

# **Housing Authority of the City of Yakima**

Yakima, Washington

## **Comprehensive Annual Financial Report**

Fiscal Year Ended

March 31, 2011



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Yakima, Washington

## Comprehensive Annual Financial Report

Fiscal Year Ended

March 31, 2011

Issued by

Finance Department of  
the Housing Authority of the City of Yakima

Stacy Short, CPA, Finance Director

# **Yakima Housing Authority**

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# Housing Authority of the City of Yakima

Yakima, Washington

## ***Introductory Section:***

Letter of Transmittal

Organizational Chart

List of Principal Officials

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



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*"Committed to Safe and Affordable Housing"*

August 31, 2011

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

We are pleased to present the Comprehensive Annual Financial Report (CAFR) for the Housing Authority of the City of Yakima (YHA) for the year ended March 31, 2011. 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 Petersen CPAs & Advisors, PLLC (2011) and the Washington State Auditors' Office (2010). The auditors issued unqualified opinions on YHA's financial statements for the years ended March 31, 2011 and 2010. 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).

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. Based on these standards, the CAFR is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, YHA's organizational chart, and a list of principal officials. The financial section includes the independent auditors' report on the basic financial statements, MD&A, the basic financial statements, notes to the basic financial statements, and the combining financial schedules. The statistical section includes selected financial and demographic information, presented on a multi-year basis.

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. Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-profit Organizations*. 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 OMB Circular A-133; the Schedule of Federal Awards; Schedule of Findings and Questioned Costs; and status of prior year findings are included in the single audit section of this report

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## **Government Overview**

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

The primary source of funding for YHA is the U.S. Department of Housing and Urban Development (HUD). The City is not financially accountable for the operations of YHA, has no responsibility to fund deficits or receive surpluses, and has not guaranteed YHA's debt beyond a housing revenue bond issued in 1998 that had a balance outstanding of \$2,020,000 at March 31, 2011.

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 the Department of Housing and Urban Development 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 Low Rent Housing Program (Public Housing) and the Housing Choice Voucher program, also known as Section 8. In addition, YHA receives funding from the United States Department of Agriculture (USDA) to provide farm labor housing in 147 housing units located 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, most of YHA's operating and capital funding comes from federal dollars in the form of operating subsidies, capital grant funds and Section 8 housing assistance payments. During fiscal year 2011, HUD and other federal agencies provided approximately 70% of YHA's total revenues. For the Section 8 (Housing Choice Voucher) program, HUD provides housing authorities with a fixed annual budget for Housing Assistance Payments (HAP) and for administration fees. For the Public Housing program, housing authorities receive operating subsidies in accordance with an operating subsidy funding formula. In general, the calculated subsidy amount is the difference between an estimate of operating costs minus an estimate of income from rents. Operating subsidies are subject to annual appropriation by Congress.

In fiscal year 2011, YHA, like all housing authorities nationwide, was funded at 103% of eligibility. Federal funding of the affordable housing programs have remained relatively stable during the recent national economic slowdown. The federal fiscal year 2011 began on October 1, 2010. Because Congress failed to pass the necessary full-year appropriation bills to fund federal agencies through September 30, 2011, the federal government has been operating under a series of "continuing resolutions (CR)". After much debates and threats of government shutdown, Congress finally passed the bi-partisan budget deal for 2011 and the President signed the federal fiscal year 2011 budget appropriations into law on April 15, 2011. The 2011 budget deal cuts \$38.5 billion in spending. Funding for the major housing programs that PHAs administer were cut drastically from the 2010 levels. The Section 8 program administration fees are estimated to be funded at 85% of eligibility. Public Housing program's operating subsidies are estimated to be funded below 100% of eligibility. YHA is currently assessing ways to offset the federal funding shortages for fiscal year 2012.

## **Long-Term Planning and Major Commitments and Initiatives**

The Board of Commissioners has reaffirmed YHA's mission to building stronger communities through YHA's commitment to safe and affordable housing. Every effort has been made by YHA to operate more efficiently

*Continued*

and effectively in the coming year by becoming more innovative in its approach to development, maintenance and management of its units.

YHA was able to secure funding for a seventy six bed seasonal farm worker project in Granger, Washington. The total project will cost approximately \$3.5 million with a majority of the funding (approximately \$3.0 million) being funded through the United States Department of Agriculture's Rural Development. The project will begin construction in the spring of 2012 and will be ready to lease in the spring of 2013.

YHA secured twenty-five additional Section 8 vouchers for the Veteran Affairs Supportive Housing (VASH) program, totaling approximately \$120 thousand. With these additional vouchers, YHA now has sixty VASH vouchers for Yakima and Kittitas Counties. In partnership with the Walla Walla Veteran Affairs Medical Facility, each of these vouchers will include a case management component supplied by the Veteran Affairs Office to help sustain each family in permanent housing.

YHA secured fifteen additional Section 8 vouchers for the Non-Elderly Disabled (NED) program, totaling approximately \$72 thousand. Each of these vouchers will include a case management component supplied by the Washington State Department of Social and Health Services "Roads to Community Living" program to help each disabled individual transition out of an institutional setting to permanent housing.

YHA continues to reaffirm its commitment to the homeless of Yakima County by setting aside seventy five of its Section 8 vouchers, or approximately \$360 thousand for HAP payments, to be project based for homeless families. YHA has partnered with local nonprofits, landlords and the Yakima County Homeless Network in providing case management to help families adjust to living in permanent housing.

YHA continues its efforts to provide safe housing to its residents by partnering with the Yakima Police Department and the Community Oriented Policing Services (COPS) program to hire a police officer for its public housing units costing approximately \$185 thousand over the life of the contract. This is the first of a four year contract with YHA helping the City of Yakima purchase a police vehicle dedicated to patrolling its units.

Long-term goals for YHA include rehabilitation of multiple housing sites. YHA is currently pursuing multiple funding sources, including HUD mortgages, tax credit and USDA funding.

### **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. YHA's single audit for the year ended March 31, 2011 found no instances of material weakness in the internal control or significant violations of the applicable laws, regulations, contracts and grants, audit reports regarding this are included in this CAFR in the Single Audit Section.

*Continued*

### **Other Information – Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to YHA for its Comprehensive Annual Financial Report for the year ended March 31, 2010. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

### **Acknowledgments**

Preparation of the Comprehensive Annual Financial Report on a timely basis was accomplished through the dedicated service of the entire staff of the Accounting department under the leadership of Stacy Short, CPA, YHA's Finance Director. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report. Our sincere appreciation is extended to the management and staff of Petersen CPAs & Advisors, PLLC who provided necessary expertise and technical assistance.

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,



Lowel Krueger, CPA, MBA  
Executive Director



Stacy Short, CPA  
Finance Director



# Certificate of Achievement for Excellence in Financial Reporting

Presented to

Housing Authority of the City  
of Yakima, Washington

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
March 31, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

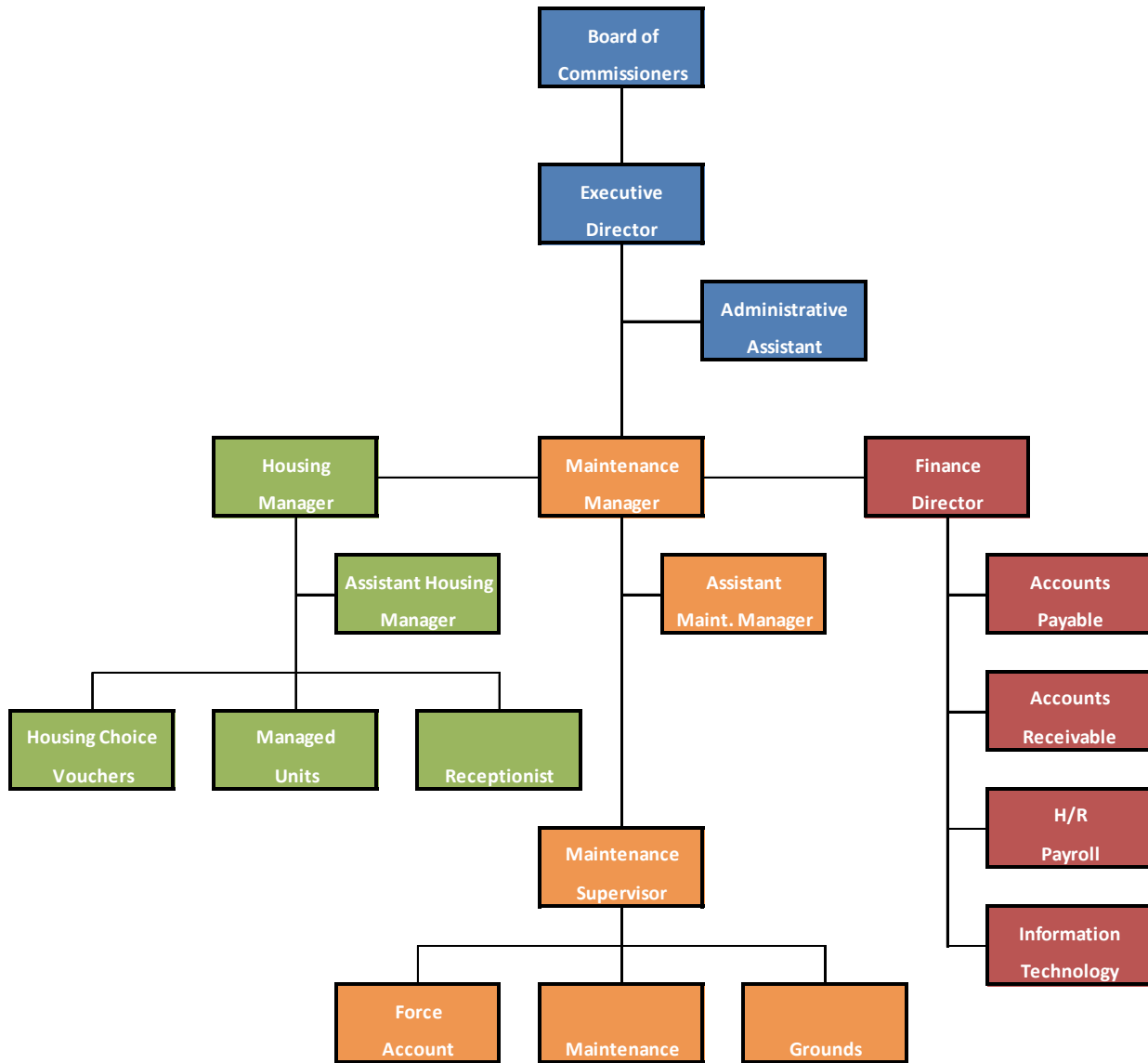
Executive Director

# Yakima Housing Authority

## Organizational Chart

March 31, 2011

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# **Yakima Housing Authority**

## **List of Principal Officials**

**March 31, 2011**

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### ***Board of Commissioners:***

Robert Wardell  
Chairperson

Mamie Purdue  
Vice-Chairperson

Linda Orozco  
Commissioner

Brian Johnson  
Commissioner

Christine Goodwin  
Commissioner

### ***Management:***

Lowel Krueger, CPA, MBA  
Executive Director

Stacy Short, CPA  
Finance Director

Kelly Nielsen  
Housing Manager

August (Ted) Layton  
Maintenance Manager

The background of the entire page is a collage of various housing-related images. It includes a large multi-story apartment building with red and orange accents, a row of single-story houses with white siding and dark roofs, a close-up of a house entrance with a porch and flower boxes, and a wooden sign for 'GLENN ACRES APARTMENTS' in front of a red building. The collage is overlaid with a semi-transparent pink and red water droplet pattern.

# Housing Authority of the City of Yakima

Yakima, Washington

## ***Financial Section:***

Independent Auditors' Report

Management's Discussion and Analysis

Basic Financial Statements

Notes to Basic Financial Statements

Combining Financial Schedules

Notes to Combining Financial Schedules





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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying basic financial statements of the City of Yakima Housing Authority as of and for the year ended March 31, 2011, as listed in the table of contents. These basic financial statements are the responsibility of the Authority's management. Our responsibility is to express opinions on these financial statements based on our audit. The basic financial statements of the City of Yakima Housing Authority as of March 31, 2010, were audited by other auditors whose report dated October 19, 2010, expressed an unqualified opinion on those statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the City of Yakima Housing Authority, as of March 31, 2011, and the changes in financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 31, 2011, on our consideration of the City of Yakima Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10 presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance

on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Yakima Housing Authority's financial statements as a whole. The introductory section, combining financial schedules, statistical section, and HUD required schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The combining financial schedules, schedule of expenditures, and HUD required schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Petersen CPAs + Advisors, PLLC

August 31, 2011

# **Yakima Housing Authority**

## **Management's Discussion and Analysis**

### **March 31, 2011 and 2010**

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This narrative overview and analysis of the Housing Authority of the City of Yakima's (YHA) performance through March 31, 2011 is provided as a supplement to YHA's year-end 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 U.S. generally accepted accounting principles, YHA uses the accrual basis of accounting to prepare its basic financial statements. Under this basis of accounting, revenues are recognized in the period in which they are earned and expenses, including depreciation, are recognized in the period in which they are incurred. All assets and liabilities associated with the operations of YHA are included in the statements of net assets.

#### **FINANCIAL HIGHLIGHTS**

- Total net assets decreased by approximately \$85 thousand (less than 1%) from 2010 to 2011, and decreased by approximately \$51 thousand (less than 1%) from 2009 to 2010. This is a result of expenses exceeding revenues by this amount.
- The assets of YHA exceeded liabilities at March 31, 2011 by approximately \$13.9 million (net assets). Of this amount, approximately \$420 thousand (unrestricted net assets) may be used to meet ongoing obligations, \$11.6 million is invested in capital assets, net of related debt, and \$1.9 million is restricted as to its allowable usage. At March 31, 2010 the assets of YHA exceeded liabilities by approximately \$14 million (net assets). Of this amount, approximately \$585 thousand (unrestricted net assets) may be used to meet ongoing obligations, \$11.9 million is invested in capital assets, net of related debt, and \$1.5 million is restricted to its allowable usage.
- Current and noncurrent liabilities decreased by approximately \$86 thousand (1%) from the prior year in 2011 and increased by approximately \$85 thousand (1%) from the prior year in 2010. The changes are due to fluctuations in the timing of due dates and subsequent payments of liabilities.
- Operating revenues increased by approximately \$157 thousand (3%) in comparison to prior year primarily due to increases in occupancy rates.
- Nonoperating revenues, net of nonoperating expenses, increased approximately \$241 thousand (26%). This increase is primarily due to USDA rental assistance increases, as a result of increased occupancy of this program, as well as increases in Housing Assistance Payments (HAP) from the Department of Housing and Urban Development (HUD)

#### **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.

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*Continued*

# Yakima Housing Authority

## Management's Discussion and Analysis

### March 31, 2011 and 2010

The **Balance Sheets** present information on YHA's assets and liabilities with the difference between the two reported as net assets. Assets and liabilities are presented in the order of liquidity and are classified as "current" (convertible to cash within one year) and "noncurrent". Over time, increases or decreases in net assets may serve as useful indicators as to whether YHA's financial health is improving or deteriorating.

The **Statements of Revenue, Expenses, and Changes in Net Assets** present information showing how YHA's net assets changed during the year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported for some items that will only result in cash flows in future years.

The **Statements of Cash Flows** report how YHA's cash and cash equivalents were used in and provided by its operating, noncapital financing, capital and related financing, and investing activities during the periods reported. The net of these activities is added to the beginning year cash balance to reconcile to the cash and cash equivalents balances at March 31, 2011 and 2010. YHA uses the direct method of presenting cash flows, which includes a reconciliation of operating activities to operating income. These statements provide answers to such questions as where did cash come from, how was cash used, and what was the change in the cash balance during the year.

**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.

## FINANCIAL ANALYSIS

### Net Assets

The following table represents the condensed Balance Sheet compared to the prior year:

	March 31, 2011	March 31, 2010	March 31, 2009
Current assets, unrestricted	\$ 924,071	\$ 1,252,209	\$ 939,403
Other current assets, restricted	1,977,312	1,375,958	1,355,687
Notes receivable	4,164	-	-
Capital assets, net	17,883,896	18,327,660	18,626,690
Total assets	<u>\$ 20,789,443</u>	<u>\$ 20,955,827</u>	<u>\$ 20,921,780</u>
Current and other liabilities	\$ 434,358	\$ 368,916	\$ 324,733
Current liabilities payable from restricted assets	294,344	274,368	91,902
Long-term liabilities	6,138,500	6,309,875	6,451,961
Total liabilities	<u>6,867,202</u>	<u>6,953,159</u>	<u>6,868,596</u>
Net assets			
Invested in capital assets, net of related debt	11,594,426	11,898,084	12,054,435
Restricted	1,903,860	1,519,605	1,286,617
Unrestricted	419,791	584,979	712,132
Total net assets	<u>13,918,077</u>	<u>14,002,668</u>	<u>14,053,184</u>
Total liabilities and net assets	<u>\$ 20,785,279</u>	<u>\$ 20,955,827</u>	<u>\$ 20,921,780</u>

Total assets of YHA at March 31, 2011 and 2010 amounted to \$20,785,279 and \$20,955,827, respectively.

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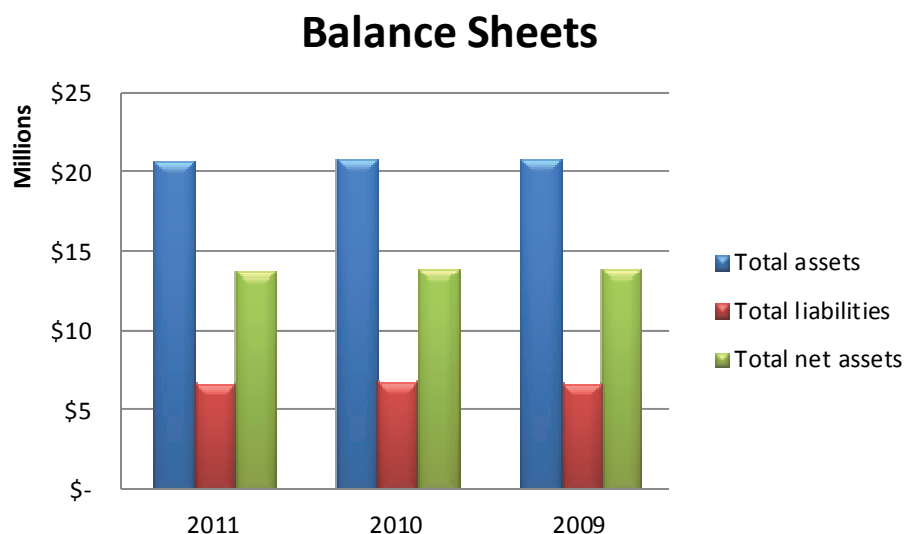
# **Yakima Housing Authority**

## **Management's Discussion and Analysis**

### **March 31, 2011 and 2010**

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The following presents the Balance Sheets in graphical form:



Unrestricted current assets are comprised of cash and cash equivalents, receivables, investments, prepaid items and inventories. Unrestricted current assets are approximately 28% lower at March 31, 2011 than March 31, 2010, which represents a decrease of approximately \$328 thousand. This decrease in current assets corresponds with the decrease in cash of approximately \$139 thousand.

In 2010 unrestricted current assets increased by approximately \$313 thousand, a 34% increase, which was substantially attributed to the improvements in operating results.

Restricted current assets are comprised of cash and investments that are restricted for repayment of security deposits and other contractual obligations related to federal funding that was unspent at the end of the year. In 2011, restricted current assets increased by approximately 44% or \$601 thousand. This increase related to increased HAP reserves. There was minimal change from 2009 to 2010.

