

REVISED AGENDA

1. ROLL CALL
2. PUBLIC COMMENT – FIVE (5) MINUTES PER SPEAKER
3. CONSIDER A MOTION APPROVING THE MINUTES FOR THE REGULAR BOARD MEETING HELD ON April 27, 2022. **Pages 2 to 4**
4. CONSIDER A MOTION RATIFYING THE PAYMENT OF CASH DISBURSEMENTS TOTALING \$3,608,926.06 FOR April 2022 **Page 5**
5. CONSIDER A MOTION CREATING A FINANCE COMMITTEE AND A PROGRAM COMMITTEE
6. REPORTS
 - a. INTRODUCTION OF STAFF
 - b. FINANCE - Moreen Ford Acting CFO **Page 8 to 38**
 - c. Follow-up Board Retreat - Jim
 - PCHA Financial Condition - County BDO Report (**page 38 to 97**) and HUD QAD Report **Page 98 to 114**
 - Commissioner Job Description **Page 115 to 118**
 - Meeting with Tacoma Housing Authority
 - Schedule next two work sessions
 - 1) Tour of properties/lunch with staff
 - 2) Mission statement review
 - d. Matters of Importance with discussion of possible dashboard data
 - Vouchers and Public Housing – Tamara
 - Enterprise Apartments – Tina
 - Facilities and maintenance – Victor
 - Project management - Sean
7. WORK SESSION: REPOSITIONING
 - a. Historic steps taken by the Authority Pages 119 to 130
 - b. Possible uses of Proceeds Pages 131-133
8. COMMISSIONER’S CORNER
9. EXECUTIVE SESSION IF NEEDED

The Board may hold an executive session for purposes allowed under the Open Public Meetings Act. Legal purposes include: to consider acquisition or sale of real estate; to review negotiations of publicly bid contracts; to receive and evaluate complaints or charges brought against a public officer or employee; to evaluate the qualifications of an applicant for public employment; to review the performance of a public employee; and to discuss with legal counsel matters relating to agency enforcement actions, litigation, or potential litigation. Before convening in executive session, the Board Chair will publicly announce the purpose for the executive session and the time when the executive session is expected to conclude.

Under RCW 42.30.110, an executive session may be held for the purpose of receiving and evaluating complaints against or reviewing the qualifications of an applicant for public employment or reviewing the performance of a public employee; consultation with legal counsel regarding agency enforcement actions, or actual or potential agency litigation; considering the sale or acquisition of real estate; and/or reviewing professional negotiations.
10. ADJOURNMENT

The Pierce County Housing Authority Board of Commissioner will hold its meetings to ensure essential Housing Authority functions continue, however due to Governor Inslee’s [Emergency Proclamation 20-25 Stay Home – Stay Healthy](#) issued on March 23, 2020, in-person attendance by members of the public is NOT permitted at this time.

During this public health emergency, we will only accept public comment at Director@pchawa.org. Submit public comments any time before the Board of Commissioner’s meeting adjourns. All written comments will be part of the record. If you make public comments before noon on the day of the Board meeting, Board members will receive them prior to the meeting.

**PIERCE COUNTY HOUSING AUTHORITY
BOARD OF COMMISSIONERS REGULAR MEETING**
Wednesday, April 27, 2022 3:30 p.m.
Via Zoom

AGENDA

1. ROLL CALL
2. PUBLIC COMMENT – FIVE (5) MINUTES PER SPEAKER
3. CONSIDER A MOTION APPROVING THE MINUTES FOR THE REGULAR BOARD MEETING HELD ON March 30, 2022.
4. CONSIDER A MOTION RATIFYING THE PAYMENT OF CASH DISBURSEMENTS TOTALING \$3,587,563.31 FOR March 2022
5. REPORTS
 - a. INTRODUCTION OF STAFF
 - b. FINANCE - Moreen Ford Acting CFO
 - c. SECTION 8 AND PUBLIC HOUSING – Tamara Meade
 - d. MAINTENANCE and REAL ESTATE – Victor Lovelace
 - e. ENTERPRISE APARTMENTS – Christina McLeod
 - f. PUBLIC HOUSING REPOSITIONING – Sean McKenna
 - g. EXECUTIVE DIRECTOR REPORT – Jim Stretz
6. COMMISSIONER’S CORNER
7. EXECUTIVE SESSION

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MINUTES OF THE REGULAR MEETING OF THE
BOARD OF COMMISSIONERS OF THE PIERCE
COUNTY HOUSING AUTHORITY

April 27, 2022
603 SOUTH POLK STREET
TACOMA WA 98445

Location: via Zoom

In attendance via Zoom: Commissioner Blakesley
Commissioner Miller
Commissioner Stewart
Commissioner Walton

Also in attendance via Zoom: Jim Stretz, Executive Director
Moreen Forde, Acting Financial Officer
Victor Lovelace, Maintenance Director
Tina McLeod, Director of Operations
Sean Mckenna, Director of Project Management
Tamara Meade, Director of Supported Housing Programs

Vice Chairperson Walton called the meeting to order at 3:30 pm. Roll call was taken with those in attendance.

Vice Chairperson Walton asked if there was any public comment. There was no public comment.

Vice Chairperson Walton asked the Board to consider a motion approving the minutes of the regular board meeting held on March 30, 2022. Commissioner Stewart so moved. Commissioner Miller seconded the motion. A voice vote was taken with the following result:

	In favor	Opposed	Abstain	Absent
Commissioner Blakesley	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Miller	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Stewart	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Walton	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chairperson Martinez	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Vice Chairperson Walton asked the Board to consider a motion ratifying the payment of cash disbursements for January 2022. Commissioner Stewart so moved. Commissioner Miller seconded the motion. A voice vote was taken with the following result:

	In favor	Opposed	Abstain	Absent
Commissioner Blakesley	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Miller	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Stewart	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Commissioner Walton	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Chairperson Martinez	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Vice Chairperson Walton asked for the introduction of staff. Victor Lovelace introduced Robert Griffin from the maintenance team.

Vice Chairperson Walton asked for the finance report. Moreen went over her written reports. There was a discussion regarding the some of the reports being three months old. There was also a discussion on the budget

estimates listed on the reports. Vice Chairperson Walton asked how the bank fees for US Bank compare to the previous bank. Moreen said she would have to check on that.

Vice Chairperson Walton asked for the Section 8 report. Tamara went over her two-year tool. There was a discussion on the unused Vouchers and what a Voucher is worth. There was a discussion on the delinquencies in public and affordable housing. Christina explained the current process they must use before they can start the eviction process. There was an explanation on the HCV process when someone is looking for a unit.

Vice Chairperson Walton asked for the maintenance report. Victor went over his written report.

Vice Chairperson Walton asked for the affordable housing report. Christina went over written report. There was a discussion on job positions that are in the process of being filled.

Vice Chairperson Walton asked for the projects management report. Sean went over his written report.

Vice Chairperson Walton asked for the Executive Director report. Jim gave an update on the HUD provided technical assistance analysis. The Housing Authority is also getting an analysis from a local consulting company. Jim will be attending a NAHRO training that is taking place in Renton. There was also an update on the ongoing software conversion and the upcoming board retreat. There was a discussion on when the board meeting will go back to being in person.

Vice Chairperson Walton asked if there was anything for the Commissioner's Corner. Commissioner Miller would like to see the reports to have a more dashboard approach so that the commissioners can focus and discuss other issues. He would also like a further discussion on the value of the HCV Voucher. Vice Chairperson Walton would like the mission statement to be reviewed.

No Executive Session

Meeting adjourned at 5:37 pm.

PIERCE COUNTY HOUSING AUTHORITY
Report of Cash Disbursements
Period Ending April, 2022

Below are the cash disbursements for the month of April, 2022

Account Name	Bank	Check and ACH Disbursements	ACH Direct Pays	Bank Fees	Total Apr-22	Mar-22	Variance
Apts General	US Bank	1,472.00	633.45	-	2,105.45	2,243.30	(137.85)
General Operation	US Bank	520,359.62	177,635.18	1,206.19	699,200.99	765,034.46	(65,833.47)
Payroll	US Bank	-	150,824.86	-	150,824.86	152,471.58	(1,646.72)
Section 8 HAP	US Bank	2,730,744.01	-	-	2,730,744.01	2,586,899.84	143,844.17
S8 FSS	US Bank	-	-	-	-	63,721.45	(63,721.45)
LIPH Management	US Bank	3,312.00	-	-	3,312.00	3,383.00	(71.00)
FNMA T&I Escrow	Greystone	-	22,738.75	-	\$22,738.75	\$13,809.68	8,929.07
TOTAL		3,255,887.63	351,832.24	1,206.19	\$3,608,926.06	\$3,587,563.31	21,362.75

NOTE:

DISBURSEMENTS audited by the Auditing Officer as required by RCW 42-24-090,
have been recorded on a listing which has been made available to the Board of Commissioners
of the Housing Authority of Pierce County.

Dated this day, May 25, 2022 the Board of Commissioners
of the Pierce County Housing Authority ratifies the payment of the above disbursements in the grand total of: **\$3,608,926.06**

<http://www.leg.wa.gov/>



<http://www.leg.wa.gov/>

[42.24.080](#) << [42.24.090](#) >> [42.24.100](#)

RCW 42.24.090

Municipal corporations and political subdivisions -- Reimbursement claims by officers and employees.

No claim for reimbursement of any expenditures by officers or employees of any municipal corporation or political subdivision of the state for transportation, lodging, meals or any other purpose shall be allowed by any officer, employee or board charged with auditing accounts unless the same shall be presented in a detailed account: PROVIDED, That, unless otherwise authorized by law, the legislative body of any municipal corporation or political subdivision of the state may prescribe by ordinance or resolution the amounts to be paid officers or employees thereof as reimbursement for the use of their personal automobiles or other transportation equipment in connection with officially assigned duties and other travel for approved public purposes, or as reimbursement to such officers or employees in lieu of actual expenses incurred for lodging, meals or other purposes. The rates for such reimbursements may be computed on a mileage, hourly, per diem, monthly, or other basis as the respective legislative bodies shall determine to be proper in each instance: PROVIDED, That in lieu of such reimbursements, payments for the use of personal automobiles for official travel may be established if the legislative body determines that these payments would be less costly to the municipal corporation or political subdivision of the state than providing automobiles for official travel.

All claims authorized under this section shall be duly certified by the officer or employee submitting such claims on forms and in the manner prescribed by the state auditor.

[1995 c 301 § 73; 1981 c 56 § 1; 1965 c 116 § 2.]

Date: 05/18/2022
Time: 1:06:29 PM
By: dxs

A/P Trade Report

Page:1
Rpt:G:\HMS\REPORTS\aptrade.qrp

A/Employee				
	Name	Check Date	Check #	Check Amount
	Kristina Hansen	04/06/2022	#####	\$10.53
	Derika Cabanero	04/12/2022	7571	\$49.14
	Ebonique M Moore	04/12/2022	7576	\$208.26
	Krystal L VonGnatensky	04/12/2022	7585	\$48.56
	Derika Cabanero	04/27/2022	7599	\$39.78
Total For : A/Employee				\$356.27



To: Honorable Chair and Members of the Board of Commissioners

From: Moreen Forde, Acting Chief Financial Officer

Date: May 19, 2022

Re: Budget Variance Report for March 31, 2022

BACKGROUND

This high-level, Budget Variance Report covers preliminary unaudited financial operating results for the period of March 31, 2022. These numbers are draft and subject to change.

It is important to note that the financial report includes three limited liability corporations (LLC) properties that make up the Greystone properties. During 2014, the Authority established three separate Limited Liability Companies: Chateau Rainier Apartments LLC, deMark Apartments LLC and Lakewood Village Apartments LLC, for the purpose of debt refunding. The refunding occurred in 2015 and the Authority transferred all assets and liabilities to these three separate legal entities.

DISCUSSION

Overview

Year-to-date variances are as follows:

- Operating Revenues are under budget by \$107,595 (about 1%)
 - Rental Income is under budget by \$212,706
 - Other Tenant Revenue is over budget by \$45,204
 - Other Income is over budget by \$59,937
- Operating Expenses are over budget by \$30,989 (Less than 1%)
 - Central Administration expenses are under budget.
 - Utilities are over budget.
 - Maintenance Costs are over budget.
 - Wages and Benefits on Site are under budget.
 - FSS Payments are under budget
 - General Taxes, Insurance is over budget.
 - HAP/FSS Payments are on budget.
 - Vendor, Lender, Professional & Other Fees are under budget.
- Profit before non-Operating Revenues/Expenses is under budget by \$138,554 (17%)
- Net Operating Income after Operating Costs is under budget by \$138,554

Operations - Revenue

Rental income (Total Tenant Revenue) of \$1,702,314 is under budget by \$212,706 (11%); other tenant revenue is over budget \$45,204 and other income is on budget. Other revenue is over budget by \$59,937 due to FSS forfeiture of \$25,293 and insurance claim proceeds of \$34,726. The budget for Housing Assistance Payments (HAP), Low-Income Public Housing (LIPH) Operating Grant, FSS Grant are reported as the actual amounts received from HUD since the amounts received from HUD are based on appropriations. Other income includes such items as fraud recovery from unreported income from families, fees from administering vouchers for other housing authorities (Portability) and forfeitures from the Family Self Sufficiency (FSS) program.

HCV administrative fee income is reported at the amount received from HUD. The factors that affect how much administrative fee PCHA receives are (1) the percentage of proration HUD announces and (2) The number of units leased as of the first of each month. HUD issued a notice that the Advanced administrative fees for the month of April through May 2022 were 88% proration.

Operations - Expenses

Total Operating expenses are more than the year-to-date budget by \$30,989 (less than 1%). Contributing factors are - Central administrative cost are under budget by \$91,031, wages and benefits are under budget by \$33,383, maintenance costs are over budget by \$94,979; utilities are over budget by \$39,611 and general, taxes and insurance are over budget by \$71,661 due to increase cost in insurance and continued maintenance work.

Emergency Housing Vouchers

The housing authority was allocated 62 emergency housing vouchers to assist individuals and families who are (1) homeless; (2) at risk of homelessness; (3) fleeing, or attempting to flee, domestic violence, dating violence, sexual assault, stalking or human trafficking; or (4) recently homeless and for whom providing rental assistance will prevent the family's homelessness or having high risk of housing instability. (Notice PIH 2021-25(HA))

Statement of Net Position

Currently PCHA has sufficient cash flow to timely pay vendors as their invoices come due and meet the salary and benefit liability of the current staff, basically maintain day-to-day operations.

OTHER ISSUES IMPACTING FINANCE DEPARTMENT

Nan McKay and Associates (NMA) has taken on the role of Acting Finance Director and continues to provide consulting services. They also prepare and submit the HUD's monthly Voucher Management System (VMS) to REAC.

The housing authority submitted the unaudited FDS for CY 2021 on March 3, 2022. This submission was approved by the REAC team. The audited financial statement for Calendar Year 2020 was submitted to REAC on March 29, 2022. The submission is in review status.

Respectfully submitted,

Moreen Forde
Acting Chief Financial Officer

Attachment: Year to date financials budget to actual

Pierce County Housing Authority
Statement of Revenues and Expenses
February 28, 2022

	2022					2021				
	TOTAL PHA-WIDE CURRENT YEAR				Variance	TOTAL PHA-WIDE PRIOR YEAR				Variance
	February-22	Y-T-D	BUDGET	VARIANCE	%	February-21	Y-T-D	BUDGET	VARIANCE	%
Operating Revenues:										
Rent Income	\$ 566,820	\$ 1,132,109	\$ 1,276,680	\$ 144,571	11%	\$ 557,654	\$ 1,125,475	\$ 1,208,626	\$ 83,151	7%
Other Other Tenant Revenue	76,943	97,481	133,160	35,679	27%	5,985	9,636	9,636	-	0%
Other Income	2,504	5,199	5,390	191	4%	11,020	22,035	24,996	2,961	12%
Housing Assistance Grants	2,410,712	4,675,944	4,675,944	-	0%	2,383,574	4,767,148	4,767,148	-	0%
FSS Grant	10,298	10,298	10,298	-	0%	4,304	26,285	26,285	-	0%
Admin Operating Grant	213,244	426,488	426,488	-	0%	183,862	367,724	367,724	-	0%
Rural Rental Grant	9,197	18,433	18,433	-	0%	9,399	19,724	19,724	-	0%
LIPH Operating Grant	32,353	91,151	91,151	-	0%	28,201	56,402	56,402	-	0%
TOTAL OPERATING REVENUES	\$ 3,322,071	\$ 6,457,103	\$ 6,637,544	\$ 180,441	3%	\$ 3,183,999	\$ 6,394,429	\$ 6,480,541	\$ 86,112	1%
Operating Expenses:										
Central Administration	\$ 56,549	\$ 122,273	\$ 182,956	\$ 60,683	33%	\$ 58,553	\$ 149,789	\$ 224,602	\$ 74,813	33%
Utilities	119,272	155,974	113,340	(42,634)	-38%	114,665	155,149	145,566	(9,583)	-7%
Maintenance Costs	154,499	269,890	236,900	(32,990)	-14%	99,702	219,119	180,742	(38,377)	-21%
Wages & Benefits On Site	220,779	459,796	497,120	37,324	8%	184,399	369,944	462,060	92,116	20%
General-Taxes, Insurance	146,925	262,279	232,756	(29,523)	-13%	110,826	219,623	107,052	(112,571)	-105%
FSS Payments	8,881	23,006	25,988	2,982	11%	11,629	25,011	12,000	(13,011)	-108%
Housing Assistance/FSS Payments	2,504,347	4,985,894	4,985,894	-	0%	2,388,037	4,713,248	4,713,248	-	0%
EHV Expenses	7,142	16,271	16,800	529	3%	-	-	-	-	#DIV/0!
Rural Rental Assistance	6,981	13,882	20,703	6,821	33%	7,065	15,055	15,055	-	0%
Independent Audit Costs	3,344	3,344	6,000	2,656	44%	1,923	24,215	12,000	(12,215)	-102%
Vendor, Lender, Professional & Other Fees	4,320	11,767	22,090	10,323	47%	5,788	10,899	9,344	(1,555)	-17%
TOTAL OPERATING EXPENSES	\$ 3,233,039	\$ 6,324,376	\$ 6,340,547	\$ 16,171	0%	\$ 2,982,587	\$ 5,902,052	\$ 5,881,669	\$ (20,383)	0%
PROFIT (LOSS) AFTER OPERATING COSTS	\$ 89,032	\$ 132,727	\$ 296,997	\$ 164,270	55%	\$ 201,412	\$ 492,377	\$ 598,872	\$ 106,495	18%
Non Operating Revenues (Expenses):										
Special Items	\$ -	\$ -	\$ -	\$ -		\$ (150)	\$ (3,867)	\$ (3,867)	\$ -	0%
Gain (Loss) on Disposition of Assets	(172)	(201)	(201)	-	0%	(501)	(3,033)	(3,033)	-	0%
Investment/Interest Earnings	45	93	93	-	0%	52	172	172	-	0%
Depreciation	(131,412)	(263,113)	(263,113)	-	0%	(131,988)	(264,219)	(264,219)	-	0%
Mortgage Interest Expense	(2,216)	(4,551)	(4,551)	-	0%	(80,836)	(161,792)	(161,792)	-	0%
NET OPERATING INCOME (NOI)	\$ (44,723)	\$ (135,045)	\$ 29,225	\$ 164,270	562%	\$ (12,011)	\$ 59,638	\$ 166,133	\$ 106,495	64%
Capital Contributions			\$ -					\$ -		
Section 8 Cares Act			-					-		
Section 8 Cares Act - Expense			-			(19,549)	(39,322)	(39,322)	-	
LIPH Cares Act Funds			-					-		
LIPH Cares Act Expenses			-					-		
Prior Period Adjustment			-			-	-	-	-	
YTD CHANGE TO NET ASSETS	(44,723)	(135,045)	29,225	164,270	562%	(31,560)	20,316	126,811	106,495	84%

Pierce County Housing Authority
Statement of Net Position
March 31, 2021

ASSETS

Current Assets:

Cash and Cash Equivalents:

Unrestricted \$ 8,415,390

Restricted 510,504

FSS Escrow 412,717

Security Deposits 320,955

Accounts Receivable (Net of Allowance) 359,064

Prepaid Items 360,134

Inventory 11,396

Total Current Assets 10,390,160

Noncurrent Assets:

Capital Assets:

