reserve fall below the operating reserve minimum of \$164,802, distributions shall be made from net cash flows on each payment date to maintain a minimum balance equal to the operating reserve minimum.

**Replacement Reserves**

The Fruitvale Housing, LLLP partnership agreement requires the establishment of a replacement reserve of \$18,900 upon the payment of the fourth installment of the Limited Partner's capital contribution. The Partnership is required to fund the replacement reserve in the annual amount of \$350 per unit increasing by 3% per annum. Draws from the replacement reserve are limited to the lesser of \$5,000 or 10% of the remaining replacement reserve balance in any one calendar year unless the Partnership has obtained the consent of the General Partner and the Asset Manager, and are restricted for funding of major repair, capital expenditures and replacement of capital items in the Project.

**NOTE 16 COMMITMENTS**

YHA was approved for Multifamily Preservation and Rehabilitation (MPR) funding to rehabilitate its 142 farm labor housing units located throughout Yakima County in 2020. 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 for a total budget of \$5,380,094, and construction completed in June 2023.

**NOTE 17 SUBSEQUENT EVENTS**

In December 2024, YHA entered into a purchase and sale agreement for Mabel Swan Manor (99 units) and Mabel Swan North (45 elderly disabled units). The project remains in the predevelopment phase. As of August 2025, the option period to purchase has been extended while financing is pursued. YHA has notified HUD of its interest in the RAD program.

YHA has entered into a pre-development loan agreement for Lewis, Spruce, and Sixth with the Office of Rural and Farmworker Housing to pay for predevelopment expenses accumulated prior to closing. Construction is anticipated to begin in November 2025 after closing.

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 18 CORRECTION OF AN ERROR**

During the year ended December 31, 2024, YHA discovered an error in its previously issued financial statements concerning the accounting treatment and classification of agreements with Yakima Veterans Housing, LLLP; YHA Family Housing, LLC; and Yakima Affordable Housing, LLLP. These agreements should have been accounted for under GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. However, the capital assets were incorrectly removed from YHA's books instead of remaining on the books with a corresponding deferred inflow of resources recorded. This error has been corrected by restating the beginning net position as of January 1, 2024. The correction resulted in a \$5,263,278 decrease in beginning net position, with a corresponding increase in capital assets (net) and deferred inflows of resources for the year ended December 31, 2024.

Additionally, during the year ended December 31, 2024 YHA discovered an error in its previously issued financial statements concerning the calculation of depreciation expense. This error has been corrected by restating the beginning net position with a corresponding decrease in capital assets, net (due to the increase in accumulated depreciation) of \$129,279.

	<u>Primary Government</u>
Beginning Net Position, as previously reported for year ending December 31, 2023	\$ 36,329,339
Implementation of GASB 94	(5,263,278)
Correction for Understated Depreciation	<u>(129,279)</u>
Beginning Net Position, as restated	<u><u>\$ 30,936,782</u></u>

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**COMBINING SCHEDULE OF NET POSITION**  
**PRIMARY GOVERNMENT**  
**DECEMBER 31, 2024**

	YHA Business Activities	YHA COCC	Moving to Work Demonstration	Housing Choice Vouchers	MTW for HCV	FSS Forfeitures	FSS
<b>ASSETS</b>							
Current Assets:							
Cash and Cash Equivalents - Unrestricted	\$ 3,061,883	\$ 55,212	\$ 149,494	\$ -	\$ -	\$ -	\$ 2,421
Accounts Receivables, Net of Allowance	408,384	-	160,922	-	-	-	33,828
Due from Component Units:							
Miscellaneous Receivables	235,182	193,815	-	-	-	-	-
Developer Fee Receivable, Current Portion	830,913	-	-	-	-	-	-
Ground Rent Receivable, Current Portion	2,618	-	-	-	-	-	-
Inventories, Net of Allowance	61,583	-	-	-	-	-	-
Due from Other Funds	118,638	16,963	-	-	-	-	-
Total Current Assets	<u>4,719,201</u>	<u>265,990</u>	<u>310,416</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,249</u>
Restricted Assets:							
Cash and Cash Equivalents - Restricted	251,211	-	271,778	-	-	204,150	-
Cash - Tenant Security Deposits	47,944	-	-	-	-	-	-
Total Restricted Assets	<u>299,155</u>	<u>-</u>	<u>271,778</u>	<u>-</u>	<u>-</u>	<u>204,150</u>	<u>-</u>
Noncurrent Assets:							
Due From Component Units:							
Accrued Interest Receivable	3,303,787	-	-	-	-	-	-
Developer Fee Receivable, Net of Current Portion	205,705	-	-	-	-	-	-
Ground Rent Receivable, Net of Current Portion	1,284,288	-	-	-	-	-	-
Notes Receivable	11,394,443	-	-	-	-	-	-
Prepaid Expenses and Other Assets	50,000	-	-	-	-	-	-
Investment in Component Units	1,316,077	-	-	-	-	-	-
Total Noncurrent Assets	<u>17,554,300</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital Assets:							
Capital Assets not Being Depreciated	7,708,324	-	-	-	-	-	-
Capital Assets, net of Depreciation and Amortization	17,437,585	16,294	-	-	-	-	-
Total Capital Assets	<u>25,145,909</u>	<u>16,294</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 47,718,565</u>	<u>\$ 282,284</u>	<u>\$ 582,194</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 204,150</u>	<u>\$ 36,249</u>

See accompanying Note to Combining Financial Schedules.



**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**COMBINING SCHEDULE OF NET POSITION (CONTINUED)**  
**PRIMARY GOVERNMENT**  
**DECEMBER 31, 2024**

	Mainstream	EHV	State and Local	Rural Assistance Programs	Farm Labor Housing Loans and Grants	Subtotal	Eliminations	Total
<b>ASSETS</b>								
Current Assets:								
Cash and Cash Equivalents - Unrestricted	\$ 224,078	\$ 169,202	\$ 371,121	\$ 293,818	\$ 96,757	\$ 4,423,986	\$ -	\$ 4,423,986
Accounts Receivables, Net of Allowance	28,595	16,702	15,412	397,214	-	1,061,057	(375,380)	685,677
Due from Component Units:								
Miscellaneous Receivables	-	-	-	-	-	428,997	-	428,997
Developer Fee Receivable, Current Portion	-	-	-	-	-	830,913	-	830,913
Ground Rent Receivable, Current Portion	-	-	-	-	-	2,618	-	2,618
Inventories, Net of Allowance	-	-	-	-	-	61,583	-	61,583
Due from Other Funds	-	-	-	-	-	135,601	(135,601)	-
Total Current Assets	<u>252,673</u>	<u>185,904</u>	<u>386,533</u>	<u>691,032</u>	<u>96,757</u>	<u>6,944,755</u>	<u>(510,981)</u>	<u>6,433,774</u>
Restricted Assets:								
Cash and Cash Equivalents - Restricted	-	88,983	1,033,868	452,074	381,957	2,684,021	-	2,684,021
Cash - Tenant Security Deposits	-	-	18,580	38,273	-	104,797	-	104,797
Total Restricted Assets	<u>-</u>	<u>88,983</u>	<u>1,052,448</u>	<u>490,347</u>	<u>381,957</u>	<u>2,788,818</u>	<u>-</u>	<u>2,788,818</u>
Noncurrent Assets:								
Due From Component Units:								
Accrued Interest Receivable	-	-	-	-	-	3,303,787	-	3,303,787
Developer Fee Receivable, Net of Current Portion	-	-	-	-	-	205,705	-	205,705
Ground Rent Receivable, Net of Current Portion	-	-	-	-	-	1,284,288	-	1,284,288
Notes Receivable	-	-	-	-	-	11,394,443	-	11,394,443
Prepaid Expenses and Other Assets	-	-	-	-	-	50,000	-	50,000
Investment in Component Units	-	-	-	-	-	1,316,077	-	1,316,077
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,554,300</u>	<u>-</u>	<u>17,554,300</u>
Capital Assets:								
Capital Assets not Being Depreciated	-	-	836,438	749,667	212,025	9,506,454	-	9,506,454
Capital Assets, net of Depreciation and Amortization	-	-	6,348,537	10,262,893	1,934,472	35,999,781	-	35,999,781
Total Capital Assets	<u>-</u>	<u>-</u>	<u>7,184,975</u>	<u>11,012,560</u>	<u>2,146,497</u>	<u>45,506,235</u>	<u>-</u>	<u>45,506,235</u>
Total Assets	<u>\$ 252,673</u>	<u>\$ 274,887</u>	<u>\$ 8,623,956</u>	<u>\$ 12,193,939</u>	<u>\$ 2,625,211</u>	<u>\$ 72,794,108</u>	<u>\$ (510,981)</u>	<u>\$ 72,283,127</u>

See accompanying Note to Combining Financial Schedules.

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**COMBINING SCHEDULE OF NET POSITION (CONTINUED)**  
**PRIMARY GOVERNMENT**  
**DECEMBER 31, 2024**

	YHA Business Activities	YHA COCC	Moving to Work Demonstration	Housing Choice Vouchers	MTW for HCV	FSS Forfeitures	FSS
<b>LIABILITIES</b>							
Current Liabilities:							
Accounts Payable	\$ 18,407	\$ 1,568	\$ 29,112	\$ -	\$ -	\$ -	\$ -
Accrued Wages and Payroll Taxes	57,990	23,557	20,757	-	-	-	5,852
Compensated Absences - Current Portion	5,067	47,616	36,092	-	-	-	10,971
Accrued Interest Payable	2,355	-	-	-	-	-	-
Accrued Liabilities - Other	3,200	-	-	-	-	-	-
Unearned Income	10,184	-	-	-	-	-	-
Current Portion of Long-Term Debt	171,347	-	-	-	-	-	-
Current Portion of SBITA Liability	68,777	-	-	-	-	-	-
Due to Other Funds	-	116,066	-	-	-	2,572	-
Other Current Liabilities	-	-	-	-	-	-	-
Total Current Liabilities	<u>337,327</u>	<u>188,807</u>	<u>85,961</u>	<u>-</u>	<u>-</u>	<u>2,572</u>	<u>16,823</u>
Payables from Restricted Assets:							
Tenant Security Deposits	47,944	-	-	-	-	-	-
Unearned Revenue	-	-	-	-	-	-	-
Total Payables from Restricted Assets	<u>47,944</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Noncurrent Liabilities:							
Payables from Restricted Assets	46,477	-	271,778	-	-	-	-
Accrued Interest Payable	47,223	-	-	-	-	-	-
Long-Term Debt, Net of Current Portion	18,317,072	-	-	-	-	-	-
SBITA Liability	156,462	-	-	-	-	-	-
Compensated Absences, Net of Current Portion	563	5,291	4,010	-	-	-	1,219
Total Noncurrent Liabilities	<u>18,567,797</u>	<u>5,291</u>	<u>275,788</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,219</u>
Total Liabilities	<u>18,953,068</u>	<u>194,098</u>	<u>361,749</u>	<u>-</u>	<u>-</u>	<u>2,572</u>	<u>18,042</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Capitalized Rent	300,000	-	-	-	-	-	-
Service Concession Arrangements	9,340,804	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>9,640,804</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION</b>							
Net Investment in Capital Assets	(3,150,528)	16,294	-	-	-	-	-
Restricted Net Position for :							
Future Capital Improvements	50,000	-	-	-	-	-	-
Required Reserves	204,734	-	-	-	-	204,150	-
Unrestricted	22,020,487	71,892	220,445	-	-	(2,572)	18,207
Total Net Position	<u>\$ 19,124,693</u>	<u>\$ 88,186</u>	<u>\$ 220,445</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 201,578</u>	<u>\$ 18,207</u>

See accompanying Note to Combining Financial Schedules.

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**COMBINING SCHEDULE OF NET POSITION (CONTINUED)**  
**PRIMARY GOVERNMENT**  
**DECEMBER 31, 2024**

	Mainstream	EHV	State and Local	Rural Assistance Programs	Farm Labor Housing Loans and Grants	Subtotal	Eliminations	Total
<b>LIABILITIES</b>								
Current Liabilities:								
Accounts Payable	\$ 321	\$ 810	\$ 6,052	\$ 27,410	\$ 2,678	\$ 86,358	\$ -	\$ 86,358
Accrued Wages and Payroll Taxes	714	466	7,307	15,060	1,299	133,002	-	133,002
Compensated Absences - Current Portion	2,114	1,577	10,834	25,125	1,964	141,360	-	141,360
Accrued Interest Payable	-	-	-	3,688	-	6,043	(2,355)	3,688
Accrued Liabilities - Other	-	-	-	-	-	3,200	-	3,200
Unearned Income	-	-	35,998	21,891	-	68,073	-	68,073
Current Portion of Long-Term Debt	-	-	83,216	127,335	6,092	387,990	(58,025)	329,965
Current Portion of SBITA Liability	-	-	-	-	-	68,777	-	68,777
Due to Other Funds	-	-	-	16,963	-	135,601	(135,601)	-
Other Current Liabilities	-	-	315,000	-	-	315,000	(315,000)	-
Total Current Liabilities	3,149	2,853	458,407	237,472	12,033	1,345,404	(510,981)	834,423
Payables from Restricted Assets:								
Tenant Security Deposits	-	-	18,580	38,273	-	104,797	-	104,797
Unearned Revenue	-	81,907	-	-	-	81,907	-	81,907
Total Payables from Restricted Assets	-	81,907	18,580	38,273	-	186,704	-	186,704
Noncurrent Liabilities:								
Payables from Restricted Assets	-	7,076	-	-	-	325,331	-	325,331
Accrued Interest Payable	-	-	-	-	-	47,223	-	47,223
Long-Term Debt, Net of Current Portion	-	-	4,079,898	6,015,296	133,201	28,545,467	-	28,545,467
SBITA Liability	-	-	-	-	-	156,462	-	156,462
Compensated Absences, Net of Current Portion	235	175	1,204	2,792	218	15,707	-	15,707
Total Noncurrent Liabilities	235	7,251	4,081,102	6,018,088	133,419	29,090,190	-	29,090,190
Total Liabilities	3,384	92,011	4,558,089	6,293,833	145,452	30,622,298	(510,981)	30,111,317
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Capitalized Rent	-	-	-	-	-	300,000	-	300,000
Service Concession Arrangements	-	-	-	-	-	9,340,804	-	9,340,804
Total Deferred Inflows of Resources	-	-	-	-	-	9,640,804	-	9,640,804
<b>NET POSITION</b>								
Net Investment in Capital Assets	-	-	3,021,861	4,869,929	2,007,204	6,764,760	-	6,764,760
Restricted Net Position for :								
Future Capital Improvements	-	-	-	-	-	50,000	-	50,000
Required Reserves	-	-	1,033,868	452,074	381,957	2,276,783	-	2,276,783
Unrestricted	249,289	182,876	10,138	578,103	90,598	23,439,463	-	23,439,463
Total Net Position	\$ 249,289	\$ 182,876	\$ 4,065,867	\$ 5,900,106	\$ 2,479,759	\$ 32,531,006	\$ -	\$ 32,531,006

See accompanying Note to Combining Financial Schedules.