Capital assets include land, buildings, furniture, equipment and machinery, and construction in progress and are shown net of accumulated depreciation. Capital assets decreased by approximately 2% in both years, approximately \$444 and \$299 thousand, in 2011 and 2010, respectively. The decreases are attributed to various additions and improvements, offset by approximately \$900 thousand of depreciation in each year.

Total liabilities of YHA, which are segregated between current and noncurrent portions, amounted to \$6,867,202 and \$6,953,159 at March 31, 2011 and 2010, respectively.

Current liabilities consist of accounts payable, accrued wages and payroll taxes, compensated absences, accrued interest, deferred revenue and current portion of notes payable. Current liabilities increased by 18% from 2010 to 2011, a change of approximately \$65 thousand. Current liabilities increased approximately \$44 thousand from 2009 to 2010, a 14% increase. The fluctuations are primarily a result of the timing of payments to vendors.

Current liabilities payable from restricted assets primarily consist of tenant security deposits and restricted, unspent funds from the federal government. These liabilities reflected an increase from 2010 to 2011 of approximately \$20 thousand and \$182 thousand from 2009 to 2010. The increase in both years is attributed to the timing of the receipt and subsequent disbursement of federal funds. In addition, during 2010 there was a significant increase in unspent funds for HAP payments.

*Continued*

# Yakima Housing Authority

## Management's Discussion and Analysis

### March 31, 2011 and 2010

Long-term liabilities consist of notes payable and the long-term portion of compensated absences. Decreases in long-term liabilities were approximately \$171 thousand and \$142 thousand from 2010 to 2011, and 2009 to 2010, respectively, and are attributed to repayments of long-term debt.

Net assets represent the equity of YHA after liabilities are subtracted from assets. Net assets are divided into three major categories. The first category, invested in capital assets, net of related debt, shows YHA's equity in land, buildings, furniture, equipment and machinery, and construction in progress, net of related outstanding debt. The second category, restricted net assets, has external limitations on the way in which these assets can be used. The last category, unrestricted net assets, is available to be used for any lawful and prudent YHA purpose.

Total net assets of YHA decreased by approximately \$85 thousand from 2010 to 2011 and by approximately \$50 thousand from 2009 to 2010.

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 March 31, 2011 and 2010, YHA's current ratios were 4.0:1 and 4.1:1, respectively.

#### **Revenue, Expenses and Changes in Net Assets**

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

	<u>March 31, 2011</u>	<u>March 31, 2010</u>	<u>March 31, 2009</u>
Revenue:			
Intergovernmental revenue - Operating	\$ 3,282,252	\$ 3,268,206	\$ 2,374,716
Tenant and other	1,669,260	1,526,359	1,350,415
Intergovernmental revenue - Nonoperating	1,251,035	1,096,923	872,089
Investment revenue	3,322	8,641	17,431
Gain (loss) on sale of capital assets	81,375	(1,387)	9,292
Capital grants and contributions	247,100	363,484	198,282
Total revenue	<u>6,534,344</u>	<u>6,262,226</u>	<u>4,822,225</u>
Expenses:			
Administration	1,249,031	1,102,357	982,928
Utilities	401,144	391,885	390,490
Ordinary maintenance and operation	1,155,248	958,737	815,891
General expenses	127,472	81,063	168,637
Payments in lieu of taxes	9,088	9,054	9,054
Housing assistance payments	2,592,785	2,691,392	2,785,701
Depreciation	920,762	905,727	902,067
Interest expense	163,405	172,527	178,340
Total expenses	<u>6,618,935</u>	<u>6,312,742</u>	<u>6,233,108</u>
Decrease in net assets	(84,591)	(50,516)	(1,410,883)
Net assets, beginning of year	<u>14,002,668</u>	<u>14,053,184</u>	<u>15,464,067</u>
Net assets end of year	<u>\$ 13,918,077</u>	<u>\$ 14,002,668</u>	<u>\$ 14,053,184</u>

*Continued*

# Yakima Housing Authority

## Management's Discussion and Analysis

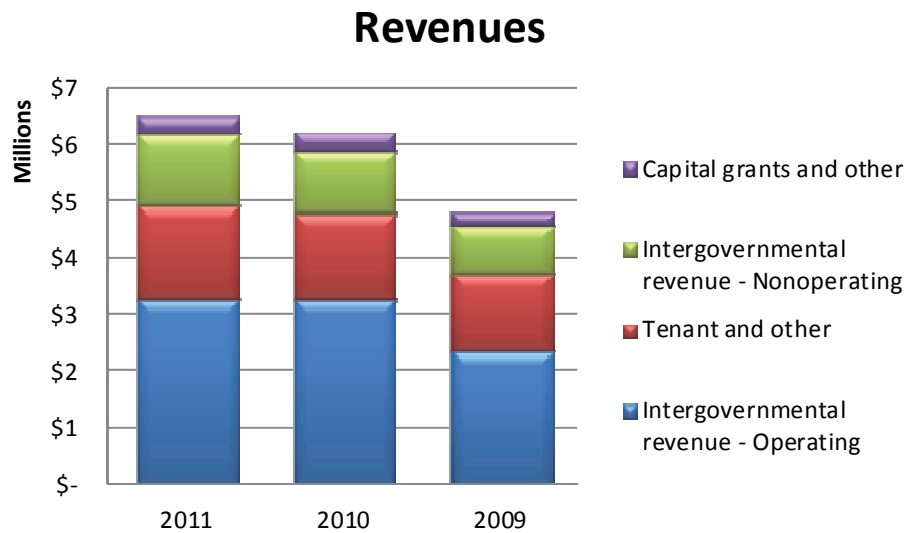
### March 31, 2011 and 2010

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Revenues increased by 4% in 2011, due to a slight increases in both intergovernmental and tenant revenues, with an increase in revenues of 30% from 2009 to 2010, which was mainly attributed to improved occupancy rates, as well as an increase in intergovernmental revenues.

Capital grants and contributions decreased by approximately 32% or \$116 thousand and increased by 83% or \$165 thousand in 2011 compared to 2010, and 2010 compared to 2009, respectively. The changes are attributed to the Recovery Act grants restricted for capital improvements.

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



Total expenses increased by 5% and 1% from 2010 to 2011, and from 2009 to 2010, respectively.

Administrative expenses increased by approximately 13 % and 12% (approximately \$147 and \$119 thousand) in 2011 and 2010, respectively. There was no significant change in utilities in 2011 compared to 2010, and 2010 compared to 2009. Ordinary maintenance and operation expenses increased by approximately 21% and increased by 18% (approximately \$197 and \$143 thousand) in 2011 compared to 2010, and 2010 compared to 2009, respectively. These changes were attributed to increased maintenance costs, as well as overall increases in costs of doing business. Housing assistance payments decreased by approximately 4% (approximately \$99 thousand) and 3% (approximately \$94 thousand) in 2011 compared to 2010, and 2010 compared to 2009, respectively.

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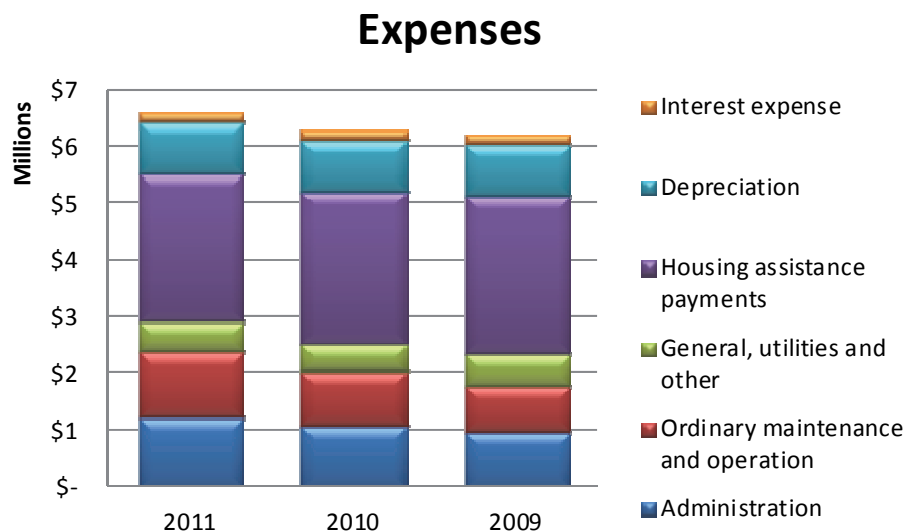
*Continued*

# Yakima Housing Authority

## Management's Discussion and Analysis

### March 31, 2011 and 2010

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



#### Capital Assets and Debt Administration

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

	March 31, 2011	March 31, 2010	March 31, 2009
Land	\$ 2,306,887	\$ 2,306,887	\$ 2,306,887
Buildings	28,871,227	28,617,662	28,541,722
Furniture, equipment & machinery - dwellings	554,677	544,547	504,232
Furniture, equipment & machinery - administration	419,545	588,280	638,522
Construction in progress	557,431	529,854	166,804
Total capital assets	32,709,767	32,587,230	32,158,167
Less accumulated depreciation	(14,830,035)	(14,259,570)	(13,531,477)
Net capital assets	<u>\$ 17,879,732</u>	<u>\$ 18,327,660</u>	<u>\$ 18,626,690</u>

Capital assets increased by approximately \$123 thousand from 2010 to 2011, and \$429 thousand from 2009 to 2010. Capital assets purchased in 2011 and 2010 included siding, cabinetry, flooring, patios, fences, appliances, vehicles and playground equipment. In both 2011 and 2010 approximately \$900 thousand of depreciation expense was recognized, resulting in a decrease in net capital assets of approximately 2%, or approximately \$444 thousand and \$299 thousand, respectively.

Additional information on YHA's capital assets can be found in Note 5 to the basic financial statements.

*Continued*



# Yakima Housing Authority

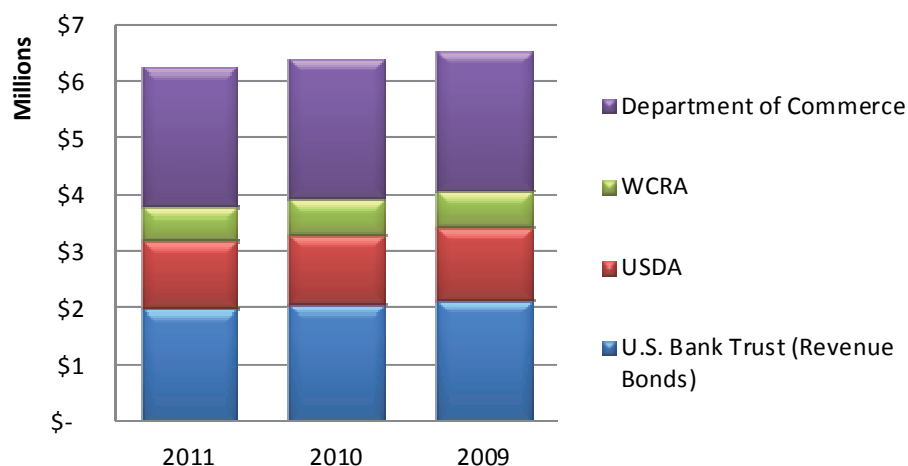
## Management's Discussion and Analysis

### March 31, 2011 and 2010

YHA's outstanding long-term debt is summarized in the table and graph below:

	<u>March 31, 2011</u>	<u>March 31, 2010</u>	<u>March 31, 2009</u>
<b>Revenue Bonds:</b>			
U.S. Bank Trust - Nueva Primavera	\$ 2,020,000	\$ 2,085,000	\$ 2,150,000
<b>Real Estate Mortgages:</b>			
U.S. Department of Agriculture - Valley Seven	1,193,430	1,250,356	1,306,714
Washington Community Reinvestment Associates - Glenn Acres	612,920	629,265	644,584
Department of Commerce - Glenn Acres	543,100	545,100	547,100
Department of Commerce - Nueva Primavera	1,000,000	1,000,000	1,000,000
Department of Commerce - Mariposa Park	915,856	919,856	923,856
	<u>\$ 6,285,306</u>	<u>\$ 6,429,577</u>	<u>\$ 6,572,254</u>

## Long-term Debt



All debt service payments were made in 2011 and 2010 as scheduled. Additional information on YHA's long-term debt can be found in note 6 to the basic financial statements.

## ECONOMIC FACTORS AFFECTING YHA'S FUTURE

The majority of YHA's funding is from federal agencies in the form of operating subsidies, capital fund grants, Housing Choice Vouchers, and other various grants. Housing authorities across the country continue to be impacted by continued decline in federal support for housing. HUD funded 2011 Low Rent operating subsidies at 103% of eligibility. HUD has not yet established the percentage of eligibility for the 2012 Low Rent operating subsidies. Based on HUD's funding letters and contracts, 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 690 families.

*Continued*

# **Yakima Housing Authority**

## **Management's Discussion and Analysis**

### **March 31, 2011 and 2010**

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On February 17, 2009, President Obama signed the American Recovery and Reinvestments Act of 2009 (the Recovery Act), which includes a \$4 billion appropriation of Capital Funds for public housing agencies. The Recovery Act requires that \$3 billion of these funds be distributed as formula funds and the remaining \$1 billion be distributed through a competitive process. YHA received approximately \$328 thousand for capital expenditures, which was utilized in 2010 and 2011.

#### **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 should be addressed to:

Lowel Krueger, CPA, MBA  
Executive Director

Stacy Short, CPA  
Finance Director

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810 N. 6<sup>th</sup> Avenue  
Yakima, WA 98902

*Website:*  
[www.yakimahousing.org](http://www.yakimahousing.org)

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*Continued*

# Yakima Housing Authority

## Balance Sheets

	March 31,	
	2011	2010
<b>Assets</b>		
<i>Current Assets:</i>		
Cash - unrestricted	\$ 539,680	\$ 678,651
Receivables	119,592	131,771
Investments - unrestricted	92,188	312,728
Prepaid expenses and other assets	50,539	44,166
Inventories	122,072	84,893
	<u>924,071</u>	<u>1,252,209</u>
<i>Restricted Assets:</i>		
Cash - other restricted	174,171	156,065
Cash - tenant security deposits	73,452	73,070
Investments - restricted	1,729,689	1,146,823
	<u>1,977,312</u>	<u>1,375,958</u>
Total current assets	<u>2,901,383</u>	<u>2,628,167</u>
<i>Noncurrent Assets:</i>		
Notes receivable	4,164	-
<i>Capital assets:</i>		
Land	2,306,887	2,306,887
Buildings	28,871,227	28,617,662
Furniture, equipment & machinery - dwellings	554,677	544,547
Furniture, equipment & machinery - administration	419,545	588,280
Accumulated depreciation	(14,830,035)	(14,259,570)
Construction in progress	557,431	529,854
Total noncurrent assets	<u>17,883,896</u>	<u>18,327,660</u>
Total assets	<u>\$ 20,785,279</u>	<u>\$ 20,955,827</u>

See accompanying notes to financial statements

# Yakima Housing Authority

## Balance Sheets

	March 31,	
	2011	2010
<b>Liabilities and Net Assets</b>		
<i>Current Liabilities:</i>		
Accounts payable less than 90 days	\$ 48,230	\$ 53,054
Accrued wages and payroll taxes payable	111,768	77,389
Accrued compensated absences - current portion	46,442	14,463
Accrued interest payable	54,111	54,159
Deferred revenue	25,869	25,580
Current portion of long term debt - capital projects mortgage revenue bonds	147,938	144,271
	<u>434,358</u>	<u>368,916</u>
<i>Payables from Restricted Assets</i>		
Accounts payable - other government	220,919	201,298
Tenant security deposits	73,425	73,070
	<u>294,344</u>	<u>274,368</u>
Total current liabilities	<u>728,702</u>	<u>643,284</u>
<i>Noncurrent Liabilities:</i>		
Long-term debt, net of current - capital projects mortgage revenue bonds	6,137,368	6,285,306
Accrued compensated absences, net of current	1,132	24,569
Total noncurrent liabilities	<u>6,138,500</u>	<u>6,309,875</u>
Total liabilities	<u>6,867,202</u>	<u>6,953,159</u>
<i>Net Assets:</i>		
Invested in capital assets, net of related debt	11,594,426	11,898,084
Restricted for:		
Housing Assistance Payments	782,731	955,857
Future capital improvements	1,121,129	563,748
Unrestricted net assets	419,791	584,979
Total net assets	<u>13,918,077</u>	<u>14,002,668</u>
Total liabilities and fund balances	<u>\$ 20,785,279</u>	<u>\$ 20,955,827</u>

Continued



# Yakima Housing Authority

## Statements of Revenue, Expenses and Changes in Net Assets

	Year ended March 31,	
	2011	2010
<i>Operating Revenue:</i>		
Intergovernmental revenue	\$ 3,282,252	\$ 3,268,206
Net tenant rental revenue	1,538,154	1,397,600
Other revenue	43,620	35,600
Other tenant revenue	87,486	93,159
Total operating revenue	<u>4,951,512</u>	<u>4,794,565</u>
<i>Operating Expenses:</i>		
Administrative:		
Administrative wages	733,331	647,929
Auditing fees	32,133	36,724
Employee benefit contributions	292,902	237,678
Other operating - administrative	179,583	164,960
Tenant services	11,082	15,066
	<u>1,249,031</u>	<u>1,102,357</u>
Utilities:		
Electricity	54,528	52,560
Other utilities expense	15,076	15,685
Sewer	183,711	174,273
Water	147,829	149,367
	<u>401,144</u>	<u>391,885</u>
Ordinary maintenance and operations:		
Contract costs	332,590	270,498
Employee benefit contributions	194,139	151,445
Maintenance and operations wages	477,176	408,277
Materials and other	151,343	128,517
	<u>1,155,248</u>	<u>958,737</u>
General expenses:		
Depreciation expense	920,762	905,727
Housing assistance payments	2,592,785	2,691,392
Insurance premiums	56,278	55,725
Other general expenses	28,585	22,339
Payments in lieu of taxes	9,088	9,054
Protective services contract costs	42,609	2,999
	<u>3,650,107</u>	<u>3,687,236</u>
Total operating expenses	<u>6,455,530</u>	<u>6,140,215</u>
<i>Operating Loss</i>	\$ (1,504,018)	\$ (1,345,650)

See accompanying notes to financial statements

# Yakima Housing Authority

## Statements of Revenue, Expenses and Changes in Net Assets

	2011	2010
<i>Operating Loss</i>	<u>\$ (1,504,018)</u>	<u>\$ (1,345,650)</u>
<i>Nonoperating Revenue (Expenses):</i>		
Gain (loss) on the sale of capital assets	81,375	(1,387)
Intergovernmental revenue	1,251,035	1,096,923
Interest expense	(163,405)	(172,527)
Investment revenue - restricted	2,744	7,481
Investment revenue - unrestricted	578	1,160
Total nonoperating revenue (expenses)	<u>1,172,327</u>	<u>931,650</u>
<i>Income (Loss) Before Other Revenues, Expenses, Gains, Losses, and Transfers</i>	(331,691)	(414,000)
Capital grants	<u>247,100</u>	<u>363,484</u>
<i>Total Change in Net Assets</i>	(84,591)	(50,516)
<i>Net Assets, Beginning of Year</i>	14,002,668	14,053,184
<i>Net Assets, End of Year</i>	<u>\$13,918,077</u>	<u>\$14,002,668</u>

*Continued*

# Yakima Housing Authority

## Statements of Cash Flows

	Year ended March 31,	
	2011	2010
<b><i>Increase (Decrease) in Cash and Cash Equivalents</i></b>		
<b><i>Cash Flows from Operating Activities:</i></b>		
Receipts from tenants and others	\$ 1,677,275	\$ 1,610,308
Payments to employees	(1,210,507)	(1,056,206)
Housing assistance payments	3,282,252	3,268,206
Payments to vendors and suppliers	(4,329,361)	(4,225,062)
Net cash used in operating activities	(580,341)	(402,754)
<b><i>Cash Flows from Noncapital Financing Activities:</i></b>		
Intergovernmental grants and contracts	1,270,945	1,283,685
Net cash provided by noncapital financing activities	1,270,945	1,283,685
<b><i>Cash Flows from Capital and Related Financing Activities:</i></b>		
Purchase of capital assets	(417,417)	(586,220)
Principal payments on long-term debt	(144,271)	(142,677)
Interest paid	(163,453)	(163,619)
Proceeds from sale of capital assets	25,958	2
Capital grants received	247,100	363,484
Net cash used in investing activities	(452,083)	(529,030)
<b><i>Cash Flows from Investing Activities:</i></b>		
Interest received	3,322	8,641
Net cash provided by investing activities	3,322	8,641
<b><i>Net Increase (Decrease) in Cash and Cash Equivalents</i></b>	241,843	360,542
<b><i>Cash and Cash Equivalents, Beginning of Year</i></b>	2,367,337	2,006,795
<b><i>Cash and Cash Equivalents, End of Year</i></b>	<u>\$ 2,609,180</u>	<u>\$ 2,367,337</u>
<b><i>Cash and Cash Equivalents consist of:</i></b>		
Cash - unrestricted	539,680	678,651
Cash - restricted	174,171	156,065
Tenant security deposits	73,452	73,070
Investments - unrestricted	92,188	312,728
Investments - restricted	1,729,689	1,146,823
	<u>\$ 2,609,180</u>	<u>\$ 2,367,337</u>

See accompanying notes to financial statements

# Yakima Housing Authority

## Statements of Cash Flows

	Year ended March 31,	
	2011	2010
<i>Reconciliation of Net Loss to Net Cash from Operating Activities:</i>		
Net operating loss	<u>\$ (1,504,018)</u>	<u>\$ (1,345,650)</u>
<i>Adjustments to Reconcile Net Loss to Net Cash used in Operating Activities:</i>		
Depreciation	920,762	905,727
Contributed capital assets	-	(21,866)
Increase (decrease) in cash due to changes in assets and liabilities:		
Receivables	8,015	36,330
Prepaid expenses	(6,373)	(1,515)
Inventories	(37,179)	(7,350)
Accounts payable	(4,824)	(13,105)
Accrued wages and taxes payable	34,379	35,679
Compensated absences	8,542	4,997
Tenant security deposits	355	3,999
Net adjustments	<u>923,677</u>	<u>942,896</u>
<i>Net Cash from Operating Activities</i>	<u><u>\$ (580,341)</u></u>	<u><u>\$ (402,754)</u></u>

### *Schedule of Noncash Investing and Financing Activities:*

During the year ended March 31, 2010, \$21,866 of appliances were donated to YHA and recorded in capital assets.