Land 5,590,090

Construction in Progress 31,051

Other Capital Assets, Net of Depreciation 13,623,755

Total Capital Assets 19,244,896

Other Assets 1,799,864

Notes, Loans and Mortgage Receivable 1,044,788

Total Other Non-Current Assets 2,844,652

Total Noncurrent Assets 22,089,548

Total Assets 32,479,708

Deferred Outflows of Resources

Deferred Outflows Related to Pensions & OPEB 243,904

Total Deferred Outflows of Resources 243,904

Pierce County Housing Authority
Statement of Net Position
March 31, 2021

LIABILITIES

Current Liabilities:

Accounts Payable	\$ 307,787
Wages Payable	104,809
Deferred Revenue	229,996
Accrued Employee Leave (current)	138,847
Interest Payable	76,884
Tenant Security Deposits	320,955
FSS Escrow Payable	412,717
Bonds and Notes Payable (current)	273,622
Other	209,334

Total Current Liabilities	<u>2,074,951</u>
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Noncurrent Liabilities:

Accrued Employee Leave (net of current)	18,989
Bonds and Notes Payable (net of current)	16,454,796
Net Pension Liability	171,535
Total OPEB Liability	1,416,154
Other	2,456

Total Noncurrent Liabilities	<u>18,063,930</u>
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Total Liabilities	<u>20,138,881</u>
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DEFERRED INFLOWS OF RESOURCES

Deferred Inflows Related to Pensions & OPEB	1,945,135
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Total Deferred Inflows of Resources	<u>1,945,135</u>
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NET POSITION

Net Investment in Capital Assets	2,516,478
Restricted for:	
Housing Assisted Payments	(82,060)
Emergency Housing Payments	285,765
Other Restricted	44,525
Unrestricted	7,874,888

Total Net Position	<u>\$ 10,639,596</u>
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**Pierce County Housing Authority
Statement of Revenues, Expenses and
Changes in Net Position Year To Date
Through February 28, 2022**

	B			C			B-C			D			E			D-E		
	Housing Choice Voucher Month									Housing Choice Voucher Y-T-D								
	February 2022	February 2021	Variance	February 2022	February 2021	Variance	February 2022	February 2021	Variance	February 2022	February 2021	Variance	February 2022	February 2021	Variance	February 2022	February 2021	Variance
Operating Revenues:																		
HAP Subsidy	\$ 2,410,712	\$ 2,383,574	\$ (27,138)	\$ 2,410,712	\$ 2,383,574	\$ (27,138)	\$ 2,410,712	\$ 2,383,574	\$ (27,138)	\$ 4,675,944	\$ 4,767,148	\$ 91,204	\$ 4,675,944	\$ 4,767,148	\$ 91,204	\$ 4,675,944	\$ 4,767,148	\$ 91,204
FSS Subsidy	10,298	4,304	(5,994)	10,298	4,304	(5,994)	10,298	4,304	(5,994)	10,298	26,285	15,987	10,298	26,285	15,987	10,298	26,285	15,987
Admin Subsidy	213,244	183,862	(29,382)	213,244	183,862	(29,382)	213,244	183,862	(29,382)	426,488	367,724	(58,764)	426,488	367,724	(58,764)	426,488	367,724	(58,764)
EHV Revenue	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Income	1,280	9,832	8,552	1,280	9,832	8,552	1,280	9,832	8,552	2,751	19,527	16,776	2,751	19,527	16,776	2,751	19,527	16,776
TOTAL OPERATING REVENUES	\$ 2,635,534	\$ 2,581,572	\$ (53,962)	\$ 2,635,534	\$ 2,581,572	\$ (53,962)	\$ 2,635,534	\$ 2,581,572	\$ (53,962)	\$ 5,115,481	\$ 5,180,684	\$ 65,203	\$ 5,115,481	\$ 5,180,684	\$ 65,203	\$ 5,115,481	\$ 5,180,684	\$ 65,203
Operating Expenses:																		
Central Administration	\$ 22,614	\$ 22,573	\$ (41)	\$ 22,614	\$ 22,573	\$ (41)	\$ 22,614	\$ 22,573	\$ (41)	\$ 48,029	\$ 56,087	\$ 8,058	\$ 48,029	\$ 56,087	\$ 8,058	\$ 48,029	\$ 56,087	\$ 8,058
Utilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Maintenance Costs*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wages & Benefits On Site	85,796	59,973	(25,823)	85,796	59,973	(25,823)	85,796	59,973	(25,823)	169,080	120,761	(48,319)	169,080	120,761	(48,319)	169,080	120,761	(48,319)
HAP Expenses	2,504,347	2,388,037	(116,310)	2,504,347	2,388,037	(116,310)	2,504,347	2,388,037	(116,310)	4,985,894	4,713,248	(272,646)	4,985,894	4,713,248	(272,646)	4,985,894	4,713,248	(272,646)
FSS Expenses	8,540	11,193	2,653	8,540	11,193	2,653	8,540	11,193	2,653	21,534	24,842	3,308	21,534	24,842	3,308	21,534	24,842	3,308
General-Taxes, Insurance	64,031	51,862	(12,169)	64,031	51,862	(12,169)	64,031	51,862	(12,169)	115,904	96,443	(19,461)	115,904	96,443	(19,461)	115,904	96,443	(19,461)
Independent Audit Costs	1,337	769	(568)	1,337	769	(568)	1,337	769	(568)	1,337	9,686	8,349	1,337	9,686	8,349	1,337	9,686	8,349
Vendor, Lender, Professional & Other Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OPERATING EXPENSES	\$ 2,686,665	\$ 2,534,407	\$ (152,258)	\$ 2,686,665	\$ 2,534,407	\$ (152,258)	\$ 2,686,665	\$ 2,534,407	\$ (152,258)	\$ 5,341,778	\$ 5,021,067	\$ (320,711)	\$ 5,341,778	\$ 5,021,067	\$ (320,711)	\$ 5,341,778	\$ 5,021,067	\$ (320,711)
PROFIT (LOSS) AFTER OPERATING COSTS	\$ (51,131)	\$ 47,165	\$ 98,296	\$ (51,131)	\$ 47,165	\$ 98,296	\$ (51,131)	\$ 47,165	\$ 98,296	\$ (226,297)	\$ 159,617	\$ 385,914	\$ (226,297)	\$ 159,617	\$ 385,914	\$ (226,297)	\$ 159,617	\$ 385,914
Non Operating Revenues (Expenses):																		
Insurance Settlement/Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gain (Loss) on Disposition of Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment/Interest Earnings	18	18	-	18	18	-	18	18	-	36	50	14	36	50	14	36	50	14
Depreciation	(1,767)	(1,869)	(102)	(1,767)	(1,869)	(102)	(1,767)	(1,869)	(102)	(3,535)	(3,777)	(242)	(3,535)	(3,777)	(242)	(3,535)	(3,777)	(242)
Interest Expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NET OPERATING INCOME (NOI)	\$ (52,880)	\$ 45,314	\$ 98,194	\$ (52,880)	\$ 45,314	\$ 98,194	\$ (52,880)	\$ 45,314	\$ 98,194	\$ (229,796)	\$ 155,890	\$ 385,686	\$ (229,796)	\$ 155,890	\$ 385,686	\$ (229,796)	\$ 155,890	\$ 385,686
Covid Expenses		\$ (19,549)	\$ (19,549)		\$ (19,549)	\$ (19,549)		\$ (19,549)	\$ (19,549)		\$ (39,322)	\$ (39,322)		\$ (39,322)	\$ (39,322)		\$ (39,322)	\$ (39,322)
EHV Expenses	(7,142)		7,142	(7,142)		7,142	(7,142)		7,142	(16,271)		16,271	(16,271)		16,271	(16,271)		16,271
Operating Transfers In (out)			-			-			-			-			-			-
Prior Period Adjustment			-			-			-			-			-			-
YTD CHANGE TO NET ASSETS	\$ (60,022)	\$ 25,765	\$ 85,787	\$ (60,022)	\$ 25,765	\$ 85,787	\$ (60,022)	\$ 25,765	\$ 85,787	\$ (246,067)	\$ 116,568	\$ 362,635	\$ (246,067)	\$ 116,568	\$ 362,635	\$ (246,067)	\$ 116,568	\$ 362,635

EHV Funds	\$ 334,269
Spent	(20,263)
Balance	\$ 314,006

Pierce County Housing Authority
Statement of Revenues and Expenses
March 31, 2022

	2022					2021				
	TOTAL PHA-WIDE CURRENT YEAR				Variance	TOTAL PHA-WIDE PRIOR YEAR				Variance
	March-22	Y-T-D	BUDGET	VARIANCE	%	March-21	Y-T-D	BUDGET	VARIANCE	%
Operating Revenues:										
Rent Income	\$ 570,205	\$ 1,702,314	\$ 1,915,020	\$ 212,706	11%	\$ 572,939	\$ 1,697,972	\$ 1,581,090	\$ (116,882)	-7%
Other Tenant Revenue	147,463	244,944	199,740	(45,204)	-23%	6,843	16,921	62,965	46,044	73%
Other Income	62,539	67,737	7,800	(59,937)	-768%	22,006	44,041	168,045	124,004	74%
Housing Assistance Grants	2,784,040	7,459,984	7,459,984	-	0%	2,380,436	7,147,584	7,147,584	-	0%
FSS Grant	11,467	21,765	21,765	-	0%	8,496	34,781	34,781	-	0%
Admin Operating Grant	230,737	657,225	657,225	-	0%	274,755	642,479	642,479	-	0%
EHV Service Fees	1,009	1,009	1,009	-	0%	-	-	-	-	#DIV/0!
Rural Rental Grant	9,098	27,530	27,530	-	0%	9,393	29,117	29,117	-	0%
LIPH Operating Grant	33,906	125,057	125,057	-	0%	32,327	88,729	88,729	-	0%
TOTAL OPERATING REVENUES	\$ 3,850,464	\$ 10,307,565	\$ 10,415,130	\$ 107,565	1%	\$ 3,307,195	\$ 9,701,624	\$ 9,843,519	\$ 53,166	1%
Operating Expenses:										
Central Administration	\$ 63,115	\$ 183,403	\$ 274,434	\$ 91,031	33%	\$ 50,313	\$ 173,918	\$ 336,902	\$ 162,984	48%
Utilities	55,287	209,621	170,010	(39,611)	-23%	48,471	195,936	218,346	22,410	10%
Maintenance Costs	176,382	450,329	355,350	(94,979)	-27%	121,115	345,686	271,113	(74,573)	-28%
Wages & Benefits On Site	232,714	712,297	745,680	33,383	4%	224,308	621,747	693,095	71,348	10%
General-Taxes, Insurance	165,341	420,795	349,134	(71,661)	-21%	99,467	318,769	160,580	(158,189)	-99%
FSS Payments	1,382	8,996	38,982	29,986	77%	10,777	35,553	35,553	-	0%
Housing Assistance/FSS Payments	2,572,724	7,560,090	7,560,090	-	0%	2,351,249	7,065,973	7,065,973	-	0%
EHV Expenses	10,767	26,993	24,085	(2,908)	-12%	-	-	-	-	#DIV/0!
Rural Rental Assistance	6,764	20,646	20,646	-	0%	7,059	22,114	22,114	-	0%
Independent Audit Costs	1,370	4,714	12,000	7,286	61%	5,293	29,508	17,999	(11,509)	-64%
Vendor, Lender, Professional & Other Fees	4,313	16,651	33,135	16,484	50%	5,306	16,205	12,514	(3,691)	-29%
TOTAL OPERATING EXPENSES	\$ 3,290,159	\$ 9,614,535	\$ 9,583,546	\$ (30,989)	0%	\$ 2,923,358	\$ 8,825,409	\$ 8,834,189	\$ 8,780	0%
PROFIT (LOSS) AFTER OPERATING COSTS	\$ 560,305	\$ 693,030	\$ 831,584	\$ 138,554	17%	\$ 383,837	\$ 876,215	\$ 1,009,330	\$ 44,386	4%
Non Operating Revenues (Expenses):										
Special Items	\$ -	\$ -	\$ -	\$ -		\$ (421)	\$ (4,288)	\$ (4,288)	\$ -	0%
Gain (Loss) on Disposition of Assets		(201)	(201)	-	0%	(372)	(3,405)	(3,405)	-	0%
Investment/Interest Earnings	48	141	141	-	0%	49	222	222	-	0%
Depreciation	(131,097)	(394,210)	(394,210)	-	0%	(131,752)	(395,971)	(395,971)	-	0%
Mortgage Interest Expense	(79,220)	(237,924)	(237,924)	-	0%	(80,715)	(242,506)	(242,506)	-	0%
NET OPERATING INCOME (NOI)	\$ 350,036	\$ 60,836	\$ 199,390	\$ 138,554	69%	\$ 170,626	\$ 230,267	\$ 363,382	\$ 44,386	12%
Capital Contributions			\$ -					\$ -		
Section 8 Cares Act			-					-		
Section 8 Cares Act - Expense			-			(23,940)	(63,263)	(63,263)	-	
LIPH Cares Act Funds			-					-		
LIPH Cares Act Expenses			-					-		
YTD CHANGE TO NET ASSETS	350,036	60,836	199,390	138,554	69%	146,686	167,004	300,119	44,386	15%

**Pierce County Housing Authority
Statement of Revenues, Expenses and
Changes in Net Position Year To Date
Through March 31, 2022**

	B	C	B-C	D	E	D-E
	Housing Choice Voucher Month			Housing Choice Voucher Y-T-D		
	March 2022	March 2021	Variance	March 2022	March 2021	Variance
Operating Revenues:						
HAP Subsidy	\$ 2,784,040	\$ 2,380,436	\$ (403,604)	\$ 7,459,984	\$ 7,147,584	\$ (312,400)
FSS Subsidy	11,467	15,996	4,529	21,765	42,281	20,516
Admin Subsidy	230,737	274,755	44,018	657,225	642,479	(14,746)
EHV Revenue	1,009		(1,009)	1,009		(1,009)
Other Income	26,589	13,318	(13,271)	29,340	32,845	3,505
TOTAL OPERATING REVENUES	\$ 3,053,842	\$ 2,684,505	\$ (369,337)	\$ 8,169,323	\$ 7,865,189	\$ (304,134)
Operating Expenses:						
Central Administration	\$ 28,972	\$ 21,686	\$ (7,286)	\$ 78,275	\$ 77,773	\$ (502)
Utilities			-			-
Maintenance Costs*			-			-
Wages & Benefits On Site	32,219	69,216	36,997	98,085	189,977	91,892
HAP Expenses	2,612,849	2,350,569	(262,280)	7,679,211	7,063,817	(615,394)
FSS Expenses	16,501	10,807	(5,694)	60,781	35,650	(25,131)
General-Taxes, Insurance	61,225	37,926	(23,299)	175,855	134,369	(41,486)
Independent Audit Costs	548	2,117	1,569	1,885	11,803	9,918
Vendor, Lender, Professional & Other Fees	-		-			-
TOTAL OPERATING EXPENSES	\$ 2,752,314	\$ 2,492,321	\$ (259,993)	\$ 8,094,092	\$ 7,513,389	\$ (580,703)
PROFIT (LOSS) AFTER OPERATING COSTS	\$ 301,528	\$ 192,184	\$ (109,344)	\$ 75,231	\$ 351,800	\$ 276,569
Non Operating Revenues (Expenses):						
Insurance Settlement/Other	\$ -		\$ -	\$ -	\$ -	\$ -
Gain (Loss) on Disposition of Assets	-		-			-
Investment/Interest Earnings	16	17	1	52	67	15
Depreciation	(1,768)	(1,869)	(101)	(5,303)	(5,646)	(343)
Interest Expense	-		-	-		-
NET OPERATING INCOME (NOI)	\$ 299,776	\$ 190,332	\$ (109,444)	\$ 69,980	\$ 346,221	\$ 276,241
Covid Expenses	\$ -	\$ (23,940)	\$ (23,940)	\$ -	\$ (63,263)	\$ (63,263)
EHV Expenses	(10,796)	-	10,796	(27,067)	-	27,067
Operating Transfers In (out)			-			-
Prior Period Adjustment			-			-
YTD CHANGE TO NET ASSETS	\$ 288,980	\$ 166,392	\$ (122,588)	\$ 42,913	\$ 282,958	\$ 240,045

EHV Funds	\$ 333,260
Spent	(47,330)
Balance	<u><u>\$ 285,930</u></u>

**Pierce County Housing Authority
Statement of Revenues, Expenses and
Changes in Net Position Year To Date
Through February 28, 2022**

	B			C			B-C			D			E			D-E		
	Low Income Public Housing			Month						Low Income Public Housing			Y-T-D					
	February 2022			February 2021			Variance			February 2022			February 2021			Variance		
Operating Revenues:																		
Rent Income	\$	57,562	\$	49,324	\$	(8,238)				\$	124,106	\$	98,775	\$	(25,331)			
Other Tenant Revenue		3,813				(3,813)					6,728				(6,728)			
HUD Subsidy		32,353		28,201		(4,152)					91,151		56,402		(34,749)			
Capital Fund		-																
COVID 19		-				-									-			
TOTAL OPERATING REVENUES	\$	93,728	\$	77,525	\$	(16,203)				\$	221,985	\$	155,177					
Operating Expenses:																		
Central Administration	\$	7,883	\$	7,888	\$	5				\$	16,763	\$	19,602	\$	2,839			
Utilities		429		271		(158)					1,489		1,432		(57)			
Maintenance Costs*		9,022		6,656		(2,366)					17,675		16,332		(1,343)			
Wages & Benefits On Site		41,933		20,253		(21,680)					91,769		44,025		(47,744)			
FSS Expense		341		863		522					1,472		1,476		4			
General-Taxes, Insurance		23,072		18,758		(4,314)					43,385		34,159		(9,226)			
Independent Audit Costs		468		269		(199)					468		3,390		2,922			
Vendor, Lender, Professional & Other Fees		340				(340)					340		69		(271)			
TOTAL OPERATING EXPENSES	\$	83,488	\$	54,958	\$	(28,530)				\$	173,361	\$	120,485	\$	(52,876)			
PROFIT (LOSS) AFTER OPERATING COSTS	\$	10,240	\$	22,567	\$	12,327				\$	48,624	\$	34,692	\$	(13,932)			
Non Operating Revenues (Expenses):																		
Insurance Settlement/Other						\$	-								\$	-		
Gain (Loss) on Disposition of Assets							-									-		
Investment/Interest Earnings		5		5		-					10		13		3			
Depreciation		(29,302)		(28,129)		1,173					(58,605)		(56,302)		2,303			
Interest Expense						-									-			
NET OPERATING INCOME (NOI)	\$	(19,057)	\$	(5,557)	\$	13,500				\$	(9,971)	\$	(21,597)	\$	(11,626)			
COVID 19	\$	-	\$	-	\$	-									\$	-		
Operating Transfers In (out)						-									-			
Prior Period Adjustment						-									-			
YTD CHANGE TO NET ASSETS	\$	(19,057)	\$	(5,557)	\$	13,500				\$	(9,971)	\$	(21,597)	\$	(11,626)			

**Pierce County Housing Authority
Statement of Revenues, Expenses and
Changes in Net Position Year To Date
Through March 31, 2022**

	B			C			B-C			D			E			D-E		
	Low Income Public Housing			Month						Low Income Public Housing			Y-T-D					
	March 2022			March 2021			Variance			March 2022			March 2021			Variance		
Operating Revenues:																		
Rent Income	\$	66,290	\$	51,946	\$	(14,344)				\$	190,396	\$	151,162	\$	(39,234)			
Other Tenant Revenue		6,125		7,091		966					12,854		6,649		(6,205)			
HUD Subsidy		33,906		32,327		(1,579)					125,057		88,729		(36,328)			
Capital Fund																		
COVID 19		-				-									-			
TOTAL OPERATING REVENUES	\$	106,321	\$	91,364	\$	(14,957)				\$	328,307	\$	246,540					
Operating Expenses:																		
Central Administration	\$	8,894	\$	7,575	\$	(1,319)				\$	25,657	\$	27,177	\$	1,520			
Utilities		702		2,109		1,407					2,191		3,541		1,350			
Maintenance Costs*		30,688		11,063		(19,625)					48,834		25,201		(23,633)			
Wages & Benefits On Site		44,736		27,364		(17,372)					138,564		72,247		(66,317)			
FSS Expense		1,004		680		(324)					2,476		2,156		(320)			
General-Taxes, Insurance		20,393		18,510		(1,883)					61,248		54,073		(7,175)			
Independent Audit Costs		192		741		549					660		4,131		3,471			
Vendor, Lender, Professional & Other Fees		132				(132)					473				(473)			
TOTAL OPERATING EXPENSES	\$	106,741	\$	68,042	\$	(38,699)				\$	280,103	\$	188,526	\$	(91,577)			
PROFIT (LOSS) AFTER OPERATING COSTS	\$	(420)	\$	23,322	\$	23,742				\$	48,204	\$	58,014	\$	9,810			
Non Operating Revenues (Expenses):																		
Insurance Settlement/Other						\$	-								\$	-		
Gain (Loss) on Disposition of Assets							-									-		
Investment/Interest Earnings		3		5		2					13		18		5			
Depreciation		(29,285)		(28,093)		1,192					(87,889)		(84,395)		3,494			
Interest Expense							-								-			
NET OPERATING INCOME (NOI)	\$	(29,702)	\$	(4,766)	\$	24,936				\$	(39,672)	\$	(26,363)	\$	13,309			
COVID 19	\$	-	\$	-	\$	-									\$	-		
Operating Transfers In (out)						-	-								-			
Prior Period Adjustment						-	-								-			
YTD CHANGE TO NET ASSETS	\$	(29,702)	\$	(4,766)	\$	24,936				\$	(39,672)	\$	(26,363)	\$	13,309			