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PRIMARY GOVERNMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	YHA Business Activities	YHA COCC	Moving to Work Demonstration	Housing Choice Vouchers	MTW for HCV	FSS Forfeitures	FSS
<b>OPERATING REVENUE</b>							
Intergovernmental Revenue	\$ 318,118	\$ -	\$ -	\$ 971,827	\$ 10,170,823	\$ -	\$ 225,434
Net Tenant Rental Revenue	435,803	-	-	-	-	-	-
Other Revenue	1,592,406	990,897	1,324	-	-	101,356	-
Other Tenant Revenue	37,298	-	-	-	-	-	-
Total Operating Revenue	2,383,625	990,897	1,324	971,827	10,170,823	101,356	225,434
<b>OPERATING EXPENSES</b>							
Administrative:							
Administrative Wages	302,386	617,256	86,836	89,287	-	-	-
Professional Fees	10,781	20,553	28,359	-	-	-	-
Employee Benefit Contributions	85,988	200,586	141,788	42,017	-	-	-
Other Operating - Administrative	148,820	129,095	436,067	-	-	-	11,581
Tenant Services	27,049	11,851	341,162	-	-	2,572	223,115
Total Administrative	575,024	979,341	1,034,212	131,304	-	2,572	234,696
Utilities:							
Electricity	26,949	16,775	-	-	-	-	-
Other Utilities Expense	3,987	4,803	-	-	-	-	-
Sewer	48,257	1,269	-	-	-	-	-
Water	38,608	2,429	-	-	-	-	-
Total Utilities	117,801	25,276	-	-	-	-	-
Ordinary Maintenance and Operations:							
Contract Costs	172,683	20,519	19,122	-	-	-	-
Employee Benefit Contributions	15,330	861	14,211	-	-	-	-
Maintenance and Operations Wages	92,648	-	-	-	-	-	-
Materials and Other	57,028	57	104	-	-	-	-
Total Ordinary Maintenance and Operations	337,689	21,437	33,437	-	-	-	-

See accompanying Note to Combining Financial Schedules.

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (CONTINUED)**  
**PRIMARY GOVERNMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Mainstream	EHV	State and Local	Rural Assistance Programs	Farm Labor Housing Loans and Grants	Subtotal	Eliminations	Total
<b>OPERATING REVENUE</b>								
Intergovernmental Revenue	\$ 1,064,020	\$ 1,018,635	\$ -	\$ -	\$ -	\$ 13,768,857	\$ -	\$ 13,768,857
Net Tenant Rental Revenue	-	-	738,773	1,084,302	96,886	2,355,764	-	2,355,764
Other Revenue	-	2,609	10,418	2,688	-	2,701,698	(650,636)	2,051,062
Other Tenant Revenue	-	-	21,370	21,739	-	80,407	-	80,407
Total Operating Revenue	1,064,020	1,021,244	770,561	1,108,729	96,886	18,906,726	(650,636)	18,256,090
<b>OPERATING EXPENSES</b>								
Administrative:								
Administrative Wages	19,540	12,856	109,950	98,682	19,633	1,356,426	-	1,356,426
Professional Fees	8	5	13,036	25,602	1,784	100,128	-	100,128
Employee Benefit Contributions	6,343	4,024	37,180	32,635	5,524	556,085	-	556,085
Other Operating - Administrative	29,880	20,880	155,973	349,145	51,280	1,332,721	(650,636)	682,085
Tenant Services	-	12,294	11	25	3	618,082	-	618,082
Total Administrative	55,771	50,059	316,150	506,089	78,224	3,963,442	(650,636)	3,312,806
Utilities:								
Electricity	-	-	31,406	29,441	17,656	122,227	-	122,227
Other Utilities Expense	-	-	73	(440)	(259)	8,164	-	8,164
Sewer	-	-	47,303	183,907	9,298	290,034	-	290,034
Water	-	-	58,592	182,211	9,219	291,059	-	291,059
Total Utilities	-	-	137,374	395,119	35,914	711,484	-	711,484
Ordinary Maintenance and Operations:								
Contract Costs	41	26	114,865	242,573	18,265	588,094	-	588,094
Employee Benefit Contributions	-	-	55,396	106,584	13,648	206,030	-	206,030
Maintenance and Operations Wages	-	-	144,063	300,856	32,681	570,248	-	570,248
Materials and Other	-	-	34,913	40,691	7,379	140,172	-	140,172
Total Ordinary Maintenance and Operations	41	26	349,237	690,704	71,973	1,504,544	-	1,504,544

See accompanying Note to Combining Financial Schedules.

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (CONTINUED)**  
**PRIMARY GOVERNMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	YHA Business Activities	YHA COCC	Moving to Work Demonstration	Housing Choice Vouchers	MTW for HCV	FSS Forfeitures	FSS
<b>OPERATING EXPENSES (CONTINUED)</b>							
General Expenses:							
Depreciation Expense	\$ 841,662	\$ 1,018	\$ -	\$ -	\$ -	\$ -	\$ -
Housing Assistance Payments	-	-	8,829,678	840,523	-	-	-
Insurance Premiums	77,589	14,069	18,672	-	-	-	-
Bad Debt - Tenant Rents	-	-	-	-	-	-	-
Other General Expenses	75,389	5,130	14,294	-	-	-	(380)
Protective Services Contract Costs	186	1,529	1,846	-	-	-	-
Payments in Lieu of Taxes	2,685	325	-	-	-	-	-
Total General Expenses	997,511	22,071	8,864,490	840,523	-	-	(380)
Total Operating Expenses	2,028,025	1,048,125	9,932,139	971,827	-	2,572	234,316
<b>OPERATING INCOME (LOSS)</b>	355,600	(57,228)	(9,930,815)	-	10,170,823	98,784	(8,882)
<b>NONOPERATING REVENUES (EXPENSES)</b>							
Gain on the Sale of Capital Assets	20,108	-	-	-	-	-	-
Interest Expense	(490,179)	-	-	-	-	-	-
Intergovernmental Revenue	631,393	-	-	-	-	-	-
Investment Revenue - Restricted	27	-	-	-	-	-	-
Investment Revenue - Unrestricted	650,726	1	-	-	-	-	-
Total Nonoperating Revenues (Expenses)	812,075	1	-	-	-	-	-
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	1,167,675	(57,227)	(9,930,815)	-	10,170,823	98,784	(8,882)
Transfers in	181,392	-	10,170,823	-	-	-	27,089
Transfers out	-	-	(181,392)	-	(10,170,823)	-	-
Changes in Net Position	1,349,067	(57,227)	58,616	-	-	98,784	18,207
<b>NET POSITION - BEGINNING OF YEAR, AS PREVIOUSLY REPORTED</b>	23,038,904	145,413	161,829	-	-	102,794	-
Prior Period Adjustments - Correction of an Error (Note 18)	(5,263,278)	-	-	-	-	-	-
<b>NET POSITION - BEGINNING OF YEAR, AS RESTATED</b>	17,775,626	145,413	161,829	-	-	102,794	-
<b>NET POSITION - END OF YEAR</b>	<u>\$ 19,124,693</u>	<u>\$ 88,186</u>	<u>\$ 220,445</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 201,578</u>	<u>\$ 18,207</u>

See accompanying Note to Combining Financial Schedules.

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (CONTINUED)**  
**PRIMARY GOVERNMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Mainstream	EHV	State and Local	Rural Assistance Programs	Farm Labor Housing Loans and Grants	Subtotal	Eliminations	Total
<b>OPERATING EXPENSES (CONTINUED)</b>								
General Expenses:								
Depreciation Expense	\$ -	\$ -	\$ 328,362	\$ 411,884	\$ 95,461	\$ 1,678,387	\$ -	\$ 1,678,387
Housing Assistance Payments	904,003	908,238	-	-	-	11,482,442	-	11,482,442
Insurance Premiums	951	635	42,130	102,160	8,624	264,830	-	264,830
Bad Debt - Tenant Rents	-	-	59,603	25,709	-	85,312	-	85,312
Other General Expenses	729	2,448	291	2,110	(811)	99,200	-	99,200
Protective Services Contract Costs	-	-	634	1,339	292	5,826	-	5,826
Payments in Lieu of Taxes	-	-	-	4,976	-	7,986	-	7,986
Total General Expenses	905,683	911,321	431,020	548,178	103,566	13,623,983	-	13,623,983
Total Operating Expenses	961,495	961,406	1,233,781	2,140,090	289,677	19,803,453	(650,636)	19,152,817
<b>OPERATING INCOME (LOSS)</b>	102,525	59,838	(463,220)	(1,031,361)	(192,791)	(896,727)	-	(896,727)
<b>NONOPERATING REVENUES (EXPENSES)</b>								
Gain on the Sale of Capital Assets	-	-	-	-	-	20,108	-	20,108
Interest Expense	-	-	(93,489)	(61,148)	(1,426)	(646,242)	-	(646,242)
Intergovernmental Revenue	-	-	545,577	1,092,627	195,003	2,464,600	-	2,464,600
Investment Revenue - Restricted	-	-	1,613	75	-	1,715	-	1,715
Investment Revenue - Unrestricted	-	-	30	13	-	650,770	-	650,770
Total Nonoperating Revenues (Expenses)	-	-	453,731	1,031,567	193,577	2,490,951	-	2,490,951
<b>CHANGE IN NET POSITION</b>	102,525	59,838	(9,489)	206	786	1,594,224	-	1,594,224
Transfers in	-	-	-	-	-	10,379,304	(10,379,304)	-
Transfers out	-	-	(27,089)	-	-	(10,379,304)	10,379,304	-
Changes in Net Position	102,525	59,838	(36,578)	206	786	1,594,224	-	1,594,224
<b>NET POSITION - BEGINNING OF YEAR, AS PREVIOUSLY REPORTED</b>	146,764	123,038	4,102,445	6,029,179	2,478,973	36,329,339	-	36,329,339
Prior Period Adjustments - Correction of an Error (Note 18)	-	-	-	(129,279)	-	(5,392,557)	-	(5,392,557)
<b>NET POSITION - BEGINNING OF YEAR, AS RESTATED</b>	146,764	123,038	4,102,445	5,899,900	2,478,973	30,936,782	-	30,936,782
<b>NET POSITION - END OF YEAR</b>	<u>\$ 249,289</u>	<u>\$ 182,876</u>	<u>\$ 4,065,867</u>	<u>\$ 5,900,106</u>	<u>\$ 2,479,759</u>	<u>\$ 32,531,006</u>	<u>\$ -</u>	<u>\$ 32,531,006</u>

See accompanying Note to Combining Financial Schedules.

**HOUSING AUTHORITY OF THE CITY OF YAKIMA  
NOTE TO COMBINING FINANCIAL SCHEDULES  
DECEMBER 31, 2024**

**NOTE 1 PROGRAMS**

**YHA Business Activities**

Consists of the Unrestricted Fund, Rainier Vista, Zillah Gardens, Meadows Annex, Cosecha Court II Phase II, and Cosecha Court II Phase III. Used to account for the general administration and operations of YHA, 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 YHA 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 (FSS)**

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.

**FSS Forfeitures**

Used to account for FSS forfeitures after June 16, 2022. Forfeited FSS escrow funds can be used to benefit any FSS participant in good standing in the FSS program.

**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 and 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.



## **SUPPLEMENTARY INFORMATION**

**HOUSING AUTHORITY OF THE CITY OF YAKIMA (WA042)**  
**ENTITY-WIDE BALANCE SHEET SUMMARY**  
**DECEMBER 31, 2024**  
**(SUBMISSION TYPE: AUDITED/SINGLE AUDIT)**

Account Number	14.879 Mainstream Vouchers	14.HVC MTW Demonstration Program for HCV Program	1 Business Activities	2 State/Local	14.EFA FSS Escrow Forfeiture Account	14.896 PIH Family Self-Sufficiency Program	6.1 Component-Unit Discretely Presented	14.881 Moving to Work Demonstration Program	10.427 Rural Rental Assistance Payments
Cash:									
111 Unrestricted	\$ 224,078	\$ -	\$ 3,061,883	\$ 371,121	\$ -	\$ 2,421	\$ 1,054,138	\$ 149,494	\$ 293,818
112 Restricted - Modernization and Development	-	-	-	-	-	-	-	-	-
113 Other Restricted	-	-	251,211	1,033,868	204,150	-	2,642,793	271,778	452,074
114 Tenant Security Deposits	-	-	47,944	18,580	-	-	112,930	-	38,273
115 Restricted for Payment of Current Liabilities	-	-	-	-	-	-	-	-	-
100 Total Cash	<u>224,078</u>	<u>-</u>	<u>3,361,038</u>	<u>1,423,569</u>	<u>204,150</u>	<u>2,421</u>	<u>3,809,861</u>	<u>421,272</u>	<u>784,165</u>
Accounts Receivable:									
122 HUD Other Projects	25,466	-	-	-	-	33,828	-	146,750	-
124 Other Government	-	-	30,000	-	-	-	-	-	375,956
125 Miscellaneous	3,129	-	550,182	-	-	-	-	14,172	-
126 Tenants	-	-	3,004	110,911	-	-	330,368	-	233,140
Allowance for Doubtful Accounts:									
126.1 Tenants	-	-	-	(95,499)	-	-	(262,375)	-	(211,882)
126.2 Other	-	-	-	-	-	-	-	-	-
127 Notes, Loans, and Mortgages Receivable - Current	-	-	891,556	-	-	-	-	-	-
128 Fraud Recovery	-	-	-	-	-	-	-	30,713	-
128.1 Allowance for Doubtful Accounts - Fraud	-	-	-	-	-	-	-	(30,713)	-
129 Accrued Interest Receivable	-	-	2,355	-	-	-	-	-	-
120 Total Receivables, Net of Allowances for Doubtful Accounts	<u>28,595</u>	<u>-</u>	<u>1,477,097</u>	<u>15,412</u>	<u>-</u>	<u>33,828</u>	<u>67,993</u>	<u>160,922</u>	<u>397,214</u>
142 Prepaid Expenses and Other Assets	-	-	-	-	-	-	-	-	-
143 Inventories	-	-	62,628	-	-	-	-	-	-
143.1 Allowance for Obsolete Inventories	-	-	(1,045)	-	-	-	-	-	-
144 Interprogram Due from	-	-	118,638	-	-	-	-	-	-
145 Assets Held for Sale	-	-	-	-	-	-	-	-	-
150 Total Current Assets	<u>252,673</u>	<u>-</u>	<u>5,018,356</u>	<u>1,438,981</u>	<u>204,150</u>	<u>36,249</u>	<u>3,877,854</u>	<u>582,194</u>	<u>1,181,379</u>