During the year ended March 31, 2011, \$274,046 of assets with \$259,257 of accumulated depreciation were purchased in the state/local fund from the HUD fund for \$95,170, with a gain on sale of \$80,381. The balance was unpaid as of March 31, 2011.

During the year ended March 31, 2011, \$116,004 of assets with accumulated depreciation of \$91,040 were sold or scrapped for a net gain of \$994.

*Continued*

# **Yakima Housing Authority**

## **Notes to Basic Financial Statements**

### **March 31, 2011 and 2010**

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#### **NOTE 1 — ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:**

##### *Organization:*

Yakima Housing Authority of the City of Yakima (YHA) is a corporate body created by Resolution No. D-1575 in 1977 by the City of Yakima. The City of Yakima created YHA per Washington State Revised Code Chapter 35.82. YHA was created to provide safe, decent, and sanitary housing for low- and moderate-income residents of the City of Yakima, Washington. YHA administers multiple U.S. Department of Housing and Urban Development (HUD) programs, the funding from which consists of approximately 60% 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 of Yakima.

YHA is the general partner of Mariposa Park Limited Partnership (the Partnership). As general partner, YHA controls the day-to-day operations of the Partnership. Under Governmental Accounting Standards Board (GASB) Statement No. 14, the partnership is a component unit, due to YHA's ability to control the operations and impose its will on the partnership, and there is a financial benefit/burden relationship. The 26-unit Mariposa Park Limited Partnership qualified for an allocation of low-income housing credits pursuant to Internal Revenue Code Section 42 (Section 42) that regulates the use of the project as to occupant eligibility and unit gross rent, among other requirements. Each building of the project 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 Partnership, 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 Partnership. The partnership is on a calendar year end, as a result, their December 31, 2010 and 2009 statements are included in these statements, which results in a variety of timing differences between the Partnership and YHA. Due to the Partnership being legally separate from the Housing Authority, eliminations in the accompanying statements are limited to the balance of related-party receivables and payables, and the management fee income and related expense.

Income, losses, and tax credits from operations are allocated 99.99% to the Limited Partner and .01% to the General Partner.

##### *Basis of Accounting:*

The accounts of YHA are reported as an 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 when incurred.

All assets and liabilities associated with the operations of YHA are included on the balance sheets. It is YHA's policy to utilize the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. YHA has elected not to follow subsequent private-sector guidance issued after November 30, 1989.

##### *Summary of Significant Accounting Policies:*

The basic financial statements of YHA have been prepared in conformity with GAAP. Following is a summary of the more significant accounting policies of YHA.

*Budgeting-* The Housing Authority follows the 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.

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*Continued*



# Yakima Housing Authority

## Notes to Basic Financial Statements

### March 31, 2011 and 2010

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#### **NOTE 1 — ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):**

*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 the Housing Authority. In addition, YHA is required to maintain a reserve related to the mortgage on Nueva Primavera, the funds held in this reserve are classified as restricted. Restricted funds also include required reserves and funds received in advance that are restricted for a specific or future purpose. YHA currently has restricted funds from both the U.S. Department of Agriculture (USDA) and HUD, as well as reserve requirements for Mariposa Park Limited Partnership. USDA has established a reserve for YHA capital improvements, which can only be utilized upon USDA approval. In addition, HAP funds are restricted for payments to landlords on behalf of the program recipients. Any additional deferred grant revenues that have been advanced to YHA, but not yet expended are classified as restricted. Mariposa Park Limited Partnership restricted funds related to financing and investor required reserves.

*Inventories* — Inventories consist of expendable supplies held for consumption and are valued at actual cost.

*Capital Assets* — Capital assets are stated at historical cost. Outlays for capital assets and improvements in excess of \$5,000 are capitalized. Maintenance and repairs are charged to operations as incurred. Replacements that improve or extend the lives of property are capitalized. Donated assets are valued at their fair market 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 March 31, 2011 or 2010.

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	20 - 40 years
Furniture/equipment	3 years
Vehicles	5 years

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

*Accrued Compensated Absences* — The Housing Authority recognizes an expense for all earned but unused vacation leave. Employees earn between 96 and 176 hours of vacation pay a year, depending on the individual employee's years of employment. Unused vacation pay may be "banked" up to a maximum of 160 hours, any unused vacation in excess of this amount is forfeited. Accrued but unused vacation is payable upon resignation, retirement or death. Sick leave may be carried over from year to year, however accrued but unused sick leave will not be cashed out under any circumstances.

*Continued*

# Yakima Housing Authority

## Notes to Basic Financial Statements

### March 31, 2011 and 2010

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#### **NOTE 1 — ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):**

*Revenue and expenses* — YHA's statements of revenue, expenses, and changes in net assets 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. 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 August 31, 2011, which is the date the financial statements were available to be issued. No events occurred that required further disclosure.

*Tax status* — YHA, as a governmental entity, is not subject to federal or state income taxes. Mariposa Park Limited Partnership, as partnership, does not report taxable income or losses; rather it is allocated to the respective partners in accordance with their respective percentage ownership. Management of the partnership has evaluated the Partnership's tax positions and concluded that there are no uncertain tax positions that require adjustment to the financial statements to comply with the provisions of FASB ASC 740-10, regarding the reporting of uncertainty in income taxes. With few exceptions, the Partnership is no longer subject to income tax examinations by the U.S. federal, state or local tax authorities for years before 2007.

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

*Reclassifications* — Certain reclassifications of 2010 amounts have been made in the accompanying financial statements in order to conform with the 2011 presentation with no effect on previously reported change in net assets.

#### **NOTE 2 — DEPOSITS:**

Deposits, including those in restricted assets, are defined as cash or cash equivalents on deposit with financial institutions. At March 31, 2011, the carrying amount of YHA's deposits was \$787,153 and the bank balance was \$812,351. At March 31, 2010, the carrying amount of YHA's deposits was \$907,636 and the bank balance was \$882,756. The bank deposits are held with financial institutions and are entirely insured or uninsured and collateralized.

Cash and cash equivalents consist of the following at March 31:

	2011	2010
Cash and cash equivalents - unrestricted	\$ 539,680	\$ 678,651
Cash and cash equivalents - current restricted	247,623	229,135
Total cash and cash equivalents	787,303	907,786
Less: cash on hand	(150)	(150)
Total deposits	<u>\$ 787,153</u>	<u>\$ 907,636</u>

*Continued*

# Yakima Housing Authority

## Notes to Basic Financial Statements

### March 31, 2011 and 2010

#### NOTE 3 — INVESTMENTS:

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

Investments held by YHA are as follows at March 31:

	2011	2010
Money market account	\$ 1,821,877	\$ 1,459,551

**Custodial Credit Risk** – Custodial credit risk is the risk that in the event of bank failure, YHA's deposits may not be returned. YHA follows HUD policies, which requires collateral for all deposits not covered by federal depository insurance. At March 31, 2011, none of YHA's deposits and investments were exposed to custodial credit risk.

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

Credit risk of investments is the risk that the issuer or other counterparty will not meet its obligations. This credit risk is measured by the credit quality rating of investments in debt securities as rated by a nationally recognized rating agency.

The following table summarizes the credit quality and credit risk as a percentage of total investments:

		2011	2010
Money market account	Aaa	100%	100%

**Concentration of Interest Rate Risk** – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. 100% of YHA's investments have a maturity of less than one year.

#### NOTE 4 — RECEIVABLES:

Receivables at March 31 consist of the following:

	2011	2010
Tenants	\$ 52,934	\$ 36,648
Intergovernmental	52,354	84,215
Other	17,515	14,118
Total receivables	122,803	134,981
Less: Allowance for doubtful accounts	(3,211)	(3,210)
	<u>\$ 119,592</u>	<u>\$ 131,771</u>

Continued

**Yakima Housing Authority**  
**Notes to Basic Financial Statements**  
**March 31, 2011 and 2010**

**NOTE 5 — CAPITAL ASSETS:**

Changes in capital assets during the years ended March 31, 2011 and 2010 are shown below:

	April 1, 2010	Additions	Transfer/ retirements	March 31, 2011
Capital assets not depreciated:				
Land	\$ 2,306,887	\$ -	\$ -	\$ 2,306,887
Construction in progress	529,854	247,100	(219,523)	557,431
Total capital assets not depreciated	2,836,741	247,100	(219,523)	2,864,318
Capital assets being depreciated:				
Buildings	28,617,662	306,574	(53,010)	28,871,226
Furniture and Equipment	1,132,827	178,434	(337,039)	974,222
Total capital assets being depreciated	29,750,489	485,008	(390,049)	29,845,448
Accumulated depreciation:				
Buildings	13,259,253	849,638	-	14,108,891
Furniture and Equipment	1,000,317	71,124	(350,297)	721,144
Total accumulated depreciation	14,259,570	920,762	(350,297)	14,830,035
Total capital assets	\$ 18,327,660	\$ (188,654)	\$ (259,275)	\$ 17,879,731

	April 1, 2009	Additions	Transfer/ retirements	March 31, 2010
Capital assets not depreciated:				
Land	\$ 2,306,887	\$ -	\$ -	\$ 2,306,887
Construction in progress	166,804	363,050	-	529,854
Total capital assets not depreciated	2,473,691	363,050	-	2,836,741
Capital assets being depreciated:				
Buildings	28,541,722	197,667	(121,727)	28,617,662
Furniture and Equipment	1,142,754	47,369	(57,296)	1,132,827
Total capital assets being depreciated	29,684,476	245,036	(179,023)	29,750,489
Accumulated depreciation				
Buildings	12,411,552	847,701	-	13,259,253
Furniture and Equipment	1,119,925	58,026	(177,634)	1,000,317
Total accumulated depreciation	13,531,477	905,727	(177,634)	14,259,570
Total capital assets	\$ 18,626,690	\$ (297,641)	\$ (1,389)	\$ 18,327,660

*Continued*

**Yakima Housing Authority**  
**Notes to Basic Financial Statements**  
**March 31, 2011 and 2010**

**NOTE 6 — LONG-TERM DEBT:**

A summary of changes in YHA's long-term debt for the years ended March 31, 2011 and 2010 is as follows:

	Balance at April 1, 2010	Additions	Reductions	Balance at March 31, 2011	Due Within One Year
Revenue Bonds:					
U.S. Bank Trust	\$ 2,085,000	\$ -	\$ (65,000)	\$ 2,020,000	\$ 70,000
Real Estate Mortgages:					
United States Dept. of Agriculture Washington Community Reinvestment Associates	1,250,356	-	(56,926)	1,193,430	56,498
Department of Community Trade and Economic Development:	629,265	-	(16,345)	612,920	15,440
Glenn Acres	545,100	-	(2,000)	543,100	2,000
Nueva Primavera	1,000,000	-	-	1,000,000	-
Mariposa Park	919,856	-	(4,000)	915,856	4,000
Total long-term debt	<u>\$ 6,429,577</u>	<u>\$ -</u>	<u>\$ (144,271)</u>	<u>\$ 6,285,306</u>	<u>\$ 147,938</u>

	Balance at April 1, 2009	Additions	Reductions	Balance at March 31, 2010	Due Within One Year
Revenue Bonds:					
U.S. Bank Trust	\$ 2,150,000	\$ -	\$ (65,000)	\$ 2,085,000	\$ 65,000
Real Estate Mortgages:					
United States Dept. of Agriculture Washington Community Reinvestment Associates	1,306,714	-	(56,358)	1,250,356	56,926
Department of Community Trade and Economic Development:	644,584	-	(15,319)	629,265	16,345
Glenn Acres	547,100	-	(2,000)	545,100	2,000
Nueva Primavera	1,000,000	-	-	1,000,000	-
Mariposa Park	923,856	-	(4,000)	919,856	4,000
Total long-term debt	<u>\$ 6,572,254</u>	<u>\$ -</u>	<u>\$ (142,677)</u>	<u>\$ 6,429,577</u>	<u>\$ 144,271</u>

*U.S. Bank Trust* – A housing revenue bond originally issued in 1998 for \$2,600,000, for the purchase of Nueva Primavera, a 39 unit housing development. Installments of \$5,000 plus interest of 5.2% are due monthly. The final payment is due September, 2028. The bond is collateralized by property, guaranteed by the City of Yakima, and subject to Federal arbitrage.

*United States Department of Agriculture* – In 2002 YHA consolidated \$1,760,690 of debt that had originally been utilized for the construction of the Valley Seven project, a 147 unit housing development. Monthly installments of \$5,269, including interest of 1% are due monthly. The final payment is due in 2027. The mortgage is collateralized by the property.

*Washington Community Reinvestment Associates* – In 1999 YHA borrowed \$748,420 to purchase Glenn Acres, a 38 unit apartment building. Installments of \$4,730, including interest of 6.5% are due monthly. The final payment is due in 2029. The mortgage is collateralized by the property.

*Continued*



**Yakima Housing Authority**  
**Notes to Basic Financial Statements**  
**March 31, 2011 and 2010**

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**NOTE 6 — LONG-TERM DEBT (continued):**

*Department of Commerce* – 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.

*Department of Commerce* – In 1999 YHA borrowed \$1,000,000 to construct Nueva Primavera, a 39 unit housing development. Installments of interest only are due annually. Principal payments varying between \$9,437 and \$46,754 are due annually beginning in 2016, with final payment due in 2050. The mortgage is collateralized by the property.

*Department of Commerce* – In 1999 YHA borrowed \$943,856 to construct Mariposa Park, a 26 unit housing development. Installments of \$4,000 are due annually, plus interest of 1%. The final payment is due in 2048. The mortgage is collateralized by the property.

The annual requirements to amortize outstanding debt, including interest, are as follows:

**Revenue Bonds:**

	Principal	Interest	Total
2012	\$ 70,000	\$ 99,450	\$ 169,450
2013	75,000	95,420	170,420
2014	80,000	91,130	171,130
2015	85,000	86,710	171,710
2016	85,000	82,160	167,160
2017-2021	500,000	360,100	860,100
2022-2026	650,000	211,640	861,640
2027-2031	475,000	37,830	512,830
	<u>\$ 2,020,000</u>	<u>\$ 1,064,440</u>	<u>\$ 3,084,440</u>

**Real Estate Mortgages:**

	Principal	Interest	Total
2012	\$ 77,938	\$ 55,056	\$ 132,994
2013	82,683	53,310	135,993
2014	84,513	51,480	135,993
2015	86,432	49,562	135,994
2016	88,446	57,548	145,994
2017-2021	496,175	242,723	738,898
2022-2026	313,615	139,276	452,891
2027-2031	598,846	74,867	673,713
2032-2036	659,623	48,819	708,442
2037-2041	577,833	26,414	604,247
2042-2046	267,110	12,067	279,177
2047-2051	932,092	1,733	933,825
	<u>\$ 4,265,306</u>	<u>\$ 812,855</u>	<u>\$ 5,078,161</u>

*Continued*

# Yakima Housing Authority

## Notes to Basic Financial Statements

### March 31, 2011 and 2010

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#### **NOTE 6 — LONG-TERM DEBT (continued):**

##### **Compensated Absences:**

The compensated absence balances as of March 31, 2011 and 2010 are as follows:

Compensated absence balances as of March 31, 2009	\$ 22,423
Compensated absences earned by employees	28,381
Compensated absences utilized by employees	<u>(11,772)</u>
Compensated absence balances as of March 31, 2010	39,032
Compensated absences earned by employees	29,259
Compensated absences utilized by employees	<u>(20,717)</u>
Compensated absence balances as of March 31, 2011	<u>\$ 47,574</u>

#### **NOTE 7 — RESTRICTED NET ASSETS:**

Restricted net assets consist of funds received from governmental agencies, which are restricted for providing housing assistance to qualifying individuals and families.

	<u>2011</u>	<u>2010</u>
Future capital improvements	\$ 1,121,129	\$ 563,748
Housing assistance	<u>782,731</u>	<u>955,857</u>
Total restricted net assets	<u>\$ 1,903,860</u>	<u>\$ 1,519,605</u>

#### **NOTE 8 — OPERATING LEASES:**

YHA entered into an operating lease for a copier in January of 2006. The lease calls for monthly payments of \$238 through January of 2011. In October of 2007 the Housing Authority entered into an operating lease for a postage machine. The lease calls for quarterly payments of \$600 through October of 2012. Total future lease commitments are \$1,800 in 2012.

#### **NOTE 9 — DEFERRED COMPENSATION PLAN:**

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

#### **NOTE 10 — DEFINED CONTRIBUTION PLAN:**

All YHA full-time employees participate in the Yakima Housing Authority 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 12% of employee payroll after an employee reaches 1,000 hours of employment.

As of March 31, 2011 and 2010 there were 33 and 32 participants, respectively in the Defined Contribution Plan. The covered payroll for employees in the plan was \$1,151,846 and \$992,298 at March 31, 2011 and 2010, respectively.