**Pierce County Housing Authority
Statement of Revenues, Expenses and
Changes in Net Position Year To Date
Through February 28, 2022**

	B	C	B-C	D	E	D-E
	Oakleaf Apartments Month			Oakleaf Apartments Y-T-D		
	February 2022	February 2021	Variance	February 2022	February 2021	Variance
Operating Revenues:						
Rent Income	\$ 12,685	\$ 12,150	\$ (535)	\$ 24,825	\$ 25,425	\$ 600
Other Tenant Revenue	2,480		(2,480)	3,748		(3,748)
			-			-
			-			-
TOTAL OPERATING REVENUES	\$ 15,165	\$ 12,150	\$ (3,015)	\$ 28,573	\$ 25,425	\$ (3,148)
Operating Expenses:						
Central Administration	\$ 1,141	\$ 1,217	\$ 76	\$ 2,504	\$ 3,179	\$ 675
Utilities	3,294	2,916	(378)	5,159	4,087	(1,072)
Maintenance Costs*	18,619	3,510	(15,109)	20,388	5,537	(14,851)
Wages & Benefits On Site	1,010	1,545	535	2,217	2,603	386
General-Taxes, Insurance	2,101	1,219	(882)	3,367	2,863	(504)
Independent Audit Costs	67	38	(29)	67	484	417
Vendor, Lender, Professional & Other Fees	115	191	76	421	383	(38)
TOTAL OPERATING EXPENSES	\$ 26,347	\$ 10,636	\$ (15,711)	\$ 34,123	\$ 19,136	\$ (14,987)
PROFIT (LOSS) AFTER OPERATING COSTS	\$ (11,182)	\$ 1,514	\$ 12,696	\$ (5,550)	\$ 6,289	\$ 11,839
Non Operating Revenues (Expenses):						
Insurance Settlement/Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gain (Loss) on Disposition of Assets	-	-	-	-	-	-
Investment/Interest Earnings	-	-	-	-	-	-
Depreciation	(5,943)	(5,996)	(53)	(11,886)	(12,007)	(121)
Interest Expense		-	-			-
NET OPERATING INCOME (NOI)	\$ (17,125)	\$ (4,482)	\$ 12,643	\$ (17,436)	\$ (5,718)	\$ 11,718
Capital Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Transfers In (out)	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	-
YTD CHANGE TO NET ASSETS	\$ (17,125)	\$ (4,482)	\$ 12,643	\$ (17,436)	\$ (5,718)	\$ 11,718

**Pierce County Housing Authority
Statement of Revenues, Expenses and
Changes in Net Position Year To Date
Through February 28, 2022**

	B	C	B-C	D	E	D-E
	Hidden Village Apartments Month			Hidden Village Apartments Y-T-D		
	February 2022	February 2021	Variance	February 2022	February 2021	Variance
Operating Revenues:						
Rent Income	\$ 14,400	\$ 15,000	\$ 600	\$ 28,800	\$ 30,000	\$ 1,200
Other Tenant Revenue	1,314		(1,314)	2,206		(2,206)
TOTAL OPERATING REVENUES	\$ 15,714	\$ 15,000	\$ (714)	\$ 31,006	\$ 30,000	\$ (1,006)
Operating Expenses:						
Central Administration	\$ 1,117	\$ 1,229	\$ 112	\$ 2,489	\$ 3,302	\$ 813
Utilities	2,414	2,183	(231)	5,038	4,504	(534)
Maintenance Costs*	3,368	2,501	(867)	6,136	6,029	(107)
Wages & Benefits On Site	1,429	1,417	(12)	2,842	2,404	(438)
General-Taxes, Insurance	2,608	1,475	(1,133)	3,637	3,421	(216)
Independent Audit Costs	67	38	(29)	67	484	417
Vendor, Lender, Professional & Other Fees	133	215	82	457	430	(27)
TOTAL OPERATING EXPENSES	\$ 11,136	\$ 9,058	\$ (2,078)	\$ 20,666	\$ 20,574	\$ (92)
PROFIT (LOSS) AFTER OPERATING COSTS	\$ 4,578	\$ 5,942	\$ 1,364	\$ 10,340	\$ 9,426	\$ (914)
Non Operating Revenues (Expenses):						
Insurance Settlement/Other	\$ -	\$ -	\$ -			\$ -
Gain (Loss) on Disposition of Assets			-			-
Investment/Interest Earnings			-			-
Depreciation	(5,730)	(5,615)	115	(11,460)	(11,249)	211
Interest Expense			-			-
NET OPERATING INCOME (NOI)	\$ (1,152)	\$ 327	\$ 1,479	\$ (1,120)	\$ (1,823)	\$ (703)
Capital Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Transfers In (out)	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	-
YTD CHANGE TO NET ASSETS	\$ (1,152)	\$ 327	\$ 1,479	\$ (1,120)	\$ (1,823)	\$ (703)

**Pierce County Housing Authority
Statement of Revenues, Expenses and
Changes in Net Position Year To Date
Through March 31, 2022**

	B			C			B-C			D			E			D-E		
	Oakleaf Apartments			Month						Oakleaf Apartments			Y-T-D					
	March 2022			March 2021			Variance			March 2022			March 2021			Variance		
Operating Revenues:																		
Rent Income	\$	9,855	\$	13,775	\$	3,920		\$	34,680	\$	39,200	\$	4,520					
Other Tenant Revenue		73,033		410		(72,623)			76,781		410		(76,371)					
						-							-					
						-							-					
TOTAL OPERATING REVENUES	\$	82,888	\$	14,185	\$	(68,703)		\$	111,461	\$	39,610	\$	(71,851)					
Operating Expenses:																		
Central Administration	\$	1,947	\$	1,166	\$	(781)		\$	5,443	\$	4,345	\$	(1,098)					
Utilities		4,095		2,733		(1,362)			9,254		6,820		(2,434)					
Maintenance Costs*		2,687		5,647		2,960			23,074		11,184		(11,890)					
Wages & Benefits On Site		866		1,421		555			2,814		4,025		1,211					
General-Taxes, Insurance		2,090		1,344		(746)			4,735		4,207		(528)					
Independent Audit Costs		27		106		79			94		590		496					
Vendor, Lender, Professional & Other Fees		115		191		76			537		574		37					
TOTAL OPERATING EXPENSES	\$	11,827	\$	12,608	\$	781		\$	45,951	\$	31,745	\$	(14,206)					
PROFIT (LOSS) AFTER OPERATING COSTS	\$	71,061	\$	1,577	\$	(69,484)		\$	65,510	\$	7,865	\$	(57,645)					
Non Operating Revenues (Expenses):																		
Insurance Settlement/Other	\$	-	\$	-	\$	-		\$	-	\$	-	\$	-					
Gain (Loss) on Disposition of Assets		-		-		-			-		-		-					
Investment/Interest Earnings		-		-		-			-		-		-					
Depreciation		(5,704)		(5,984)		(280)			(17,590)		(17,992)		(402)					
Interest Expense						-							-					
NET OPERATING INCOME (NOI)	\$	65,357	\$	(4,407)	\$	(69,764)		\$	47,920	\$	(10,127)	\$	(58,047)					
Capital Contributions	\$	-	\$	-	\$	-		\$	-	\$	-	\$	-					
Operating Transfers In (out)		-		-		-			-		-		-					
Prior Period Adjustment		-		-		-			-		-		-					
YTD CHANGE TO NET ASSETS	\$	65,357	\$	(4,407)	\$	(69,764)		\$	47,920	\$	(10,127)	\$	(58,047)					

**Pierce County Housing Authority
Statement of Revenues, Expenses and
Changes in Net Position Year To Date
Through February 28, 2022**

	B	C	B-C	D	E	D-E
	Montgrove Manor Month			Montgrove Manor Y-T-D		
	February 2022	February 2021	Variance	February 2022	February 2021	Variance
Operating Revenues:						
Rent Income	\$ 12,150	\$ 12,150	\$ -	\$ 24,300	\$ 24,300	\$ -
Other Tenant Revenue	220	25	(195)	440	25	(415)
	-	-	-			-
						-
TOTAL OPERATING REVENUES	\$ 12,370	\$ 12,175		\$ 24,740	\$ 24,325	
Operating Expenses:						
Central Administration	\$ 1,117	\$ 1,229	\$ 112	\$ 2,489	\$ 3,302	\$ 813
Utilities	2,936	3,030	94	4,412	3,600	(812)
Maintenance Costs*	1,508	1,664	156	3,056	7,424	4,368
Wages & Benefits On Site	1,335	2,093	758	2,880	3,944	1,064
General-Taxes, Insurance	1,821	1,014	(807)	3,170	2,633	(537)
Independent Audit Costs	67	38	(29)	67	484	417
Vendor, Lender, Professional & Other Fees	133	215	82	457	430	(27)
TOTAL OPERATING EXPENSES	\$ 8,917	\$ 9,283	\$ 366	\$ 16,531	\$ 21,817	\$ 5,286
PROFIT (LOSS) AFTER OPERATING COSTS	\$ 3,453	\$ 2,892	\$ (561)	\$ 8,209	\$ 2,508	\$ (5,701)
Non Operating Revenues (Expenses):						
Insurance Settlement/Other			\$ -			\$ -
Gain (Loss) on Disposition of Assets			-		(938)	(938)
Investment/Interest Earnings			-			-
Depreciation	(2,535)	(2,528)	7	(5,070)	(5,105)	(35)
Interest Expense			-			-
NET OPERATING INCOME (NOI)	\$ 918	\$ 364	\$ (554)	\$ 3,139	\$ (3,535)	\$ (6,674)
Capital Contributions	\$ -	\$ -				
Operating Transfers In (out)	-	-				
Prior Period Adjustment						
YTD CHANGE TO NET ASSETS	\$ 918	\$ 364	\$ (554)	\$ 3,139	\$ (3,535)	\$ (6,674)

**Pierce County Housing Authority
Statement of Revenues, Expenses and
Changes in Net Position Year To Date
Through March 31, 2022**

	B	C	B-C	D	E	D-E
	Montgrove Manor Month			Montgrove Manor Y-T-D		
	March 2022	March 2021	Variance	March 2022	March 2021	Variance
Operating Revenues:						
Rent Income	\$ 12,150	\$ 12,150	\$ -	\$ 36,450	\$ 36,450	\$ -
Other Tenant Revenue	(110)	-	110	330	25	(305)
	-	-	-			-
	-	-	-			-
TOTAL OPERATING REVENUES	\$ 12,040	\$ 12,150		\$ 36,780	\$ 36,475	
Operating Expenses:						
Central Administration	\$ 1,256	\$ 1,178	\$ (78)	\$ 3,745	\$ 4,479	\$ 734
Utilities	2,944	4,381	1,437	7,356	7,853	497
Maintenance Costs*	4,619	2,620	(1,999)	8,033	10,171	2,138
Wages & Benefits On Site	2,364	1,572	(792)	4,885	5,516	631
General-Taxes, Insurance	2,003	1,136	(867)	5,173	3,769	(1,404)
Independent Audit Costs	27	106	79	94	590	496
Vendor, Lender, Professional & Other Fees	133	215	82	590	645	55
TOTAL OPERATING EXPENSES	\$ 13,346	\$ 11,208	\$ (2,138)	\$ 29,876	\$ 33,023	\$ 3,147
PROFIT (LOSS) AFTER OPERATING COSTS	\$ (1,306)	\$ 942	\$ 2,248	\$ 6,904	\$ 3,452	\$ (3,452)
Non Operating Revenues (Expenses):						
Insurance Settlement/Other			\$ -			\$ -
Gain (Loss) on Disposition of Assets			-		(938)	(938)
Investment/Interest Earnings			-			-
Depreciation	(2,552)	(2,528)	24	(7,623)	(7,633)	(10)
Interest Expense			-			-
NET OPERATING INCOME (NOI)	\$ (3,858)	\$ (1,586)	\$ 2,272	\$ (719)	\$ (5,119)	\$ (4,400)
Capital Contributions	\$ -	\$ -				
Operating Transfers In (out)	-	-				
Prior Period Adjustment						
YTD CHANGE TO NET ASSETS	\$ (3,858)	\$ (1,586)	\$ 2,272	\$ (719)	\$ (5,119)	\$ (4,400)

**Pierce County Housing Authority
Statement of Revenues, Expenses and
Changes in Net Position Year To Date
Through February 28, 2022**

	B	C	B-C	D	E	D-E
	Brookridge Apartments Month			Brookridge Apartments Y-T-D		
	February 2022	February 2021	Variance	February 2022	February 2021	Variance
Operating Revenues:						
Rent Income	\$ 40,385	\$ 41,620	\$ 1,235	\$ 80,320	\$ 83,240	\$ 2,920
Other Tenant Revenue	5,780	1	(5,779)	8,065	142	(7,923)
			-			-
			-			-
TOTAL OPERATING REVENUES	\$ 46,165	\$ 41,621	\$ (4,544)	\$ 88,385	\$ 83,382	\$ (5,003)
Operating Expenses:						
Central Administration	\$ 2,258	\$ 2,446	\$ 188	\$ 4,994	\$ 6,481	\$ 1,487
Utilities	6,898	8,009	1,111	12,468	13,033	565
Maintenance Costs*	11,768	11,827	59	21,120	23,404	2,284
Wages & Benefits On Site	6,538	14,143	7,605	13,990	25,841	11,851
General-Taxes, Insurance	4,024	3,150	(874)	6,612	7,369	757
Independent Audit Costs	134	77	(57)	134	969	835
Vendor, Lender, Professional & Other Fees	306	483	177	993	965	(28)
TOTAL OPERATING EXPENSES	\$ 31,926	\$ 40,135	\$ 8,209	\$ 60,311	\$ 78,062	\$ 17,751
PROFIT (LOSS) AFTER OPERATING COSTS	\$ 14,239	\$ 1,486	\$ (12,753)	\$ 28,074	\$ 5,320	\$ (22,754)
Non Operating Revenues (Expenses):						
Insurance Settlement/Other			\$ -			\$ -
Gain (Loss) on Disposition of Assets			-			-
Investment/Interest Earnings			-			-
Depreciation	(12,183)	(12,099)	84	(24,381)	(24,232)	149
Interest Expense			-			-
NET OPERATING INCOME (NOI)	\$ 2,056	\$ (10,613)	\$ (12,669)	\$ 3,693	\$ (18,912)	\$ (22,605)
Capital Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Transfers In (out)	-	-	-			
Prior Period Adjustment						
YTD CHANGE TO NET ASSETS	\$ 2,056	\$ (10,613)	\$ (12,669)	\$ 3,693	\$ (18,912)	\$ (22,605)

**Pierce County Housing Authority
Statement of Revenues, Expenses and
Changes in Net Position Year To Date
Through March 31, 2022**

Through March 31, 2022	B			C			B-C			D			E			D-E		
	Hidden Village Apartments						Hidden Village Apartments											
	Month			Y-T-D														
	March 2022		March 2021	Variance	March 2022	March 2021	Variance	March 2022	March 2021	Variance	March 2022	March 2021	Variance	March 2022	March 2021	Variance		
Operating Revenues:																		
Rent Income	\$		14,342	\$		14,419	\$		77	\$		43,142	\$		44,419	\$		1,277
Other Tenant Revenue			1,669			1,123			(546)			3,875			1,123			(2,752)
TOTAL OPERATING REVENUES	\$		16,011	\$		15,542	\$		(469)	\$		47,017	\$		45,542	\$		(1,475)
Operating Expenses:																		
Central Administration	\$		1,256	\$		1,178	\$		(78)	\$		3,745	\$		4,479	\$		734
Utilities			6,240			2,896			(3,344)			11,278			6,633			(4,645)
Maintenance Costs*			12,372			2,877			(9,495)			18,508			9,672			(8,836)
Wages & Benefits On Site			4,096			1,503			(2,593)			6,939			3,906			(3,033)
General-Taxes, Insurance			1,658			1,601			(57)			5,295			5,021			(274)
Independent Audit Costs			27			106			79			94			590			496
Vendor, Lender, Professional & Other Fees			133			215			82			590			645			55
TOTAL OPERATING EXPENSES	\$		25,782	\$		10,376	\$		(15,406)	\$		46,449	\$		30,946	\$		(15,503)
PROFIT (LOSS) AFTER OPERATING COSTS	\$		(9,771)	\$		5,166	\$		14,937	\$		568	\$		14,596	\$		14,028
Non Operating Revenues (Expenses):																		
Insurance Settlement/Other	\$		-	\$		-	\$		-							\$		-
Gain (Loss) on Disposition of Assets									-									-
Investment/Interest Earnings									-									-
Depreciation			(5,747)			(5,615)			132			(17,207)			(16,864)			343
Interest Expense									-									-
NET OPERATING INCOME (NOI)	\$		(15,518)	\$		(449)	\$		15,069	\$		(16,639)	\$		(2,268)	\$		14,371
Capital Contributions	\$		-	\$		-	\$		-	\$		-	\$		-	\$		-
Operating Transfers In (out)			-			-			-			-			-			-
Prior Period Adjustment			-			-			-			-			-			-
YTD CHANGE TO NET ASSETS	\$		(15,518)	\$		(449)	\$		15,069	\$		(16,639)	\$		(2,268)	\$		14,371

**Pierce County Housing Authority
Statement of Revenues, Expenses and
Changes in Net Position Year To Date
Through March 31, 2022**

Through March 31, 2022	B			C	B-C	D			E	D-E		
	Brookridge Apartments						Brookridge Apartments					
	Month			Y-T-D								
	March 2022	March 2021	Variance	March 2022	March 2021	Variance	March 2022	March 2021	Variance	March 2022	March 2021	Variance
Operating Revenues:												
Rent Income	\$ 40,985	\$ 42,104	\$ 1,119	\$ 121,305	\$ 125,344	\$ 4,039						
Other Tenant Revenue	6,065	681	(5,384)	14,130	823	(13,307)						
			-			-						-
			-			-						-
TOTAL OPERATING REVENUES	\$ 47,050	\$ 42,785	\$ (4,265)	\$ 135,435	\$ 126,167	\$ (9,268)						
Operating Expenses:												
Central Administration	\$ 2,512	\$ 2,343	\$ (169)	\$ 7,506	\$ 8,824	\$ 1,318						
Utilities	5,177	5,060	(117)	16,995	17,458	463						
Maintenance Costs*	12,554	14,487	1,933	34,324	37,695	3,371						
Wages & Benefits On Site	3,838	15,731	11,893	17,828	41,566	23,738						
General-Taxes, Insurance	4,089	3,971	(118)	10,701	12,176	1,475						
Independent Audit Costs	55	212	157	189	1,180	991						
Vendor, Lender, Professional & Other Fees	306	483	177	1,299	1,448	149						
TOTAL OPERATING EXPENSES	\$ 28,531	\$ 42,287	\$ 13,756	\$ 88,842	\$ 120,347	\$ 31,505						
PROFIT (LOSS) AFTER OPERATING COSTS	\$ 18,519	\$ 498	\$ (18,021)	\$ 46,593	\$ 5,820	\$ (40,773)						
Non Operating Revenues (Expenses):												
Insurance Settlement/Other			\$ -			\$ -						
Gain (Loss) on Disposition of Assets		(329)	(329)		(329)	(329)						
Investment/Interest Earnings			-			-						
Depreciation	(12,190)	(12,114)	76	(36,570)	(36,346)	224						
Interest Expense			-			-						
NET OPERATING INCOME (NOI)	\$ 6,329	\$ (11,945)	\$ (18,274)	\$ 10,023	\$ (30,855)	\$ (40,878)						
Capital Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -						
Operating Transfers In (out)	-	-										
Prior Period Adjustment												
YTD CHANGE TO NET ASSETS	\$ 6,329	\$ (11,945)	\$ (18,274)	\$ 10,023	\$ (30,855)	\$ (40,878)						