**HOUSING AUTHORITY OF THE CITY OF YAKIMA (WA042)**  
**ENTITY-WIDE BALANCE SHEET SUMMARY (CONTINUED)**  
**DECEMBER 31, 2024**  
**(SUBMISSION TYPE: AUDITED/SINGLE AUDIT)**

Account Number		10.405 Farm Labor Housing Loans and Grants	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Vouchers	COCC	Subtotal	Eliminations	Total
	Cash:							
111	Unrestricted	\$ 96,757	\$ -	\$ 169,202	\$ 55,212	\$ 5,478,124	\$ -	\$ 5,478,124
112	Restricted - Modernization and Development	-	-	-	-	-	-	-
113	Other Restricted	381,957	-	7,076	-	5,244,907	-	5,244,907
114	Tenant Security Deposits	-	-	-	-	217,727	-	217,727
115	Restricted for Payment of Current Liabilities	-	-	81,907	-	81,907	-	81,907
100	Total Cash	<u>478,714</u>	<u>-</u>	<u>258,185</u>	<u>55,212</u>	<u>11,022,665</u>	<u>-</u>	<u>11,022,665</u>
	Accounts Receivable:							
122	HUD Other Projects	-	-	13,707	-	219,751	-	219,751
124	Other Government	-	-	-	-	405,956	-	405,956
125	Miscellaneous	-	-	2,995	193,815	764,293	(315,000)	449,293
126	Tenants	-	-	-	-	677,423	-	677,423
	Allowance for Doubtful Accounts:							
126.1	Tenants	-	-	-	-	(569,756)	-	(569,756)
126.2	Other	-	-	-	-	-	-	-
127	Notes, Loans, and Mortgages Receivable - Current	-	-	-	-	891,556	(58,025)	833,531
128	Fraud Recovery	-	-	-	-	30,713	-	30,713
128.1	Allowance for Doubtful Accounts - Fraud	-	-	-	-	(30,713)	-	(30,713)
129	Accrued Interest Receivable	-	-	-	-	2,355	(2,355)	-
120	Total Receivables, Net of Allowances for Doubtful Accounts	<u>-</u>	<u>-</u>	<u>16,702</u>	<u>193,815</u>	<u>2,391,578</u>	<u>(375,380)</u>	<u>2,016,198</u>
142	Prepaid Expenses and Other Assets	-	-	-	-	-	-	-
143	Inventories	-	-	-	-	62,628	-	62,628
143.1	Allowance for Obsolete Inventories	-	-	-	-	(1,045)	-	(1,045)
144	Interprogram Due from	-	-	-	16,963	135,601	(135,601)	-
145	Assets Held for Sale	-	-	-	-	-	-	-
150	Total Current Assets	<u>478,714</u>	<u>-</u>	<u>274,887</u>	<u>265,990</u>	<u>13,611,427</u>	<u>(510,981)</u>	<u>13,100,446</u>

**HOUSING AUTHORITY OF THE CITY OF YAKIMA (WA042)**  
**ENTITY-WIDE BALANCE SHEET SUMMARY (CONTINUED)**  
**DECEMBER 31, 2024**  
**(SUBMISSION TYPE: AUDITED/SINGLE AUDIT)**

Account Number		14.879 Mainstream Vouchers	14.HVC MTW Demonstration Program for HCV Program	1 Business Activities	2 State/Local	14.EFA FSS Escrow Forfeiture Account	14.896 PIH Family Self-Sufficiency Program	6.1 Component-Unit Discretely Presented	14.881 Moving to Work Demonstration Program	10.427 Rural Rental Assistance Payments
161	Land	\$ -	\$ -	\$ 4,142,272	\$ 787,021	\$ -	\$ -	\$ 2,250,617	\$ -	\$ 749,667
162	Buildings	-	-	33,737,300	11,098,036	-	-	62,907,841	-	19,920,028
	Furniture, Equipment and Machinery:									
163	Dwellings	-	-	50,893	354,203	-	-	1,050,979	-	8,816
164	Administration	-	-	1,382,532	127,553	-	-	238,715	35,128	191,820
165	Leasehold Improvements	-	-	-	-	-	-	1,083,348	-	-
166	Accumulation Deprecation	-	-	(17,733,140)	(5,231,255)	-	-	(12,072,672)	(35,128)	(9,857,771)
167	Construction in Progress	-	-	3,566,052	49,417	-	-	-	-	-
168	Infrastructure	-	-	-	-	-	-	-	-	-
160	Total Capital Assets, Net of Accumulated Depreciation	-	-	25,145,909	7,184,975	-	-	55,458,828	-	11,012,560
	Notes, Loans, and Mortgages Receivable -									
171	Noncurrent	-	-	16,188,223	-	-	-	-	-	-
172	Noncurrent - Past	-	-	-	-	-	-	-	-	-
173	Grants Receivable - Noncurrent	-	-	-	-	-	-	-	-	-
174	Other Assets	-	-	50,000	-	-	-	547,651	-	-
176	Investments in Joint Ventures	-	-	1,316,077	-	-	-	-	-	-
180	Total Noncurrent Assets	-	-	42,700,209	7,184,975	-	-	56,006,479	-	11,012,560
200	Deferred Outflow of Resources	-	-	-	-	-	-	-	-	-
290	Total Assets and Deferred Outflow of Resources	\$ 252,673	\$ -	\$ 47,718,565	\$ 8,623,956	\$ 204,150	\$ 36,249	\$ 59,884,333	\$ 582,194	\$ 12,193,939

**HOUSING AUTHORITY OF THE CITY OF YAKIMA (WA042)**  
**ENTITY-WIDE BALANCE SHEET SUMMARY (CONTINUED)**  
**DECEMBER 31, 2024**  
**(SUBMISSION TYPE: AUDITED/SINGLE AUDIT)**

Account Number		10.405 Farm Labor Housing Loans and Grants	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Vouchers	COCC	Subtotal	Eliminations	Total
161	Land	\$ 212,025	\$ -	\$ -	\$ -	\$ 8,141,602	\$ -	\$ 8,141,602
162	Buildings	2,830,685	-	-	-	130,493,890	-	130,493,890
	Furniture, Equipment and Machinery:							
163	Dwellings	-	-	-	-	1,464,891	-	1,464,891
164	Administration	253,542	-	-	20,367	2,249,657	-	2,249,657
165	Leasehold Improvements	-	-	-	-	1,083,348	-	1,083,348
166	Accumulation Deprecation	(1,149,755)	-	-	(4,073)	(46,083,794)	-	(46,083,794)
167	Construction in Progress	-	-	-	-	3,615,469	-	3,615,469
168	Infrastructure	-	-	-	-	-	-	-
160	Total Capital Assets, Net of Accumulated Depreciation	2,146,497	-	-	16,294	100,965,063	-	100,965,063
	Notes, Loans, and Mortgages Receivable -							
171	Noncurrent	-	-	-	-	16,188,223		16,188,223
172	Noncurrent - Past	-	-	-	-	-	-	-
173	Grants Receivable - Noncurrent	-	-	-	-	-	-	-
174	Other Assets	-	-	-	-	597,651	-	597,651
176	Investments in Joint Ventures	-	-	-	-	1,316,077	-	1,316,077
180	Total Noncurrent Assets	2,146,497	-	-	16,294	119,067,014	-	119,067,014
200	Deferred Outflow of Resources	-	-	-	-	-	-	-
290	Total Assets and Deferred Outflow of Resources	\$ 2,625,211	\$ -	\$ 274,887	\$ 282,284	\$ 132,678,441	\$ (510,981)	\$ 132,167,460

**HOUSING AUTHORITY OF THE CITY OF YAKIMA (WA042)**  
**ENTITY-WIDE BALANCE SHEET SUMMARY (CONTINUED)**  
**DECEMBER 31, 2024**  
**(SUBMISSION TYPE: AUDITED/SINGLE AUDIT)**

Account Number	14.879 Mainstream Vouchers	14.HVC MTW Demonstration Program for HCV Program	1 Business Activities	2 State/Local	14.EFA FSS Escrow Forfeiture Account	14.896 PIH Family Self-Sufficiency Program	6.1 Component-Unit Discretely Presented	14.881 Moving to Work Demonstration Program	10.427 Rural Rental Assistance Payments
311 Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable:									
312 Less than and Equal to 90 Days	321	-	18,407	6,052	-	-	37,226	29,112	27,410
313 Greater than 90 Days Past Due	-	-	-	-	-	-	-	-	-
321 Accrued Wage/Payroll Taxes Payable	714	-	57,990	7,307	-	5,852	24,899	20,757	15,060
322 Accrued Compensated Absences - Current Portion	2,114	-	5,067	10,834	-	10,971	43,251	36,092	25,125
324 Accrued Contingency Liability	-	-	-	-	-	-	-	-	-
325 Accrued Interest Payable	-	-	2,355	-	-	-	18,605	-	3,688
Accounts Payable:									
331 HUD PHA Programs	-	-	-	-	-	-	-	-	-
332 PHA Projects	-	-	-	-	-	-	-	-	-
333 Other Government	-	-	-	-	-	-	-	-	-
341 Tenant Security Deposits	-	-	47,944	18,580	-	-	112,930	-	38,273
342 Unearned Revenue	-	-	10,184	35,998	-	-	118,834	-	21,891
Current Portion of Long-Term Debt									
343 Capital	-	-	182,099	83,216	-	-	1,193,084	-	127,335
344 Operating Borrowings	-	-	58,025	-	-	-	-	-	-
345 Other Current Liabilities	-	-	3,200	315,000	-	-	1,262,528	-	-
346 Accrued Liabilities - Other	-	-	-	-	-	-	-	-	-
347 Interprogram - Due to	-	-	-	-	2,572	-	-	-	16,963
348 Loan Liability - Current	-	-	-	-	-	-	-	-	-
310 Total Current Liabilities	3,149	-	385,271	476,987	2,572	16,823	2,811,357	85,961	275,745
Long-Term Debt, Net of Current									
351 Capital Projects/Mortgage	-	-	18,473,534	4,079,898	-	-	11,836,731	-	6,015,296
352 Operating Borrowings	-	-	-	-	-	-	-	-	-
353 Noncurrent Liabilities - Other	-	-	93,700	-	-	-	16,545,756	271,778	-
354 Accrued Compensated Absences - Noncurrent	235	-	563	1,204	-	1,219	4,806	4,010	2,792
355 Loan Liability - Noncurrent	-	-	-	-	-	-	-	-	-
356 FASB 5 Liabilities	-	-	-	-	-	-	-	-	-
357 Accrued Pension and OPEB Liabilities	-	-	-	-	-	-	-	-	-
350 Total Noncurrent Liabilities	235	-	18,567,797	4,081,102	-	1,219	28,387,293	275,788	6,018,088
300 Total Liabilities	3,384	-	18,953,068	4,558,089	2,572	18,042	31,198,650	361,749	6,293,833
400 Deferred Inflow of Resources	-	-	9,640,804	-	-	-	-	-	-
508.4 Net Investments in Capital Assets	-	-	(3,150,528)	3,021,861	-	-	29,750,282	-	4,869,929
511.4 Restricted Net Position	-	-	254,734	1,033,868	204,150	-	2,642,793	-	452,074
512.4 Unrestricted Net Position	249,289	-	22,020,487	10,138	(2,572)	18,207	(3,707,392)	220,445	578,103
513 Total Equity - Net Assets/ Position	249,289	-	19,124,693	4,065,867	201,578	18,207	28,685,683	220,445	5,900,106
600 Total Liabilities, Deferred Inflows of Resources and Equity	\$ 252,673	\$ -	\$ 47,718,565	\$ 8,623,956	\$ 204,150	\$ 36,249	\$ 59,884,333	\$ 582,194	\$ 12,193,939

**HOUSING AUTHORITY OF THE CITY OF YAKIMA (WA042)**  
**ENTITY-WIDE BALANCE SHEET SUMMARY (CONTINUED)**  
**DECEMBER 31, 2024**  
**(SUBMISSION TYPE: AUDITED/SINGLE AUDIT)**