*Continued*

# **Yakima Housing Authority**

## **Notes to Basic Financial Statements**

### **March 31, 2011 and 2010**

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#### ***NOTE 10 — DEFINED CONTRIBUTION PLAN (contribution):***

Employer contributions were \$138,221 /12% and \$119,076/12% of covered payroll for March 31, 2011 and 2010, respectively. Employees are vested in their account by years of service, 43% (year 1), 54% (year 2), 66% (year 3), 77% (year 4), 89% (year 5), and 100% (year 6).

The Defined Contribution Plan uses the accrual basis of accounting. Investments are directed by individual plan participants, and holdings are reported at fair value, based on quoted market prices.

YHA reserves the right to amend or terminate the plan. However, no amendment will change the employee's right of vested benefit, and should the plan be terminated all employees would automatically become 100% vested in the normal value of their account.

The plan is not subject to ERISA reporting requirements, and separate financial statements have not been prepared for the plan.

#### ***NOTE 11 — PARTICIPATION IN HOUSING AUTHORITY RISK RETENTION POOL:***

YHA is a member of the Housing Authority Risk Retention Pool (HARRP). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Inter-local Cooperation Act. The pool was formed on March 1, 1987 when public housing authority's (PHA's) in the State of Washington joined together by signing an Inter-local Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. Thirty-two Washington PHA's have joined the pool, along with forty-three PHA's in Oregon, California and Nevada.

The pool allows members to establish a plan of self insurance, jointly purchase insurance coverage and to provide such related services as risk management and loss control. Coverage for public official liability is on a "claims made basis." All other coverage is on an "occurrence" basis. The pool provides the following forms of pool purchased insurance coverage for its members:

- The PHA's jointly self-insure the first \$300,000 per occurrence of their general liability, errors & omissions and property exposures and the pool purchases \$2,700,000 in reinsurance.
- The Auto Liability program self insurance's the first \$100,000 per claim and the pool purchases excess insurance up to \$1,900,000.

Members make an annual contribution based upon an actuarial study to fund the pool. Members have no individual deductible in the General Liability and Auto Liability programs. In regards to the Errors & Omissions coverage, members carry a deductible of 1/10th of each loss subject to a minimum of \$2,500 and a maximum of \$25,000 for each claim. They may choose a \$1,000, \$2,500, \$5,000, \$10,000 or \$25,000 per occurrence deductible in the Property program. Since the pool is a cooperative effort, any claims falling within HARRP's self-insured retention will be paid from the pooled funds contributed by all the members.

Each new member pays the pool a non-refundable membership fee. This amount covers the member's share of organizational expenses and the cost of analyzing their loss data and risk profile. Members contract to remain in the pool for a minimum of three years, and must give notice 30 days before terminating participation. The Inter-local Governmental Agreement is renewed automatically each year after the initial three year period. The annual premium is calculated to cover all anticipated expenses. Any shortfall will be covered by the pool surplus and reserves; there is no additional assessment feature in the Agreement.

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*Continued*

# **Yakima Housing Authority**

## **Notes to Basic Financial Statements**

### **March 31, 2011 and 2010**

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#### **NOTE 11 — PARTICIPATION IN HOUSING AUTHORITY RISK RETENTION POOL:**

The pool is fully funded by its member participants. Claims are filed by members with HARRP. HARRP maintains a full time staff including an Executive Director, a Risk Manager and employees providing appropriate support.

HARRP is governed by a Board of Directors consisting of representatives from nine member PHA's. Three Directors are elected from among the PHA members of the Association of Washington Housing Authorities; three from PHA members of the Association of Oregon Housing Authorities; and three from PHA members of the Northern California/Nevada Executive Directors Association. The Board meets at least once each quarter to conduct the business affairs of HARRP. Standing committees established by the Board are:

- Management Committee
- Claims/Loss Management Committee
- Insurance/Underwriting Committee
- Audit Committee

The Housing Authority has opted to have the \$1,000,000 excess Auto Liability insurance and has chosen the \$1,000 per occurrence deductible in the Property insurance option.

YHA has had no insurance settlement within the last three years that exceeded insurance coverage.

#### **NOTE 12— CONTINGENCIES AND LITIGATION:**

The Housing Authority has recorded in its financial statements all material liabilities.

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

#### **NOTE 13— RELATED PARTY TRANSACTIONS:**

YHA is the General Partner of Mariposa Park Limited Partnership (the Partnership). The Partnership consists of one general partner (YHA) who owns a .01% interest; one investment limited partner, Columbia Housing/PNC Institutional Fund I Limited Partnership (the Investment Limited Partner), who owns a 99.99% interest; and a special limited partner, Columbia Housing SLP Corporation (the Special Limited Partner). All profits, losses, and credits are allocated to the Partners in accordance with their percentage interests.

YHA manages the Partnership property under an amended property management agreement, which provides for a management fee of 5.6% of gross rental collections.

##### *Incentive management fee:*

Beginning in 1999, the Partnership was required to pay to YHA as the General Partner a noncumulative annual incentive management fee only to the extent funds are available from net cash flows, as defined in the Partnership agreement, in the amount of 6% of effective gross income from the project. As of December 31, 2010 and 2009, incentive management fees were not expensed or accrued since the Project did not meet the net cash flow requirements in order to pay the incentive management fee.

##### *Investor services fee:*

The Partnership agreement also provides for the payment of an investor services fee to the Investment Limited partner. The annual fee is equal to \$1,875, to be increased by 3% per annum, commencing in 2000. The fee is to be paid from the special reserve account or from net cash flows, as defined in the Partnership agreement. Investor service fees of \$2,595 and \$2,520 were expensed for the years ended December 31, 2010 and 2009, respectively. Amounts accrued and owing at December 31, 2011 and 2010, were \$2,595 and \$2,520, respectively.

*Continued*

# **Yakima Housing Authority**

## **Notes to Basic Financial Statements**

### **March 31, 2011 and 2010**

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#### **NOTE 13— RELATED PARTY TRANSACTIONS (continued):**

##### *Partnership management fee:*

Beginning in 1999 the Partnership was required to pay to YHA as the General Partner a noncumulative partnership management fee in the annual amount of \$3,000, increased at 3% per annum commencing in 2000. The partnership management fee is payable first from the special reserve account and then, only to the extent funds are available for the payment thereof, from net cash flows, as defined in the Partnership agreement. Such fee is paid for monitoring operations, performing periodic physical inspections, reviewing financial and tax accounting systems, reviewing operating budgets and statements, reviewing management procedures, supervising the preparation of financial statements and tax returns, and monitoring all other matters relating to the legal and tax status of the Partnership. Although the fee is noncumulative, there were sufficient funds to pay the fee, therefore the Partnership management fee was accrued for the year ended December 31, 2010 and 2009 in the amount of \$4,153 and \$4,032, respectively, and is included in related-party payables.

##### *Operating lease:*

The partnership entered into an operating lease with the General Partner for land. The lease commenced on April 20, 1998, and expires December 31, 2097. The lease calls for annual payments due on or before January 15 following each calendar year. For each year following receipt of the certificates of occupancy and through expiration of the lease, payments are \$5,231 per year, increased by 4% per annum commencing in 2000. All payments are subject to net cash flows as defined in the amended and restated Agreement of Limited Partnership of Mariposa Park Limited Partnership dated February 1, 1999. To the extent the full lease payment is not available from net cash flows, any unpaid balance shall be cumulative to be paid from cash flows on any subsequent lease date.

Included in the annual lease payment is an amount for a payment in lieu of tax (PILOT) to the City of Yakima. The agreement anticipates that said sum payable to the City of Yakima is expressly assumed by and becomes an obligation of the Partnership, and payment is a portion of the total lease payment.

Lease expense for the years ended December 31, 2010 and 2009, was \$8,053 and \$7,743, respectively. Outstanding payables for lease expense as of December 31, 2010 and 2009, were \$8,053 and \$7,743, respectively, and were included in related-party payables.

#### **NOTE 14— RESERVES:**

##### *Operating reserve:*

The Partnership agreement of Mariposa Park Limited Partnership required a minimum deposit of \$54,332 into an operating reserve account. The reserve is to be used to pay any operating deficits of the Partnership. At December 31, 2010 and 2009 the reserve was over funded by \$7,553 and \$7,460, respectively.

##### *Replacement reserves:*

The Partnership agreement of Mariposa Park Limited Partnership requires an annual deposit into a replacement reserve account in an amount not less than \$5,000 for future capital expenditures. At December 31, 2010 and 2009, the replacement reserve balance was \$115,012 and \$104,031, and was fully funded in both years.

##### *Special reserves:*

The Partnership agreement of Mariposa Park Limited Partnership requires the Partnership to deposit \$127,937 into a special reserve account upon receipt of the final installment from the Investment Limited Partner. This requirement was met in prior years when the final installment was received. The reserve account is to be used to pay the investor services fee, the partnership management fee, and any operating deficits that the operating reserve cannot pay. The reserve was properly maintained in both years.

##### *Mortgage reserves:*

YHA is required to maintain a reserve for the Nueva Primavera long-term debt borrowing. At March 31, 2011 and 2010 \$227,927 and \$229,813, respectively were deposited with U.S. Bank and held in reserves in compliance with Nueva Primavera debt covenants.

*Continued*

# **Yakima Housing Authority**

## **Notes to Basic Financial Statements**

### **March 31, 2011 and 2010**

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#### **NOTE 14— RESERVES (continued):**

##### *Capital improvements reserve:*

YHA has received funding from USDA that is restricted for capital improvements. At March 31, 2011 and 2010 \$604,223 and \$563,748, respectively were held in reserves, which requires USDA approval for disbursements.

#### **NOTE 15— ADOPTION OF NEW ACCOUNTING STANDARDS:**

The Governmental Accounting Standards Board issued four new statements, which YHA adopted during the year ended March 31, 2011, with no impact on YHA's financial statements:

Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, which establishes accounting and financial reporting requirements for intangible assets.

Statement No. 53, *Accounting and Financial Reporting for Derivative*, which establishes accounting and financial reporting requirements for derivative instruments.

Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, amends Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. This Statement requirements related to the measurement method and the frequency and timing of measurements by employers that participate in agent multiple-employer other postemployment benefit plans.

Statement No. 58, *Accounting and Financial Reporting for Chapter 9 Bankruptcies*, provides accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code.

The Governmental Accounting Standards Board also issued five new statements, which will be effective for YHA in subsequent years:

Statement No. 59, *Financial Instruments Omnibus*, updates and improves existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools. YHA does not anticipate an impact to their financial statements when they adopt the provisions of this statement beginning April 1, 2011.

Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*, provides guidance related to financial reporting of service concession arrangements, which are a type of public-private or public-public partnerships. This guidance will be effective for YHA beginning April 1, 2012. YHA does not currently participate in these types of arrangements, so it is anticipated that there will be no impact related to the adoption of this standard.

Statement No. 61, *The Financial Reporting Entity Omnibus* – an amendment of GASB Statements No. 14 and No. 34, modifies requirements for inclusion of component units in the financial reporting entity. This guidance will be effective for YHA beginning April 1, 2013. YHA has performed a preliminary analysis of this guidance and does not believe it will affect the reporting methodology of Mariposa Park, a component unit of YHA, nor YHA's status as a stand-alone government.

Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. This guidance will be effective for YHA beginning April 1, 2012. YHA does not believe there will be any significant impact to the financial reporting upon adoption of this guidance.

Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions* – an amendment of GASB No. 53, provides clarification of the circumstances in which hedge accounting should continue when a swap counterparty, or a swap counterparty's credit support provider is replaced. This guidance will be effective for YHA beginning April 1, 2012, and YHA does not believe there will be an impact to the financial statements related to the adoption of this standard.

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# Yakima Housing Authority

## Combining Balance Sheet

	HUD Low Rent	Housing Choice Vouchers	Component Unit (Mariposa)	State / Local
<b>Assets</b>				
<i>Current Assets:</i>				
Cash - unrestricted	\$ 208,174	\$ 290,505	\$ 17,315	\$ 4,256
Total receivables, net of allowance	27,905	16,172	5,005	23,791
Investments - unrestricted	55,216	-	-	36,963
Prepaid expenses and other assets	112,542	8,723	6,483	3,797
Inventories	105,184	-	16,888	-
Due from other funds	338,781	-	-	50,000
	<u>847,802</u>	<u>315,400</u>	<u>45,691</u>	<u>118,807</u>
<i>Restricted Assets:</i>				
Cash - other restricted	-	19,454	-	-
Cash - tenant security deposits	27,942	-	4,735	9,767
Investments - restricted	-	495,936	286,941	229,965
	<u>27,942</u>	<u>515,390</u>	<u>291,676</u>	<u>239,732</u>
Total current assets	<u>875,744</u>	<u>830,790</u>	<u>337,367</u>	<u>358,539</u>
<i>Noncurrent Assets:</i>				
Notes receivable	2,308	-	353	1,503
<i>Capital assets:</i>				
Land	908,069	-	-	681,574
Buildings	13,472,377	-	2,603,602	3,408,230
Furniture, equipment & machinery - dwellings	224,995	-	77,885	96,380
Furniture, equipment & machinery - admin	119,153	4,974	78,465	207,724
Accumulated depreciation	(7,718,092)	(4,974)	(1,032,387)	(1,184,195)
Construction in progress	557,431	-	-	-
Total noncurrent assets	<u>7,566,241</u>	<u>-</u>	<u>1,727,918</u>	<u>3,211,216</u>
Total assets	<u>\$ 8,441,985</u>	<u>\$ 830,790</u>	<u>\$ 2,065,285</u>	<u>\$ 3,569,755</u>

See accompanying independent auditors' report.

March 31, 2011

Glenn Acres	Rural Assistance Programs	HUD Veterans Affairs Supportive Housing	Formula Capital Fund Stimulus Grants	Subtotal	Eliminating Entries	Total
\$ 14,881	\$ 4,549	\$ -	\$ -	\$ 539,680	\$ -	\$ 539,680
368	46,351	-	-	119,592	-	119,592
5	4	-	-	92,188	-	92,188
1,981	12,183	-	-	145,709	(95,170)	50,539
-	-	-	-	122,072	-	122,072
315,000	-	-	-	703,781	(703,781)	-
332,235	63,087	-	-	1,723,022	(798,951)	924,071
-	-	154,717	-	174,171	-	174,171
6,922	24,086	-	-	73,452	-	73,452
59,986	604,223	52,638	-	1,729,689	-	1,729,689
66,908	628,309	207,355	-	1,977,312	-	1,977,312
399,143	691,396	207,355	-	3,700,334	(798,951)	2,901,383
-	-	-	-	4,164	-	4,164
84,100	633,144	-	-	2,306,887	-	2,306,887
1,196,554	8,190,464	-	-	28,871,227	-	28,871,227
29,574	125,843	-	-	554,677	-	554,677
-	9,229	-	-	419,545	-	419,545
(359,026)	(4,531,361)	-	-	(14,830,035)	-	(14,830,035)
-	-	-	-	557,431	-	557,431
951,202	4,427,319	-	-	17,883,896	-	17,883,896
\$ 1,350,345	\$ 5,118,715	\$ 207,355	\$ -	\$21,584,230	\$ (798,951)	\$20,785,279

Continued

# Yakima Housing Authority

## Combining Balance Sheet

	HUD Low Rent	Housing Choice Vouchers	Component Unit (Mariposa)	State / Local
<b>Liabilities and Net Assets</b>				
<i>Current Liabilities:</i>				
Accounts payable less than 90 days	\$ 39,403	\$ -	\$ 3,449	\$ -
Accrued wages and payroll taxes	111,768	-	-	-
Accrued compensated absences				
current portion	17,900	10,424	-	5,658
Accrued interest payable	-	-	-	53,612
Deferred revenue	9,462	-	844	2,310
Current portion of long term debt	-	-	-	74,000
Accrued liabilities - other	-	-	-	-
Due to other funds	11,602	157,623	-	435,047
	<u>190,135</u>	<u>168,047</u>	<u>4,293</u>	<u>570,627</u>
<i>Payables from Restricted Assets:</i>				
Accounts payable - other government	3,647	194,570	22,702	-
Tenant security deposits	27,942	-	4,735	9,761
	<u>31,589</u>	<u>194,570</u>	<u>27,437</u>	<u>9,761</u>
Total current liabilities	<u>221,724</u>	<u>362,617</u>	<u>31,730</u>	<u>580,388</u>
<i>Noncurrent Liabilities:</i>				
Long-term debt, net of current	-	-	-	3,861,856
Noncurrent liabilities - other	-	-	-	95,170
Accrued compensated absences, net of current	655	4	-	72
Total noncurrent liabilities	<u>655</u>	<u>4</u>	<u>-</u>	<u>3,957,098</u>
Total liabilities	<u>222,379</u>	<u>362,621</u>	<u>31,730</u>	<u>4,537,486</u>
<i>Net Assets:</i>				
Invested in capital assets, net of related debt	7,563,933	-	1,727,565	(726,143)
Restricted for:				
Housing Assistance Payments - Section 8	-	515,390	-	-
Future capital improvements	-	-	286,941	229,965
Unrestricted net assets	655,673	(47,221)	19,049	(471,553)
Total net assets	<u>8,219,606</u>	<u>468,169</u>	<u>2,033,555</u>	<u>(967,731)</u>
Total liabilities and net assets	<u>\$ 8,441,985</u>	<u>\$ 830,790</u>	<u>\$ 2,065,285</u>	<u>\$ 3,569,755</u>

See accompanying independent auditors' report.

March 31, 2011

Glenn Acres	Rural Assistance Programs	HUD Veterans Affairs Supportive Housing	Formula Capital Fund Stimulus Grants	Subtotal	Eliminating Entries	Total
\$ -	\$ 5,378	\$ -	\$ -	\$ 48,230	\$ -	\$ 48,230
-	-	-	-	111,768	-	111,768
2,398	10,062	-	-	46,442	-	46,442
-	499	-	-	54,111	-	54,111
1,915	11,338	-	-	25,869	-	25,869
17,440	56,498	-	-	147,938	-	147,938
-	-	-	-	-	-	-
17,373	82,136	-	-	703,781	(703,781)	-
39,126	165,911	-	-	1,138,139	(703,781)	434,358
-	-	-	-	220,919	-	220,919
6,922	24,065	-	-	73,425	-	73,425
6,922	24,065	-	-	294,344	-	294,344
46,048	189,976	-	-	1,432,483	(703,781)	728,702
1,138,580	1,136,932	-	-	6,137,368	-	6,137,368
-	-	-	-	95,170	(95,170)	-
77	324	-	-	1,132	-	1,132
1,138,657	1,137,256	-	-	6,233,670	(95,170)	6,138,500
1,184,705	1,327,232	-	-	7,666,153	(798,951)	6,867,202
(204,818)	3,233,889	-	-	11,594,426	-	11,594,426
59,986	-	207,355	-	782,731	-	782,731
-	604,223	-	-	1,121,129	-	1,121,129
310,472	(46,629)	-	-	419,791	-	419,791
165,640	3,791,483	207,355	-	13,918,077	-	13,918,077
\$ 1,350,345	\$ 5,118,715	\$ 207,355	\$ -	\$21,584,230	\$ (798,951)	\$20,785,279

Continued

# Yakima Housing Authority

## Combining Balance Sheet

	HUD Low Rent	Housing Choice Vouchers	Component Unit (Mariposa)	State / Local
<b>Assets</b>				
<i>Current Assets:</i>				
Cash - unrestricted	\$ 192,514	\$ 323,832	\$ 14,694	\$ 17,212
Total receivables, net of allowance	15,716	14,036	896	17,616
Investments - unrestricted	276,634	-	-	36,085
Prepaid expenses and other assets	11,948	6,986	6,063	4,798
Inventories	78,658	-	6,235	-
Due from other funds	267,417	-	-	50,000
	<u>842,887</u>	<u>344,854</u>	<u>27,888</u>	<u>125,711</u>
<i>Restricted Assets:</i>				
Cash - other restricted	-	156,065	-	-
Cash - tenant security deposits	28,168	-	4,533	7,750
Investments - restricted	-	13,489	283,729	229,813
	<u>28,168</u>	<u>169,554</u>	<u>288,262</u>	<u>237,563</u>
Total current assets	<u>871,055</u>	<u>514,408</u>	<u>316,150</u>	<u>363,274</u>
<i>Noncurrent Assets:</i>				
<i>Capital assets:</i>				
Land	908,069	-	-	681,574
Buildings	13,319,513	-	1,806,231	4,205,600
Furniture, equipment & machinery - dwellings	222,203	-	-	174,095
Furniture, equipment & machinery - admin	354,293	19,714	-	166,287
Accumulated depreciation	(7,581,857)	(19,714)	-	(2,023,016)
Construction in progress	529,854	-	-	-
Total noncurrent assets	<u>7,752,075</u>	<u>-</u>	<u>1,806,231</u>	<u>3,204,540</u>
Total assets	<u>\$ 8,623,130</u>	<u>\$ 514,408</u>	<u>\$ 2,122,381</u>	<u>\$ 3,567,814</u>

See accompanying independent auditors' report.