**Pierce County Housing Authority
Statement of Revenues, Expenses and
Changes in Net Position Year To Date
Through February 28, 2022**

	B	C	B-C	D	E	D-E
	Village Square Apartments Month			Village Square Apartments Y-T-D		
	February 2022	February 2021	Variance	February 2022	February 2021	Variance
Operating Revenues:						
Rent Income	\$ 21,130	\$ 21,970	\$ 840	\$ 42,260	\$ 45,160	\$ 2,900
Other Tenant Revenue	3,261		(3,261)	4,000	677	(3,323)
			-			-
			-			-
TOTAL OPERATING REVENUES	\$ 24,391	\$ 21,970		\$ 46,260	\$ 45,837	
Operating Expenses:						
Central Administration	\$ 1,711	\$ 1,826	\$ 115	\$ 3,756	\$ 4,769	\$ 1,013
Utilities	3,389	3,181	(208)	5,904	5,239	(665)
Maintenance Costs*	23,273	4,787	(18,486)	28,212	7,405	(20,807)
Wages & Benefits On Site	6,128	10,269	4,141	13,288	23,685	10,397
General-Taxes, Insurance	4,157	2,268	(1,889)	6,002	5,849	(153)
Independent Audit Costs	100	58	(42)	100	726	626
Vendor, Lender, Professional & Other Fees	168	281	113	623	562	(61)
TOTAL OPERATING EXPENSES	\$ 38,926	\$ 22,670	\$ (16,256)	\$ 57,885	\$ 48,235	\$ (9,650)
PROFIT (LOSS) AFTER OPERATING COSTS	\$ (14,535)	\$ (700)	\$ 13,835	\$ (11,625)	\$ (2,398)	\$ 9,227
Non Operating Revenues (Expenses):						
Insurance Settlement/Other			\$ -			\$ -
Gain (Loss) on Disposition of Assets			-			-
Investment/Interest Earnings			-			-
Depreciation	(3,093)	(3,072)	21	(6,187)	(6,168)	19
Interest Expense			-			-
NET OPERATING INCOME (NOI)	\$ (17,628)	\$ (3,772)	\$ 13,856	\$ (17,812)	\$ (8,566)	\$ 9,246
Capital Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Transfers In (out)	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	-
YTD CHANGE TO NET ASSETS	\$ (17,628)	\$ (3,772)	\$ 13,856	\$ (17,812)	\$ (8,566)	\$ 9,246

Through February 28, 2022	B	C	B-C	D	E	D-E
	Chateau Rainier Month			Chateau Rainier Y-T-D		
	February 2022	February 2021	Variance	February 2022	February 2021	Variance
Operating Revenues:						
Rent Income	\$ 205,486	\$ 203,994	\$ (1,492)	\$ 409,199	\$ 409,214	\$ 15
Other Tenant Revenue	28,521	1,736	(26,785)	33,592	2,335	(31,257)
			-			-
			-			-
TOTAL OPERATING REVENUES	\$ 234,007	\$ 205,730	\$ (28,277)	\$ 442,791	\$ 411,549	
Operating Expenses:						
Central Administration	\$ 8,486	\$ 9,165	\$ 679	\$ 18,738	\$ 24,211	\$ 5,473
Utilities	70,971	68,509	(2,462)	72,837	72,340	(497)
Maintenance Costs*	35,307	37,839	2,532	77,853	68,437	(9,416)
Wages & Benefits On Site	41,661	33,624	(8,037)	81,926	64,673	(17,253)
General-Taxes, Insurance	20,708	13,901	(6,807)	37,156	29,461	(7,695)
Independent Audit Costs	502	288	(214)	502	3,632	3,130
Vendor, Lender, Professional & Other Fees	1,099	1,793	694	3,629	3,540	(89)
TOTAL OPERATING EXPENSES	\$ 178,734	\$ 165,119	\$ (13,615)	\$ 292,641	\$ 266,294	\$ (26,347)
PROFIT (LOSS) AFTER OPERATING COSTS	\$ 55,273	\$ 40,611	\$ (14,662)	\$ 150,150	\$ 145,255	\$ (4,895)
Non Operating Revenues (Expenses):						
Insurance Settlement/Other			\$ -			\$ -
Gain (Loss) on Disposition of Assets	(41)	(302)	(261)	(71)	(420)	(349)
Investment/Interest Earnings	9	9	-	17	37	20
Depreciation	(30,276)	(32,214)	(1,938)	(60,631)	(62,632)	(2,001)
Interest Expense		(44,658)	(44,658)		(89,385)	(89,385)
NET OPERATING INCOME (NOI)	\$ 24,965	\$ (36,554)	\$ (61,519)	\$ 89,465	\$ (7,145)	\$ (96,610)
COVID 19	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Transfers In (out)	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	-
YTD CHANGE TO NET ASSETS	\$ 24,965	\$ (36,554)	\$ (61,519)	\$ 89,465	\$ (7,145)	\$ (96,610)

**Pierce County Housing Authority
Statement of Revenues, Expenses and
Changes in Net Position Year To Date
Through March 31, 2022**

Through March 31, 2022	B			C			B-C			D			E			D-E		
	Village Square Apartments						Village Square Apartments											
	Month			Y-T-D														
	March 2022	March 2021	Variance	March 2022	March 2021	Variance												
Operating Revenues:																		
Rent Income	\$ 24,144	\$ 25,020	\$ 876	\$ 66,404	\$ 70,180	\$ 3,776												
Other Tenant Revenue	5,944	120	(5,824)	9,944	797	(9,147)												
			-			-												
			-			-												
TOTAL OPERATING REVENUES	\$ 30,088	\$ 25,140		\$ 76,348	\$ 70,977													
Operating Expenses:																		
Central Administration	\$ 1,884	\$ 1,748	\$ (136)	\$ 5,641	\$ 6,517	\$ 876												
Utilities	4,223	3,514	(709)	10,127	8,500	(1,627)												
Maintenance Costs*	10,844	3,981	(6,863)	38,583	11,881	(26,702)												
Wages & Benefits On Site	5,830	11,948	6,118	19,566	35,634	16,068												
General-Taxes, Insurance	3,150	2,139	(1,011)	9,179	7,747	(1,432)												
Independent Audit Costs	41	159	118	141	885	744												
Vendor, Lender, Professional & Other Fees	168	281	113	791	843	52												
TOTAL OPERATING EXPENSES	\$ 26,140	\$ 23,770	\$ (2,370)	\$ 84,028	\$ 72,007	\$ (12,021)												
PROFIT (LOSS) AFTER OPERATING COSTS	\$ 3,948	\$ 1,370	\$ (2,578)	\$ (7,680)	\$ (1,030)	\$ 6,650												
Non Operating Revenues (Expenses):																		
Insurance Settlement/Other			\$ -			\$ -												
Gain (Loss) on Disposition of Assets			-			-												
Investment/Interest Earnings			-			-												
Depreciation	(3,108)	(3,072)	36	(9,295)	(9,240)	55												
Interest Expense			-			-												
NET OPERATING INCOME (NOI)	\$ 840	\$ (1,702)	\$ (2,542)	\$ (16,975)	\$ (10,270)	\$ 6,705												
Capital Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -												
Operating Transfers In (out)	-	-	-	-	-	-												
Prior Period Adjustment	-	-	-	-	-	-												
YTD CHANGE TO NET ASSETS	\$ 840	\$ (1,702)	\$ (2,542)	\$ (16,975)	\$ (10,270)	\$ 6,705												

**Pierce County Housing Authority
Statement of Revenues, Expenses and
Changes in Net Position Year To Date
Through March 31, 2022**

	B			C			B-C			D			E			D-E		
	Chateau Rainier			Month						Chateau Rainier			Y-T-D					
	March 2022			March 2021			Variance			March 2022			March 2021			Variance		
Operating Revenues:																		
Rent Income	\$	207,211		\$	203,478		\$ (3,733)			\$	616,411		\$	612,692		\$ (3,719)		
Other Tenant Revenue		29,792			2,145		(27,647)				63,384			4,480		(58,904)		
							-									-		
							-									-		
TOTAL OPERATING REVENUES	\$	237,003		\$	205,623		\$ (31,380)			\$	679,795		\$	617,172				
Operating Expenses:																		
Central Administration	\$	9,420		\$	8,778		\$ (642)			\$	28,157		\$	32,989		\$ 4,832		
Utilities		2,692			2,089		(603)				75,528			74,820		(708)		
Maintenance Costs*		42,585			34,924		(7,661)				120,437			102,723		(17,714)		
Wages & Benefits On Site		39,088			38,816		(272)				121,013			103,489		(17,524)		
General-Taxes, Insurance		21,601			13,432		(8,169)				58,757			43,141		(15,616)		
Independent Audit Costs		206			794		588				707			4,426		3,719		
Vendor, Lender, Professional & Other Fees		1,099			1,837		738				4,728			5,377		649		
TOTAL OPERATING EXPENSES	\$	116,691		\$	100,670		\$ (16,021)			\$	409,327		\$	366,965		\$ (42,362)		
PROFIT (LOSS) AFTER OPERATING COSTS	\$	120,312		\$	104,953		\$ (15,359)			\$	270,468		\$	250,207		\$ (20,261)		
Non Operating Revenues (Expenses):																		
Insurance Settlement/Other							\$ -									\$ -		
Gain (Loss) on Disposition of Assets		-			-		-				(71)			(420)		(349)		
Investment/Interest Earnings		8			8		-				25			45		20		
Depreciation		(30,317)			(31,108)		(791)				(90,948)			(93,739)		(2,791)		
Interest Expense		(43,739)			(44,589)		(850)				(131,434)			(133,974)		(2,540)		
NET OPERATING INCOME (NOI)	\$	46,264		\$	29,264		\$ (17,000)			\$	48,040		\$	22,119		\$ (25,921)		
COVID 19	\$	-		\$	-		\$ -			\$	-		\$	-		\$ -		
Operating Transfers In (out)		-			-		-				-			-		-		
Prior Period Adjustment		-			-		-				-			-		-		
YTD CHANGE TO NET ASSETS	\$	46,264		\$	29,264		\$ (17,000)			\$	48,040		\$	22,119		\$ (25,921)		

Through February 28, 2022	B		C		B-C		D		E		D-E	
	Lakewood Month			Lakewood Y-T-D			Lakewood Y-T-D			Lakewood Y-T-D		
	February 2022	February 2021	Variance	February 2022	February 2021	Variance	February 2022	February 2021	Variance	February 2022	February 2021	Variance
Operating Revenues:												
Rent Income	\$ 115,557	\$ 116,580	\$ 1,023	\$ 228,472	\$ 239,675	\$ 11,203						
Other Tenant Revenue	19,331	1,076	(18,255)	24,163	2,158	(22,005)						
			-			-						
			-			-						
TOTAL OPERATING REVENUES	\$ 134,888	\$ 117,656	\$ (17,232)	\$ 252,635	\$ 241,833							
Operating Expenses:												
Central Administration	\$ 6,251	\$ 6,707	\$ 456	\$ 13,759	\$ 17,608	\$ 3,849						
Utilities	13,352	12,334	(1,018)	21,482	20,427	(1,055)						
Maintenance Costs*	34,991	17,956	(17,035)	56,802	56,742	(60)						
Wages & Benefits On Site	10,117	22,642	12,525	33,255	47,884	14,629						
General-Taxes, Insurance	13,468	9,899	(3,569)	26,041	20,173	(5,868)						
Independent Audit Costs	368	212	(156)	368	2,664	2,296						
Vendor, Lender, Professional & Other Fees	1,534	1,011	(523)	3,186	2,023	(1,163)						
TOTAL OPERATING EXPENSES	\$ 80,081	\$ 70,761	\$ (9,320)	\$ 154,893	\$ 167,521	\$ 12,628						
PROFIT (LOSS) AFTER OPERATING COSTS	\$ 54,807	\$ 46,895	\$ (7,912)	\$ 97,742	\$ 74,312	\$ (23,430)						
Non Operating Revenues (Expenses):												
Insurance Settlement/Other			\$ -			\$ -						
Gain (Loss) on Disposition of Assets	(131)		131	(131)		131						
Investment/Interest Earnings	3	5	2	7	19	12						
Depreciation	(26,425)	(27,273)	(848)	(52,987)	(54,667)	(1,680)						
Interest Expense		(19,683)	(19,683)		(39,397)	(39,397)						
NET OPERATING INCOME (NOI)	\$ 28,254	\$ (56)	\$ (28,310)	\$ 44,631	\$ (19,733)	\$ (64,364)						
COVID 19	\$ -	\$ -	\$ -	\$ -		\$ -						
Operating Transfers In (out)	-	-	-	-		-						
Prior Period Adjustment	-	-	-			-						
YTD CHANGE TO NET ASSETS	\$ 28,254	\$ (56)	\$ (28,310)	\$ 44,631	\$ (19,733)	\$ (64,364)						

**Pierce County Housing Authority
Statement of Revenues, Expenses and
Changes in Net Position Year To Date
Through February 28, 2022**

	B	C	B-C	D	E	D-E
	deMark Month			deMark Y-T-D		
	February 2022	February 2021	Variance	February 2022	February 2021	Variance
Operating Revenues:						
Rent Income	\$ 75,780	\$ 73,470	\$ (2,310)	\$ 147,072	\$ 146,130	\$ (942)
Other Tenant Revenue	11,143	1,228	(9,915)	12,529	1,268	(11,261)
			-			-
			-			-
TOTAL OPERATING REVENUES	\$ 86,923	\$ 74,698	\$ (12,225)	\$ 159,601	\$ 147,398	
Operating Expenses:						
Central Administration	\$ 3,970	\$ 4,272	\$ 302	\$ 8,750	\$ 11,249	\$ 2,499
Utilities	11,995	8,926	(3,069)	19,942	19,744	(198)
Maintenance Costs*	13,091	12,197	(894)	33,038	26,648	(6,390)
Wages & Benefits On Site	21,928	16,340	(5,588)	42,041	29,351	(12,690)
General-Taxes, Insurance	13,078	6,508	(6,570)	20,903	14,907	(5,996)
Independent Audit Costs	234	135	(99)	234	1,695	1,461
Vendor, Lender, Professional & Other Fees	412	681	269	1,492	1,363	(129)
TOTAL OPERATING EXPENSES	\$ 64,708	\$ 49,059	\$ (15,649)	\$ 126,400	\$ 104,957	\$ (21,443)
PROFIT (LOSS) AFTER OPERATING COSTS	\$ 22,215	\$ 25,639	\$ 3,424	\$ 33,201	\$ 42,441	\$ 9,240
Non Operating Revenues (Expenses):						
Insurance Settlement/Other			\$ -			\$ -
Gain (Loss) on Disposition of Assets		(199)	(199)		(1,675)	(1,675)
Investment/Interest Earnings	2	3	1	4	14	10
Depreciation	(12,390)	(12,514)	(124)	(24,838)	(25,106)	(268)
Interest Expense		(14,160)	(14,160)		(28,342)	(28,342)
NET OPERATING INCOME (NOI)	\$ 9,827	\$ (1,231)	\$ (11,058)	\$ 8,367	\$ (12,668)	\$ (21,035)
COVID 19						
Operating Transfers In (out)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Prior Period Adjustment	-	-	-	-	-	-
YTD CHANGE TO NET ASSETS	\$ 9,827	\$ (1,231)	\$ (11,058)	\$ 8,367	\$ (12,668)	\$ (21,035)

**Pierce County Housing Authority
Statement of Revenues, Expenses and
Changes in Net Position Year To Date
Through March 31, 2022**

	B			C			B-C			D			E			D-E		
	Lakewood			Month						Lakewood			Y-T-D					
	March 2022			March 2021			Variance			March 2022			March 2021			Variance		
Operating Revenues:																		
Rent Income	\$	108,613		\$	118,387		\$ 9,774			\$	337,085		\$	358,062		\$ 20,977		
Other Tenant Revenue		16,293			448		(15,845)				40,456			2,606		(37,850)		
							-									-		
							-									-		
TOTAL OPERATING REVENUES	\$	124,906		\$	118,835		\$ (6,071)			\$	377,541		\$	360,668				
Operating Expenses:																		
Central Administration	\$	6,908		\$	6,423		\$ (485)			\$	20,667		\$	24,031		\$ 3,364		
Utilities		15,818			12,690		(3,128)				37,300			33,117		(4,183)		
Maintenance Costs*		30,325			30,918		593				88,685			89,377		692		
Wages & Benefits On Site		14,291			31,048		16,757				45,935			77,214		31,279		
General-Taxes, Insurance		32,582			11,521		(21,061)				58,676			31,694		(26,982)		
Independent Audit Costs		151			582		431				519			3,246		2,727		
Vendor, Lender, Professional & Other Fees		1,311			1,011		(300)				4,498			3,034		(1,464)		
TOTAL OPERATING EXPENSES	\$	101,386		\$	94,193		\$ (7,193)			\$	256,280		\$	261,713		\$ 5,433		
PROFIT (LOSS) AFTER OPERATING COSTS	\$	23,520		\$	24,642		\$ 1,122			\$	121,261		\$	98,955		\$ (22,306)		
Non Operating Revenues (Expenses):																		
Insurance Settlement/Other							\$ -									\$ -		
Gain (Loss) on Disposition of Assets							-				(131)					131		
Investment/Interest Earnings		3			4		1				10			23		13		
Depreciation		(26,324)			(27,199)		(875)				(79,311)			(81,866)		(2,555)		
Interest Expense		(19,278)			(19,653)		(375)				(57,930)			(59,050)		(1,120)		
NET OPERATING INCOME (NOI)	\$	(22,079)		\$	(22,206)		\$ (127)			\$	(16,101)		\$	(41,938)		\$ (25,837)		
COVID 19	\$	-		\$	-		\$ -			\$	-		\$	-		\$ -		
Operating Transfers In (out)		-			-		-				-			-		-		
Prior Period Adjustment		-			-		-									-		
YTD CHANGE TO NET ASSETS	\$	(22,079)		\$	(22,206)		\$ (127)			\$	(16,101)		\$	(41,938)		\$ (25,837)		

**Pierce County Housing Authority
Statement of Revenues, Expenses and
Changes in Net Position Year To Date
Through March 31, 2022**

	B			C			B-C			D			E			D-E		
	deMark			Month						deMark			Y-T-D					
	March 2022			March 2021			Variance			March 2022			March 2021			Variance		
Operating Revenues:																		
Rent Income	\$	75,544	\$	73,499	\$	(2,045)				\$	222,616	\$	219,628	\$	(2,988)			
Other Tenant Revenue		7,614		1,108		(6,506)					20,144		2,376		(17,768)			
Other Income		34,726				(34,726)					34,726				(34,726)			
						-									-			
TOTAL OPERATING REVENUES	\$	117,884	\$	74,607	\$	(43,277)				\$	277,486	\$	222,004					
Operating Expenses:																		
Central Administration	\$	4,396	\$	4,092	\$	(304)				\$	13,146	\$	15,341	\$	2,195			
Utilities		10,172		10,085		(87)					30,114		28,729		(1,385)			
Maintenance Costs*		30,577		13,874		(16,703)					63,562		41,733		(21,829)			
Wages & Benefits On Site		23,275		15,859		(7,416)					65,316		45,210		(20,106)			
General-Taxes, Insurance		12,889		7,274		(5,615)					33,846		22,069		(11,777)			
Independent Audit Costs		96		370		274					330		2,065		1,735			
Vendor, Lender, Professional & Other Fees		412		681		269					1,904		2,044		140			
TOTAL OPERATING EXPENSES	\$	81,817	\$	52,235	\$	(29,582)				\$	208,218	\$	157,191	\$	(51,027)			
PROFIT (LOSS) AFTER OPERATING COSTS	\$	36,067	\$	22,372	\$	(13,695)				\$	69,268	\$	64,813	\$	(4,455)			
Non Operating Revenues (Expenses):																		
Insurance Settlement/Other					\$	-								\$	-			
Gain (Loss) on Disposition of Assets				(44)		(44)							(1,719)		(1,719)			
Investment/Interest Earnings		2		3		1					7		17		10			
Depreciation		(12,334)		(12,491)		(157)					(37,172)		(37,597)		(425)			
Interest Expense		(13,868)		(14,138)		(270)					(41,674)		(42,480)		(806)			
NET OPERATING INCOME (NOI)	\$	9,867	\$	(4,298)	\$	(14,165)				\$	(9,571)	\$	(16,966)	\$	(7,395)			
COVID 19	\$	-	\$	-	\$	-				\$	-	\$	-	\$	-			
Operating Transfers In (out)		-		-		-					-		-		-			
Prior Period Adjustment		-		-		-					-		-		-			
YTD CHANGE TO NET ASSETS	\$	9,867	\$	(4,298)	\$	(14,165)				\$	(9,571)	\$	(16,966)	\$	(7,395)			