Account Number		10.405 Farm Labor Housing Loans and Grants	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Vouchers	COCC	Subtotal	Eliminations	Total
311	Bank Overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Accounts Payable:							
312	Less than and Equal to 90 Days	2,678	-	810	1,568	123,584	-	123,584
313	Greater than 90 Days Past Due	-	-	-	-	-	-	-
321	Accrued Wage/Payroll Taxes Payable	1,299	-	466	23,557	157,901	-	157,901
322	Accrued Compensated Absences -							
	Current Portion	1,964	-	1,577	47,616	184,611	-	184,611
324	Accrued Contingency Liability	-	-	-	-	-	-	-
325	Accrued Interest Payable	-	-	-	-	24,648	(2,355)	22,293
	Accounts Payable:							
331	HUD PHA Programs	-	-	-	-	-	-	-
332	PHA Projects	-	-	-	-	-	-	-
333	Other Government	-	-	-	-	-	-	-
341	Tenant Security Deposits	-	-	-	-	217,727	-	217,727
342	Unearned Revenue	-	-	81,907	-	268,814	-	268,814
	Current Portion of Long-Term Debt							
343	Capital	6,092	-	-	-	1,591,826	-	1,591,826
344	Operating Borrowings	-	-	-	-	58,025	(58,025)	-
345	Other Current Liabilities	-	-	-	-	1,580,728	(315,000)	1,265,728
346	Accrued Liabilities - Other	-	-	-	-	-	-	-
347	Interprogram - Due to	-	-	-	116,066	135,601	(135,601)	-
348	Loan Liability - Current	-	-	-	-	-	-	-
310	Total Current Liabilities	12,033	-	84,760	188,807	4,343,465	(510,981)	3,832,484
	Long-Term Debt, Net of Current							
351	Capital Projects/Mortgage	133,201	-	-	-	40,538,660	-	40,538,660
352	Operating Borrowings	-	-	-	-	-	-	-
353	Noncurrent Liabilities - Other	-	-	7,076	-	16,918,310	-	16,918,310
354	Accrued Compensated Absences -							
	Noncurrent	218	-	175	5,291	20,513	-	20,513
355	Loan Liability - Noncurrent	-	-	-	-	-	-	-
356	FASB 5 Liabilities	-	-	-	-	-	-	-
357	Accrued Pension and OPEB Liabilities	-	-	-	-	-	-	-
350	Total Noncurrent Liabilities	133,419	-	7,251	5,291	57,477,483	-	57,477,483
300	Total Liabilities	145,452	-	92,011	194,098	61,820,948	(510,981)	61,309,967
400	Deferred Inflow of Resources	-	-	-	-	9,640,804	-	9,640,804
508.4	Net Investments in Capital Assets	2,007,204	-	-	16,294	36,515,042	-	36,515,042
511.4	Restricted Net Position	381,957	-	-	-	4,969,576	-	4,969,576
512.4	Unrestricted Net Position	90,598	-	182,876	71,892	19,732,071	-	19,732,071
513	Total Equity - Net Assets/ Position	2,479,759	-	182,876	88,186	61,216,689	-	61,216,689
600	Total Liabilities, Deferred Inflows of Resources and Equity	\$ 2,625,211	\$ -	\$ 274,887	\$ 282,284	\$ 132,678,441	\$ (510,981)	\$ 132,167,460

**HOUSING AUTHORITY OF THE CITY OF YAKIMA (WA042)**  
**ENTITY-WIDE REVENUE AND EXPENSE SUMMARY**  
**YEAR ENDED DECEMBER 31, 2024**  
**(SUBMISSION TYPE: AUDITED/SINGLE AUDIT)**

Account Number	14.879 Mainstream Vouchers	14.HVC MTW Demonstration Program for HCV Program	1 Business Activities	2 State/Local	14.EFA FSS Escrow Forfeiture Account	14.896 PIH Family Self-Sufficiency Program	6.1 Component-Unit Discretely Presented	14.881 Moving to Work Demonstration Program	10.427 Rural Rental Assistance Payments
70300 Net Tenant Rental Revenue	\$ -	\$ -	\$ 802,305	\$ 1,284,350	\$ -	\$ -	\$ 3,586,970	\$ -	\$ 1,084,302
70400 Tenant Revenue - Other	-	-	37,298	21,370	-	-	25,481	-	21,739
70500 Total Tenant Revenue	-	-	839,603	1,305,720	-	-	3,612,451	-	1,106,041
70600 HUD PHA Operating Grants	1,064,020	10,170,823	318,118	-	-	225,434	-	-	-
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	1,064,020	10,170,823	318,118	-	-	225,434	-	-	-
70800 Other Government Grants	-	-	264,891	-	-	-	-	-	1,092,627
71100 Investment Income - Unrestricted	-	-	650,726	30	-	-	368	-	13
71200 Mortgage Interest Income	-	-	-	-	-	-	-	-	-
71300 Proceeds from Disposition of Assets Held for Sale	-	-	-	-	-	-	-	-	-
71400 Fraud Recovery	-	-	-	-	-	-	-	-	-
71500 Other Revenue	-	-	1,592,406	10,418	101,356	-	8,610,418	1,324	2,688
71600 Gain (Loss) on Sale of Capital Assets	-	-	20,108	-	-	-	(52,735)	-	-
72000 Investment Income - Restricted	-	-	27	1,613	-	-	243	-	75
70000 Total Revenue	1,064,020	10,170,823	3,685,879	1,317,781	101,356	225,434	12,170,745	1,324	2,201,444
91100 Administrative Salaries	19,540	-	302,386	109,950	-	-	227,663	86,836	98,682
91200 Auditing Fees	-	-	5,079	3,315	-	-	70,511	23,205	14,654
91300 Management Fee	13,530	-	64,593	37,200	-	-	264,700	132,740	152,274
91310 Book Keeping Fee	10,148	-	520	15,500	-	-	77,100	99,555	29,712
91400 Advertising and Marketing	-	-	5,881	421	-	-	26,033	5,837	169
91500 Employee Benefit Contributions - Administrative	6,343	-	85,988	37,180	-	-	78,893	141,788	32,635
91600 Office Expenses	4,751	-	67,766	82,583	-	11,396	282,839	157,655	121,252
91700 Legal Expense	8	-	5,702	9,721	-	-	70,830	5,154	10,948
91800 Travel	-	-	3,001	88	-	185	572	145	208
91810 Allocated Overhead	-	-	-	-	-	-	-	-	-
91900 Other	1,451	-	6,579	11,781	-	-	82,941	40,135	30,530
91000 Total Operating - Administrative	55,771	-	547,495	307,739	-	11,581	1,182,082	693,050	491,064



**HOUSING AUTHORITY OF THE CITY OF YAKIMA (WA042)**  
**ENTITY-WIDE REVENUE AND EXPENSE SUMMARY (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2024**  
**(SUBMISSION TYPE: AUDITED/SINGLE AUDIT)**

Account Number		10.405 Farm Labor Housing Loans and Grants	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Vouchers	COCC	Subtotal	Eliminations	Total
70300	Net Tenant Rental Revenue	\$ 96,886	\$ -	\$ -	\$ -	\$ 6,854,813	\$ -	\$ 6,854,813
70400	Tenant Revenue - Other	-	-	-	-	105,888	-	105,888
70500	Total Tenant Revenue	96,886	-	-	-	6,960,701	-	6,960,701
70600	HUD PHA Operating Grants	-	971,827	1,018,635	-	13,768,857	-	13,768,857
70610	Capital Grants	-	-	-	-	-	-	-
70710	Management Fee	-	-	-	353,924	353,924	(353,924)	-
70720	Asset Management Fee	-	-	-	31,380	31,380	(31,380)	-
70730	Book Keeping Fee	-	-	-	164,676	164,676	(164,676)	-
70740	Front Line Service Fee	-	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-	-
70700	Total Fee Revenue	-	971,827	1,018,635	549,980	14,318,837	(549,980)	13,768,857
70800	Other Government Grants	195,003	-	-	-	1,552,521	-	1,552,521
71100	Investment Income - Unrestricted	-	-	-	1	651,138	-	651,138
71200	Mortgage Interest Income	-	-	-	-	-	-	-
71300	Proceeds from Disposition of Assets	-	-	-	-	-	-	-
	Held for Sale	-	-	-	-	-	-	-
71400	Fraud Recovery	-	-	-	-	-	-	-
71500	Other Revenue	-	-	2,609	440,917	10,762,136	(100,656)	10,661,480
71600	Gain (Loss) on Sale of Capital Assets	-	-	-	-	(32,627)	-	(32,627)
72000	Investment Income - Restricted	-	-	-	-	1,958	-	1,958
70000	Total Revenue	291,889	971,827	1,021,244	990,898	34,214,664	(650,636)	33,564,028
91100	Administrative Salaries	19,633	89,287	12,856	617,256	1,584,089	-	1,584,089
91200	Auditing Fees	1,326	-	-	20,553	138,643	-	138,643
91300	Management Fee	6,232	-	10,700	-	681,969	(353,924)	328,045
91310	Book Keeping Fee	1,216	-	8,025	-	241,776	(164,676)	77,100
91400	Advertising and Marketing	139	-	-	1,123	39,603	-	39,603
91500	Employee Benefit Contributions -	-	-	-	-	-	-	-
	Administrative	5,524	42,017	4,024	200,586	634,978	-	634,978
91600	Office Expenses	33,681	-	1,299	121,134	884,356	(100,656)	783,700
91700	Legal Expense	458	-	5	-	102,826	-	102,826
91800	Travel	13	-	-	4,857	9,069	-	9,069
91810	Allocated Overhead	-	-	-	-	-	-	-
91900	Other	2,499	-	856	1,981	178,753	-	178,753
91000	Total Operating - Administrative	70,721	131,304	37,765	967,490	4,496,062	(619,256)	3,876,806

**HOUSING AUTHORITY OF THE CITY OF YAKIMA (WA042)**  
**ENTITY-WIDE REVENUE AND EXPENSE SUMMARY (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2024**  
**(SUBMISSION TYPE: AUDITED/SINGLE AUDIT)**

Account Number		14.879 Mainstream Vouchers	14.HVC MTW Demonstration Program for HCV Program	1 Business Activities	2 State/Local	14.EFA FSS Escrow Forfeiture Account	14.896 PIH Family Self-Sufficiency Program	6.1 Component-Unit Discretely Presented	14.881 Moving to Work Demonstration Program	10.427 Rural Rental Assistance Payments
92000	Asset Management Fee	\$ -	\$ -	\$ 480	\$ 8,400	\$ -	\$ -	\$ -	\$ -	\$ 15,000
92100	Tenant Services - Salaries	-	-	11,350	-	-	160,539	4,525	331,530	-
92200	Relocation Costs	-	-	3,990	-	-	-	82	-	-
92300	Employee Benefit Contributions - Tenant Services	-	-	2	11	-	49,117	42	34	25
92400	Tenant Services - Other	-	-	11,707	-	2,572	13,459	454	9,598	-
92500	Total Tenant Services	-	-	27,049	11	2,572	223,115	5,103	341,162	25
93100	Water	-	-	38,608	58,592	-	-	144,060	-	182,211
93200	Electricity	-	-	26,949	31,406	-	-	96,621	-	29,441
93300	Gas	-	-	3,987	73	-	-	19,548	-	(440)
93400	Fuel	-	-	-	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-	-	-	-
93600	Sewer	-	-	48,257	47,303	-	-	141,111	-	183,907
93700	Employee Benefit Contributions - Utilities	-	-	-	-	-	-	-	-	-
93800	Other Utilities Expense	-	-	-	-	-	-	-	-	-
93000	Total Utilities	-	-	117,801	137,374	-	-	401,340	-	395,119
Ordinary Maintenance and Operations:										
94100	Labor	-	-	83,730	136,044	-	-	410,276	-	286,646
94200	Materials	-	-	57,028	34,913	-	-	75,861	104	40,691
94300	Contracts	41	-	172,683	114,865	-	-	358,213	19,122	242,573
94500	Employee Benefit Contributions - Ordinary Maintenance	-	-	15,330	55,396	-	-	156,209	14,211	106,584
94000	Total Maintenance	41	-	328,771	341,218	-	-	1,000,559	33,437	676,494
Protective Services:										
95100	Labor	-	-	-	-	-	-	-	-	-
95200	Other Contract Costs	-	-	186	634	-	-	2,445	1,846	1,339
95300	Other	-	-	-	-	-	-	-	-	-
95500	Employee Benefit Contributions - Protective Services	-	-	-	-	-	-	-	-	-
95000	Total Protective Services	-	-	186	634	-	-	2,445	1,846	1,339
96110	Property Insurance	-	-	54,357	35,030	-	-	170,182	-	71,054
96120	Liability Insurance	389	-	4,688	4,105	-	-	40,627	11,534	21,202
96130	Workmen's Compensation	-	-	-	-	-	-	-	-	-
96140	All Other Insurance	562	-	18,544	2,995	-	-	9,462	7,138	9,904
96100	Total Insurance Premiums	951	-	77,589	42,130	-	-	220,271	18,672	102,160

**HOUSING AUTHORITY OF THE CITY OF YAKIMA (WA042)**  
**ENTITY-WIDE REVENUE AND EXPENSE SUMMARY (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2024**  
**(SUBMISSION TYPE: AUDITED/SINGLE AUDIT)**

Account Number		10.405 Farm Labor Housing Loans and Grants	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Vouchers	COCC	Subtotal	Eliminations	Total
92000	Asset Management Fee	\$ 7,500	\$ -	\$ -	\$ -	\$ 31,380	\$ (31,380)	\$ -
92100	Tenant Services - Salaries	-	-	-	11,824	519,768	-	519,768
92200	Relocation Costs	-	-	-	-	4,072	-	4,072
92300	Employee Benefit Contributions - Tenant Services	3	-	-	27	49,261	-	49,261
92400	Tenant Services - Other	-	-	12,294	-	50,084	-	50,084
92500	Total Tenant Services	3	-	12,294	11,851	623,185	-	623,185
93100	Water	9,219	-	-	2,429	435,119	-	435,119
93200	Electricity	17,656	-	-	16,775	218,848	-	218,848
93300	Gas	(259)	-	-	4,803	27,712	-	27,712
93400	Fuel	-	-	-	-	-	-	-
93500	Labor	-	-	-	-	-	-	-
93600	Sewer	9,298	-	-	1,269	431,145	-	431,145
93700	Employee Benefit Contributions - Utilities	-	-	-	-	-	-	-
93800	Other Utilities Expense	-	-	-	-	-	-	-
93000	Total Utilities	35,914	-	-	25,276	1,112,824	-	1,112,824
	Ordinary Maintenance and Operations:							
94100	Labor	32,681	-	-	-	949,377	-	949,377
94200	Materials	7,379	-	-	57	216,033	-	216,033
94300	Contracts	18,265	-	26	20,519	946,307	-	946,307
94500	Employee Benefit Contributions - Ordinary Maintenance	13,648	-	-	861	362,239	-	362,239
94000	Total Maintenance	71,973	-	26	21,437	2,473,956	-	2,473,956
	Protective Services:							
95100	Labor	-	-	-	-	-	-	-
95200	Other Contract Costs	292	-	-	1,529	8,271	-	8,271
95300	Other	-	-	-	-	-	-	-
95500	Employee Benefit Contributions - Protective Services	-	-	-	-	-	-	-
95000	Total Protective Services	292	-	-	1,529	8,271	-	8,271
96110	Property Insurance	7,068	-	-	5,786	343,477	-	343,477
96120	Liability Insurance	876	-	277	3,464	87,162	-	87,162
96130	Workmen's Compensation	-	-	-	-	-	-	-
96140	All Other Insurance	680	-	358	4,819	54,462	-	54,462
96100	Total Insurance Premiums	8,624	-	635	14,069	485,101	-	485,101