March 31, 2010

Glenn Acres	Rural Assistance Programs	HUD Veterans Affairs Supportive Housing	Formula Capital Fund Stimulus Grants	Subtotal	Eliminating Entries	Total
\$ 26,348	\$ 51,481	\$ 52,570	\$ -	\$ 678,651	\$ -	\$ 678,651
(7)	31,138	-	52,376	131,771	-	131,771
5	4	-	-	312,728	-	312,728
1,955	12,416	-	-	44,166	-	44,166
-	-	-	-	84,893	-	84,893
295,000	-	-	-	612,417	(612,417)	-
323,301	95,039	52,570	52,376	1,864,626	(612,417)	1,252,209
-	-	-	-	156,065	-	156,065
7,897	24,722	-	-	73,070	-	73,070
56,044	563,748	-	-	1,146,823	-	1,146,823
63,941	588,470	-	-	1,375,958	-	1,375,958
387,242	683,509	52,570	52,376	3,240,584	(612,417)	2,628,167
84,100	633,144	-	-	2,306,887	-	2,306,887
1,196,554	8,089,764	-	-	28,617,662	-	28,617,662
26,955	121,294	-	-	544,547	-	544,547
2,137	45,849	-	-	588,280	-	588,280
(325,953)	(4,309,030)	-	-	(14,259,570)	-	(14,259,570)
-	-	-	-	529,854	-	529,854
983,793	4,581,021	-	-	18,327,660	-	18,327,660
\$ 1,371,035	\$ 5,264,530	\$ 52,570	\$ 52,376	\$21,568,244	\$ (612,417)	\$20,955,827

Continued

# Yakima Housing Authority

## Combining Balance Sheet

	HUD Low Rent	Housing Choice Vouchers	Component Unit (Mariposa)	State / Local
<b>Liabilities and Net Assets</b>				
<i>Current Liabilities:</i>				
Accounts payable less than 90 days	\$ 48,455	\$ -	\$ 4,599	\$ -
Accrued wages and payroll taxes	77,389	-	-	-
Accrued compensated absences				
current portion	4,995	3,871	-	1,765
Accrued interest payable	-	-	-	53,612
Deferred revenue	6,183	-	847	3,122
Current portion of long term debt	-	-	-	69,000
Due to other funds	-	67,097	14,295	376,815
	<u>137,022</u>	<u>70,968</u>	<u>19,741</u>	<u>504,314</u>
<i>Payables from Restricted Assets:</i>				
Accounts payable - other government	3,647	177,980	-	14,295
Tenant security deposits	28,168	-	4,533	7,750
	<u>31,815</u>	<u>177,980</u>	<u>4,533</u>	<u>22,045</u>
Total current liabilities	<u>168,837</u>	<u>248,948</u>	<u>24,274</u>	<u>526,359</u>
<i>Noncurrent Liabilities:</i>				
Long-term debt, net of current	-	-	-	3,935,856
Accrued compensated absences, net of current	9,919	4,168	-	2,903
Total noncurrent liabilities	<u>9,919</u>	<u>4,168</u>	<u>-</u>	<u>3,938,759</u>
Total liabilities	<u>178,756</u>	<u>253,116</u>	<u>24,274</u>	<u>4,465,118</u>
<i>Net Assets:</i>				
Invested in capital assets, net of related debt	7,752,075	-	1,806,231	(800,316)
Restricted for:				
Housing Assistance Payments - Section 8	-	169,554	-	677,689
Future capital improvements	-	-	-	-
Unrestricted net assets	<u>692,299</u>	<u>91,738</u>	<u>291,876</u>	<u>(774,677)</u>
Total net assets	<u>8,444,374</u>	<u>261,292</u>	<u>2,098,107</u>	<u>(897,304)</u>
Total liabilities and net assets	<u>\$ 8,623,130</u>	<u>\$ 514,408</u>	<u>\$ 2,122,381</u>	<u>\$ 3,567,814</u>

See accompanying independent auditors' report.

March 31, 2010

Glenn Acres	Rural Assistance Programs	HUD Veterans Affairs Supportive Housing	Formula Capital Fund Stimulus Grants	Subtotal	Eliminating Entries	Total
\$ -	\$ -	\$ -	\$ -	\$ 53,054	\$ -	\$ 53,054
-	-	-	-	77,389	-	77,389
618	3,214	-	-	14,463	-	14,463
-	547	-	-	54,159	-	54,159
1,235	14,193	-	-	25,580	-	25,580
18,345	56,926	-	-	144,271	-	144,271
16,668	85,166	-	52,376	612,417	(612,417)	-
36,866	160,046	-	52,376	981,333	(612,417)	368,916
-	5,376	-	-	201,298	-	201,298
7,897	24,722	-	-	73,070	-	73,070
7,897	30,098	-	-	274,368	-	274,368
44,763	190,144	-	52,376	1,255,701	(612,417)	643,284
1,156,020	1,193,430	-	-	6,285,306	-	6,285,306
1,338	6,241	-	-	24,569	-	24,569
1,157,358	1,199,671	-	-	6,309,875	-	6,309,875
1,202,121	1,389,815	-	52,376	7,565,576	(612,417)	6,953,159
(190,572)	3,330,666	-	-	11,898,084	-	11,898,084
56,044	-	52,570	-	955,857	-	955,857
-	563,748	-	-	563,748	-	563,748
303,442	(19,699)	-	-	584,979	-	584,979
168,914	3,874,715	52,570	-	14,002,668	-	14,002,668
\$ 1,371,035	\$ 5,264,530	\$ 52,570	\$ 52,376	\$21,568,244	\$ (612,417)	\$20,955,827

Continued



# Yakima Housing Authority

## Combining Statement of Income, Expenses and Changes in Net Assets

	HUD Low Rent	Housing Choice Vouchers	Component Unit (Mariposa)	State / Local
<i>Operating Revenue:</i>				
Intergovernmental revenue	\$ -	\$ 3,282,252	\$ -	\$ -
Net tenant rental revenue	449,879	-	131,690	268,432
Other revenue	4,801	15,968	(27,417)	111,947
Other tenant revenue	26,324	-	4,250	21,807
Total operating revenue	481,004	3,298,220	108,523	402,186
<i>Operating Expenses:</i>				
Administrative:				
Administrative wages	237,070	309,382	-	61,222
Auditing fees	11,078	12,039	3,300	1,486
Employee benefit contributions	95,881	123,670	-	24,461
Outside management fees	-	-	-	-
Other operating - administrative	79,252	69,320	6,575	18,257
Tenant services	11,040	42	-	-
	434,321	514,453	9,875	105,426
Utilities:				
Electricity	15,145	-	4,123	8,349
Other utilities expense	1,096	-	-	1,064
Sewer	57,561	-	9,328	14,977
Water	40,346	-	12,124	13,718
	114,148	-	25,575	38,108
Ordinary maintenance and operations:				
Contract costs	81,720	43,307	16,117	45,703
Employee benefit contributions	84,246	369	8,834	21,339
Maintenance and operations wages	199,105	1,468	21,521	47,676
Materials and other	61,148	2,514	5,247	19,134
	426,219	47,658	51,719	133,852
General expenses:				
Depreciation expense	452,861	-	78,665	116,531
Housing assistance payments	-	2,507,138	-	25,043
Insurance premiums	16,502	9,230	7,440	6,048
Other general expenses	4,796	14,216	-	3,907
Protective services contract costs	41,601	-	534	474
Payments in lieu of taxes	3,648	-	-	-
	519,408	2,530,584	86,639	152,003
Total operating expenses	1,494,096	3,092,695	173,808	429,389
<i>Operating Loss</i>	\$ (1,013,092)	\$ 205,525	\$ (65,285)	\$ (27,203)

See accompanying independent auditors' report.

March 31, 2011

Glenn Acres	Rural Assistance Programs	HUD Veterans Affairs Supportive Housing	Formula Capital Fund Stimulus Grants	Subtotal	Eliminating Entries	Total
\$ -	\$ -	\$ -	\$ -	\$ 3,282,252	\$ -	\$ 3,282,252
101,285	586,868	-	-	1,538,154	-	1,538,154
-	-	-	-	105,299	(61,679)	43,620
3,117	31,988	-	-	87,486	-	87,486
104,402	618,856	-	-	5,013,191	(61,679)	4,951,512
30,084	95,573	-	-	733,331	-	733,331
869	3,361	-	-	32,133	-	32,133
11,761	37,129	-	-	292,902	-	292,902
-	-	-	-	-	-	-
11,573	39,573	-	-	224,550	(44,967)	179,583
-	-	-	-	11,082	-	11,082
54,287	175,636	-	-	1,293,998	(44,967)	1,249,031
11,354	15,557	-	-	54,528	-	54,528
12,721	195	-	-	15,076	-	15,076
7,839	94,006	-	-	183,711	-	183,711
4,297	77,344	-	-	147,829	-	147,829
36,211	187,102	-	-	401,144	-	401,144
16,046	146,409	-	-	349,302	(16,712)	332,590
11,315	67,432	-	604	194,139	-	194,139
27,913	177,710	-	1,783	477,176	-	477,176
6,033	57,267	-	-	151,343	-	151,343
61,307	448,818	-	2,387	1,171,960	(16,712)	1,155,248
33,074	239,631	-	-	920,762	-	920,762
-	-	60,604	-	2,592,785	-	2,592,785
2,597	14,461	-	-	56,278	-	56,278
518	5,148	-	-	28,585	-	28,585
-	-	-	-	42,609	-	42,609
33	5,407	-	-	9,088	-	9,088
36,222	264,647	60,604	-	3,650,107	-	3,650,107
188,027	1,076,203	60,604	2,387	6,517,209	(61,679)	6,455,530
\$ (83,625)	\$ (457,347)	\$ (60,604)	\$ (2,387)	\$ (1,504,018)	\$ -	\$ (1,504,018)

Continued

# Yakima Housing Authority

## Combining Statement of Income, Expenses and Changes in Net Assets

	HUD Low Rent	Housing Choice Vouchers	Component Unit (Mariposa)	State / Local
<i>Operating Loss</i>	<u>\$ (1,013,092)</u>	<u>\$ 205,525</u>	<u>\$ (65,285)</u>	<u>\$ (27,203)</u>
<i>Nonoperating Revenue (Expenses):</i>				
Gain (loss) on the sale of capital assets	80,650	725	-	-
Interest expense	-	-	-	(116,730)
Intergovernmental revenue	460,159	-	-	73,446
Investment revenue - restricted	-	578	-	733
Investment revenue - unrestricted	415	49	733	(673)
Total nonoperating revenue (expenses)	<u>541,224</u>	<u>1,352</u>	<u>733</u>	<u>(43,224)</u>
<i>Income (Loss) Before Other Revenues, Expenses, Gains, Losses, and Transfers</i>	(471,868)	206,877	(64,552)	(70,427)
Equity transfer	23,858	-	-	-
Capital grants	<u>223,242</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total Change in Net Assets</i>	(224,768)	206,877	(64,552)	(70,427)
<i>Net Assets, Beginning of Year</i>	<u>8,444,374</u>	<u>261,292</u>	<u>2,098,107</u>	<u>(897,304)</u>
<i>Net Assets, End of Year</i>	<u>\$ 8,219,606</u>	<u>\$ 468,169</u>	<u>\$ 2,033,555</u>	<u>\$ (967,731)</u>

See accompanying independent auditors' report.

March 31, 2011

Glenn Acres	Rural Assistance Programs	HUD Veterans Affairs Supportive Housing	Formula Capital Fund Stimulus Grants	Subtotal	Eliminating Entries	Total
\$ (83,625)	\$ (457,347)	\$ (60,604)	\$ (2,387)	\$ (1,504,018)	\$ -	\$ (1,504,018)
-	-	-	-	81,375	-	81,375
(40,421)	(6,254)	-	-	(163,405)	-	(163,405)
120,634	379,088	215,321	2,387	1,251,035	-	1,251,035
98	1,267	68	-	2,744	-	2,744
40	14	-	-	578	-	578
80,351	374,115	215,389	2,387	1,172,327	-	1,172,327
(3,274)	(83,232)	154,785	-	(331,691)	-	(331,691)
-	-	-	(23,858)	-	-	-
-	-	-	23,858	247,100	-	247,100
(3,274)	(83,232)	154,785	-	(84,591)	-	(84,591)
168,914	3,874,715	52,570	-	14,002,668	-	14,002,668
\$ 165,640	\$ 3,791,483	\$ 207,355	\$ -	\$13,918,077	\$ -	\$13,918,077

Continued

# Yakima Housing Authority

## Combining Statement of Income, Expenses and Changes in Net Assets

	HUD Low Rent	Housing Choice Vouchers	Component Unit (Mariposa)	State / Local
<i>Operating Revenue:</i>				
Intergovernmental revenue	\$ -	\$ 3,268,206	\$ -	\$ -
Net tenant rental revenue	405,170	-	123,870	246,611
Other revenue	19,420	2,835	-	68,759
Other tenant revenue	29,697	-	-	29,679
Total operating revenue	454,287	3,271,041	123,870	345,049
<i>Operating Expenses:</i>				
Administrative:				
Administrative wages	211,595	201,997	-	73,840
Auditing fees	7,463	9,471	12,673	1,942
Employee benefit contributions	77,358	71,837	-	26,691
Other operating - administrative	75,694	52,387	5,875	21,524
Outside management fees	-	-	16,616	(16,616)
Tenant services	2,199	-	-	-
	374,309	335,692	35,164	107,381
Utilities:				
Electricity	13,832	-	4,594	7,573
Other utilities expense	862	-	-	1,138
Sewer	58,536	-	9,994	13,845
Water	41,020	-	12,366	13,591
	114,250	-	26,954	36,147
Ordinary maintenance and operations:				
Contract costs	76,864	22,194	22,784	41,828
Employee benefit contributions	56,537	409	4,915	20,078
Maintenance and operations wages	149,075	670	14,212	56,716
Materials and other	42,341	1,756	6,844	23,772
	324,817	25,029	48,755	142,394
General expenses:				
Depreciation expense	455,581	-	78,709	93,584
Housing assistance payments	-	2,659,535	-	19,632
Insurance premiums	17,910	7,488	6,006	6,299
Other general expenses	(966)	13,869	4,000	4,883
Protective services contract costs	1,553	-	752	694
Payments in lieu of taxes	3,647	-	-	-
	477,725	2,680,892	89,467	125,092
Total operating expenses	1,291,101	3,041,613	200,340	411,014
<i>Operating Loss</i>	\$ (836,814)	\$ 229,428	\$ (76,470)	\$ (65,965)

See accompanying independent auditors' report.

March 31, 2010

Glenn Acres	Rural Assistance Programs	HUD Veterans Affairs Supportive Housing	Formula Capital Fund Stimulus Grants	Subtotal	Eliminating Entries	Total
\$ -	\$ -	\$ -	\$ -	\$ 3,268,206	\$ -	\$ 3,268,206
97,052	524,897	-	-	1,397,600	-	1,397,600
-	4,350	-	-	95,364	(59,764)	35,600
3,295	30,488	-	-	93,159	-	93,159
100,347	559,735	-	-	4,854,329	(59,764)	4,794,565
28,855	131,642	-	-	647,929	-	647,929
503	4,672	-	-	36,724	-	36,724
11,006	50,786	-	-	237,678	-	237,678
12,164	40,510	-	1,848	210,002	(45,042)	164,960
-	-	-	-	-	-	-
-	-	-	12,867	15,066	-	15,066
52,528	227,610	-	14,715	1,147,399	(45,042)	1,102,357
12,324	14,237	-	-	52,560	-	52,560
13,361	324	-	-	15,685	-	15,685
7,978	83,920	-	-	174,273	-	174,273
4,239	78,151	-	-	149,367	-	149,367
37,902	176,632	-	-	391,885	-	391,885
11,606	109,944	-	-	285,220	(14,722)	270,498
8,047	58,260	-	3,199	151,445	-	151,445
26,080	152,104	-	9,420	408,277	-	408,277
6,225	47,579	-	-	128,517	-	128,517
51,958	367,887	-	12,619	973,459	(14,722)	958,737
33,565	244,288	-	-	905,727	-	905,727
-	-	12,225	-	2,691,392	-	2,691,392
2,703	15,319	-	-	55,725	-	55,725
392	161	-	-	22,339	-	22,339
-	-	-	-	2,999	-	2,999
-	5,407	-	-	9,054	-	9,054
36,660	265,175	12,225	-	3,687,236	-	3,687,236
179,048	1,037,304	12,225	27,334	6,199,979	(59,764)	6,140,215
\$ (78,701)	\$ (477,569)	\$ (12,225)	\$ (27,334)	\$ (1,345,650)	\$ -	\$ (1,345,650)

Continued

# Yakima Housing Authority

## Combining Statement of Income, Expenses and Changes in Net Assets

	HUD Low Rent	Housing Choice Vouchers	Component Unit (Mariposa)	State / Local
<i>Operating Loss</i>	<u>\$ (836,814)</u>	<u>\$ 229,428</u>	<u>\$ (76,470)</u>	<u>\$ (65,965)</u>
<i>Nonoperating Revenue (Expenses):</i>				
Gain (loss) on the sale of capital assets	(32)	-	-	(759)
Intergovernmental revenue	393,475	-	-	139,806
Interest expense	-	-	-	(124,259)
Investment revenue - restricted	-	17	1,116	4,239
Investment revenue - unrestricted	1,053	30	5	69
Total nonoperating revenue (expenses)	<u>394,496</u>	<u>47</u>	<u>1,121</u>	<u>19,096</u>
<i>Income (Loss) Before Other Revenues, Expenses, Gains, Losses, and Transfers</i>	(442,318)	229,475	(75,349)	(46,869)
Transfers in (out)	-	-	-	-
Equity transfer	275,034	-	-	-
Capital grants	<u>88,450</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Total Change in Net Assets</i>	<u>(78,834)</u>	<u>229,475</u>	<u>(75,349)</u>	<u>(46,869)</u>
<i>Net Assets, Beginning of Year</i>	<u>8,523,208</u>	<u>31,817</u>	<u>2,173,456</u>	<u>(850,435)</u>
<i>Net Assets, End of Year</i>	<u><u>\$ 8,444,374</u></u>	<u><u>\$ 261,292</u></u>	<u><u>\$ 2,098,107</u></u>	<u><u>\$ (897,304)</u></u>

See accompanying independent auditors' report.