**Pierce County Housing Authority
Statement of Revenues, Expenses and
Changes in Net Position Year To Date
Through February 28, 2022**

	B	C	B-C	D	E	D-E
	Orting-Senior Apartments Month			Orting-Senior Apartments Y-T-D		
	February 2022	February 2021	Variance	February 2022	February 2021	Variance
Operating Revenues:						
Rent Income	\$ 11,685	\$ 10,815	\$ (870)	\$ 22,755	\$ 23,115	\$ 360
Other Tenant Revenue	1,080	2,501	1,421	2,010	3,474	1,464
Rental Assistance	6,981	7,065	84	13,882	15,055	1,173
Subsidy Interest	2,216	2,334	118	4,551	4,669	118
TOTAL OPERATING REVENUES	\$ 21,962	\$ 22,715	\$ 753	\$ 43,198	\$ 46,313	\$ 3,115
Operating Expenses:						
Central Administration			\$ -			\$ -
Utilities	3,408	3,001	(407)	6,512	6,130	(382)
Maintenance Costs*	1,014	1,148	134	1,733	2,395	662
Wages & Benefits On Site	1,414	1,470	56	3,238	3,178	(60)
General-Taxes, Insurance	1,614	1,921	307	3,203	3,985	782
Rental Assistance	6,981	7,065	84	13,882	15,055	1,173
Independent Audit Costs			-			-
Vendor, Lender, Professional & Other Fees			-			-
TOTAL OPERATING EXPENSES	\$ 14,431	\$ 14,605	\$ 174	\$ 28,568	\$ 30,743	\$ 2,175
PROFIT (LOSS) AFTER OPERATING COSTS	\$ 7,531	\$ 8,110	\$ 579	\$ 14,630	\$ 15,570	\$ 940
Non Operating Revenues (Expenses):						
Insurance Settlement/Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Gain (Loss) on Disposition of Assets	-	-	-	-	-	-
Investment/Interest Earnings	-	-	-	-	-	-
Depreciation	(1,767)	(1,679)	88	(3,534)	(2,975)	559
Interest Expense	(2,216)	(2,334)	(118)	(4,551)	(4,669)	(118)
NET OPERATING INCOME (NOI)	\$ 3,548	\$ 4,097	\$ 549	\$ 6,545	\$ 7,926	\$ 1,381
Capital Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Transfers In (out)	-	-	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	-
YTD CHANGE TO NET ASSETS	\$ 3,548	\$ 4,097	\$ 549	\$ 6,545	\$ 7,926	\$ 1,381

**Pierce County Housing Authority
Statement of Revenues, Expenses and
Changes in Net Position Year To Date
Through March 31, 2022**

	B			C			B-C			D			E			D-E		
	Orting-Senior Apartments			Month						Orting-Senior Apartments			Y-T-D					
	March 2022			March 2021			Variance			March 2022			March 2021			Variance		
Operating Revenues:																		
Rent Income	\$	11,070	\$	11,070	\$	-				\$	33,825	\$	34,185	\$	360			
Other Tenant Revenue		1,037		809		(228)					3,047		4,283		1,236			
Rental Assistance		6,764		7,059		295					20,646		22,114		1,468			
Subsidy Interest		2,334		2,334		-					6,885		7,003		118			
TOTAL OPERATING REVENUES	\$	21,205	\$	21,272	\$	67				\$	64,403	\$	67,585	\$	3,182			
Operating Expenses:																		
Central Administration						\$	-								\$	-		
Utilities		3,444		3,205		(239)					9,956		9,335		(621)			
Maintenance Costs*		846		2,343		1,497					2,579		4,830		2,251			
Wages & Benefits On Site		1,544		2,559		1,015					4,782		5,646		864			
General-Taxes, Insurance		1,614		1,942		328					4,818		5,927		1,109			
Rental Assistance		6,764		7,059		295					20,646		22,114		1,468			
Independent Audit Costs						-									-			
Vendor, Lender, Professional & Other Fees						-									-			
TOTAL OPERATING EXPENSES	\$	14,212	\$	17,108	\$	2,896				\$	42,781	\$	47,852	\$	5,071			
PROFIT (LOSS) AFTER OPERATING COSTS	\$	6,993	\$	4,164	\$	(2,829)				\$	21,622	\$	19,733	\$	(1,889)			
Non Operating Revenues (Expenses):																		
Insurance Settlement/Other	\$	-	\$	-	\$	-				\$	-	\$	-	\$	-			
Gain (Loss) on Disposition of Assets		-		-		-					-		-		-			
Investment/Interest Earnings		-		-		-					1		1		-			
Depreciation		(1,767)		(1,679)		88					(5,301)		(4,654)		647			
Interest Expense		(2,334)		(2,334)		-					(6,885)		(7,003)		(118)			
NET OPERATING INCOME (NOI)	\$	2,892	\$	151	\$	(2,741)				\$	9,437	\$	8,077	\$	(1,360)			
Capital Contributions	\$	-	\$	-	\$	-				\$	-	\$	-	\$	-			
Operating Transfers In (out)		-		-		-					-		-		-			
Prior Period Adjustment		-		-		-					-		-		-			
YTD CHANGE TO NET ASSETS	\$	2,892	\$	151	\$	(2,741)				\$	9,437	\$	8,077	\$	(1,360)			

PIERCE COUNTY HOUSING AUTHORITY

Cash Position Report

Period Ending April, 2022

Account Name	Bank	Balance		
		Apr-22	Mar-22	Variance
General Operating Accounts				
Apartments General	US Bank	\$ 61,338.14	\$ 188,877.97	\$ (127,539.83)
Payroll	US Bank	162,788.16	89,923.91	72,864.25
General Operation	US Bank	2,103,077.79	2,271,763.54	(168,685.75)
PCHA Special Item	US Bank	1,415,532.13	1,415,526.32	5.81
Homeownership	US Bank	501,687.52	501,246.46	441.06
Tenant Trust Accounts				
Damage Deposits	US Bank	284,840.82	282,021.82	2,819.00
Hud Trust Accounts				
Section 8	US Bank	3,246,107.08	3,249,273.99	(3,166.91)
LIPH Management	US Bank	592,466.64	548,865.09	43,601.55
LIPH Damage Deposits	US Bank	42,397.93	42,350.00	-
Section 8 FSS	US Bank	372,219.45	362,223.83	9,995.62
LIPH FSS	US Bank	51,497.49	50,493.29	1,004.20
Rural Development Funds				
Rural Development (Orting) Reserve	US Bank	94,121.41	94,121.03	0.38
FNMA Loan Reserve Account (Restricted)				
CR Restabilization Reserve (PB S8 HAPC)	Greystone (TTE)	59,661.94	59,660.42	1.52
DM Restabilization Reserve (PB S8 HAPC)	Greystone (TTE)	18,917.22	18,916.73	0.49
LV Restabilization Reserve (PB S8 HAPC)	Greystone (TTE)	26,296.18	26,295.51	0.67
CR Replacement Reserve	Greystone (TTE)	289,454.12	281,709.99	7,744.13
DM Replacement Reserve	Greystone (TTE)	65,014.32	65,012.66	1.66
LV Replacement Reserve	Greystone (TTE)	98,909.95	98,907.43	2.52
CR FNMA Tax & Insurance Escrow	Greystone (TTE)	17,771.02	8,407.08	9,363.94
DM FNMA Tax & Insurance Escrow	Greystone (TTE)	1,710.74	3,968.64	(2,257.90)
LV FNMA Tax & Insurance Escrow	Greystone (TTE)	-	-	-
FNMA Reserve Total		577,735.49	562,878.46	14,857.03
TOTAL PCHA		\$ 9,505,810.05	\$ 9,659,565.71	\$ (138,946.56)

Apartments General

An account used primarily for receipt of revenues from apartments finance with the 1998 Pooled Housing Refunding Revenue Bond ('98 Bond Projects) and Orting Senior Apartments. Recordkeeping segregates funds for subsequent distribution to designated programs and specific uses in accordance with bond and loan regulatory agreements.

Payroll

General operating account used for payment of employee wages.

General Operation

General operating account used for payment of goods and services and non-compensation payroll related liabilities for all PHA programs.

PCHA Special Item

PCHA net proceeds collected from fraud recovery.

Homeownership

Account used primarily for receipt of revenues from 5H Homeownership notes. Use of proceeds are regulated by 24 CFR 906.3 and 906.31 which state: § 906.3 Requirements applicable to homeownership programs previously approved by HUD. (a) Any existing section 5(h) or Turnkey III homeownership program continues to be governed by the requirements of part 906 or part 904 of this title, respectively, contained in the April 1, 2002, edition of 24 CFR, parts 700 to 1699. The use of other program income for homeownership activities continues to be governed by agreements executed with HUD. § 906.31 Requirements applicable to net proceeds resulting from sale. (a) PHA use of net proceeds. The PHA must use any net proceeds of any sales under a homeownership program remaining after payment of all costs of the sale for purposes relating to low-income housing and in accordance with its PHA plan.

Damage Deposits and Damage Deposit Investments

Trust account used to retain apartment tenant deposits as security for performance of the tenant's obligations during the lease/rental agreement period. Funds are restricted from general use in accordance with RCW 59.18.270.

Section 8 General Operating

Account used for receipt of revenues for the PHA's Section 8 programs, disbursements for housing assistance related payments to landlords, participants and receiving PHAs, and for distribution to the PHA's General Operating account for payment of administrative costs of the associated programs, predominantly Housing Choice Vouchers (HCV). Since 2004, all HCV housing assistance funding is restricted for use to pay current or future housing assistance and all administrative fee funding may only be used to cover costs incurred to perform PHA HCV administrative responsibilities in accordance with HUD regulations and requirements.

LIPH Management

An account used primarily for receipt of revenues for the PHA's Low-Income Public Housing (LIPH) program, and for distribution to the PHA's General Operating account for specific LIPH program uses in accordance with HUD regulations and requirements. A minor amount is disbursed to program participants for utility assistance payments. This account also retains proceeds from land sales in the LIPH program which are restricted for capital improvement projects.

LIPH Damage Deposits

Trust account used to retain LIPH participant deposits as security for performance of the tenant's obligations during the lease/rental agreement period. Funds are restricted from general use in accordance with RCW 59.18.270.

Section 8 and LIPH FSS

Trust account used to retain S8 and LIPH FSS participant escrow balances.

Rural Development (Orting) Reserve

A reserve account funded through contributions from project operating funds. It is used primarily to pay for large planned expenses for maintenance and improvements of capital items. The project's reserves must be held in a supervised account that requires the Rural Development approval for all withdrawals.

LLC Replacement Reserve and Restabilization Reserve

Reserve accounts individually funded through loan proceeds of the Chateau Rainier, DeMark and Lakewood Village LLCs, for the specific purposes outlined in the FNMA loan agreement. Funds are legally restricted and unavailable for use in daily routine operations. Funds are held by the lender and are expected to remain on account through the life of the loan term.



PIERCE COUNTY HOUSING AUTHORITY FINANCIAL ASSESSMENT

CONFIDENTIAL – FOR MANAGEMENT PURPOSES ONLY

DRAFT

DECEMBER 2021



TABLE OF CONTENTS

Introduction	2
Current Financial Condition	3
PCHA Expense Trends	31
Details Concerning Debt Commitments	36
Housing Choice Voucher Program Utilization	39
Summary of Unresolved Prior Audit Findings and Current Audit Findings	45
Information Technology Environment	58

INTRODUCTION

BDO conducted a financial assessment of the Pierce County Housing Authority (PCHA) including an evaluation of the financial condition of the housing authority, revenue and expense trends, outstanding debt commitments, utilization within the Housing Choice Voucher program, comments concerning the authority's IT environment, and current and prior year audit findings that are outstanding.

We have analyzed certain documents, including but not limited to:

- Independent Audits
- Year End Financial Data Schedule (FDS) Submissions
- Public Housing Assessment System (PHAS) scores
- HUD Housing Choice Voucher Program Two Year Tool (TYT)
- Various other fiscal documents

The Housing Authority appears to be in good financial condition with about 9 months of Operating Reserves, Entity Wide (including all of PCHA's properties and programs). Expenses have been reduced significantly beginning in 2020. Utilization is increasing in the Housing Choice Voucher program.

However, significant audit findings still exist on the 2019 independent audit (at the time of this writing the 2020 audit was not yet completed).

The following report will provide details on what we have found.

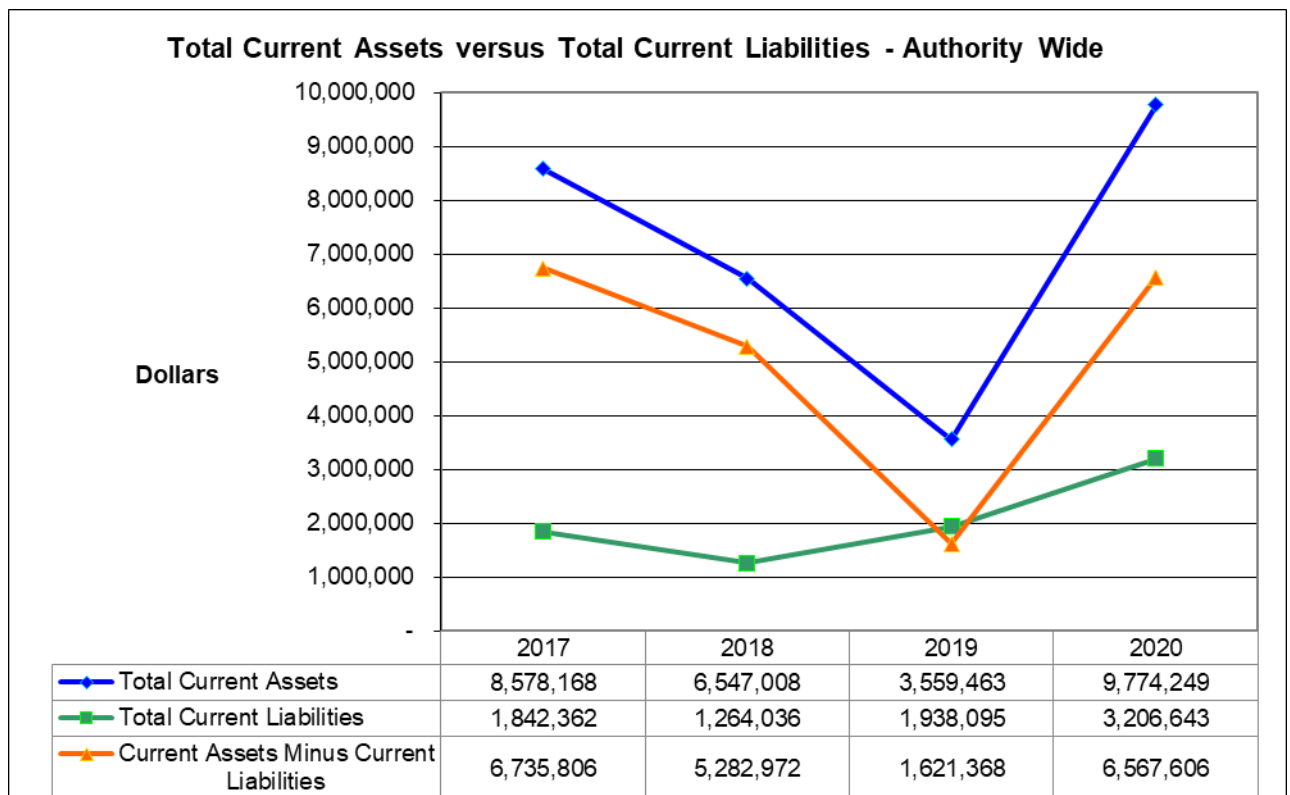
Note that we did not perform an audit of the housing authority. The work performed was a consulting service and not an attest service.

Note also that financial data presented for 2017, 2018, and 2019 is based upon audited financial statements. Financial data presented for 2020 is based upon unaudited financial statements, once again because the audit had not yet been completed at the time this assessment was performed.

CURRENT FINANCIAL CONDITION

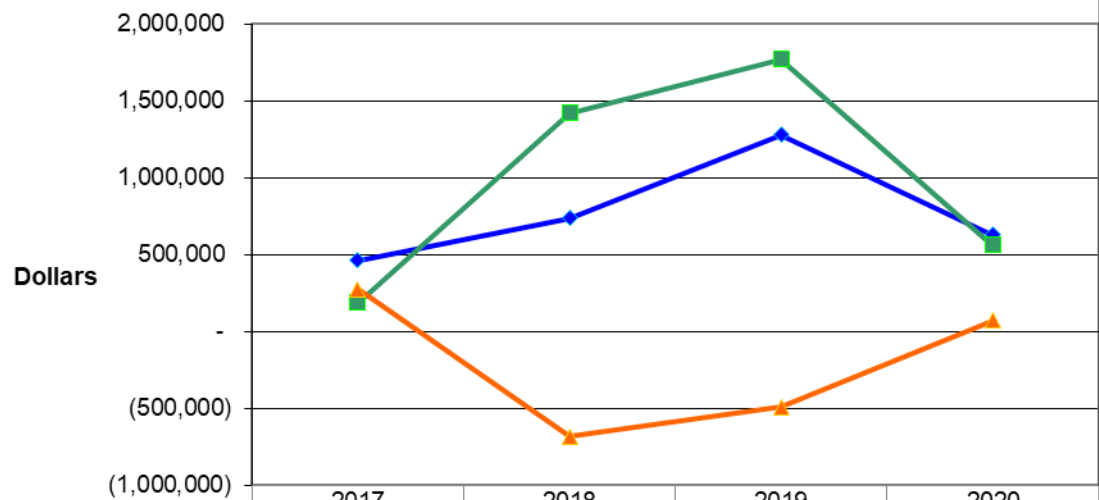
PCHA's overall financial condition is now trending positive after declining through the period 2017 to 2019. The chart below shows the trend in "Current Assets", "Current Liabilities", and "Current Assets minus Current Liabilities" for the period 2017 through 2020. Current Assets represent liquid items including cash and investments, and items like accounts receivable that will become cash within a 12 month period. For purposes of the analysis below, Current Assets excludes restricted cash, and materials inventory, since those items are not considered "liquid" from a financial perspective. The chart reflects "Authority-wide" amounts, meaning that it includes the entire Agency. Note that the line entitled "Current Assets minus Current Liabilities", decreased from 2017 to 2019 but increased substantially during 2020. The chart depicts the Agency's increase in liquidity.

The decline during the period 2017-2019 was in part due to a fraud committed by a former member of PCHA management. This individual was convicted of embezzling nearly \$7 million from PCHA. In 2019 there was a \$3.3 million charge to the income statement related to the fraud. In 2020 there was a \$2.9 credit to the income statement representing recovery of some of the stolen funds.



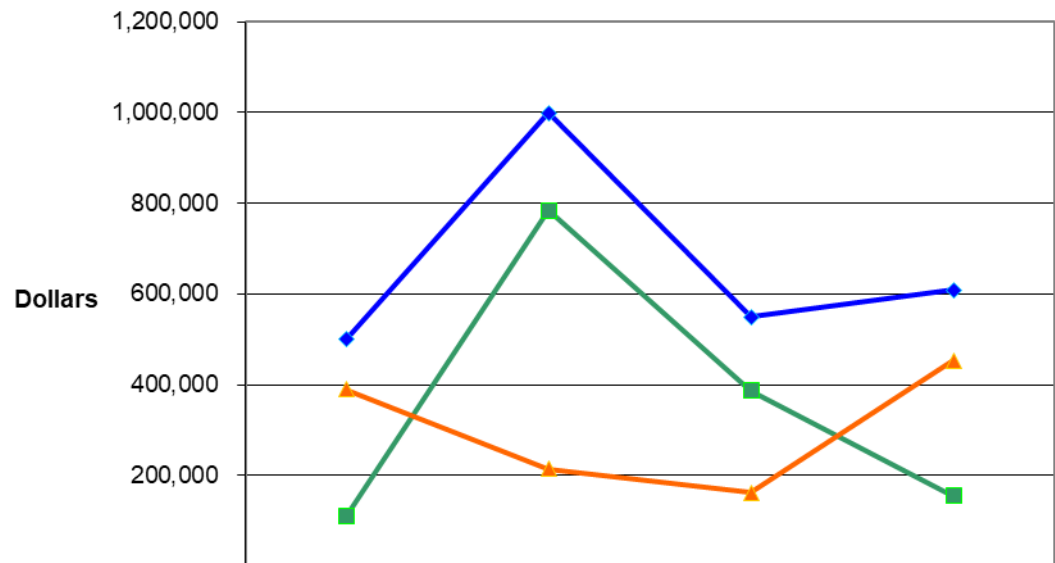
Liquidity for the Housing Choice Voucher Program and Low Rent Public Housing program also showed a decline and then an increase as depicted below.