**HOUSING AUTHORITY OF THE CITY OF YAKIMA (WA042)**  
**ENTITY-WIDE REVENUE AND EXPENSE SUMMARY (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2024**  
**(SUBMISSION TYPE: AUDITED/SINGLE AUDIT)**

Account Number	14.879 Mainstream Vouchers	14.HVC MTW Demonstration Program for HCV Program	1 Business Activities	2 State/Local	14.EFA FSS Escrow Forfeiture Account	14.896 PIH Family Self-Sufficiency Program	6.1 Component-Unit Discretely Presented	14.881 Moving to Work Demonstration Program	10.427 Rural Rental Assistance Payments
96200 Other General Expenses	\$ 73	\$ -	\$ 80,793	\$ 8	\$ -	\$ -	\$ 141,259	\$ 10,232	\$ 18
96210 Compensated Absences	656	-	(5,404)	283	-	(380)	9,535	4,062	2,092
96300 Payment in Lieu of Taxes	-	-	2,685	-	-	-	3,652	-	4,976
Bad Debt:									
96400 Tenant Rents	-	-	-	59,603	-	-	115,442	-	25,709
96500 Mortgages	-	-	-	-	-	-	-	-	-
96600 Other	-	-	-	-	-	-	-	-	-
96800 Severance Expense	-	-	-	-	-	-	-	-	-
96000 Total Other General Expenses	729	-	78,074	59,894	-	(380)	269,888	14,294	32,795
96710 Interest of Mortgage (or Bonds) Payable	-	-	490,179	93,489	-	-	839,096	-	61,148
96720 Interest on Notes Payable (Short-Term and Long-Term)	-	-	-	-	-	-	253,075	-	-
96730 Amortization of Bond Issue Costs	-	-	-	-	-	-	70,537	-	-
96700 Total Interest Expense and Amortization Cost	-	-	490,179	93,489	-	-	1,162,708	-	61,148
96900 Total Operating Expenses	57,492	-	1,667,624	990,889	2,572	234,316	4,244,396	1,102,461	1,775,144
97000 Excess (Deficiency) of Operating Revenue Over (Under) Operating Expenses	1,006,528	10,170,823	2,018,255	326,892	98,784	(8,882)	7,926,349	(1,101,137)	426,300
97100 Extraordinary Maintenance	-	-	8,918	8,019	-	-	66,184	-	14,210
97200 Casualty Losses - Noncapitalized	-	-	-	-	-	-	-	-	-
97300 Housing Assistance Payments	904,003	-	-	-	-	-	-	8,829,678	-
97350 HAP Portability-In	-	-	-	-	-	-	-	-	-
97400 Depreciation and Amortization Expense	-	-	841,662	328,362	-	-	1,624,437	-	411,884
97500 Fraud Losses	-	-	-	-	-	-	-	-	-
97600 Capital Outlays - Governmental Funds	-	-	-	-	-	-	-	-	-
97700 Debt Principal Payment - Governmental Funds	-	-	-	-	-	-	-	-	-
97800 Dwelling Units Rent Expense	-	-	-	-	-	-	-	-	-
90000 Total Expenses	961,495	-	2,518,204	1,327,270	2,572	234,316	5,935,017	9,932,139	2,201,238

**HOUSING AUTHORITY OF THE CITY OF YAKIMA (WA042)**  
**ENTITY-WIDE REVENUE AND EXPENSE SUMMARY (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2024**  
**(SUBMISSION TYPE: AUDITED/SINGLE AUDIT)**

Account Number		10.405 Farm Labor Housing Loans and Grants	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Vouchers	COCC	Subtotal	Eliminations	Total
96200	Other General Expenses	\$ 1	\$ -	\$ 1,945	\$ 74	\$ 234,403	\$ -	\$ 234,403
96210	Compensated Absences	(812)	-	503	5,056	15,591	-	15,591
96300	Payment in Lieu of Taxes	-	-	-	325	11,638	-	11,638
	Bad Debt:							
96400	Tenant Rents	-	-	-	-	200,754	-	200,754
96500	Mortgages	-	-	-	-	-	-	-
96600	Other	-	-	-	-	-	-	-
96800	Severance Expense	-	-	-	-	-	-	-
96000	Total Other General Expenses	(811)	-	2,448	5,455	462,386	-	462,386
96710	Interest of Mortgage (or Bonds) Payable	1,426	-	-	-	1,485,338	-	1,485,338
96720	Interest on Notes Payable (Short-Term and Long-Term)	-	-	-	-	253,075	-	253,075
96730	Amortization of Bond Issue Costs	-	-	-	-	70,537	-	70,537
96700	Total Interest Expense and Amortization Cost	1,426	-	-	-	1,808,950	-	1,808,950
96900	Total Operating Expenses	195,642	131,304	53,168	1,047,107	11,502,115	(650,636)	10,851,479
97000	Excess (Deficiency) of Operating Revenue Over (Under) Operating Expenses	96,247	840,523	968,076	(56,209)	22,712,549	-	22,712,549
97100	Extraordinary Maintenance	-	-	-	-	97,331	-	97,331
97200	Casualty Losses - Noncapitalized	-	-	-	-	-	-	-
97300	Housing Assistance Payments	-	840,523	908,238	-	11,482,442	-	11,482,442
97350	HAP Portability-In	-	-	-	-	-	-	-
97400	Depreciation Expense	95,461	-	-	1,018	3,302,824	-	3,302,824
97500	Fraud Losses	-	-	-	-	-	-	-
97600	Capital Outlays - Governmental Funds	-	-	-	-	-	-	-
97700	Debt Principal Payment - Governmental Funds	-	-	-	-	-	-	-
97800	Dwelling Units Rent Expense	-	-	-	-	-	-	-
90000	Total Expenses	291,103	971,827	961,406	1,048,125	26,384,712	(650,636)	25,734,076

**HOUSING AUTHORITY OF THE CITY OF YAKIMA (WA042)**  
**ENTITY-WIDE REVENUE AND EXPENSE SUMMARY (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2024**  
**(SUBMISSION TYPE: AUDITED/SINGLE AUDIT)**

Account Number		14.879 Mainstream Vouchers	14.HVC MTW Demonstration Program for HCV Program	1 Business Activities	2 State/Local	14.EFA FSS Escrow Forfeiture Account	14.896 PIH Family Self-Sufficiency Program	6.1 Component-Unit Discretely Presented	14.881 Moving to Work Demonstration Program	10.427 Rural Rental Assistance Payments
10010	Operating Transfer In	\$ -	\$ -	\$ 181,392	\$ -	\$ -	\$ -	\$ 226,065	\$ 10,170,823	\$ -
10020	Operating Transfer Out	-	(10,170,823)	-	-	-	-	(226,065)	(181,392)	-
	Operations Transfer from (to):									
10030	Primary Government	-	-	-	-	-	-	-	-	-
10040	Component Unit	-	-	-	-	-	-	-	-	-
	Proceeds from:									
10050	Notes, Loans and Bonds	-	-	-	-	-	-	-	-	-
10060	Property Sales	-	-	-	-	-	-	-	-	-
10070	Extraordinary Items, Net Gain (Loss)	-	-	-	-	-	-	-	-	-
10080	Special Items, Net Gain (Loss)	-	-	-	-	-	-	-	-	-
10091	Interproject Excess Cash Transfer In	-	-	-	-	-	-	-	-	-
10092	Interproject Excess Cash Transfer Out	-	-	-	-	-	-	-	-	-
	Transfers Between Program and Project:									
10093	In	-	-	-	-	-	27,089	-	-	-
10094	Out	-	-	-	(27,089)	-	-	-	-	-
10100	Total Other Financing Sources (Uses)	-	(10,170,823)	181,392	(27,089)	-	27,089	-	9,989,431	-
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$ 102,525	\$ -	\$ 1,349,067	\$ (36,578)	\$ 98,784	\$ 18,207	\$ 6,235,728	\$ 58,616	\$ 206
11020	Required Annual Debt Principal Payments	\$ -	\$ -	\$ 191,064	\$ 344,975	\$ -	\$ -	\$ 4,102,540	\$ -	\$ 131,112
11030	Beginning Equity	146,764	-	23,038,904	4,102,445	102,794	-	22,449,955	161,829	6,029,179
11040	Prior Period Adjustments, Equity Transfers	-	-	(5,263,278)	-	-	-	-	-	(129,279)
	Changes in:									
11170	Administrative Fee Equity	-	-	-	-	-	-	-	-	-
11180	Housing Assistance Payments Equity	-	-	-	-	-	-	-	-	-
11190	Unit Months Available	1,353	-	28	840	-	-	3,966	11,924	1,992
11210	Number of Unit Months Leased	1,353	-	26	775	-	-	3,855	11,924	1,857
11270	Excess Cash	-	-	-	-	-	-	-	-	-

**HOUSING AUTHORITY OF THE CITY OF YAKIMA (WA042)**  
**ENTITY-WIDE REVENUE AND EXPENSE SUMMARY (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2024**  
**(SUBMISSION TYPE: AUDITED/SINGLE AUDIT)**

Account Number		10.405 Farm Labor Housing Loans and Grants	14.871 Housing Choice Vouchers	14.EHV Emergency Housing Vouchers	COCC	Subtotal	Eliminations	Total
10010	Operating Transfer In	\$ -	\$ -	\$ -	\$ -	\$ 10,578,280	\$ (10,578,280)	\$ -
10020	Operating Transfer Out	-	-	-	-	(10,578,280)	10,578,280	-
	Operations Transfer from (to):							
10030	Primary Government	-	-	-	-	-	-	-
10040	Component Unit	-	-	-	-	-	-	-
	Proceeds from:					-		
10050	Notes, Loans and Bonds	-	-	-	-	-	-	-
10060	Property Sales	-	-	-	-	-	-	-
10070	Extraordinary Items, Net Gain (Loss)	-	-	-	-	-	-	-
10080	Special Items, Net Gain (Loss)	-	-	-	-	-	-	-
10091	Interproject Excess Cash Transfer In	-	-	-	-	-	-	-
10092	Interproject Excess Cash Transfer Out	-	-	-	-	-	-	-
	Transfers Between Program and Project:							
10093	In	-	-	-	-	27,089	(27,089)	-
10094	Out	-	-	-	-	(27,089)	27,089	-
10100	Total Other Financing Sources (Uses)	-	-	-	-	-	-	-
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	<u>\$ 786</u>	<u>\$ -</u>	<u>\$ 59,838</u>	<u>\$ (57,227)</u>	<u>\$ 7,829,952</u>	<u>\$ -</u>	<u>\$ 7,829,952</u>
11020	Required Annual Debt Principal Payments	\$ 6,065	\$ -	-	\$ -	\$ 4,775,756	\$ -	\$ 4,775,756
11030	Beginning Equity	2,478,973	-	123,038	145,413	58,779,294	-	58,779,294
11040	Prior Period Adjustments, Equity Transfers	-	-	-	-	(5,392,557)	-	(5,392,557)
	Changes in:							
11170	Administrative Fee Equity	-	-	-	-	-	-	-
11180	Housing Assistance Payments Equity	-	-	-	-	-	-	-
11190	Unit Months Available	120	1,350	1,070	-	22,643	-	22,643
11210	Number of Unit Months Leased	76	1,350	1,070	-	22,286	-	22,286
11270	Excess Cash	-	-	-	-	-	-	-

**HOUSING AUTHORITY OF THE CITY OF YAKIMA  
COMBINING SCHEDULE OF NET POSITION  
RURAL ASSISTANCE PROGRAMS  
DECEMBER 31, 2024**

	<u>Harmony Park</u>	<u>Valley 7</u>	<u>Cosecha Court</u>	<u>Total</u>
<b>ASSETS</b>				
Current Assets:				
Cash and Cash Equivalents - Unrestricted	\$ 10,129	\$ 283,689	\$ 96,757	\$ 390,575
Accounts Receivables, Net of Allowance	7,625	389,589	-	397,214
Total Current Assets	<u>17,754</u>	<u>673,278</u>	<u>96,757</u>	<u>787,789</u>
Restricted Assets:				
Cash and Cash Equivalents - Restricted	129,724	322,350	381,957	834,031
Cash - Tenant Security Deposits	11,699	26,574	-	38,273
Total Restricted Assets	<u>141,423</u>	<u>348,924</u>	<u>381,957</u>	<u>872,304</u>
Capital Assets:				
Capital Assets, Not Being Depreciated	137,800	611,867	212,025	961,692
Capital Assets, net of Depreciation and Amortization	2,355,224	7,907,669	1,934,472	12,197,365
Total Capital Assets	<u>2,493,024</u>	<u>8,519,536</u>	<u>2,146,497</u>	<u>13,159,057</u>
Total Assets	<u>\$ 2,652,201</u>	<u>\$ 9,541,738</u>	<u>\$ 2,625,211</u>	<u>\$ 14,819,150</u>



**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**COMBINING SCHEDULE OF NET POSITION (CONTINUED)**  
**RURAL ASSISTANCE PROGRAMS**  
**DECEMBER 31, 2024**

	<u>Harmony Park</u>	<u>Valley 7</u>	<u>Cosecha Court</u>	<u>Total</u>
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	\$ 5,344	\$ 22,066	\$ 2,678	\$ 30,088
Accrued Wages and Payroll Taxes	1,702	13,358	1,299	16,359
Compensated Absences -				
Current Portion	2,873	22,252	1,964	27,089
Accrued Interest Payable	-	3,688	-	3,688
Due to Other Funds	16,963	-	-	16,963
Unearned Income	6,200	15,691	-	21,891
Current Portion of Long-Term Debt	7,594	119,741	6,092	133,427
Total Current Liabilities	<u>40,676</u>	<u>196,796</u>	<u>12,033</u>	<u>249,505</u>
Payables from Restricted Assets:				
Tenant Security Deposits	11,699	26,574	-	38,273
Total Payables from Restricted Assets	<u>11,699</u>	<u>26,574</u>	<u>-</u>	<u>38,273</u>
Noncurrent Liabilities:				
Long-Term Debt, Net of Current	632,685	5,382,611	133,201	6,148,497
Accrued Compensated Absences,				
Net of Current Portion	319	2,473	218	3,010
Total Noncurrent Liabilities	<u>633,004</u>	<u>5,385,084</u>	<u>133,419</u>	<u>6,151,507</u>
Total Liabilities	<u>685,379</u>	<u>5,608,454</u>	<u>145,452</u>	<u>6,439,285</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	1,852,745	3,017,184	2,007,204	6,877,133
Restricted - Required Reserves	129,724	322,350	381,957	834,031
Unrestricted	(15,647)	593,750	90,598	668,701
Total Net Position	<u>\$ 1,966,822</u>	<u>\$ 3,933,284</u>	<u>\$ 2,479,759</u>	<u>\$ 8,379,865</u>