March 31, 2010

Glenn Acres	Rural Assistance Programs	HUD Veterans Affairs Supportive Housing	Formula Capital Fund Stimulus Grants	Subtotal	Eliminating Entries	Total
\$ (78,701)	\$ (477,569)	\$ (12,225)	\$ (27,334)	\$ (1,345,650)	\$ -	\$ (1,345,650)
-	(596)	-	-	(1,387)	-	(1,387)
127,741	343,772	64,795	27,334	1,096,923	-	1,096,923
(41,447)	(6,821)	-	-	(172,527)	-	(172,527)
109	2,000	-	-	7,481	-	7,481
-	3	-	-	1,160	-	1,160
86,403	338,358	64,795	27,334	931,650	-	931,650
7,702	(139,211)	52,570	-	(414,000)	-	(414,000)
-	-	-	-	-	-	-
-	-	-	(275,034)	-	-	-
-	-	-	275,034	363,484	-	363,484
7,702	(139,211)	52,570	-	(50,516)	-	(50,516)
161,212	4,013,926	-	-	14,053,184	-	14,053,184
\$ 168,914	\$ 3,874,715	\$ 52,570	\$ -	\$14,002,668	\$ -	\$14,002,668

Continued



# **Yakima Housing Authority**

## **Notes to Combining Financial Statements**

### **March 31, 2011 and 2010**

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**HUD Low Rent** – Used to account for the administration, operation, maintenance, improvement and construction of YHA’s low-income Public Housing units under declaration of trust with HUD.

**Housing Choice Vouchers** – Used to account for Housing Assistance Payments made to landlords on behalf of eligible low-income clients.

**Component Unit (Mariposa)** – Used to account for the administration, operating, maintenance, improvement and construction of YHA’s independently owned low- income housing unit, Mariposa Park.

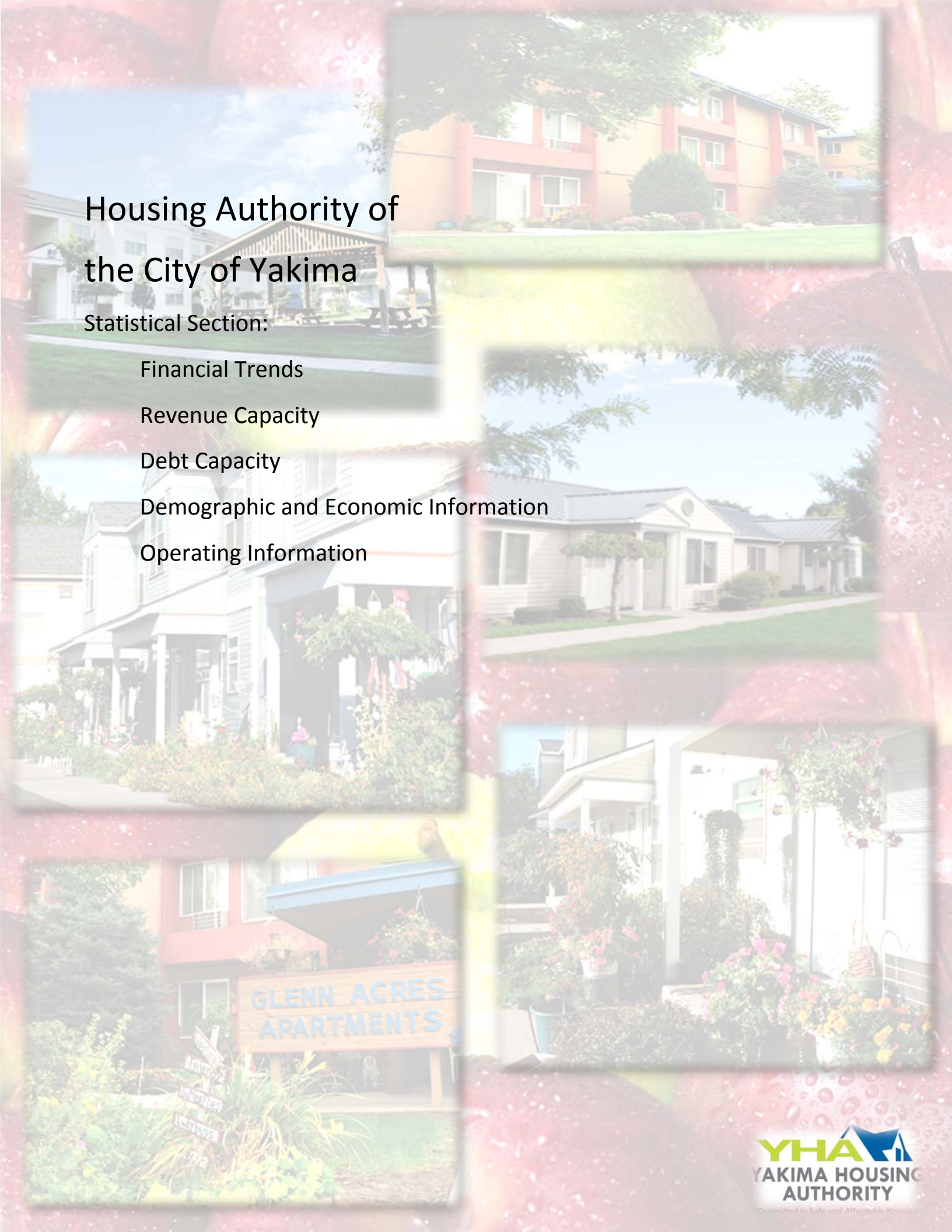
**State / Local** – Used to account for the administration, operating, maintenance, improvement and construction of YHA’s independently owned low- income housing unit, Nueva Primavera, as well as the administration of the equipment pool and the Yakima County Affordable Housing Program.

**Glenn Acres**– Used to account for the administration, operating, maintenance, improvement and construction of an apartment complex for the elderly.

**Rural Assistance Programs** – Used to account for administration, operation, maintenance, improvement and construction of Rural Housing units with USDA.

**HUD Veterans Affairs Supportive Housing** – Used to account for Housing Assistance Payments made to landlords on behalf of Veterans that have been previously approved with supportive services.

**Formula Capital Fund Stimulus Grants** – Used to account for capital expenditures of YHA’s low-income Public Housing units as signed by President Obama and known as the “American Recovery and Reinvestment Act of 2009.”



# Housing Authority of the City of Yakima

Statistical Section:

Financial Trends

Revenue Capacity

Debt Capacity

Demographic and Economic Information

Operating Information

# Yakima Housing Authority

## Statistical Section

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This part of YHA's CAFR presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the YHA's overall financial health.

Contents	Tables
<b>Financial Trends</b> <i>These schedules contain trend information to help the reader understand how YHA's Financial performance and well-being have changed over the past 10 years.</i>	1 - 2
<b>Revenue Capacity</b> <i>These schedules contain trend information to help the reader assess YHA's most significant revenue sources.</i>	3 - 4
<b>Debt Capacity</b> <i>These schedules contain trend information to help the reader assess the affordability of YHA's current levels of outstanding debt and ability to issue additional debt in the future.</i>	5 - 6
<b>Demographic and Economic Information</b> <i>These schedules contain trend information of the demographic and economic indicators to help the reader understand the environment within which YHA's financial activities take place.</i>	7 - 9
<b>Operating Information</b> <i>These schedules contain data to help the reader understand how the information in YHA's financial report relates to the services YHA provides and the activities it performs.</i>	10 - 12

**Yakima Housing Authority**  
**Net Assets – Last Ten Fiscal Years**  
**(Unaudited)**

**Table 1**

Fiscal Year	Invested in capital assets, net of related debt	Restricted Assets	Unrestricted Assets	Total
2002	\$ 13,586,495	\$ 1,169,507	\$ 1,818,117	\$ 16,574,119
2003	13,188,869	1,106,267	1,920,331	16,215,467
2004	14,881,385	1,409,636	998,699	17,289,720
2005	14,296,987	1,298,440	1,017,621	16,613,048
2006	13,663,496	1,318,495	1,133,058	16,115,049
2007	13,071,385	1,380,176	1,566,400	16,017,961
2008	12,536,386	2,038,030	889,649	15,464,065
2009	12,054,435	1,286,617	712,132	14,053,184
2010	11,898,084	1,519,605	584,979	14,002,668
2011	11,594,426	1,903,860	419,791	13,918,077

Source: Previous years' audits and current year financial statements

# Yakima Housing Authority

## Changes in Net Assets – Last Ten Fiscal Years

(Unaudited)

	2002	2003	2004	2005
<i>Operating Revenue:</i>				
Intergovernmental revenues	\$ 2,403,563	\$ 2,735,335	\$ 2,792,810	\$ 2,847,262
Net tenant revenue	1,153,659	1,184,841	1,337,766	1,352,543
Other revenues	185,071	210,954	102,034	89,068
	<u>3,742,293</u>	<u>4,131,130</u>	<u>4,232,610</u>	<u>4,288,873</u>
<i>Operating Expenses:</i>				
Administrative	988,988	946,337	919,597	898,834
Utilities	246,176	276,398	322,656	332,725
Ordinary maintenance and operating	648,243	741,775	876,304	786,460
General expenses	123,786	116,788	116,369	109,488
Depreciation	812,040	828,718	936,675	930,670
Housing assistance payments	2,070,300	2,375,902	2,424,236	2,495,773
	<u>4,889,533</u>	<u>5,285,918</u>	<u>5,595,837</u>	<u>5,553,950</u>
<i>Operating Loss</i>	<u>(1,147,240)</u>	<u>(1,154,788)</u>	<u>(1,363,227)</u>	<u>(1,265,077)</u>
<i>Nonoperating Revenue (Expenses):</i>				
Intergovernmental	771,824	772,712	734,042	682,098
Investment revenue	56,644	27,968	28,640	31,475
Interest expense	(200,535)	(198,059)	(196,656)	(180,058)
Gain (loss) on disposition of assets	2,087	(1,457)	(1,513)	723
	<u>630,020</u>	<u>601,164</u>	<u>564,513</u>	<u>534,238</u>
<i>Income (Loss) before Capital Contributions</i>	<u>(517,220)</u>	<u>(553,624)</u>	<u>(798,714)</u>	<u>(730,839)</u>
Capital grants	335,861	194,994	87,577	56,547
Change in net assets	(181,359)	(358,630)	(711,137)	(674,292)
<i>Net Assets, Beginning of Year</i>	16,747,726	16,574,119	16,215,467	17,289,720
Prior Period Adjustments	7,752	(22)	1,785,390	(2,380)
<i>Net Assets, End of Year</i>	<u>\$ 16,574,119</u>	<u>\$ 16,215,467</u>	<u>\$ 17,289,720</u>	<u>\$ 16,613,048</u>

Source: Previous years' audits and current year financial statements

Table 2

2006	2007	2008	2009	2010	2011
\$ 2,923,874	\$ 2,973,170	\$ 2,822,660	\$ 2,374,716	\$ 3,268,206	\$ 3,282,252
1,356,523	1,311,336	1,330,080	1,260,215	1,397,600	1,538,154
96,270	81,685	68,852	90,200	128,759	131,106
4,376,667	4,366,191	4,221,592	3,725,131	4,794,565	4,951,512
915,152	928,853	933,771	982,928	1,102,357	1,249,031
356,201	349,731	392,369	390,490	391,885	401,144
801,946	840,911	964,442	815,891	958,737	1,155,248
85,810	95,794	107,293	177,691	90,117	136,560
916,331	914,010	896,353	902,067	905,727	920,762
2,417,440	2,453,317	2,360,319	2,785,701	2,691,392	2,592,785
5,492,880	5,582,616	5,654,547	6,054,768	6,140,215	6,455,530
(1,116,213)	(1,216,425)	(1,432,955)	(2,329,637)	(1,345,650)	(1,504,018)
684,271	877,169	874,823	872,089	1,096,923	1,251,035
69,528	107,283	92,903	17,431	8,641	3,322
(186,494)	(172,372)	(187,727)	(178,340)	(172,527)	(163,405)
(2,970)	637	(551)	9,292	(1,387)	81,375
564,335	812,717	779,448	720,472	931,650	1,172,327
(551,878)	(403,708)	(653,507)	(1,609,165)	(414,000)	(331,691)
49,912	138,803	99,613	198,282	363,484	247,100
(501,966)	(264,905)	(553,894)	(1,410,883)	(50,516)	(84,591)
16,613,048	16,115,049	16,017,961	15,464,067	14,053,184	14,002,668
3,967	167,817	-	-	-	-
\$ 16,115,049	\$ 16,017,961	\$ 15,464,067	\$ 14,053,184	\$ 14,002,668	\$ 13,918,077

Continued

**Yakima Housing Authority**  
**Operating Revenues by Source – Last Ten Fiscal Years**  
**(Unaudited)**

**Table 3**

Fiscal Year	Net Tenant Rental		Intergovernmental		Other		Total	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
2002	\$1,153,659	30.83%	\$2,403,563	64.23%	\$ 185,071	4.95%	\$3,742,293	100.00%
2003	1,184,841	28.68%	2,735,335	66.21%	210,954	5.11%	4,131,130	100.00%
2004	1,337,766	31.61%	2,792,810	65.98%	102,034	2.41%	4,232,610	100.00%
2005	1,352,543	31.54%	2,847,262	66.39%	89,068	2.08%	4,288,873	100.00%
2006	1,356,523	30.99%	2,923,874	66.81%	96,270	2.20%	4,376,667	100.00%
2007	1,311,336	30.03%	2,973,170	68.10%	81,685	1.87%	4,366,191	100.00%
2008	1,330,080	31.51%	2,822,660	66.86%	68,852	1.63%	4,221,592	100.00%
2009	1,260,215	33.83%	2,374,716	63.75%	90,200	2.42%	3,725,131	100.00%
2010	1,397,600	29.15%	3,268,206	68.16%	128,759	2.69%	4,794,565	100.00%
2011	1,538,154	31.06%	3,282,252	66.29%	131,106	2.65%	4,951,512	100.00%

Source: Previous years' audits and current year financial statements

# Yakima Housing Authority

## Non-Operating Revenues by Source – Last Ten Fiscal Years

(Unaudited)

**Table 4**

Fiscal Year	Intergovernmental		Investment		Gain (Loss) on Assets		Total	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
2002	\$ 771,824	92.93%	\$ 56,644	6.82%	\$ 2,087	0.25%	\$ 830,555	100.00%
2003	772,712	96.68%	27,968	3.50%	(1,457)	-0.18%	799,223	100.00%
2004	734,042	96.44%	28,640	3.76%	(1,513)	-0.20%	761,169	100.00%
2005	682,098	95.49%	31,475	4.41%	723	0.10%	714,296	100.00%
2006	684,271	91.14%	69,528	9.26%	(2,970)	-0.40%	750,829	100.00%
2007	877,169	89.04%	107,283	10.89%	637	0.07%	985,089	100.00%
2008	874,823	90.45%	92,903	9.61%	(551)	-0.06%	967,175	100.00%
2009	872,089	97.03%	17,431	1.94%	9,292	1.03%	898,812	100.00%
2010	1,096,923	99.34%	8,641	0.78%	(1,387)	-0.12%	1,104,177	100.00%
2011	1,251,035	93.66%	3,322	0.25%	81,375	6.09%	1,335,732	100.00%

Source: Previous years' audits and current year financial statements



# Yakima Housing Authority

## Debt Service Coverage – Last Ten Fiscal Years

(Unaudited)

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	2002	2003	2004	2005	2006
Revenue (excluding HAP subsidy)	\$ 2,735,220	\$ 2,712,375	\$ 2,676,356	\$ 2,279,099	\$ 2,650,541
Expenses (excluding depreciation)	2,207,729	2,279,357	2,491,838	2,373,197	2,407,867
Revenue available for debt service	<u>\$ 527,491</u>	<u>\$ 433,018</u>	<u>\$ 184,518</u>	<u>\$ (94,098)</u>	<u>\$ 242,674</u>
Debt Service Requirements:					
Principal	\$ 108,680	\$ 110,488	\$ 120,690	\$ 121,970	\$ 128,306
Interest	200,535	198,059	196,656	180,058	186,494
Total	<u>\$ 309,215</u>	<u>\$ 308,547</u>	<u>\$ 317,346</u>	<u>\$ 302,028</u>	<u>\$ 314,800</u>
Debt service coverage	1.71	1.40	0.58	(0.31)	0.77

Source: Previous years' audits and current year financial statements

**Table 5**

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2007	2008	2009	2010	2011
\$ 2,903,774	\$ 2,869,364	\$ 2,866,009	\$ 3,518,500	\$ 3,565,321
2,447,865	2,655,371	2,629,917	2,866,419	3,215,258
<u>\$ 455,909</u>	<u>\$ 213,993</u>	<u>\$ 236,092</u>	<u>\$ 652,081</u>	<u>\$ 350,063</u>
\$ 134,701	\$ 136,157	\$ 142,678	\$ 144,271	\$ 147,938
172,372	187,727	178,340	172,527	154,506
<u>\$ 307,073</u>	<u>\$ 323,884</u>	<u>\$ 321,018</u>	<u>\$ 316,798</u>	<u>\$ 302,444</u>
1.48	0.66	0.74	2.06	1.16

*Continued*

**Yakima Housing Authority**  
**Ratio of Debt to Capital Assets – Last Ten Fiscal Years**  
**(Unaudited)**

**Table 6**

Fiscal Year	Notes Payable	Bonds Payable	Total Debt	Capital Assets	Ratio of Total Debt to Capital Assets
2002	\$ 4,929,319	\$ 2,515,000	\$ 7,444,319	\$ 28,480,878	26.14%
2003	4,875,374	2,470,000	7,345,374	28,794,821	25.51%
2004	4,789,079	2,425,000	7,214,079	31,655,637	22.79%
2005	4,718,389	2,375,000	7,093,389	31,813,568	22.30%
2006	4,646,419	2,325,000	6,971,419	31,829,643	21.90%
2007	4,573,113	2,270,000	6,843,113	31,997,319	21.39%
2008	4,498,412	2,210,000	6,708,412	32,168,607	20.85%
2009	4,422,254	2,150,000	6,572,254	32,158,166	20.44%
2010	4,344,577	2,085,000	6,429,577	32,587,230	19.73%
2011	4,265,306	2,020,000	6,285,306	32,709,767	19.22%

Source: Previous years' audits and current year financial statements

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

**Yakima Housing Authority**  
**Service Area Demographics / Statistics – Last Ten Fiscal Years**  
**(Unaudited)**

**Table 7**

<u>Year</u>	<u>Yakima &amp; Kittitas County Population</u>	<u>Residents of YHA</u>	<u>Yakima &amp; Kittitas County Unemployment Rate</u>
2002	259,800	N/A	8.3%
2003	261,200	2,254	8.3%
2004	263,300	3,114	8.7%
2005	265,900	2,946	7.3%
2006	269,200	2,873	6.4%
2007	272,500	2,536	5.9%
2008	275,300	2,483	5.6%
2009	278,300	2,924	7.0%
2010	279,600	2,472	8.8%
2011	286,000	2,266	10.6%

Note: This table includes all YHA housing programs.