Total Current Assets versus Total Current Liabilities - HCV



	2017	2018	2019	2020
Total Current Assets	460,532	734,722	1,275,299	626,964
Total Current Liabilities	187,387	1,418,829	1,767,259	558,623
Current Assets Minus Current Liabilities	273,145	(684,107)	(491,960)	68,341

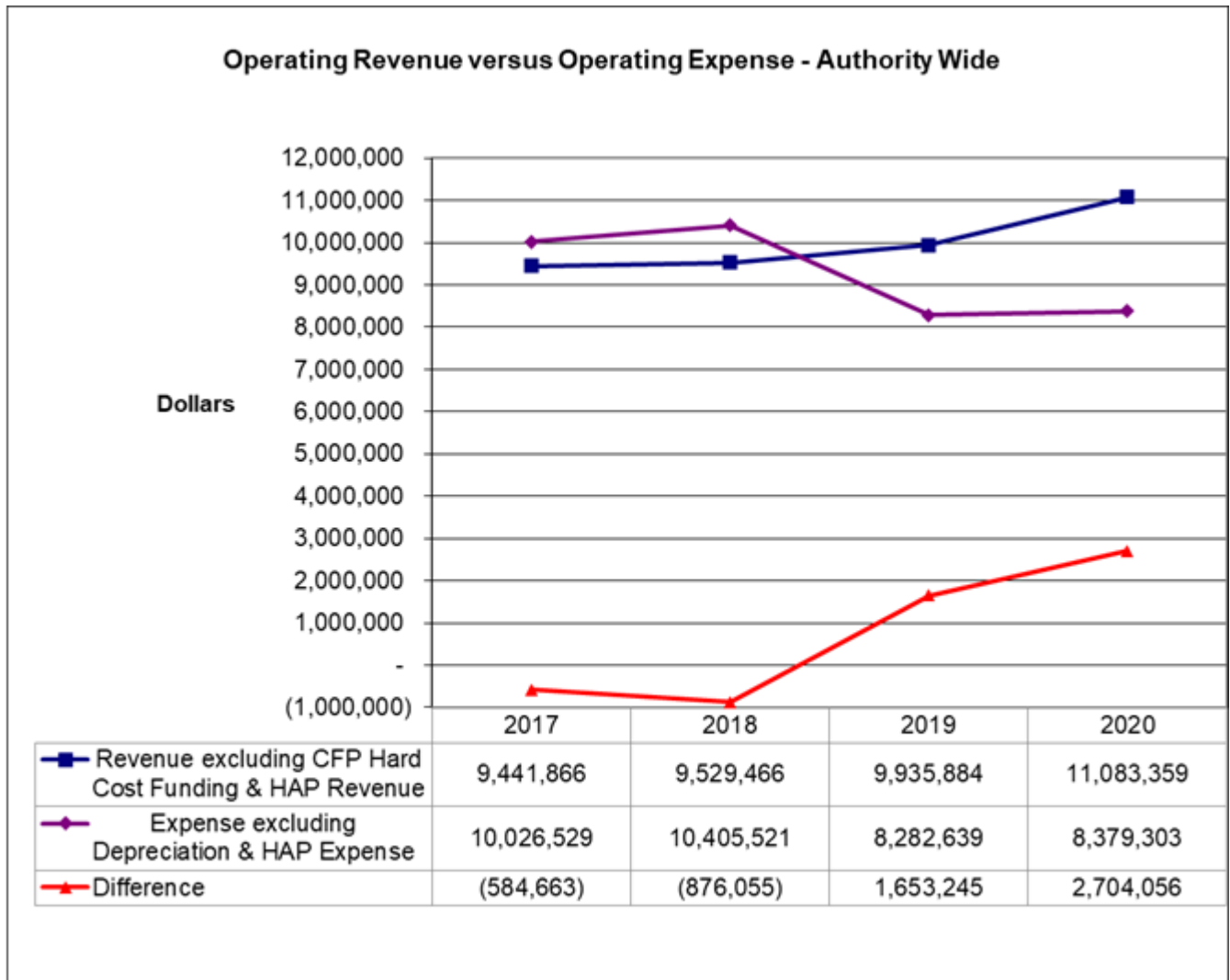
Total Current Assets versus Total Current Liabilities - Public Housing



	2017	2018	2019	2020
Total Current Assets	499,824	998,865	549,053	609,431
Total Current Liabilities	110,117	784,589	386,746	155,494
Current Assets Minus Current Liabilities	389,707	214,276	162,307	453,937

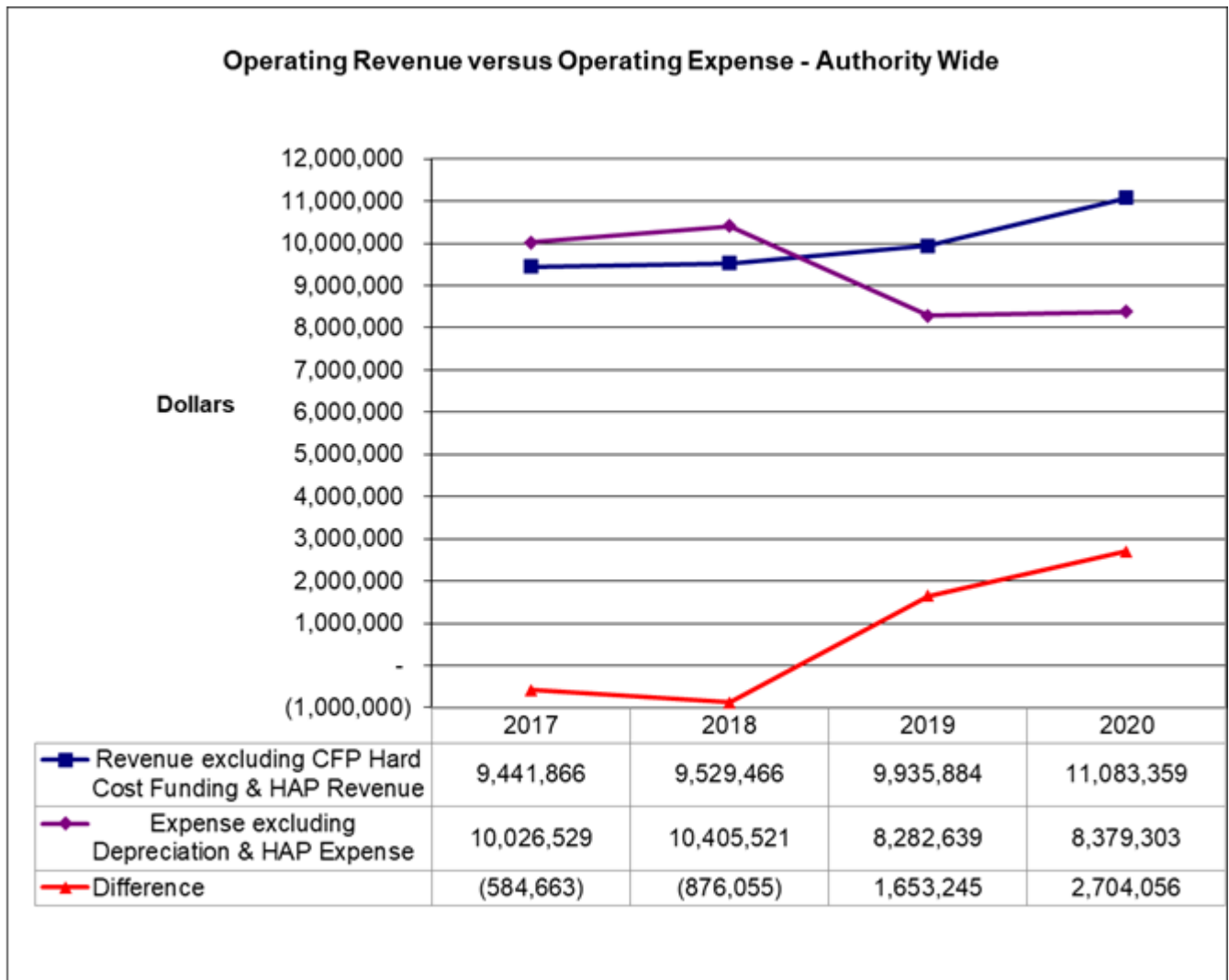
This increase in liquidity has been caused by having net operating income - operating income in excess of expenses.

The chart below depicts the trend in operating income versus operating expenses for the period fiscal years 2017 through 2020.



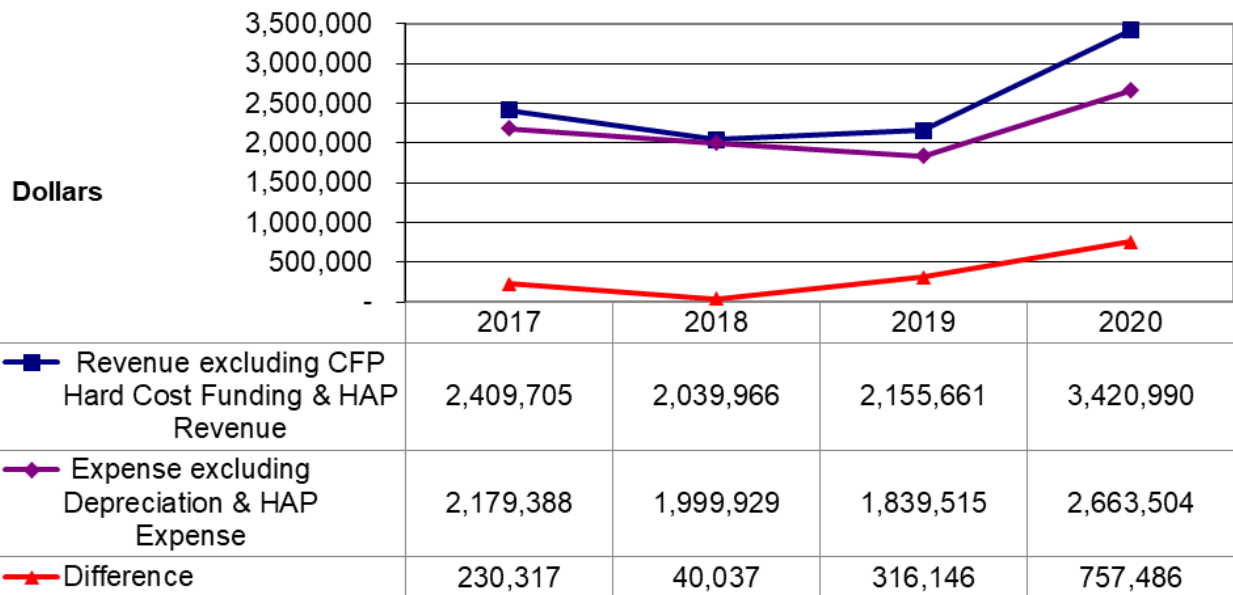
Note that the operating revenue as depicted on the chart excludes Capital Funding (CFP Funding) for Hard Costs. Hard cost funding in the Capital Fund program is excluded because it tends to distort Net Income. The distortion occurs because under CFP the hard cost funding flows through the Income Statement, but the expenses are capitalized on the Balance Sheet. This causes a mismatch of revenue and expense. Since the Capital Fund reimburses hard costs dollar for dollar anyway, the income is excluded from our analysis. Note also that the expenses exclude depreciation, again because it tends to distort the expenses. Depreciation is a “non-cash” expense that is mandatory under GAAP. Most of the depreciation is on fixed assets that were purchased with grant funds.

The chart shows that, Authority wide, there has been a positive trend in operating income in excess of expenses in 2000 versus the period 2017-2019. The embezzlement mentioned on page 3 of this report resulted in an overstatement of expenses. Some of the stolen money was reported as operating expense during 2017-2019 when in fact it was paid or transferred to the individual that was charged with fraud and later convicted.

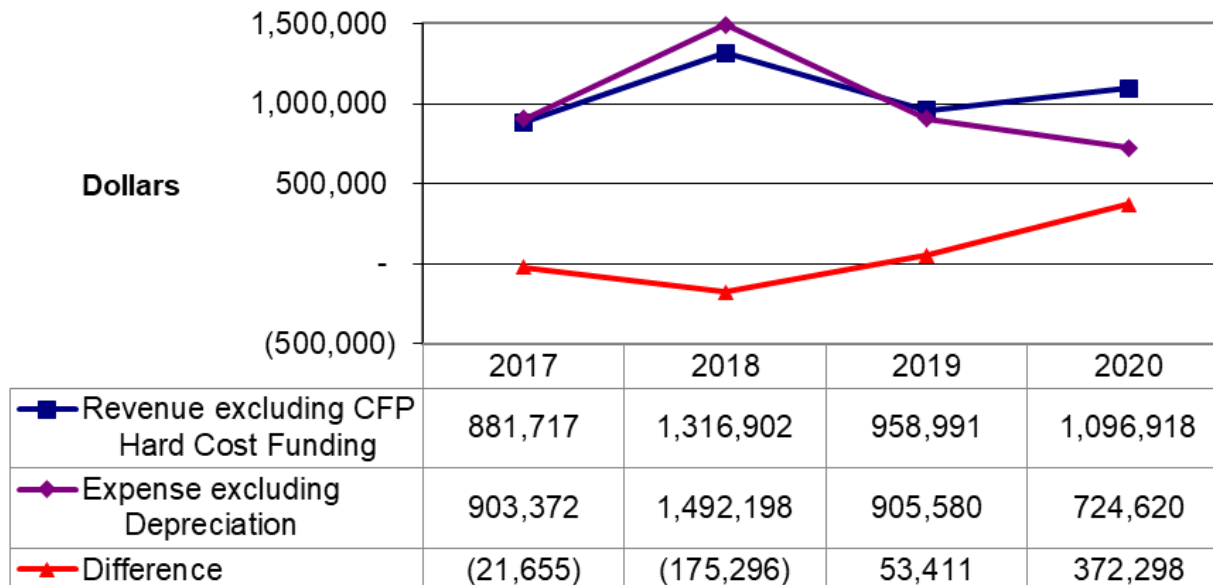


The trend in the Housing Choice Voucher Program and Low Rent Public Housing is similar. The chart below depicts Operating Revenue versus Operating Expense for the Low Rent Public Housing program.

Operating Revenue versus Operating Expense HCV



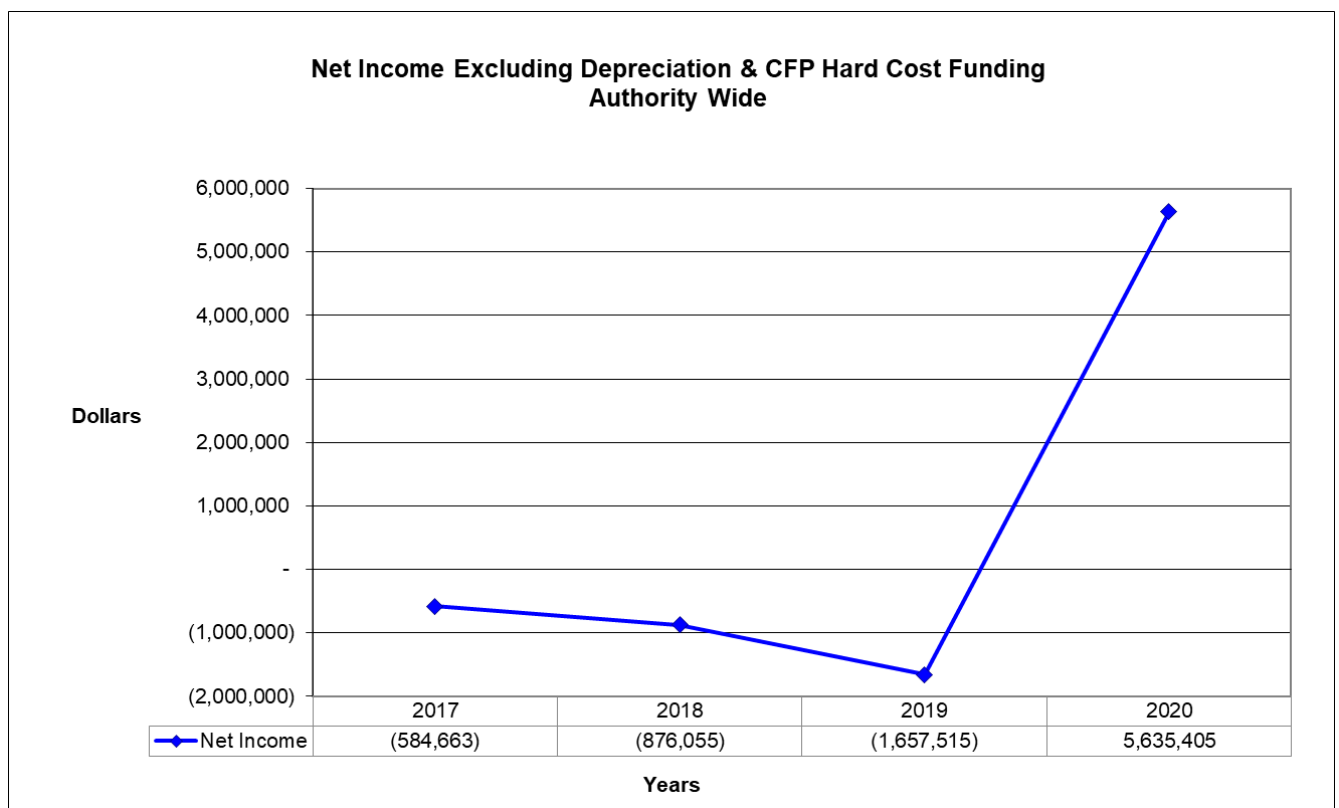
Operating Revenue versus Operating Expense - Public Housing



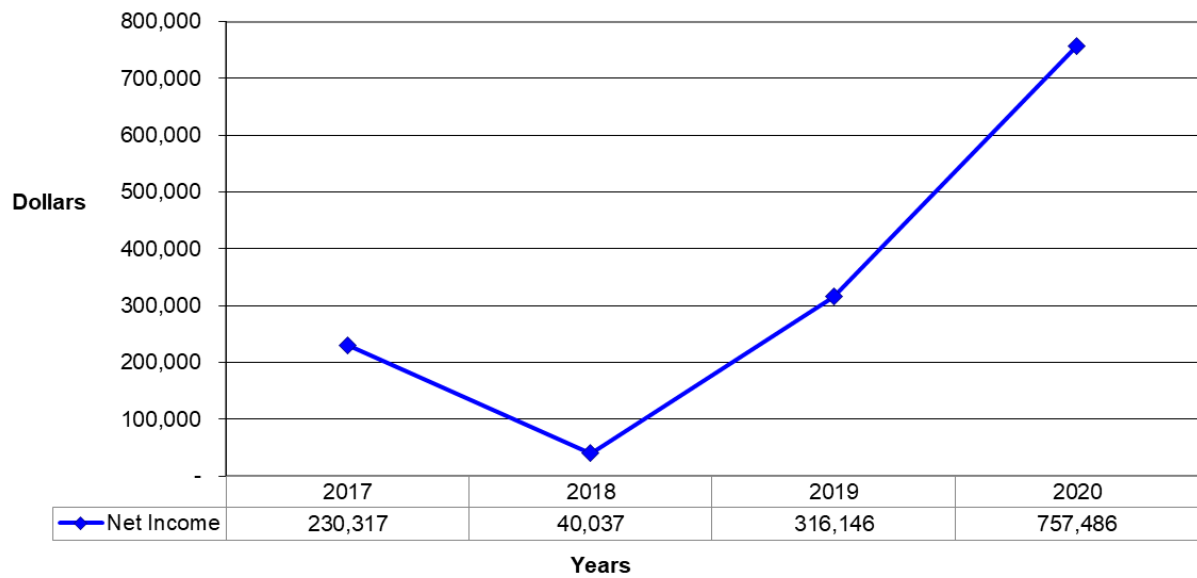
The charts that follow show the trends in Net Income.

- The first chart shows Net Income, Authority Wide, excluding depreciation and CFP hard cost funding for reasons explained earlier in this segment.
- The second chart shows the same information for the Housing Choice Voucher Program.
- The third chart shows the same information for Low Rent Public Housing.