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**COMBINING SCHEDULE OF ACTIVITIES AND CHANGES IN NET POSITION**  
**RURAL ASSISTANCE PROGRAMS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Harmony Park</u>	<u>Valley 7</u>	<u>Cosecha Court</u>	<u>Total</u>
<b>OPERATING REVENUE</b>				
Net Tenant Rental Revenue	\$ 105,932	\$ 978,370	\$ 96,886	\$ 1,181,188
Other Revenue	2,447	241	-	2,688
Other Tenant Revenue	9,265	12,474	-	21,739
Total Operating Revenue	<u>117,644</u>	<u>991,085</u>	<u>96,886</u>	<u>1,205,615</u>
<b>OPERATING EXPENSES</b>				
Administrative:				
Administrative Wages	10,661	88,021	19,633	118,315
Professional Fees	2,910	22,692	1,784	27,386
Employee Benefit Contributions	3,750	28,885	5,524	38,159
Other Operating - Administrative	54,128	295,017	51,280	400,425
Tenant Services	3	22	3	28
Total Administrative	<u>71,452</u>	<u>434,637</u>	<u>78,224</u>	<u>584,313</u>
Utilities:				
Electricity	3,498	25,943	17,656	47,097
Other Utilities Expense	(676)	236	(259)	(699)
Sewer	29,246	154,661	9,298	193,205
Water	19,458	162,753	9,219	191,430
Total Utilities	<u>51,526</u>	<u>343,593</u>	<u>35,914</u>	<u>431,033</u>
Ordinary Maintenance and Operations:				
Contract Costs	31,855	210,718	18,265	260,838
Employee Benefit Contributions	13,409	93,175	13,648	120,232
Maintenance and Operations Wages	44,089	256,767	32,681	333,537
Materials and Other	8,607	32,084	7,379	48,070
Total Ordinary Maintenance and Operations	<u>97,960</u>	<u>592,744</u>	<u>71,973</u>	<u>762,677</u>

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**COMBINING SCHEDULE OF ACTIVITIES AND CHANGES IN NET POSITION (CONTINUED)**  
**RURAL ASSISTANCE PROGRAMS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Harmony Park</u>	<u>Valley 7</u>	<u>Cosecha Court</u>	<u>Total</u>
<b>OPERATING EXPENSES (CONTINUED)</b>				
General Expenses:				
Depreciation Expense	\$ 88,729	\$ 323,155	\$ 95,461	\$ 507,345
Insurance Premiums	11,589	90,571	8,624	110,784
Bad Debt - Tenant Rents	25,709	-	-	25,709
Other General Expenses	103	2,007	(811)	1,299
Protective Services Contract Costs	151	1,188	292	1,631
Payments in Lieu of Taxes	12	4,964	-	4,976
Total General Expenses	<u>126,293</u>	<u>421,885</u>	<u>103,566</u>	<u>651,744</u>
Total Operating Expenses	<u>347,231</u>	<u>1,792,859</u>	<u>289,677</u>	<u>2,429,767</u>
<b>OPERATING LOSS</b>	(229,587)	(801,774)	(192,791)	(1,224,152)
<b>NONOPERATING EXPENSES</b>				
Interest Expense	(10,365)	(50,783)	(1,426)	(62,574)
Intergovernmental Revenue	162,904	929,723	195,003	1,287,630
Investment Revenue - Restricted	20	55	-	75
Investment Revenue - Unrestricted	6	7	-	13
Total Nonoperating Expenses	<u>152,565</u>	<u>879,002</u>	<u>193,577</u>	<u>1,225,144</u>
<b>CHANGE IN NET POSITION</b>	(77,022)	77,228	786	992
<b>NET POSITION - BEGINNING OF YEAR, AS PREVIOUSLY REPORTED</b>	2,043,844	3,985,335	2,478,973	8,508,152
Prior Period Adjustments - Correction of Error (Note 18)	<u>-</u>	<u>(129,279)</u>	<u>-</u>	<u>(129,279)</u>
<b>NET POSITION - BEGINNING OF YEAR, AS RESTATED</b>	<u>2,043,844</u>	<u>3,856,056</u>	<u>2,478,973</u>	<u>8,378,873</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 1,966,822</u>	<u>\$ 3,933,284</u>	<u>\$ 2,479,759</u>	<u>\$ 8,379,865</u>

## **SINGLE AUDIT SECTION**

**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***

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 and 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, 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated September 30, 2025.

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, Yakima Veterans Housing LLLP, and Fruitvale 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*, 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

**Independent 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 Standard*, continued**

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2024-002, that we consider to be material weaknesses.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2024-001.

**Housing Authority of the City of Yakima's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Authority's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Finney, Hill & Company, P.S.*

September 30, 2025  
Seattle, Washington

# FINNEY, NEILL & COMPANY, P.S.

C E R T I F I E D   P U B L I C   A C C O U N T A N T S

## **Independent Auditors' Report on Compliance for Each Major 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**

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

We have audited the Housing Authority of the City of Yakima's (the "Authority's") compliance with the types of compliance requirements described 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, 2024. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion section of our report, the Housing Authority of the City of Yakima 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, 2024.

#### ***Basis for Qualified 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; 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 Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Housing Authority of the City of Yakima 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 Housing Authority of the City of Yakima's compliance with the compliance requirements referred to above.

#### ***Matter Giving Rise to Qualified Opinion on Each Major Federal Program***

As described in the accompanying schedule of findings and questioned costs, the Authority did not comply with requirements for each major federal program, as described in finding number 2024-001 for Reporting.

Compliance with such requirements is necessary, in our opinion, for Housing Authority of the City of Yakima to comply with the requirements applicable to that program.

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

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

## **Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance, *continued***

### ***Auditors' 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 Housing Authority of the City of Yakima'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.

### ***Other Matters***

*Government Auditing Standards* requires the auditor to perform limited procedures on the Authority's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

### **Report on Internal Control over Compliance**

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.



**Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance, *continued***

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. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-001 to be material weaknesses.

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.

*Government Auditing Standards* requires the auditor to perform limited procedures on the Authority's response to the internal control over compliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. The Authority's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.

*Finney, Hill & Company, P.S.*

September 30, 2025  
Seattle, Washington

**HOUSING AUTHORITY OF THE CITY OF YAKIMA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

Federal Agency/Pass-through Agency/Program Title	Assistance Listing Number	Federal Expenditures
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>		
Housing Voucher Cluster:		
Section 8 Housing Choice Voucher Program	14.871	\$ 971,827
Mainstream Voucher Program	14.879	1,064,020
Section 8 Emergency Housing Voucher Program	14.871	<u>1,018,635</u>
Total Housing Voucher Cluster		3,054,482
MTW Demonstration Program for HCV Program:		
Section 8 MTW Housing Choice Voucher Program	14.881	<u>10,170,823</u>
Total MTW Demonstration Program for HCV Program		10,170,823
PIH Family Self-Sufficiency Program	14.896	<u>225,434</u>
		225,434
Section 8 Project-Based Cluster:		
Section 8 Housing Assistance Payments	14.195	<u>318,118</u>
Total Section 8 Project-Based Cluster		<u>318,118</u>
Total U.S. Department of Housing and Urban Development		13,768,857
<b>U.S. DEPARTMENT OF AGRICULTURE</b>		
Farm Labor Housing Loan and Grants	10.405	145,358
Farm Labor Housing Loan and Grants	10.405	<u>257,807</u>
Total Farm Labor Housing Loan and Grants		403,165
Rural Rental Housing Loans	10.415	647,761
Rural Rental Housing Loans	10.415	<u>164,524</u>
Total Farm Labor Housing Loan and Grants		812,285
Rural Rental Assistance Payments	10.427	195,003
Rural Rental Assistance Payments	10.427	162,904
Rural Rental Assistance Payments	10.427	<u>929,723</u>
Total Rural Rental Assistance Payments		1,287,630
Rural Development Multi-Family Housing Revitalization Demonstration Program (MPR):		
Loan	10.447	1,357,281
Loan	10.447	<u>3,280,586</u>
Total Rural Development Multi-Family Housing Revitalization Demonstration Program (MPR)		<u>4,637,867</u>
Total U.S. Department of Agriculture		<u>7,140,947</u>
Total Expenditures of Federal Awards		<u>\$ 20,909,804</u>

See accompanying Notes to Schedule of Expenditures of Federal Awards.

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**DECEMBER 31, 2024**

**NOTE 1 BASIS OF PRESENTATION**

**General**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Housing Authority of the 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 \$685,525 in federal awards which are not included in YHA's schedule of expenditures of federal awards for the year ended December 31, 2024.

**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.

**NOTE 2 INDIRECT COST RATE**

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

**NOTE 3 LOANS**

**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, 2024 was \$139,293.

**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, 2024 was \$3,089,826.

**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, 2024 was \$640,280.

**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 31, 2024 was \$152,695.

**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 31, 2024 was \$1,557,910.

**NOTE 4 SUBRECIPIENTS**

YHA does not have any subrecipients.

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
For the year ended December 31, 2024

**Section I – Summary of Auditors’ Results**

Financial Statements

Type of auditors’ 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   none reported

Noncompliance material to financial statements noted?   X   yes        no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?   X   yes        no
- Significant deficiency(ies) identified that are not considered to be material weaknesses?        yes   X   none reported

Type of auditors’ report issued on compliance for major programs Qualified

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

Identification of major programs:

<u>AL Numbers</u>	<u>Name of Federal Program</u>
14.881	<i>Moving to Work Demonstration Program</i>
14.195	<i>Project-Based Cluster</i>

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualifies as low-risk auditee?        yes   X   no

**Section II – Financial Statement Findings**

**2024-001      Reporting – Late Report Submissions to Federal Audit Clearinghouse and HUD**

**Identification as a Repeat Finding:** Not a repeat finding

**Finding:** The Authority did not file its annual 2023 Single Audit and Data Collection Form timely with the Federal Audit Clearinghouse (FAC) and did not file its audited Financial Data Schedule timely with the U.S. Department of Housing and Urban Development (HUD).

**Sample Size and Population:** Sampling was not applicable to this finding.

**Questioned Costs:** None

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, continued**  
For the year ended December 31, 2024

**Section II – Financial Statement Findings, continued**

**2024-001      Reporting – Late Report Submissions to Federal Audit Clearinghouse and HUD, continued**

**Criteria:** As stated in 2 CFR 200.512(a)(1), the Uniform Guidance requires submission of the Single Audit Reporting Package and Data Collection Form to the FAC nine months after the fiscal year-end. As stated in 24 CFR 902.33(c), HUD requires public housing authorities to submit an audited Financial Data Schedule (FDS) through FASS-PH no later than 9 months after the fiscal year-end. As such, the Authority’s 2023 Single Audit and Data Collection Form submission to the FAC and the audited FDS submission to HUD were both due September 30, 2024.

**Condition:** The FAC submission and the audited FDS submission were each filed more than 20 days after the due date.

**Cause:** During 2023, the Authority underwent a major accounting and tenant management software conversion which resulted in delays in completing the Single Audit.

**Effect:**

- The Authority was non-compliant with Uniform Guidance and HUD reporting deadlines.
- Late availability of audit information delayed Federal oversight and public transparency.

**Recommendations:** Develop internal controls that provide for month-end and year-end accounting close milestone that include deadlines that will ensure external reporting deadlines are able to be met.

**Management Response:** Management response is reported in the “Corrective Action Plan” at the end of this report.

**Contact Person:** Lowel Kruger, Executive Director

**2024-002      Accounting for Transactions with Component Units**

**Finding:** Internal control processes over financial reporting did not ensure that related party developer fees and service concession arrangements resulting from agreements with Component Units were accurately recorded in the Authority’s financial records.

**Repeat Finding:** This is not a repeat finding.

**Sample Size and Population:** Sampling was not applicable to this finding.

**Questioned Costs:** None.

**Criteria:** The Governmental Accounting Standards Board (GASB) requires that transactions between the Primary Government and its discretely presented component units be recorded accurately and presented separately at in the financial statements. GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, requires that governmental entities account for service concession arrangements by recording deferred inflows of resources equal to the amount of total consideration received for service concession agreements.

**Condition and context:** During our audit, we identified that developer fee revenues were improperly not recognized in accordance with the terms of the development agreement with a component unit. In addition, we identified several service concession arrangements with component units which were not completely recorded in accordance with GASB No. 94, which resulted in prior period adjustments to the financial statements. These were not identified by management’s system of internal control over accounting for related party transactions with Component Units.

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, continued**  
For the year ended December 31, 2024

**Section II – Financial Statement Findings, continued**

**2024-002      Accounting for Transactions with Component Units, continued**

**Cause:** The complexity of the financing arrangements with the Component Units resulted in certain transactions occurring during the year and in prior years not being recorded completely and accurately. A thorough review of the terms of the various Component Unit agreements to determine the proper accounting treatment was not performed.

**Effect:** These deficiencies resulted in the internally prepared financial statements for the Primary Government being materially misstated for the year-ended December 31, 2024, including the understatement of capital assets by \$3.0 million, the understatement of deferred inflows of resources by \$8.3 million, the overstatement of net position by \$5.3 million, and the understatement of revenues and the overstatement of liabilities by \$830 thousand.

**Recommendation:** We recommend management consider implementing a system to summarize and review all agreements with Component Units, including documentation of accounting policies applicable to each agreement. We also recommend management review transactions between Component Units and the Primary Government annually, to ensure treatment is consistent with underlying terms of agreements.