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

N/A: Information not available

# Yakima Housing Authority

## Resident Demographics / Population Statistics – Last Ten Fiscal Years

(Unaudited)

Table 8

Public Housing and Non-HUD Housing Programs				
Fiscal Year	Number of minors (ages 0-18)	Number of adults (ages 19-61)	Number of elderly (ages 62+)	Total number of residents
2002	N/A	N/A	N/A	N/A
2003	569	412	64	1,045
2004	750	571	81	1,402
2005	691	529	69	1,289
2006	595	512	83	1,190
2007	586	495	73	1,154
2008	559	444	79	1,082
2009	708	565	94	1,367
2010	555	471	92	1,118
2011	592	398	57	1,047

Housing Choice Voucher Program				
Fiscal Year	Number of minors (ages 0-18)	Number of adults (ages 19-61)	Number of elderly (ages 62+)	Total number of residents
2002	N/A	N/A	N/A	N/A
2003	565	514	130	1,209
2004	780	762	170	1,712
2005	760	722	175	1,657
2006	780	723	180	1,683
2007	661	577	144	1,382
2008	651	606	144	1,401
2009	712	690	155	1,557
2010	603	599	152	1,354
2011	598	498	123	1,219

Source: Yakima Housing Authority's tenant records

N/A: Information not available

# Yakima Housing Authority

## Resident Demographics / Ethnicity Statistics – Last Ten Fiscal Years

(Unaudited)

Table 9

### Public Housing and Non-HUD Housing Programs

Fiscal Year	Caucasian	Latino	African American	Native American	Other	Total
2002	N/A	N/A	N/A	N/A	N/A	N/A
2003	426	589	6	5	19	1,045
2004	464	878	16	19	25	1,402
2005	298	937	21	9	24	1,289
2006	206	925	22	16	21	1,190
2007	189	926	7	13	19	1,154
2008	154	889	8	15	16	1,082
2009	177	1,144	-	25	21	1,367
2010	160	931	-	14	13	1,118
2011	137	864	11	28	7	1,047

### Housing Choice Voucher Program

Fiscal Year	Caucasian	Latino	African American	Native American	Other	Total
2002	N/A	N/A	N/A	N/A	N/A	N/A
2003	630	441	63	57	18	1,209
2004	948	587	82	76	19	1,712
2005	913	593	73	62	16	1,657
2006	902	621	85	59	16	1,683
2007	720	495	102	54	11	1,382
2008	715	532	80	61	13	1,401
2009	811	549	98	76	23	1,557
2010	678	492	88	71	25	1,354
2011	553	512	101	44	9	1,219

Source: Yakima Housing Authority's tenant records

N/A: Information not available

# Yakima Housing Authority

## Number of YHA Dwelling Units – Last Ten Fiscal Years

(Unaudited)

Table 10

Fiscal Year	Public Housing	Farm Labor Units	Housing Choice Vouchers	VASH	NED	Nueva Primavera	Mariposa Park LP	Glenn Acres	Total
2002	150	147	573	-	-	39	26	38	973
2003	150	147	573	-	-	39	26	38	973
2004	150	147	573	-	-	39	26	38	973
2005	150	147	603	-	-	39	26	38	1,003
2006	150	147	603	-	-	39	26	38	1,003
2007	150	147	603	-	-	39	26	38	1,003
2008	150	147	605	-	-	39	26	38	1,005
2009	150	147	618	-	-	39	26	38	1,018
2010	150	147	618	35	-	39	26	38	1,053
2011	150	147	618	60	15	39	26	38	1,093

Source: YHA development and deed files

# Yakima Housing Authority

## Property Characteristics and Unit Composition – Last Ten Fiscal Years

(Unaudited)

**Table 11**

Name of Development	Address	Number of Units	Year built or acquired
Valley Seven (Farm Labor Units):			
Harvest Plaza	301-309 S 1st St	10	1980
	208-212 S 2nd St	6	1980
Horizon Apartments	712 Washington Ave	9	1982
	501 & 502 E 1st Ave	12	1982
	115 & 117 S 'G' St	2	1982
	517 N Elm St	1	1982
Linda Vista	1106 Washington Ave	4	1993
	810 Monroe Ave	2	1993
	822 Rentschler Ave	3	1993
	701-709 Guyette	12	1993
	708 Rentschler Ave	4	1993
	712 Rentschler Ave	3	1993
	308 W 3rd	2	1993
Valley West	16901-16907 Summitview	4	1992
	16941-16947 Summitview	4	1992
	1002-1006 Naches Ave	3	1992
	400/402 Newland Pl	2	1992
	815/817 Franklin	2	1992
	1215/1217 Tieton Ave	2	1992
	261/263 S Tieton Rd	2	1992
	19861-19867 Summitview	4	1992
Pioneer Plaza	408-412 E Spruce St	3	1983
	902-906 E Beech St	3	1983
	115-1121 Pleasant Ave	4	1983
	1314-1316 S 12th Ave	2	1983
	1408-1414 Willow St	4	1983
	507/509 N 6th Ave	2	1983
	510/512 Cherry Ave	2	1983
Sage Court	614 Washington	7	1986
	110 S Beech St	3	1986
Sunset Terrace	417/419/503/505 N 6th Ave	4	1986
	1004-1010 Buwalda	4	1986
	202 N 9th St	2	1986
	1707 Pleasant Ave	2	1986
	608 S 8th St	1	1986
	509 S 10th St	1	1986
	332 S 9th St	1	1986
	311 S 7th St	1	1986
	1611-1617 S 1st St	4	1986
	603/605 S 4th St	2	1986
	1112/1114 S 18th Ave	2	1986
Total Valley Seven (Farm Labor Units)		147	



# Yakima Housing Authority

## Property Characteristics and Unit Composition – Last Ten Fiscal Years

(Unaudited)

Table 11

Total Valley Seven (Farm Labor Units) (brought forward)			<u>147</u>
Public Housing Units:			
Fair Avenue Apartments - 42-1	110 S Fair Ave	14	1989
Pacific Apartments - 42-1	504/508 Pacific	15	1989
Evergreen Apartments - 42-1	1322 S 18th Ave	6	1988
Cascade Apartments - 42-1	615 N 15th Ave	15	1989
Eastwood Apartments - 42-1	610 E Arlington St	10	1989
Spruce Lane Apartments - 42-2	914 E Spruce St	20	1979
Edgewood Apartments - 42-2	621 N 16th Ave	10	1979
Willow Lane Apartments - 42-2	1214 Willow St	10	1979
Sierra Apartments - 42-2	603 Central Ave	14	1979
Parkview Apartments - 42-2	801 Central Ave	10	1979
Parkview Apartments - 42-3	1212 S 9th St	4	1982
Yakima Terrace- 42-6	1307/1309/1311 A & B S 18th Ave	6	1987
Nueva Primavera -42-7	810 N 6th Ave	<u>16</u>	1999
Total Public Housing Units		<u>150</u>	
Other housing developments:			
Nueva Primavera	1118 Fruitvale Ave & 810 N 6th Ave	39	1999
Mariposa Apartments	314 Cherry Ave/918 & 919 Fenton	26	1999
Glenn Acres	15 N 37th Ave	<u>38</u>	1999
Total other housing developments:		<u>103</u>	
Total Units		<u><u>400</u></u>	

Source: YHA development and deed files

Continued

**Yakima Housing Authority**  
**Number of YHA Staff – Last Ten Fiscal Years**  
**(Unaudited)**

**Table 12**

Fiscal Year	Administration	Finance	Housing	Maintenance	Total
2002	2	5	15	13	35
2003	2	5	14	12	33
2004	2	5	14	12	33
2005	2	5	11	11	29
2006	2	5	10	11	28
2007	2	5	10	10	27
2008	2	5	10	10	27
2009	2	5	10	11	28
2010	2	5	10	12	29
2011	2	5	12	11	30

Source: YHA's operating budget documents for the related fiscal year

# Housing Authority of the City of Yakima

Single Audit Section:

Independent Auditors' Reports

Schedule of Expenditures of Federal Awards

Schedule of Findings and Questioned Costs

Status of Prior Year Findings



3702 KERN ROAD

YAKIMA, WA 98902

509 575 1040 P

509 457 2145 F

**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**

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

We have audited the financial statements of the City of Yakima Housing Authority, as of and for the year ended March 31, 2011, and have issued our report thereon dated August 31, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Yakima Housing Authority's internal control over financial reporting as a basis for designing our auditing procedures 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 City of Yakima Housing Authority's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City of Yakima Housing Authority's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City of Yakima Housing Authority's financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Petersen CPAs + Advisors, PLLC

August 31, 2011





3702 KERN ROAD

YAKIMA, WA 98902

509 575 1040 P

509 457 2145 F

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the City of Yakima Housing Authority's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Yakima Housing Authority's major federal programs for the year ended March 31, 2011. The City of Yakima Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City of Yakima Housing Authority's management. Our responsibility is to express an opinion on the City of Yakima Housing Authority's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Yakima Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City of Yakima Housing Authority's compliance with those requirements.

In our opinion, the City of Yakima Housing Authority, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2011.

Internal Control over Compliance

Management of the City of Yakima Housing Authority, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City of Yakima Housing Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness

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

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Petersen CPAs + Advisors, PLLC

August 31, 2011

**Yakima Housing Authority**  
**Schedule of Expenditures of Federal Awards**  
**March 31, 2011**

	CFDA Number	Contract Number	Other Identification Number	Federal Expenditures
<b><i>U.S. Department of Housing and Urban Development:</i></b>				
Public and Indian Housing	14.850	S-75	WA042-001,2,3,6,7	<u>\$ 303,435</u>
Public Housing Capital Fund	14.872	S-75	WA19PO42501-08	124,812
Public Housing Capital Fund	14.872	S-75	WA19PO42501-09	200,155
Public Housing Capital Fund	14.872	S-75	WA19PO42501-10	<u>54,999</u>
Total Public Housing Capital Fund				<u>379,966</u>
ARRA	14.885	WA19S042501-09		<u>26,245</u>
Veterans Affairs Supportive Housing Program	14.VSH			<u>60,604</u>
Section 8 Housing Assistance Payments Program	14.195	WA19M000052	WA19M000052	<u>120,634</u>
Section 8 Housing Choice Vouchers	14.871	S0083V	WA042VO	<u>3,093,680</u>
Total U.S. Department of Housing and Urban Development				<u>3,984,564</u>
<b><i>USDA Farmers Home Administration Direct Programs:</i></b>				
Rural Rental Assistance Program	10.427	Valley Seven		<u>379,088</u>
Total USDA Farmers Home Administration Direct Programs				<u>379,088</u>
<b>Total Federal Expenditures</b>				<u><u>\$ 4,363,652</u></u>

The accompanying notes are an integral part of this schedule.



# **Yakima Housing Authority**

## **Notes to Schedule of Expenditures of Federal Awards**

**March 31, 2011**

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

*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.

# **Yakima Housing Authority**

## **Schedule of Findings and Questioned Costs**

**March 31, 2011**

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

- A. The type of report issued on the basic financial statements:

***Unqualified Opinion***

- B. Significant deficiencies in internal control disclosed by the audit of the basic financial statements:

***None reported***

- C. Noncompliance that is material to the financial statements:

***None reported***

- D. Significant deficiencies in internal control over major programs:

***Unqualified Opinion***

- E. The type of report issued on compliance for major programs:

***Unqualified Opinion***

- F. Any audit findings that are required to be reported under Section 510 (a) of OMB Circular A-133:

***No***

- G. Major Programs:

Low rent subsidy (CFDA 14.850)

Section 8 housing choice voucher program (CFDA 14.871)

Public housing capital fund (CFDA No. 14.872)

Public housing capital fund – ARRA Formula Grant (CFDA No. 14.885)

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

***\$300,000***

- I. Auditee qualified as a low-risk auditee under Section 530 of OMB Circular A-133:

***Yes***

### **Section II – Findings Relating to the Basic Financial Statements Reported in Accordance with *Government Auditing Standards***

No findings relating to the basic financial statements to be reported in accordance with *Government Auditing Standards* identified.

### **Section III – Findings and Questioned Costs Relating to Federal Awards**

No findings relating to the federal awards to be reported in accordance with OMB Circular A-133 identified.

**Yakima Housing Authority**  
**Status of Prior Year Findings**  
**March 31, 2011**

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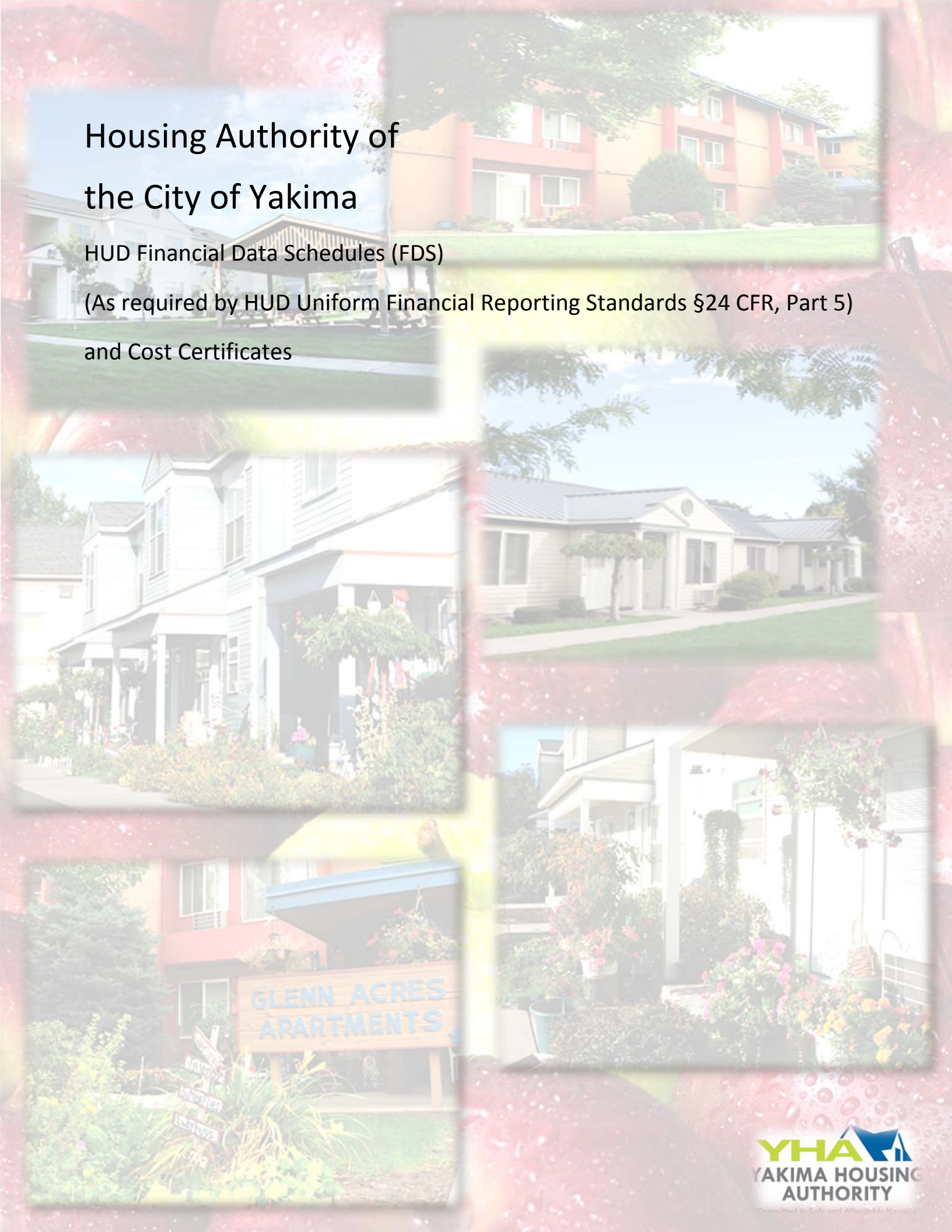
There are no prior audit findings

# Housing Authority of the City of Yakima

HUD Financial Data Schedules (FDS)

(As required by HUD Uniform Financial Reporting Standards §24 CFR, Part 5)

and Cost Certificates



# Yakima Housing Authority

## Financial Data Schedules

Line Item #	Account description	14.195 Section 8 Housing Assist. Payment: Program Special			
		Low Rent/ CFP	14.871 Housing Choice Vouchers	State / Local	
111	Cash - unrestricted	\$ 208,174	\$ 290,505	\$ 21,571	\$ 14,881
112	Cash - restricted - modernization and development	-	-	-	-
113	Cash - other restricted	-	19,454	-	-
114	Cash - tenant security deposits	27,942	-	14,502	6,922
115	Cash - restricted for payment of current liabilities	-	-	-	-
100	Total cash	<u>236,116</u>	<u>309,959</u>	<u>36,073</u>	<u>21,803</u>
121	Accounts receivable - PHA projects	-	-	-	-
122	Accounts receivable - HUD other projects	11,602	-	12,054	-
124	Accounts receivable - other government	-	-	1,533	-
125	Accounts receivable - miscellaneous	-	16,254	1,261	-
126	Accounts receivable - tenants - dwelling rents	11,254	-	11,957	376
126.1	Allowance for doubtful accounts - dwelling rents	(1,051)	-	(919)	(8)
126.2	Allowance for doubtful accounts - other	-	(82)	-	-
127	Notes, loans and mortgages receivable - current	6,100	-	2,910	-
128	Fraud recovery	-	-	-	-
128.1	Allowance for doubtful accounts - fraud recovery	-	-	-	-
129	Accrued interest receivable	-	-	-	-
120	Total receivables, net of allowances for doubtful account:	<u>27,905</u>	<u>16,172</u>	<u>28,796</u>	<u>368</u>
131	Investments - unrestricted	55,216	-	36,963	5
132	Investments - restricted	-	495,936	516,906	59,986
135	Investments - restricted for payment of current liability	-	-	-	-
142	Prepaid expenses and other assets	112,542	8,723	10,280	1,981
143	Inventories	105,528	-	16,888	-
143.1	Allowance for obsolete inventories	(344)	-	-	-
144	Inter program due from	338,781	-	50,000	315,000
145	Assets held for sale	-	-	-	-
150	Total current assets	<u>875,744</u>	<u>830,790</u>	<u>695,906</u>	<u>399,143</u>
161	Land	908,069	-	681,574	84,100
163	Buildings	13,472,377	-	6,011,832	1,196,554
163	Furniture, equipment & machinery - dwellings	224,995	-	174,265	29,574
164	Furniture, equipment & machinery - administration	119,153	4,974	286,189	-
165	Leasehold improvements	-	-	-	-
166	Accumulated depreciation	(7,718,092)	(4,974)	(2,216,582)	(359,026)
167	Construction in progress	557,431	-	-	-
168	Infrastructure	-	-	-	-
160	Total capital assets, net of accumulated depreciation	<u>7,563,933</u>	<u>-</u>	<u>4,937,278</u>	<u>951,202</u>
171	Notes, loans and mortgages receivable - non-current	2,308	-	1,856	-
172	Notes, loans and mortgages receivable - non-current - past due	-	-	-	-
173	Grants receivable - non-current	-	-	-	-
174	Other assets	-	-	-	-
176	Investments in joint ventures	-	-	-	-
180	Total non-current assets	<u>7,566,241</u>	<u>-</u>	<u>4,939,134</u>	<u>951,202</u>
190	Total assets	<u>\$ 8,441,985</u>	<u>\$ 830,790</u>	<u>\$ 5,635,040</u>	<u>\$ 1,350,345</u>

March 31, 2011

10.427 Rural Assistance Programs	14.VSH HUD Veterans Affairs Support. Housing	14.885 Formula Capital Fund Stimulus Grants	Total
\$ 4,549	\$ -	\$ -	\$ 539,680
-	-	-	-
-	154,717	-	174,171
24,086	-	-	73,452
-	-	-	-
28,635	154,717	-	787,303
-	-	-	-
-	-	-	23,656
27,165	-	-	28,698
-	-	-	17,515
18,256	-	-	41,843
(1,151)	-	-	(3,129)
-	-	-	(82)
2,081	-	-	11,091
-	-	-	-
-	-	-	-
-	-	-	-
46,351	-	-	119,592
4	-	-	92,188
604,223	52,638	-	1,729,689
-	-	-	-
12,183	-	-	145,709
-	-	-	122,416
-	-	-	(344)
-	-	-	703,781
-	-	-	-
691,396	207,355	-	3,700,334
633,144	-	-	2,306,887
8,190,464	-	-	28,871,227
125,843	-	-	554,677
9,229	-	-	419,545
-	-	-	-
(4,531,361)	-	-	(14,830,035)
-	-	-	557,431
-	-	-	-
4,427,319	-	-	17,879,732
-	-	-	4,164
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
4,427,319	-	-	17,883,896
\$ 5,118,715	\$ 207,355	\$ -	\$ 21,584,230