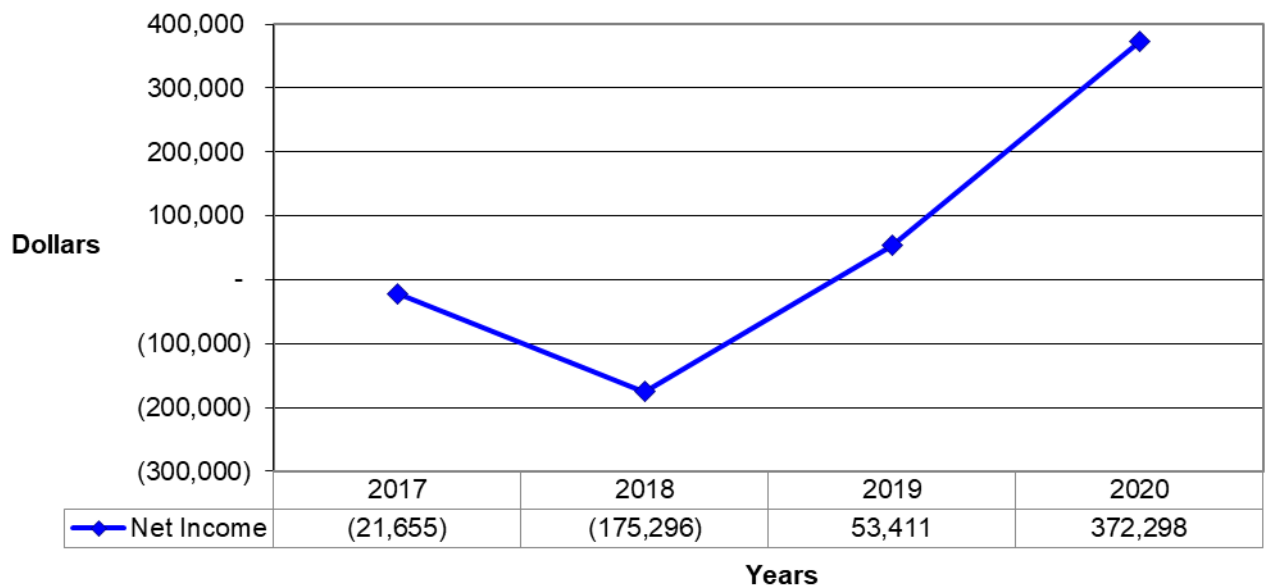
The partial recovery of embezzled funds, along with reductions in expenses, caused the net losses during the period 2017-2019 to turn around and become net income in 2020.



Net Income Excluding Depreciation & CFP Hard Cost Funding HCV



Net Income Excluding Depreciation & CFP Hard Cost Funding Public Housing



Remarks concerning fiscal year 2021

We also requested that PCHA provide a year to date financial statement for 2021. The income statement below was provided. Excluding Depreciation Expense (a noncash expense), PCHA has a surplus exceeding \$1 million this year.

	2021					2020				
	TOTAL PHA-WIDE CURRENT YEAR			Variance		TOTAL PHA-WIDE PRIOR YEAR			Variance	
	September-21	Y-T-D	BUDGET	VARIANCE	%	September-20	Y-T-D	BUDGET	VARIANCE	%
Operating Revenues:										
Rent Income	\$ 583,291	\$ 5,210,864	\$ 5,138,822	\$ (72,042)	-1%	\$ 587,068	\$ 5,284,457	\$ 4,932,162	\$ (352,295)	-7%
Other Income	25,891	196,684	112,486	(84,198)	-75%	23,577	98,676	504,734	406,058	80%
Housing Assistance Grants	2,345,584	21,204,570	21,204,570	-	0%	2,394,473	21,125,240	21,125,240	-	0%
FSS Grant	10,417	88,580	88,580	-	0%	10,113	71,071	60,958	(10,113)	-17%
Admin Operating Grant	187,193	1,759,603	1,759,603	-	0%	265,858	2,719,216	2,719,216	-	0%
LIPH Operating Grant	27,120	246,385	246,385	-	0%	22,577	227,955	205,378	(22,577)	-11%
TOTAL OPERATING REVENUES	\$ 3,179,296	\$ 28,706,686	\$ 28,550,446	\$ (156,240)	-1%	\$ 3,303,666	\$ 29,526,615	\$ 29,547,888	\$ 21,073	0%
Operating Expenses:										
Central Administration	\$ 95,764	\$ 861,330	\$ 1,010,705	\$ 149,375	15%	\$ 76,202	\$ 905,971	\$ 1,446,266	\$ 540,295	37%
Utilities	117,800	669,235	665,039	(4,196)	-2%	36,186	612,738	666,807	54,069	8%
Maintenance Costs	329,748	1,387,707	813,338	(594,369)	-73%	81,732	736,165	2,011,250	1,275,085	63%
Wages & Benefits On Site	212,080	1,864,308	2,079,284	224,976	11%	184,081	1,614,438	1,849,121	234,683	13%
General Taxes, Insurance	78,437	660,788	461,739	(229,049)	-51%	70,418	846,332	740,586	(105,807)	-14%
Housing Assistance/FSS Payments	2,255,873	20,913,868	20,913,868	-	0%	2,368,790	21,276,288	21,276,288	-	0%
Independent Audit Costs	8,369	42,288	53,966	11,708	22%	-	21,219	70,418	49,199	70%
Vendor, Lender, Professional & Other Fees	14,098	58,882	37,542	(21,340)	-57%	6,187	27,679	32,810	5,131	16%
TOTAL OPERATING EXPENSES	\$ 3,112,179	\$ 26,478,436	\$ 26,015,541	\$ (462,895)	-2%	\$ 2,823,596	\$ 26,040,890	\$ 28,093,545	\$ 2,052,655	7%
PROFIT (LOSS) AFTER OPERATING COSTS	\$ 67,117	\$ 2,228,250	\$ 2,534,905	\$ 306,655	12%	\$ 480,070	\$ 3,485,725	\$ 1,454,143	\$ (2,031,582)	-140%
Non Operating Revenues (Expenses):										
Special Items	\$ (3,420)	\$ (7,708)	\$ (7,708)	\$ -	0%	\$ 191,648	\$ 1,755,465	\$ 1,755,465	\$ -	0%
Gain (Loss) on Disposition of Assets	(442)	(10,051)	(10,051)	-	0%	(513)	(6,963)	(6,963)	-	0%
Investment/Interest Earnings	51	516	516	-	0%	97	1,735	1,735	-	0%
Depreciation	(130,544)	(1,182,889)	(1,182,889)	-	0%	(132,833)	(1,197,820)	(1,197,820)	-	0%
Interest Expense	(79,578)	(724,226)	(724,226)	-	0%	(81,431)	(737,417)	(677,232)	60,185	-9%
NET OPERATING INCOME (NOI)	\$ (147,216)	\$ 303,882	\$ 610,537	\$ 306,655	50%	\$ 457,038	\$ 3,300,825	\$ 1,329,428	\$ (1,971,397)	-148%
Capital Contributions	-	-	-	-	-	-	-	-	-	-
Section 8 Care Act	(24,458)	(248,773)	(248,773)	-	-	(12,165)	209,050	209,050	-	-
LIPH Care Act Funds	3,807	49,672	49,672	-	-	(27,090)	(27,090)	(27,090)	-	-
LIPH Care Act Expenses	-	(49,672)	(49,672)	-	-	-	-	-	-	-
Prior Period Adjustment	-	437	437	-	-	-	-	-	-	-
YTD CHANGE TO NET ASSETS	(167,867)	55,546	362,201	306,655	86%	444,873	3,402,786	1,511,388	(1,971,397)	-130%

PUBLIC HOUSING ASSESSMENT SYSTEM (PHAS)

HUD assesses the condition of a Housing Authority's Public Housing program, including financial condition, through a scoring mechanism known as the Public Housing Assessment System (PHAS). PHAS includes indicators on Physical Condition, Financial Condition, Management Operations, and Capital Fund.

The chart below shows the maximum number of points available for each indicator.

PHAS Scores	Total	Physical Condition	Financial Condition	Management Operations	Capital Fund
Maximum Points	100	40	25	25	10

When a PHA's score exceeds 90 points, the agency is considered to be a "high performer". A PHA that scores between 60 and 89 points is considered to be a "standard performer". When a PHA dips below 60% of the points available on any of the first three indicators above, the PHA is considered to be "substandard" in that area. For example, if the PHA has a financial condition score below 15 points (25 points x 60%), it is considered to be "substandard- financial".

Housing Authorities are currently under a PHAS "Interim" Rule, a set of HUD regulations known as "PHAS III".

Scores and Status

- High Performer: An overall score of 90% and not less than 60% on the physical, financial, or management operations indicators. Also the PHA cannot be less than 50% on capital fund indicator.
- Standard: An overall score of 60% or more and at least 60% for physical, financial, and management operations indicators, and at least 50% on the capital fund indicator.
- Substandard: An overall score of 60% or more and a score of less than 60% under physical or financial or management operations indicators.
- Troubled: Overall score of less than 60% or failing on the Capital Fund indicator.

The data utilized for the PHAS Financial Condition Indicator, and Management Operations Indicator, comes from the year end Balance Sheet and Income

Statement submitted by PCHA to HUD at fiscal year end. The Balance Sheet and Income Statement are prepared under Generally Accepted Accounting Principles (GAAP) and submitted electronically. This submission is known as the Financial Data Schedule (FDS).

The data that is utilized is from the Public Housing column of the Financial Data Schedule, and therefore the scoring is based upon the Public Housing program alone.

Components of the PHAS Financial Indicator

(1) Quick Ratio (QR). The QR compares quick assets to current liabilities. Quick assets are cash and assets that are easily convertible to cash and do not include inventory. Current liabilities are those liabilities that are due within the next 12 months. A QR of less than one indicates that the ability to make payments on a timely basis may be at risk.

The Quick Ratio (QR) has up to 12 points available, as follows:

- A QR of less than 1 = 0 points
- A QR of 1 = 7.2 points
- A QR from 1 to 2 = score increases from 7.2 up to 12 points
- A QR of 2 or more = 12 points

(2) Months Expendable Net Assets Ratio (MENAR). The MENAR measures a project's ability to operate using its net available, unrestricted resources without relying on additional funding. In particular, this ratio compares the net available unrestricted resources to the average monthly operating expenses. The result of this calculation shows how many months of operating expenses can be covered with currently available, unrestricted resources.

The Months Expendable Net Assets Ratio (MENAR) has up to 11 points available, as follows:

- A MENAR of less than 1 = 0 points
- A MENAR of 1 = 6.6 points
- A MENAR from 1 to 4 = score increases from 6.6 to 11 points
- A MENAR of 4 or more = 11 points

(3) Debt Service Coverage Ratio (DSCR). The DSCR is a measure of net operating income available to make debt payments to the amount of the debt payments. This sub indicator is used if the PHA has taken on long-term obligations. A DSCR of less than one would indicate that the project would have

difficulty generating sufficient cash flow to cover both its expenses and its debt obligations.

Debt Service Coverage Ratio (DSCR) has up to 2 points available, as follows:

- DSCR of less than 1 = 0 points
- DSCR from 1 to 1.25 = 1 point
- DSCR of 1.25 or more = 2 points
- No Debt Service = 2 points

Information provided by PCHA shows that the PHAS financial condition score for 2019 was just 2 out of 25 points, and therefore substandard:

PHA Information	
PHA Code:	WA054 Fiscal Year End Date:12/31/2019
PHA Name:	HA Of Pierce County
Submission Type:	Unaudited/Single Audit

Review Score Detail(s)			
Project ID: WA054000001			Project Score: 2.00
3 items found, displaying all items.1			
Sub-Indicators	Points	Max Points	Measurement Of
<u>Quick Ratio (QR)</u>	0.00	12.00	Liquidity
<u>Months Expendable Net Assets Ratio (MENAR)</u>	0.00	11.00	Adequacy of Reserves
<u>Debt Service Coverage Ratio (DSCR)</u>	2.00	2.00	Capacity to Cover Debt

2019 was the last year that PCHA was scored, because HUD suspended PHAS scoring beginning early 2020 due to COVID-19. Therefore, the scores for 2020 and 2021 are not enforceable.

However, as part of our work, we calculated the PCHA PHAS scores for the two indicators that are based upon the Financial Data Schedule: (1) Financial Condition Indicator, and (2) Management Operations Indicator. The results are shown below. We also calculated the PHAS Financial Scores using Authority Wide totals to assess the financial condition of the overall Housing Authority utilizing the PHAS Financial Condition standards. See Page 24.

Note that PCHA's Financial Score increased from 2 out of 25 points for 2019 (substandard) up to 25 out of 25 points for 2020 (high performer).

PCHA's Management Operations Score was at least 20 out of 25 points for 2020 (standard performer) but might have received an increase of up to 2 points due to

what is known as the PCNE adjustment (explained on the summary page of the Management Operations scoring, below). PCHA has very high occupancy and very low payables, but tenant receivables are high (possibly due to the pandemic and the eviction moratorium).

2020 FINANCIAL CONDITION INDICATOR:

Financial Indicator

Housing Authority Name:	Pierce County HA
For the fiscal Year Ending or End of Period for Interim Scoring:	12/31/2020
Financial Data Schedule Status:	Unaudited
State:	WA
Number of Months in Reporting Period:	12

AMP #	AMP Name	ACC Units	Value			Points			Financial Score
			QR	MENAR	DSCR	QR	MENAR	DSCR	
1	AMP 1	262	2.8	4.7	0.0	12.00	11.00	2.00	25.00

Overall Financial Score **25.00**

*Score is unit weighted

Notes:

Ratios should be inputted with no more than one decimal place.

Financial scores do not include any applicable audit adjustments based on audited financial information.

*Color indicates data entry point

PHAS Financial Condition Scoring Worksheet

Threshold Table - Quick Ratio (QR)

Maximum Points = 12

QR Value	Points
QR < 1.0	0.0
QR = 1.0	7.2
1.0 < QR < 2.0	7.2 - 12.0
2.0 ≤ QR	12.0

Scoring Thresholds Based on 2/23/2011 Federal Register (Vol. 76, No. 36)

PHAS Financial Condition Scoring Worksheet

Threshold Table - Months Expendable Net Assets Ratio (MENAR)

Maximum Points = 11

MENAR Value	Points
MENAR < 1.0	0.0
MENAR = 1.0	6.6
1.0 < MENAR < 4.0	6.6 - 11.0
4.0 ≤ MENAR	11.0

Scoring Thresholds Based on 2/23/2011 Federal Register (Vol. 76, No. 36)

PHAS Financial Condition Scoring Worksheet

Threshold Table - Debt Service Coverage Ratio (DSCR)

Maximum Points = 2

DSCR Value	Points
DSCR < 1.0	0.0
1.0 ≤ DSCR < 1.25	1.0
1.25 ≤ DSCR	2.0
DSCR = 0.0	2.0

Scoring Thresholds Based on 2/23/2011 Federal Register (Vol. 76, No. 36)

Pierce County HA

PHAS Financial Condition Scoring Worksheet

For the fiscal Year Ending or End of Period for Interim Scoring

Financial Data Schedule Status

Number of Months in Reporting Period

Total ACC Units

State (abbreviated)

December 31, 2020
Unaudited
12
262
WA

Quick Ratio - Financial Component 1 - Score

12.00

Quick Ratio - Financial Component 1 - Value

2.8

	<i>FDS Line</i>	<i>Description</i>		
<i>Plus:</i>	111	Cash - unrestricted	\$	358,850
	114	Cash - tenant security deposits		41,150
	115	Cash - restricted for payment of current liabilities		-
	120	Total receivables, net of allowance for doubtful accounts		37,228
	131	Investments - unrestricted		-
	135	Investments - restricted for payment of current liability		-
	142	Prepaid expenses and other assets		-
	144	Interprogram - due from		-
Numerator - Available Current Resources			\$	437,228

<i>Plus:</i>	310	Total current liabilities	\$	155,494
<i>Less:</i>	343-010	Current portion of long-term debt - capital projects		-
Denominator - Current Obligations			\$	155,494

**Color indicates data entry point*

Scoring Thresholds Based on 2/23/2011 Federal Register (Vol. 76, No. 36)

Pierce County HA

PHAS Financial Condition Scoring Worksheet

For the fiscal Year Ending

Financial Data Schedule Status

Total ACC Units

State (abbreviated)

December 31, 2020

Unaudited

262

WA

Months Expendable Net Assets Ratio - Financial Component 2 - Score

11.00

Months Expendable Net Assets Ratio - Financial Component 2 - Factor

4.7

	<i>FDS</i>	<i>Line</i>	<i>Description</i>			
Plus:	111	Cash - unrestricted	\$	358,850		
	114	Cash - tenant security deposits		41,150		
	115	Cash - restricted for payment of current liabilities		-		
	120	Total receivables, net of allowance for doubtful accounts		37,228		
	131	Investments - unrestricted		-		
	135	Investments - restricted for payment of current liability		-		
	142	Prepaid expenses and other assets		-		
	144	Interprogram - due from		-	\$	437,228
Less:	310	Total current liabilities	\$	155,494	\$	155,494
Numerator - Available Current Resources					\$	281,734

Plus:	96900	Total operating expenses	\$	724,620		
	97100	Extraordinary Maintenance		-		
	97200	Casualty losses - non-capitalized		-		
	97800	Dwelling units rent expense		-	\$	724,620
Divided By: Reporting Period - Months						12
Denominator - Total Monthly Operating & Other Expenses					\$	60,385

*Color indicates data entry point

Scoring Thresholds Based on 2/23/2011 Federal Register (Vol. 76, No. 36)

Pierce County HA

PHAS Financial Condition Scoring Worksheet

For the fiscal Year Ending

Financial Data Schedule Status

Total ACC Units

State (abbreviated)

December 31, 2020

Unaudited

262

WA

Debt Service Coverage Ratio - Financial Component 3 - Score

2.00

Debt Service Coverage Ratio - Financial Component 3 - Factor

-

<i>FDS</i>				
<i>Line</i>	<i>Description</i>			
Plus: 97000	Excess operating revenue over operating expenses	\$	372,298	
96700	Total Interest and Amortization Costs		-	372,298
Numerator - Adjusted Net Income (Loss)			\$	<u>372,298</u>

Plus: 96710	Interest of Mortgage (or Bonds) Payable	\$	-	
96720	Interest on Notes Payable (Short and Long Term)		-	
11020	Required Annual Debt Principal Payments		-	-
Denominator - Annual Debt Service excluding CFFP debt			\$	<u>-</u>

*Color indicates data entry point

Scoring Thresholds Based on 2/23/2011 Federal Register (Vol. 76, No. 36)

2020 MANAGEMENT OPERATIONS INDICATOR:

Management Operations Indicator

Housing Authority Name:	Pierce County HA
Fiscal Year End or End of Period for Interim Scoring:	12/31/2020
Financial Data Schedule Status:	Unaudited
State:	WA
Number of Months in Reporting Period:	12

AMP #	AMP Name	ACC Units	Value			Points			PCNE Adj Factor**		Total MASS
			OR	TAR	AP	OR	TAR	AP	PC (1)	NE (2)	
1	AMP 1	262	99.50%	8.80%	0.00	16.00	-	4.00			20.00

Overall Management Score*

20.00

*Score is unit weighted

Notes:

Threshold score for this indicator must be at least 15 points, or 60% of maximum number of points (25).

** PCNE adjustments can not exceed the maximum number of 25 points available for the management operations indicator for a project.

(1) A physical condition adjustment applicable to projects at least 28 years old, based on unit-weighted average Date of Full Availability (DOFA) date.

(2) A neighborhood environment adjustment applicable to projects in census tracts in which at least 40 percent of the families have an income below the poverty rate, as documented by the most recent census data. If a project is in more than one census tract, the census data for the census tract where the majority of units are located shall be used. If there is no census tract data for that project will be based on the county's census data, and if county data is not available, then the state census data will be used.