**Management Response:** Management’s response is reported in the “Corrective Action Plan” at the end of this report.

**Contact Person:** Lowel Kruger, Executive Director

**Section III –Federal Award Findings and Questioned Costs**

**2024-001 Reporting – Late Report Submissions to Federal Audit Clearinghouse and HUD**

<u><b>Federal Agency Name</b></u>	<u><b>Program Title</b></u>	<u><b>ALN</b></u>
U.S. Department of Housing and Urban Development	Moving-to-Work Demonstration	14.881
U.S. Department of Housing and Urban Development	Project Based Cluster	14.195

See Section II – Financial Statement Findings



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*"Committed to Safe and Affordable Housing"*

**CORRECTIVE ACTION PLAN  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**U.S. Department of Housing and Urban Development**

The Housing Authority of the City of Yakima respectfully submits the following corrective action plan for the year ended December 31, 2024.

Audit period: January 31, 2024 to December 31, 2024

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

**FINDINGS—FINANCIAL STATEMENT FINDINGS**

**2024-001      Reporting – Late Report Submission to Federal Audit Clearinghouse and HUD**

**Recommendation:** Develop internal controls that provide month-end and year-end accounting close milestones that include deadlines that will ensure external reporting deadlines are able to be met.

**Explanation of disagreement with audit finding:** There is no disagreement with the audit finding.

**Action taken in response to the finding:** The Authority has reviewed and updated its financial reporting and closing processes and controls for the preparation of the final trial balances and related schedules. As part of this process, the Authority has created a year-end checklist with deadlines and status meetings to monitor the progress.

**Name(s) of the contact person(s) responsible for corrective action:** Lowel Kruger, Executive Director.

**Planned completion date for corrective action plan:** December 31, 2024.

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## **FINDINGS—FINANCIAL STATEMENT FINDINGS (CONTINUED)**

### **2024-002      Accounting for Transactions with Component Units**

**Recommendation:** We recommend management consider implementing a system to summarize and review all agreements with Component Units, including documentation of accounting policies applicable to each agreement. We also recommend management review transactions between the Component Units and Primary Government annually, to ensure treatment is consistent with underlying terms of agreements.

**Explanation of disagreement with audit finding:** There is no disagreement with the audit finding.

**Action taken in response to the finding:** The Authority has updated its financial reporting and closing processes to ensure that, as new agreements with Component Units and new GASB pronouncements are implemented, each standard is assessed, and conclusions are documented. Additionally, the Authority has begun implementing a structured review process to summarize agreements and evaluate transactions with Component Units annually. This includes documenting applicable accounting policies and verifying that financial treatment aligns with the terms of each agreement.

**Name(s) of the contact person(s) responsible for corrective action:** Lowel Kruger, Executive Director.

**Planned completion date for corrective action plan:** December 31, 2024.

## **FINDINGS—FEDERAL AWARD PROGRAMS AUDITS**

### **2024-001      Reporting – Late Report Submission to Federal Audit Clearinghouse and HUD**

See Authority's response to 2024-001 under Financial Statement Findings.





*"Committed to Safe and Affordable Housing"*

**SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 2024**

**U.S. Department of Housing and Urban Development**

Audit period: January 31, 2023 to December 31, 2023

The findings from the schedule of prior year's findings and questioned costs are discussed below.

**FINDINGS—FINANCIAL STATEMENT FINDINGS**

None.

**FINDINGS—FEDERAL AWARD PROGRAMS AUDITS**

**2023-001      Eligibility – Rent Calculation**

**Recommendation:** We recommend that the Authority follow the Administrative Plan's criteria for verification of income through third parties and when self-certifications are allowable.

**Explanation of disagreement with audit finding:** There is no disagreement with the audit finding.

**Action taken in response to the finding:** Inadequate procedures were the underlying cause. The Authority established a quarterly quality review procedure to randomly select tenant files to ensure program participants are qualified and HUD program regulations are followed. Additionally, HCV specialist training and further HCV Rent Calculation training will be offered to tenured employees when available.

**Name(s) of the contact person(s) responsible for corrective action:** Lowel Kruger, Executive Director.

**Current Year Status:** Finding is resolved.

## **STATISTICAL SECTION**

TABLE 1

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**NET POSITION**  
**LAST TEN YEARS**  
**(UNAUDITED)**

<u>Year Ending December 31,</u>	<u>Net Investment in Capital Assets</u>	<u>Restricted Net Position</u>	<u>Unrestricted Net Position</u>	<u>Total</u>
2024	\$ 6,764,760	\$ 2,326,783	\$ 23,439,463	\$ 32,531,006
2023	7,968,534	2,516,638	20,451,610	30,936,782
2022	12,034,562	1,875,746	20,635,137	34,545,445
2021	11,847,270	2,434,980	19,013,491	33,295,741
2020	8,596,881	2,473,430	16,477,758	27,548,069
2019	8,478,605	1,749,890	14,802,626	25,031,121
2018	9,015,253	1,476,781	14,354,939	24,846,973
2017	6,669,537	1,565,793	14,067,959	22,303,289
2016	5,966,020	1,295,618	14,602,032	21,863,670
2015	6,461,102	1,764,624	9,676,852	17,902,578

Source: Previous years' audits and current year financial statements.

TABLE 2

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**CHANGES IN NET POSITION**  
**LAST TEN YEARS**  
**(UNAUDITED)**

Year Ended December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>OPERATING REVENUE</b>										
Intergovernmental Revenue	\$ 13,768,857	\$ 11,406,238	\$ 9,435,841	\$ 8,889,027	\$ 8,134,603	\$ 5,963,064	\$ 5,853,773	\$ 5,236,400	\$ 5,108,871	\$ 4,465,763
Net Tenant Rental Revenue	2,355,764	2,962,488	2,284,344	2,126,992	1,926,741	1,722,149	1,637,226	1,461,204	1,544,233	1,555,931
Other Revenue	2,131,469	945,210	1,272,788	1,591,334	1,199,284	919,773	732,753	701,576	1,969,497	638,583
Total Operating Revenue	<u>18,256,090</u>	<u>15,313,936</u>	<u>12,992,973</u>	<u>12,607,353</u>	<u>11,260,628</u>	<u>8,604,986</u>	<u>8,223,752</u>	<u>7,399,180</u>	<u>8,622,601</u>	<u>6,660,277</u>
<b>OPERATING EXPENSES</b>										
Administrative	3,312,806	2,857,136	2,039,260	1,987,705	1,834,732	1,941,884	1,654,048	1,456,614	1,423,049	1,303,055
Utilities	711,484	603,762	512,128	520,219	464,907	530,426	483,310	539,788	525,481	492,280
Ordinary Maintenance and Operations	1,504,544	1,354,122	1,441,683	1,505,435	1,070,745	940,660	804,225	901,460	792,754	806,893
General Expenses	463,154	602,843	754,186	248,224	357,401	243,578	187,698	120,549	157,717	118,336
Depreciation	1,678,387	999,932	948,781	763,066	944,765	840,698	962,676	938,984	819,063	949,616
Housing Assistance Payments	11,482,442	9,941,468	8,412,754	7,684,013	6,902,117	5,249,567	5,195,877	4,568,069	4,375,261	3,983,015
Total Operating Expenses	<u>19,152,817</u>	<u>16,359,263</u>	<u>14,108,792</u>	<u>12,708,662</u>	<u>11,574,667</u>	<u>9,746,813</u>	<u>9,287,834</u>	<u>8,525,464</u>	<u>8,093,325</u>	<u>7,653,195</u>
<b>OPERATING INCOME (LOSS)</b>	(896,727)	(1,045,327)	(1,115,819)	(101,309)	(314,039)	(1,141,827)	(1,064,082)	(1,126,284)	529,276	(992,918)
<b>NONOPERATING REVENUES (EXPENSES)</b>										
Intergovernmental	2,464,600	2,271,326	1,984,634	5,496,578	2,454,651	824,868	711,689	770,556	739,836	919,704
Interest Revenue	652,485	623,214	594,177	561,386	542,770	679,037	413,518	432,859	451,374	357,882
Interest Expense	(646,242)	(313,627)	(222,283)	(208,983)	(165,530)	(177,930)	(163,153)	(137,205)	(211,319)	(240,573)
Debt Issuance Costs	-	-	-	-	-	-	-	-	(5,096)	(310,750)
Gain (Loss) on Disposition of Assets	20,108	-	8,995	-	-	-	350	3,317	1,529,195	-
Total Nonoperating Revenues (Expenses)	<u>2,490,951</u>	<u>2,580,913</u>	<u>2,365,523</u>	<u>5,848,981</u>	<u>2,831,891</u>	<u>1,325,975</u>	<u>962,404</u>	<u>1,069,527</u>	<u>2,503,990</u>	<u>726,263</u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS</b>	1,594,224	1,535,586	1,249,704	5,747,672	2,517,852	184,148	(101,678)	(56,757)	3,033,266	(266,655)
<b>PARTNERSHIP NET INCOME</b>	-	-	-	-	-	-	-	-	(76)	(41,782)
<b>CAPITAL GRANTS</b>	-	-	-	-	-	-	2,645,362	495,867	927,902	654,570
<b>CHANGE IN NET POSITION</b>	1,594,224	1,535,586	1,249,704	5,747,672	2,517,852	184,148	2,543,684	439,110	3,961,092	346,133
<b>NET POSITION - BEGINNING OF YEAR</b>	36,329,339	34,545,445	33,295,741	27,548,069	25,031,122	24,846,974	22,303,290	21,864,180	17,903,088	17,984,254
<b>CAPITAL CONTRIBUTIONS</b>	-	-	-	-	(905)	-	-	-	-	(427,299)
<b>PRIOR PERIOD ADJUSTMENTS</b>	(5,392,557)	-	-	-	-	-	-	-	-	-
<b>EQUITY TRANSFERS</b>	-	248,308	-	-	-	-	-	-	-	-
<b>NET POSITION - END OF YEAR</b>	<u>\$ 32,531,006</u>	<u>\$ 36,329,339</u>	<u>\$ 34,545,445</u>	<u>\$ 33,295,741</u>	<u>\$ 27,548,069</u>	<u>\$ 25,031,122</u>	<u>\$ 24,846,974</u>	<u>\$ 22,303,290</u>	<u>\$ 21,864,180</u>	<u>\$ 17,903,088</u>

Source: Previous years' audits and current year financial statements.

TABLE 3

**HOUSING AUTHORITY OF THE CITY OF YAKIMA  
OPERATING REVENUES BY SOURCE  
LAST TEN YEARS  
(UNAUDITED)**

<u>Year Ending December 31.</u>	<u>Net Tenant Rental</u>		<u>Intergovernmental</u>		<u>Other</u>		<u>Total</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
2024	\$ 2,355,764	12.90 %	\$ 13,768,857	75.42 %	\$ 2,131,469	11.68 %	\$ 18,256,090	100.00 %
2023	2,962,488	19.35	11,406,238	74.48	945,210	6.17	15,313,936	100.00
2022	2,284,344	17.58	9,435,841	72.62	1,272,788	9.80	12,992,973	100.00
2021	2,126,992	16.87	8,889,027	70.51	1,591,334	12.62	12,607,353	100.00
2020	1,926,741	17.11	8,134,603	72.24	1,199,284	10.65	11,260,628	100.00
2019	1,722,149	20.01	5,963,064	69.30	919,773	10.69	8,604,986	100.00
2018	1,637,226	19.91	5,853,773	71.18	732,753	8.91	8,223,752	100.00
2017	1,461,204	19.75	5,236,400	70.77	701,576	9.48	7,399,180	100.00
2016	1,544,233	17.91	5,108,871	59.25	1,969,497	22.84	8,622,601	100.00
2015	1,555,931	23.36	4,465,763	67.05	638,583	9.59	6,660,277	100.00

Source: Previous years' audits and current year financial statements.

TABLE 4

**HOUSING AUTHORITY OF THE CITY OF YAKIMA  
NONOPERATING REVENUES BY SOURCE  
LAST TEN YEARS  
(UNAUDITED)**

<u>Year Ending December 31.</u>	<u>Intergovernmental</u>		<u>Investment</u>		<u>Gain (Loss) on Assets</u>		<u>Total</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
2024	\$ 2,464,600	78.56 %	\$ 652,485	20.80 %	\$ 20,108	0.64 %	\$ 3,137,193	100.00 %
2023	2,271,326	78.47	623,214	21.53	-	-	2,894,540	100.00
2022	1,984,634	76.69	594,177	22.96	8,995	0.35	2,587,806	100.00
2021	5,496,578	90.73	561,386	9.27	-	-	6,057,964	100.00
2020	712,699	56.77	542,770	43.23	-	-	1,255,469	100.00
2019	824,868	54.85	679,037	45.15	-	-	1,503,905	100.00
2018	711,689	63.23	413,518	36.74	350	0.03	1,125,557	100.00
2017	770,556	63.85	432,859	35.87	3,317	0.27	1,206,732	100.00
2016	739,836	27.20	451,374	16.59	1,529,195	56.21	2,720,405	100.00
2015	919,704	71.99	357,882	28.01	-	-	1,277,586	100.00

Source: Previous years' audits and current year financial statements.

TABLE 5

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**DEBT SERVICE COVERAGE**  
**LAST TEN YEARS**  
**(UNAUDITED)**

Year Ended December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenue (Excluding HAP Subsidy)	\$ 9,729,449	\$ 8,325,552	\$ 6,144,938	\$ 10,003,648	\$ 5,453,529	\$ 4,627,428	\$ 3,977,389	\$ 3,909,219	\$ 6,670,985	\$ 4,897,868
Expenses (Excluding Depreciation, Amortization, HAP)	6,638,230	6,476,339	4,969,540	5,233,631	4,838,079	3,656,548	3,129,281	3,018,411	2,899,001	3,126,261
Revenue Available for Debt Service	<u>\$ 3,091,219</u>	<u>\$ 1,849,213</u>	<u>\$ 1,175,398</u>	<u>\$ 4,770,017</u>	<u>\$ 615,450</u>	<u>\$ 970,880</u>	<u>\$ 848,108</u>	<u>\$ 890,808</u>	<u>\$ 3,771,984</u>	<u>\$ 1,771,607</u>
Debt Service Requirements:										
Principal	\$ 540,102	\$ 564,429	\$ 279,573	\$ 262,781	\$ 138,200	\$ 188,248	\$ 230,200	\$ 212,600	\$ 182,162	\$ 249,160
Interest	522,926	222,300	222,300	209,000	166,000	171,500	158,700	169,400	142,970	241,000
Total	<u>\$ 1,063,028</u>	<u>\$ 786,729</u>	<u>\$ 501,873</u>	<u>\$ 471,781</u>	<u>\$ 304,200</u>	<u>\$ 359,748</u>	<u>\$ 388,900</u>	<u>\$ 382,000</u>	<u>\$ 325,132</u>	<u>\$ 490,160</u>
Debt Service Coverage	2.9	2.4	2.3	10.1	2.0	2.7	2.2	2.3	11.6	3.6

Source: Previous years' audits and current year financial statements.