Continued

# Yakima Housing Authority

## Financial Data Schedules

Line Item #	Account description	14.195 Section 8 Housing Assist. Payment: Program Special			
		Low Rent/ CFP	14.871 Housing Choice Vouchers	State / Local	
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -
312	Accounts payable less than 90 days	39,403	-	3,449	-
313	Accounts payable greater than 90 days	-	-	-	-
321	Accrued wages / payroll taxes payable	111,768	-	-	-
322	Accrued compensated absences - current portion	17,900	10,424	5,658	2,398
324	Accrued contingency liability	-	-	-	-
325	Accrued interest payable	-	-	53,612	-
331	Accounts payable - HUD PHA programs	-	194,570	-	-
332	Accounts payable - PHA projects	-	-	-	-
333	Accounts payable - other government	3,647	-	22,702	-
341	Tenant security deposits	27,942	-	14,496	6,922
342	Deferred revenues	9,462	-	3,154	1,915
343	Current portion of long-term debt - capital projects/mortgage revenue bonds	-	-	74,000	17,440
344	Current portion of long-term debt - operating borrowings	-	-	-	-
345	Other current liabilities	-	-	-	-
346	Accrued liabilities - other	-	-	-	-
347	Inter program - due to	11,602	157,623	435,047	17,373
348	Loan liability - current	-	-	-	-
310	Total current liabilities	<u>221,724</u>	<u>362,617</u>	<u>612,118</u>	<u>46,048</u>
351	Long-term debt, net of current - capital projects/mortgage revenue bonds	-	-	3,861,856	1,138,580
352	Long-term debt, net of current - operating borrowings	-	-	-	-
353	Non-current liabilities - other	-	-	95,170	-
354	Accrued compensated absences - non-current	655	4	72	77
355	Loan liability - non-current	-	-	-	-
356	FASB 5 liabilities	-	-	-	-
357	Accrued pension and OPEB liabilities	-	-	-	-
350	Total non-current liabilities	<u>655</u>	<u>4</u>	<u>3,957,098</u>	<u>1,138,657</u>
300	Total liabilities	<u>222,379</u>	<u>362,621</u>	<u>4,569,216</u>	<u>1,184,705</u>
508.1	Invested in capital assets, net of related debt	7,563,933	-	1,001,422	(204,818)
509.2	Fund balance reserved	-	-	-	-
511.2	Unreserved, designated fund balance	-	-	-	-
511.1	Restricted net assets	-	515,390	516,906	59,986
512.1	Unrestricted net assets	655,673	(47,221)	(452,504)	310,472
512.2	Unreserved, undesignated fund balance	-	-	-	-
513	Total equity/net assets	<u>8,219,606</u>	<u>468,169</u>	<u>1,065,824</u>	<u>165,640</u>
600	Total liabilities and equity/net assets	<u>\$ 8,441,985</u>	<u>\$ 830,790</u>	<u>\$ 5,635,040</u>	<u>\$ 1,350,345</u>

10.427 Rural Assistance Programs	14.VSH HUD Veterans Affairs Support. Housing	14.885 Formula Capital Fund Stimulus Grants	Total
\$ -	\$ -	\$ -	\$ -
5,378	-	-	48,230
-	-	-	-
-	-	-	111,768
10,062	-	-	46,442
-	-	-	-
499	-	-	54,111
-	-	-	194,570
-	-	-	-
-	-	-	26,349
24,065	-	-	73,425
11,338	-	-	25,869
56,498	-	-	147,938
-	-	-	-
-	-	-	-
-	-	-	-
82,136	-	-	703,781
-	-	-	-
189,976	-	-	1,432,483
1,136,932	-	-	6,137,368
-	-	-	-
-	-	-	95,170
324	-	-	1,132
-	-	-	-
-	-	-	-
-	-	-	-
1,137,256	-	-	6,233,670
1,327,232	-	-	7,666,153
3,233,889	-	-	11,594,426
-	-	-	-
-	-	-	-
604,223	207,355	-	1,903,860
(46,629)	-	-	419,791
-	-	-	-
3,791,483	207,355	-	13,918,077
\$ 5,118,715	\$ 207,355	\$ -	\$ 21,584,230

Continued



# Yakima Housing Authority

## Financial Data Schedules

Line Item #	Account description	14.871 Housing			14.195 Section 8 Housing Assist. Payment:
		Project Total	Choice Vouchers	State / Local	Program Special
70300	Net tenant rental revenue	\$ 458,553	\$ -	\$ 414,233	\$ 101,285
70400	Tenant revenue - other	26,324	-	26,057	3,117
70500	Total tenant revenue	<u>484,877</u>	<u>-</u>	<u>440,290</u>	<u>104,402</u>
70600	HUD PHA operating grants	460,159	3,282,252	-	-
70610	Capital grants	223,242	-	-	-
70710	Management fee	-	-	-	-
70720	Asset management fee	-	-	-	-
70730	Bookkeeping fee	-	-	-	-
70740	Front line service fee	-	-	-	-
70750	Other fees	-	-	-	-
70700	Total fee revenue	<u>683,401</u>	<u>3,282,252</u>	<u>-</u>	<u>-</u>
70800	Other government grants	-	-	73,446	120,634
71100	Investment income - unrestricted	415	49	60	40
71200	Mortgage interest income	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-
71310	Cost of sale of assets	-	-	-	-
71400	Fraud recovery	-	16,954	-	-
71500	Other revenue	4,801	-	84,530	-
71600	Gain or loss on sale of capital assets	80,650	725	-	-
72000	Investment income - restricted	-	578	733	98
70000	Total revenue	<u>\$ 1,254,144</u>	<u>\$ 3,300,558</u>	<u>\$ 599,059</u>	<u>\$ 225,174</u>

10.427 Rural Assistance Programs	14.VSH HUD Veterans Affairs Support. Housing	14.885 Formula Capital Fund Stimulus Grants	Total
\$ 591,636	\$ -	\$ -	\$ 1,565,707
31,988	-	-	87,486
623,624	-	-	1,653,193
-	215,321	2,387	3,960,119
-	-	23,858	247,100
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	215,321	26,245	4,207,219
379,088	-	-	573,168
14	-	-	578
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	16,954
-	-	-	89,331
-	-	-	81,375
1,267	68	-	2,744
\$ 1,003,993	\$ 215,389	\$ 26,245	\$ 6,624,562

# Yakima Housing Authority

## Financial Data Schedules

Line Item #	Account description	14.195 Section 8 Housing Assist. Payment:			
		Project Total	14.871 Housing Choice Vouchers	State / Local	Program Special
91100	Administrative salaries	\$ 237,070	\$ 309,382	\$ 61,222	\$ 30,084
91200	Auditing fees	11,078	12,039	4,786	869
91300	Management fee	-	-	-	-
91310	Bookkeeping fee	-	-	-	-
91400	Advertising and marketing	662	923	302	182
91500	Employee benefit contributions - administrative	95,881	123,670	24,461	11,761
91600	Office expenses	54,772	48,658	15,582	6,440
91700	Legal expense	7,695	4,060	1,711	1,228
91800	Travel	16,123	15,679	4,343	2,140
91810	Allocated overhead	-	-	-	-
91900	Other	-	-	2,894	1,583
91000	Total operating - administrative	423,281	514,411	115,301	54,287
92000	Asset management fee	-	-	-	-
92100	Tenant services - salaries	-	-	-	-
92200	Relocation costs	10,808	-	-	-
92300	Employee benefit contributions - tenant services	-	-	-	-
92400	Tenant services - other	232	42	-	-
92500	Total tenant services	11,040	42	-	-
93100	Water	40,346	-	25,842	4,297
93200	Electricity	15,145	-	12,472	11,354
93300	Gas	1,096	-	1,064	12,721
93400	Fuel	-	-	-	-
93500	Labor	-	-	-	-
93600	Sewer	57,561	-	24,305	7,839
93700	Employee benefit contributions - utilities	-	-	-	-
93800	Other utilities expense	-	-	-	-
93000	Total utilities	114,148	-	63,683	36,211
94100	Ordinary maintenance and operations - labor	199,105	1,468	69,197	27,913
94200	Ordinary maintenance and operations - materials and other	61,148	2,514	24,381	6,033
94300	Ordinary maintenance and operations contracts	81,720	43,307	61,820	16,046
94500	Employee benefit contributions - ordinary maintenance	84,246	369	30,173	11,315
94000	Total maintenance	426,219	47,658	185,571	61,307
95100	Protective services - labor	-	-	-	-
95200	Protective services - other contract costs	41,601	-	1,008	-
95300	Protective services - other contract costs	-	-	-	-
95500	Employee benefit contributions - protective services	-	-	-	-
95000	Total protective services	41,601	-	1,008	-
96110	Property insurance	9,006	-	10,771	1,588
96120	Liability insurance	4,307	7,277	643	695
96130	Workmen's compensation	-	-	-	-
96140	All other insurance	3,189	1,953	2,074	314
96100	Total insurance premiums	\$ 16,502	\$ 9,230	\$ 13,488	\$ 2,597

10.427 Rural Assistance Programs	14.VSH HUD Veterans Affairs Support. Housing	14.885 Formula Capital Fund Stimulus Grants	Total
\$ 95,573	\$ -	\$ -	\$ 733,331
3,361	-	-	32,133
-	-	-	-
-	-	-	-
331	-	-	2,400
37,129	-	-	292,902
21,135	-	-	146,587
5,076	-	-	19,770
8,751	-	-	47,036
-	-	-	-
4,280	-	-	8,757
175,636	-	-	1,282,916
-	-	-	-
-	-	-	-
-	-	-	10,808
-	-	-	-
-	-	-	274
-	-	-	11,082
77,344	-	-	147,829
15,557	-	-	54,528
195	-	-	15,076
-	-	-	-
-	-	-	-
94,006	-	-	183,711
-	-	-	-
-	-	-	-
187,102	-	-	401,144
177,710	-	1,783	477,176
57,267	-	-	151,343
146,409	-	-	349,302
67,432	-	604	194,139
448,818	-	2,387	1,171,960
-	-	-	-
-	-	-	42,609
-	-	-	-
-	-	-	-
-	-	-	42,609
9,370	-	-	30,735
3,290	-	-	16,212
-	-	-	-
1,801	-	-	9,331
\$ 14,461	\$ -	\$ -	\$ 56,278

Continued

# Yakima Housing Authority

## Financial Data Schedules

Line Item #	Account description	14.871 Housing			14.195 Section 8 Housing Assist. Payment:
		Project Total	Choice Vouchers	State / Local	Program Special
96200	Other general expenses	\$ 1,155	\$ 11,828	\$ 3,093	\$ -
96210	Compensated absences	3,641	2,388	814	518
96300	Payments in lieu of taxes	3,648	-	-	33
96400	Bad debt - tenant rents	8,674	-	14,111	-
96500	Bad debt - mortgages	-	-	-	-
96600	Bad debt - other	-	986	-	-
96800	Severance expense	-	-	-	-
96000	Total other general expenses	<u>17,118</u>	<u>15,202</u>	<u>18,018</u>	<u>551</u>
96710	Interest of mortgage (or bonds) payable	-	-	116,730	40,421
96720	Interest on notes payable (short and long-term)	-	-	-	-
96730	Amortization of bond issue costs	-	-	-	-
96700	Total interest expense and amortization cost	<u>-</u>	<u>-</u>	<u>116,730</u>	<u>40,421</u>
96900	Total operating expenses	<u>1,049,909</u>	<u>586,543</u>	<u>513,799</u>	<u>195,374</u>
97000	Excess of operating revenue over operating expenses	<u>204,235</u>	<u>2,714,015</u>	<u>85,260</u>	<u>29,800</u>
97100	Extraordinary maintenance	-	-	-	-
97200	Casualty losses - non-capitalized	-	-	-	-
97300	Housing assistance payments	-	2,507,138	25,043	-
97350	HAP portability-in	-	-	-	-
97400	Deprecation expense	452,861	-	195,196	33,074
97500	Fraud losses	-	-	-	-
97600	Capital outlays - governmental funds	-	-	-	-
97700	Debt principal payment - governmental funds	-	-	-	-
97800	Dwelling units rent expense	-	-	-	-
90000	Total expenses	<u>1,502,770</u>	<u>3,093,681</u>	<u>734,038</u>	<u>228,448</u>
10010	Operating transfer in	156,724	-	-	-
10020	Operating transfer out	(156,724)	-	-	-
10030	Operating transfers from/to primary government	-	-	-	-
10040	Operating transfers from/to component unit	-	-	-	-
10050	Proceeds from notes, loans and bonds	-	-	-	-
10060	Proceeds from property sales	-	-	-	-
10070	Extraordinary items, net gain/loss	-	-	-	-
10080	Special items (net gain/loss)	-	-	-	-
10091	Inter project excess cash transfer in	-	-	-	-
10092	Inter project excess cash transfer out	-	-	-	-
10093	Transfers between program and project - in	223,242	-	-	-
10094	Transfers between program and project - out	(223,242)	-	-	-
10100	Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
10000	Excess(deficiency) of total revenue over(under) total expens	<u>\$ (248,626)</u>	<u>\$ 206,877</u>	<u>\$ (134,979)</u>	<u>\$ (3,274)</u>

10.427 Rural Assistance Programs	14.VSH HUD Veterans Affairs Support. Housing	14.885 Formula Capital Fund Stimulus Grants	Total
\$ 4,217	\$ -	\$ -	\$ 20,293
931	-	-	8,292
5,407	-	-	9,088
4,768	-	-	27,553
-	-	-	-
-	-	-	986
-	-	-	-
15,323	-	-	66,212
6,254	-	-	163,405
-	-	-	-
-	-	-	-
6,254	-	-	163,405
847,594	-	2,387	3,195,606
156,399	215,389.0	23,858	3,428,956
-	-	-	-
-	-	-	-
-	60,604	-	2,592,785
-	-	-	-
239,631	-	-	920,762
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
1,087,225	60,604	2,387	6,709,153
-	-	-	156,724
-	-	-	(156,724)
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	223,242
-	-	-	(223,242)
-	-	-	-
\$ (83,232)	\$ 154,785	\$ 23,858	\$ (84,591)

# Yakima Housing Authority

## Financial Data Schedules

Line Item #	Account description	Project Total	14.871 Housing		14.195 Section 8 Housing Assist. Payment:	
			Choice Vouchers	State / Local	Program Special	
11020	Required annual debt principal payments	\$ -	\$ -	\$ 74,000	\$ 17,440	
11030	Beginning equity	8,444,374	261,292	1,200,803	168,914	
11040	Prior period adjustments, equity transfers and corrections	23,858	-	-	-	
11050	Changes in compensated absence balance	-	-	-	-	
11060	Changes in contingent liability balance	-	-	-	-	
11070	Changes in unrecognized pension transition liability	-	-	-	-	
11080	Changes in special term/severance benefits liability	-	-	-	-	
11090	Changes in allowance for doubtful accounts - dwelling rents	1,800	7,416	780	456	
11100	Changes in allowance for doubtful accounts - other	-	-	-	-	
11170	Administrative fee equity	-	-	-	-	
11180	Housing assistance payments equity	-	-	-	-	
11190	Unit months available	-	-	-	-	
11210	Number of unit months leased	1,774	6,717	719	450	
11270	Excess cash	-	-	-	-	
11610	Land purchases	-	-	-	-	
11620	Building purchases	-	-	-	-	
11630	Furniture and equipment - dwelling purchases	-	-	-	-	
11640	Furniture and equipment - administrative purchases	-	-	-	-	
11650	Leasehold improvements purchases	-	-	-	-	
11660	Infrastructure purchases	-	-	-	-	
13510	CFFP debt service payments	-	-	-	-	
13901	Replacement housing factor funds	-	-	-	-	

10.427 Rural Assistance Programs	14.VSH HUD Veterans Affairs Support. Housing	14.885 Formula Capital Fund Stimulus Grants	Total
\$ -	\$ -	\$ -	\$ 91,440
3,874,715	52,570	-	14,002,668
-	-	(23,858)	-
-	-	-	-
-	-	-	-
-	-	-	-
1,764	630	-	12,846
-	-	-	-
-	-	-	-
-	-	-	-
1,567	193	-	11,420
-	-	-	-
-	-	-	-
-	-	23,858	23,858
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

Continued



# Actual Modernization Cost Certificate

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing

OMB Approval No 2577-0157 (exp 3/31/2010)

## Comprehensive Improvement Assistance Program (CIAP) Comprehensive Grant Program (CGP)

FEB 28 2011

Public reporting burden for this collection of information is estimated to average 2 hours per response, including time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-004 and 0157), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

This collection of information requires that each Housing Authority (HA) submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the modernization grant is ready to be audited and closed out. The information is essential for audit information will verification and fiscal close out. Responses to the collection are required by regulation. The information requested does not lend itself to confidentiality.

HA Name:	Modernization Project Number:
Housing Authority of the City of Yakima	WA19P042501-06

The HA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Original Funds Approved	\$ 253,466.00
B. Funds Disbursed	\$ 253,466.00
C. Funds Expended (Actual Modernization Costs)	\$ 253,466.00
D. Amount to be Recaptured (A-C)	\$ -0-
E. Excess of Funds Disbursed (B-C)	\$ -0-

2. That all modernization work in connection with the Modernization Grant has been complete;

3. That the entire Actual Modernization cost or liabilities therefor incurred by the HA have been fully paid;


4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and

5. That the time in which such liens could be filed has expired.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature of Executive Director & Date

X  7/30/09  
Lowell Krueger

### For HUD Use Only

#### The Cost Certificate is approved for audit:

Approval for Audit (Director, Office of Public Housing / ONAP Administrator)

X 

Date:

8/24/09

#### The audit costs agree with the costs shown above:

Verified: (Designated HUD Official)

X 

Date:

2/17/11

Approved by: (Director, Office of Public Housing / ONAP Administrator)

X 

Date:

2/23/11

# Actual Modernization Cost Certificate

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 12/31/2011)

## Comprehensive Improvement Assistance Program (CIAP) Comprehensive Grant Program (CGP)

**Public reporting burden** for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0044 and 0157), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

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HA Name: <b>Housing Authority of the City of Yakima</b>	Modernization Project Number: <b>WA19P042501-07</b>
--	--

The HA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Original Funds Approved	\$ 243,687.00
B. Funds Disbursed	\$ 243,687.00
C. Funds Expended (Actual Modernization Cost)	\$ 243,687.00
D. Amount to be Recaptured (A-C)	\$
E. Excess of Funds Disbursed (B-C)	\$

2. That all modernization work in connection with the Modernization Grant has been completed;

3. That the entire Actual Modernization Cost or liabilities therefor incurred by the HA have been fully paid;

4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and

5. That the time in which such liens could be filed has expired.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

**Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature of Executive Director & Date:

X



7/27/10

### For HUD Use Only

#### The Cost Certificate is approved for audit:

Approved for Audit (Director, Office of Public Housing / ONAP Administrator)

Date:

X



10/8/10

#### The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)

Date:

X

Approved: (Director, Office of Public Housing / ONAP Administrator)

Date:

X

OCT 18 2010