TABLE 6

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**RATIO OF DEBT TO CAPITAL ASSETS**  
**LAST TEN YEARS**  
**(UNAUDITED)**

<u>Year Ending</u> <u>December 31,</u>	<u>Notes</u> <u>Payable</u>	<u>Bonds</u> <u>Payable</u>	<u>SBITA</u> <u>Liability</u>	<u>Total</u> <u>Debt</u>	<u>Capital</u> <u>Assets</u>	<u>Ratio of Total</u> <u>Debt to Capital</u> <u>Assets</u>
2024	\$ 27,969,555	\$ 1,660,737	\$ 156,462	\$ 29,786,754	79,517,357	37.46 %
2023	24,909,601	\$ 1,708,272	265,520	26,883,393	74,789,913	35.95
2022	14,063,629	1,753,776	-	15,817,405	43,652,637	36.23
2021	14,359,086	1,797,335	-	16,156,421	42,855,580	37.70
2020	11,265,035	1,839,034	-	13,104,069	35,789,772	36.61
2019	7,141,351	1,878,950	-	9,020,301	31,702,836	28.45
2018	7,075,887	1,917,161	-	8,993,048	30,664,198	29.33
2017	6,426,833	1,955,504	-	8,382,337	26,578,300	31.54
2016	6,113,889	1,988,754	-	8,102,643	24,909,095	32.53
2015	5,644,301	2,022,272	-	7,666,573	27,841,171	27.54

Source: Previous years' audits and current year financial statements.

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



TABLE 7

**HOUSING AUTHORITY OF THE CITY OF YAKIMA  
SERVICE AREA DEMOGRAPHICS  
LAST TEN YEARS  
(UNAUDITED)**

<u>Year Ending December 31,</u>	<u>Yakima County Population</u>	<u>Residents of YHA</u>	<u>Yakima Unemployment Rate</u>
2024	258,523	3,580	5.40 %
2023	256,643	2,697	7.80 %
2022	257,001	2,868	8.80 %
2021	256,035	2,939	6.50 %
2020	251,154	2,932	7.90 %
2019	250,873	2,943	7.10 %
2018	250,193	2,870	6.60 %
2017	152,398	2,893	7.00 %
2016	249,502	2,855	7.70 %
2015	245,452	3,003	8.30 %

Source:

- 1) United States Census Bureau
- 2) United States Bureau of Labor Statistics
- 3) Previous years' audits, current year financial statements, and YHA tenant records

Note: This table includes all YHA housing programs.

TABLE 8

**HOUSING AUTHORITY OF THE CITY OF YAKIMA  
PRINCIPAL EMPLOYERS FOR THE COUNTY OF YAKIMA  
CURRENT YEAR AND NINE YEARS AGO  
(UNAUDITED)**

	2024		Percentage of Total County Employment
	Employees	Rank	
Washington Fruit & Produce	3,800	1	0.04 %
Yakima Valley Farm Workers Clinic	2,518	2	0.03 %
MultiCare Yakima Memorial Hospital	2,500	3	0.03 %
Borton Fruit	2,500	4	0.03 %
Walmart-Yakima/Sunnyside/Grandview	1,950	5	0.02 %
Yakima School District, No. 7	1,594	6	0.02 %
Zirkle Fruit	1,500	7	0.02 %
Monson Fruit	1,437	8	0.02 %
Yakima Nation Government Operations	1,289	9	0.01 %
Astria Health-Yakima/Sunnyside/Toppenish	1,200	10	0.01 %

	2015		Percentage of Total County Employment
	Employees	Rank	
Yakima Valley Memorial Hospital	2,500	1	0.03 %
Walmart - Yakima/Sunnyside/Grandview	1,700	2	0.02 %
Yakima School District, No. 7	1,594	3	0.02 %
Washington Fruit and Produce	1,500	4	0.02 %
Zirkle Fruit	1,500	5	0.02 %
Borton Fruit	1,212	6	0.01 %
Yakima County	1,074	7	0.01 %
Monson Fruit	1,023	8	0.01 %
Yakima Valley Farm Workers Clinic	1,006	9	0.01 %
Yakima Regional Medical Center	985	10	0.01 %

TABLE 9

**HOUSING AUTHORITY OF THE CITY OF YAKIMA  
RESIDENT DEMOGRAPHICS/POPULATION STATISTICS  
LAST TEN YEARS  
(UNAUDITED)**

<u>Year Ending</u> <u>December 31,</u>	Public Housing and Non-HUD Housing Programs			
	Number of Minors (Ages 0-18)	Number of Adults (Ages 19-61)	Number of Elderly (Ages 62+)	Total Number of Residents
2024	700	652	197	1,549
2023	650	563	181	1,394
2022	734	610	182	1,526
2021	775	607	179	1,561
2020	737	564	155	1,456
2019	804	585	159	1,548
2018	805	575	150	1,530
2017	433	315	38	786
2016	445	339	35	819
2015	669	585	143	1,397

<u>Year Ending</u> <u>December 31,</u>	Housing Choice Voucher Program			
	Number of Minors (Ages 0-18)	Number of Adults (Ages 19-61)	Number of Elderly (Ages 62+)	Total Number of Residents
2024	826	847	358	2,031
2023	442	503	180	1,125
2022	518	598	226	1,342
2021	554	607	217	1,378
2020	611	642	223	1,476
2019	578	605	212	1,395
2018	546	595	215	1,356
2017	574	607	210	1,391
2016	539	577	196	1,312
2015	949	462	195	1,606

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

TABLE 10

**HOUSING AUTHORITY OF THE CITY OF YAKIMA  
RESIDENT DEMOGRAPHICS/ ETHNICITY STATISTICS  
LAST TEN YEARS  
(UNAUDITED)**

<u>Year Ending December 31,</u>	Public Housing and Non-HUD Housing Programs			
	Number of Minors (Ages 0-18)	Number of Adults (Ages 19-61)	Number of Elderly (Ages 62+)	Total Number of Residents
2024	700	652	197	1,549
2023	650	563	181	1,394
2022	734	610	182	1,526
2021	775	607	179	1,561
2020	737	564	155	1,456
2019	804	585	159	1,548
2018	805	575	150	1,530
2017	433	315	38	786
2016	445	339	35	819
2015	669	585	143	1,397

<u>Year Ending December 31,</u>	Housing Choice Voucher Program			
	Number of Minors (Ages 0-18)	Number of Adults (Ages 19-61)	Number of Elderly (Ages 62+)	Total Number of Residents
2024	826	847	358	2,031
2023	442	503	180	1,125
2022	518	598	226	1,342
2021	554	607	217	1,378
2020	611	642	223	1,476
2019	578	605	212	1,395
2018	546	595	215	1,356
2017	574	607	210	1,391
2016	539	577	196	1,312
2015	949	462	195	1,606

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

TABLE 11

**HOUSING AUTHORITY OF THE CITY OF YAKIMA  
NUMBER OF YHA DWELLING UNITS  
LAST TEN YEARS  
(UNAUDITED)**

<u>Year Ending</u> December 31,	Farm Labor Units	Housing Choice Vouchers	Emergency Housing Choice Vouchers	VASH	NED	Mainstream	Cosecha Court*	Nueva Primavera**	Mariposa Park	Harmony Park	Glenn Acres	Naches House	YHA Family Housing**	Toppenish Family Housing**	Yakima Veterans**	Fruitvale Housing**	Meadows Annex**	Zillah Gardens	Rainier Vista**	Total
2024	142	1,069	75	113	15	115	20	38	26	24	38	51	150	30	41	54	20	24	40	2,085
2023	142	1,070	75	113	15	115	20	38	26	24	38	51	150	30	41	-	20	24	40	2,032
2022	142	1,055	75	113	15	115	20	38	26	24	38	51	150	30	41	-	-	-	-	1,933
2021	142	1,041	75	93	15	115	20	38	26	24	38	51	150	30	41	-	-	-	-	1,899
2020	142	1,040	-	93	15	65	16	38	26	24	38	51	150	30	-	-	-	-	-	1,728
2019	142	934	-	83	15	-	16	38	26	24	38	51	150	30	-	-	-	-	-	1,547
2018	142	934	-	78	15	-	16	38	26	24	38	51	150	30	-	-	-	-	-	1,542
2017	142	919	-	78	15	-	10	38	26	24	38	51	150	30	-	-	-	-	-	1,521
2016	142	919	-	78	15	-	10	38	26	24	38	51	150	30	-	-	-	-	-	1,521
2015	142	818	-	70	15	-	10	38	26	24	38	51	150	-	-	-	-	-	-	1,382

\* Seasonal Farmworker Housing – 20 units, includes phase 1 and 2

\*\* Including HCV's that are project based

Source: YHA financial statements and audits

TABLE 12

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**NUMBER OF YHA STAFF**  
**LAST TEN YEARS**  
**(UNAUDITED)**

<u>Year Ending</u> <u>December 31.</u>	<u>Administration</u>	<u>Finance</u>	<u>Housing Choice Vouchers</u>	<u>Asset Management</u>	<u>Development</u>	<u>Total</u>
2024	2	6	9	32	1	50
2023	2	6	11	27	3	49
2022	2	6	10	27	3	48
2021	2	6	9	24	2	43
2020	3	5	9	21	2	40
2019	3	4	9	22	3	41
2018	3	5	8	18	3	37
2017	3	5	8	17	1	34
2016	3	5	6	17	-	31
2015	2	4	6	20	-	32

TABLE 13

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**PROPERTY CHARACTERISTICS AND UNIT COMPARISON**  
**YEAR ENDED DECEMBER 31, 2024**  
**(UNAUDITED)**

Name of Development	Address	Number of Units	Year Built or Acquired
Valley Seven (Farm Labor Units):			
Valley Seven (Farm Labor Units)	301-309 South 1st Street	10	1980
Harvest Plaza - Granger	208-212 South 2nd Street	6	1980
Horizon Apartments - Toppenish	712 Washington Avenue	9	1982
	501 and 502 East 1st Avenue	12	1982
	115 and 117 South G Street	2	1982
Linda Vista - Toppenish	1106 Washington Avenue	4	1993
	810 Monroe Avenue	2	1993
	822 Rentschler Avenue	3	1993
	701-709 Guyette	12	1993
	708 Rentschler Avenue	4	1993
	712 Rentschler Avenue	3	1993
	308 West 3rd	2	1993
Valley West - Tieton/Cowiche	16901-16907 Summitview	4	1992
	16941-16947 Summitview	4	1992
	1002-1006 Naches Avenue	3	1992
	400-402 Newland Place	2	1992
	815-817 Franklin	2	1992
	1215/1217 Tieton Avenue	2	1992
	261/263 South Tieton Road	2	1992
	19861-19867 Summitview	4	1992
Pioneer Plaza - Yakima	408-412 East Spruce Street	3	1983
	902-906 East Beech Street	3	1983
	115-1121 Pleasant Avenue	4	1983
	1314-1316 South 12th Avenue	2	1983
	1408-1414 Willow Street	4	1983
	507-509 North 6th Avenue	2	1983
	510/512 Cherry Avenue	2	1983
Sage Court - Toppenish	614 Washington	7	1986
	110 South Beech Street	3	1986
Sunset Terrace - Yakima	417/419/503/505 North 6th Avenue	4	1986
	1004-1010 Buwalda	4	1986
	202 North 9th Street	2	1986
	1707 Pleasant Avenue	2	1986
	1611-1617 South 1st Street	4	1986
	603/305 South 4th Street	2	1986
	1112/1114 South 18th Avenue	2	1986
Total Valley Seven (Farm Labor Units)		142	

**TABLE 13 (CONTINUED)**

**HOUSING AUTHORITY OF THE CITY OF YAKIMA**  
**PROPERTY CHARACTERISTICS AND UNIT COMPARISON (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2024**  
**(UNAUDITED)**

Name of Development	Address	Number of Units	Year Built or Acquired
YHA Family Housing, LLC -			
Yakima, WA:			
Fair Avenue Apartments	110 South Fair Avenue	14	1979
Pacific Apartments	504/508 Pacific	15	1979
Evergreen Apartments	1322 South 18th Avenue	6	1979
Cascade Apartments	615 North 15th Avenue	15	1979
Eastwood Apartments	610 East Arlington Street	10	1979
Spruce Lane Apartments	914 East Spruce Street	20	1980
Edgewood Apartments	621 North 16th Avenue	10	1980
Willow Lane Apartments	1214 Willow Street	10	1980
Sierra Apartments	603 Central Avenue	14	1980
Parkview Apartments	801 Central Avenue	10	1980
9th Street Apartments	1212 South 9th Street	4	1982
Yakima Terrace	1307/1309/1311 A and B South 18th Avenue	6	1987
Nueva Primavera	810 North 6th Avenue	16	1999
Total YHA Family Housing, LLC		150	
Other Housing Developments:			
Toppenish:			
Harmony Park	711 Rentschler Lane	24	1988
Toppenish Family Housing	800 Guyette Lane	30	2016
Yakima:			
Nueva Primavera	1118 Fruitvale Ave and 910 North 6th Ave	38	1999
Mariposa Apartments	314 Cherry Avenue and 918 and 919 Fenton	26	1999
Glenn Acres	15 North 37th Avenue	38	1999
Naches House	314 North Naches avenue	51	2014
Chuck Austin Place	1630 South 16th Avenue	41	2021
Granger:			
Cosecha Court (76 Beds)	416 5th Street	10	2013
Cosecha Court II Phase I (96 Beds)	250 Cherry Hill Road	6	2018
Cosecha Court II Phase II (80 Beds)	250 Cherry Hill Road	4	2021
Meadows Annex	1014 and 1016 South 9th Street	20	2023
Zillah Gardens	704 3rd Avenue	24	2023
Rainier Vista	310 7th Street	40	2023
Total Other Housing Developments		352	
Total Units		644	

Source: YHA's development and deed files