PHAS Management Condition Scoring Worksheet

Threshold Table - Occupancy Rate (OR)

Possible Points = 16

OR Value	Points
98.0% =< OR	16.0
96.0% =< OR < 98.0%	12.0
94.0% =< OR < 96.0%	8.0
92.0% =< OR < 94.0%	4.0
90.0% =< OR < 92.0%	1.0
OR < 90.0%	0.0

Scoring Thresholds Based on 2/23/2011 Federal Register (Vol. 76, No. 36)

PHAS Management Condition Scoring Worksheet

Threshold Table - Tenant Accounts Receivable (TAR)

Possible Points = 5

TAR Value	Points
0.0 < TAR < 1.5%	5.0
1.5% ≤ TAR < 2.5%	2.0
2.5% ≤ TAR	0.0

Scoring Thresholds Based on 2/23/2011 Federal Register (Vol. 76, No. 36)

PHAS Management Condition Scoring Worksheet

Threshold Table - Accounts Payable (AP)

Possible Points = 4

AP Value	Points
0.0 ≤ AP < 0.75	4.0
0.75 ≤ AP < 1.50	2.0
1.5 ≤ AP	0.0

Scoring Thresholds Based on 2/23/2011 Federal Register (Vol. 76, No. 36)

Pierce County HA

PHAS Management Condition Scoring Worksheet

For the fiscal Year Ending or End of Period for Interim Scoring

Financial Data Schedule Status

Number of Months in Reporting Period

Total ACC Units

State (abbreviated)

December 31, 2020

Unaudited

12

262

WA

Occupancy Rate - Management Component 1 - Score

16.00

Occupancy Rate - Management Component 1 - Value

99.5%

	<i>FDS</i>	<i>Description</i>	
	<i>Line</i>		
Numerator:	11210	Number of Unit Months Leased	1,481

Demoninator:	11190	Unit Months Available	1,488
---------------------	-------	-----------------------	-------

Occupancy Rate

99.53%

**Color indicates data entry point*

Scoring Thresholds Based on 2/23/2011 Federal Register (Vol. 76, No. 36)

Pierce County HA

PHAS Management Condition Scoring Worksheet

For the Fiscal Year Ending or End of Period for Interim Scoring

Financial Data Schedule Status

Total ACC Units

State (abbreviated)

December 31, 2020

Unaudited

262

WA

Tenant Accounts Receivable - Management Component 2 - Score

0.00

Tenant Accounts Receivable - Management Component 2 - Value

8.8%

	FDS Line	Description		
Plus:	126	Accounts receivable - tenants - dwelling units	\$	48,864
Numerator - Total Tenant Accounts Receivable			\$	48,864
Plus:	70500	Total Tenant Rental Revenue	\$	557,368
Annualized		Divided by Reporting Months times 12 months		12
Denominator - Net Tenant Rental Revenue			\$	557,368

*Color indicates data entry point

Scoring Thresholds Based on 2/23/2011 Federal Register (Vol. 76, No. 36)

Pierce County HA

PHAS Management Condition Scoring Worksheet

For the fiscal Year Ending or End of Period for Interim Scoring

Financial Data Schedule Status

Total ACC Units

State (abbreviated)

December 31, 2020

Unaudited

262

WA

Accounts Payable - Management Component 3 - Score

4.00

Accounts Payable - Management Component 3 - Value

0.00

	FDS Line	Description		
Plus:	312	(Current) Accounts Payable < 90 days		
	313	(Past Due) Accounts Payable > 90 days	-	-
Numerator - Total Accounts Payable			\$	-

Plus:	96900	Total Operating Expenses	\$	724,620	\$	724,620
Divided By:	Reporting Period - Months					12
Denominator - Total Monthly Operating Expenses					\$	60,385

*Color indicates data entry point

Scoring Thresholds Based on 2/23/2011 Federal Register (Vol. 76, No. 36)

PHAS SCORING APPLIED TO ENTITY WIDE TOTALS (ALL OF PCHA'S PROPERTIES AND PROGRAMS COMBINED)

As indicated above, the Public Housing Assessment System (PHAS) scoring for both the Financial Condition Indicator and Management Operations Indicator are normally based upon Public Housing data as reported on the Housing Authority's year end Financial Data Schedule (FDS) that is submitted to HUD. Earlier versions of the PHAS utilized Entity Wide data, for all of the Authority's properties and programs, as reported on the PHA's FDS.

Although HUD only considers the scoring for Public Housing, we also calculated the PHAS ratios based upon the Entity Wide totals. We did this because the PHAS ratios also represent a good basis to evaluate the Authority's financial health on an "Entity Wide" basis.

Notes:

- When calculated on an "Entity Wide" basis, the financial indicator score is 25 out of 25, which is considered high performing.

2020 FINANCIAL CONDITION SCORING – ENTITY WIDE

Financial Indicator

Housing Authority Name:	Pierce County HA
For the fiscal Year Ending or End of Period for Interim Scoring:	12/31/2020
Financial Data Schedule Status:	Unaudited
State:	WA
Number of Months in Reporting Period:	12

AMP #	AMP Name	ACC Units	Value			Points			Financial Score
			QR	MENAR	DSCR	QR	MENAR	DSCR	
	Entity Wide		3.1	9.2	33.8	12.00	11.00	2.00	25.00

Overall Financial Score

25.00

*Score is unit weighted

Notes:

Ratios should be inputted with no more than one decimal place.

Financial scores do not include any applicable audit adjustments based on audited financial information.

*Color indicates data entry point

PHAS Financial Condition Scoring Worksheet

Threshold Table - Quick Ratio (QR)

Maximum Points = 12

QR Value	Points
QR < 1.0	0.0
QR = 1.0	7.2
1.0 < QR < 2.0	7.2 - 12.0
2.0 ≤ QR	12.0

Scoring Thresholds Based on 2/23/2011 Federal Register (Vol. 76, No. 36)

PHAS Financial Condition Scoring Worksheet

Threshold Table - Months Expendable Net Assets Ratio (MENAR)

Maximum Points = 11

MENAR Value	Points
MENAR < 1.0	0.0
MENAR = 1.0	6.6
1.0 < MENAR < 4.0	6.6 - 11.0
4.0 ≤ MENAR	11.0

Scoring Thresholds Based on 2/23/2011 Federal Register (Vol. 76, No. 36)

PHAS Financial Condition Scoring Worksheet

Threshold Table - Debt Service Coverage Ratio (DSCR)

Maximum Points = 2

DSCR Value	Points
DSCR < 1.0	0.0
1.0 ≤ DSCR < 1.25	1.0
1.25 ≤ DSCR	2.0
DSCR = 0.0	2.0

Scoring Thresholds Based on 2/23/2011 Federal Register (Vol. 76, No. 36)

Pierce County HA Entity Wide

PHAS Financial Condition Scoring Worksheet

For the fiscal Year Ending or End of Period for Interim Scoring

Financial Data Schedule Status

Number of Months in Reporting Period

Total ACC Units

State (abbreviated)

December 31, 2020

Unaudited

12

-

WA

Quick Ratio - Financial Component 1 - Score

12.00

Quick Ratio - Financial Component 1 - Value

3.1

	<i>FDS Line</i>	<i>Description</i>		
<i>Plus:</i>	111	Cash - unrestricted	\$	6,671,085
	114	Cash - tenant security deposits		283,811
	115	Cash - restricted for payment of current liabilities		1,476,359
	120	Total receivables, net of allowance for doubtful accounts		144,610
	131	Investments - unrestricted		105,525
	135	Investments - restricted for payment of current liability		-
	142	Prepaid expenses and other assets		259,885
	144	Interprogram - due from		-
Numerator - Available Current Resources			\$	8,941,275

<i>Plus:</i>	310	Total current liabilities	\$	3,206,643
<i>Less:</i>	343-010	Current portion of long-term debt - capital projects		341,094
Denominator - Current Obligations			\$	2,865,549

**Color indicates data entry point*

Scoring Thresholds Based on 2/23/2011 Federal Register (Vol. 76, No. 36)

Pierce County HA

Entity Wide

PHAS Financial Condition Scoring Worksheet

For the fiscal Year Ending

Financial Data Schedule Status

Total ACC Units

State (abbreviated)

December 31, 2020

Unaudited

-

WA

Months Expendable Net Assets Ratio - Financial Component 2 - Score

11.00

Months Expendable Net Assets Ratio - Financial Component 2 - Factor

9.2

	<i>FDS</i>	<i>Description</i>			
	<i>Line</i>				
Plus:	111	Cash - unrestricted	\$	6,671,085	
	114	Cash - tenant security deposits		283,811	
	115	Cash - restricted for payment of current liabilities		1,476,359	
	120	Total receivables, net of allowance for doubtful accounts		144,610	
	131	Investments - unrestricted		105,525	
	135	Investments - restricted for payment of current liability		-	
	142	Prepaid expenses and other assets		259,885	
	144	Interprogram - due from		-	\$ 8,941,275
Less:	310	Total current liabilities	\$	3,206,643	\$ 3,206,643
Numerator - Available Current Resources				\$	5,734,632

Plus:	96900	Total operating expenses	\$	7,445,778	
	97100	Extraordinary Maintenance		-	
	97200	Casualty losses - non-capitalized		-	
	97800	Dwelling units rent expense		-	\$ 7,445,778
Divided By:	Reporting Period - Months				12
Denominator - Total Monthly Operating & Other Expenses				\$	620,482

*Color indicates data entry point

Scoring Thresholds Based on 2/23/2011 Federal Register (Vol. 76, No. 36)

Pierce County HA Entity Wide

PHAS Financial Condition Scoring Worksheet

For the fiscal Year Ending

Financial Data Schedule Status

Total ACC Units

State (abbreviated)

December 31, 2020**Unaudited**

-

WA**Debt Service Coverage Ratio - Financial Component 3 - Score****2.00****Debt Service Coverage Ratio - Financial Component 3 - Factor****33.8**

<i>FDS</i>			
<i>Line</i>	<i>Description</i>		
Plus: 97000	Excess operating revenue over operating expenses	\$ 32,142,875	
96700	Total Interest and Amortization Costs	981,001	33,123,876
Numerator - Adjusted Net Income (Loss)			\$ 33,123,876

Plus: 96710	Interest of Mortgage (or Bonds) Payable	\$ 981,001	
96720	Interest on Notes Payable (Short and Long Term)	-	
11020	Required Annual Debt Principal Payments	-	981,001
Denominator - Annual Debt Service excluding CFFP debt			\$ 981,001

*Color indicates data entry point

Scoring Thresholds Based on 2/23/2011 Federal Register (Vol. 76, No. 36)

2020 MANAGEMENT OPERATIONS SCORING – ENTITY WIDE

We also calculated the Entity Wide score for the PHAS Management Operations Indicator but will not provide it in this report because as explained below, the Management Operations scores are not always meaningful when calculated at the Entity Wide level.

PCHA scored 3 out of 25 points which would normally be considered substandard. As indicated earlier, HUD does the scoring for Public Housing only and PCHA would not have been substandard for 2020 as the Public Housing score was 20 out of 25.

The reason that Management Operations scoring at the Entity Wide level is not meaningful, is that 16 out of 25 points are in the category of Occupancy. PCHA's largest program – the Housing Choice Voucher program – many times does not provide enough funding for a PHA to lease all of its Housing Choice Vouchers. In fact, although the Authority has over 2,900 Vouchers, the current funding levels only support 2,700 vouchers.

HUD provides "X" amount of HAP funding, and it is up to the PHA to determine how many Housing Vouchers may be leased utilizing the dollars available. So it is not fair to judge Occupancy for HCV in the same way as it is judged for Public Housing.

This report does contain a separate section on Utilization within the Housing Choice Voucher program beginning on page 39.

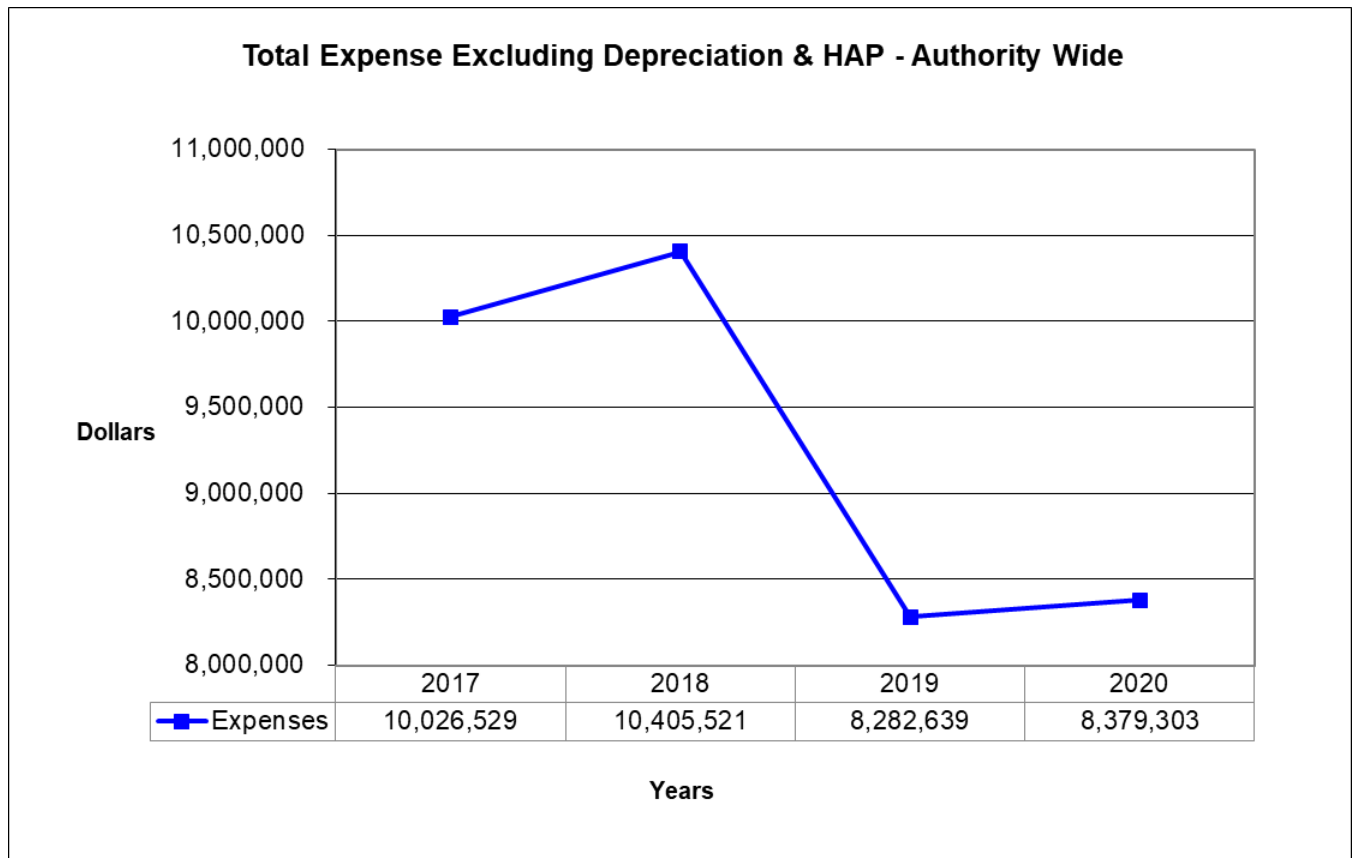
PCHA EXPENSE TRENDS

Shown on the following pages are a series of charts depicting trends in various PCHA expenses.

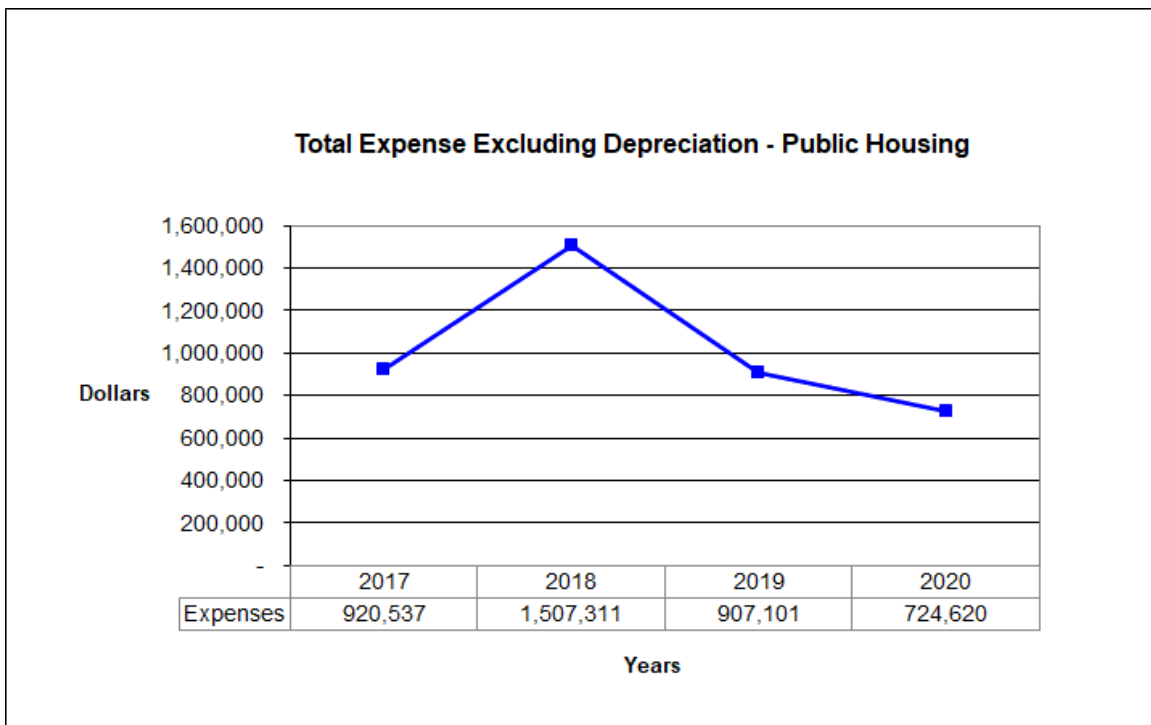
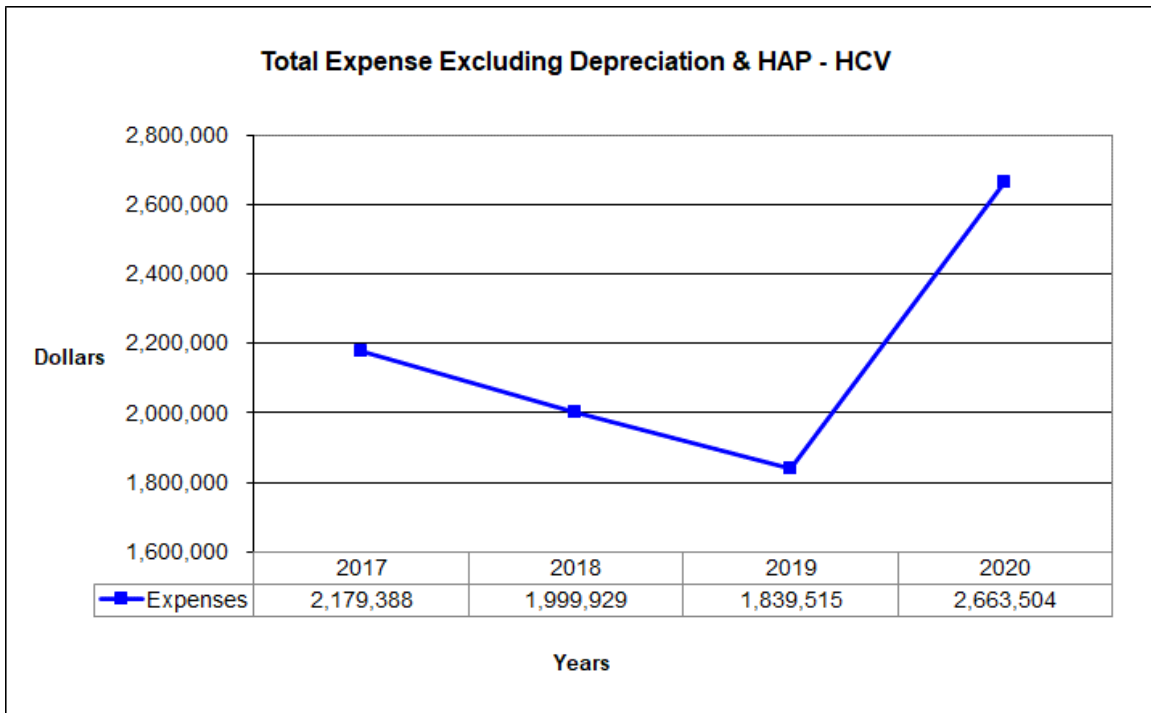
Expenditures

The charts that follow show the trends in PCHA expenses, Authority Wide, for the period 2017 through 2020. It shows that expenses have been reduced since 2017. This occurred in part because expenses were overstated due to the aforementioned fraud activity that was occurring during the 2017-2019 period.

For purposes of this chart, we have excluded Housing Assistance Payments, because they are generally reimbursable by HUD, and increases in leasing levels and Per Unit Costs could distort expense trends. We have also excluded depreciation expense, since it is a non-cash expense that is recorded for GAAP reporting purposes.



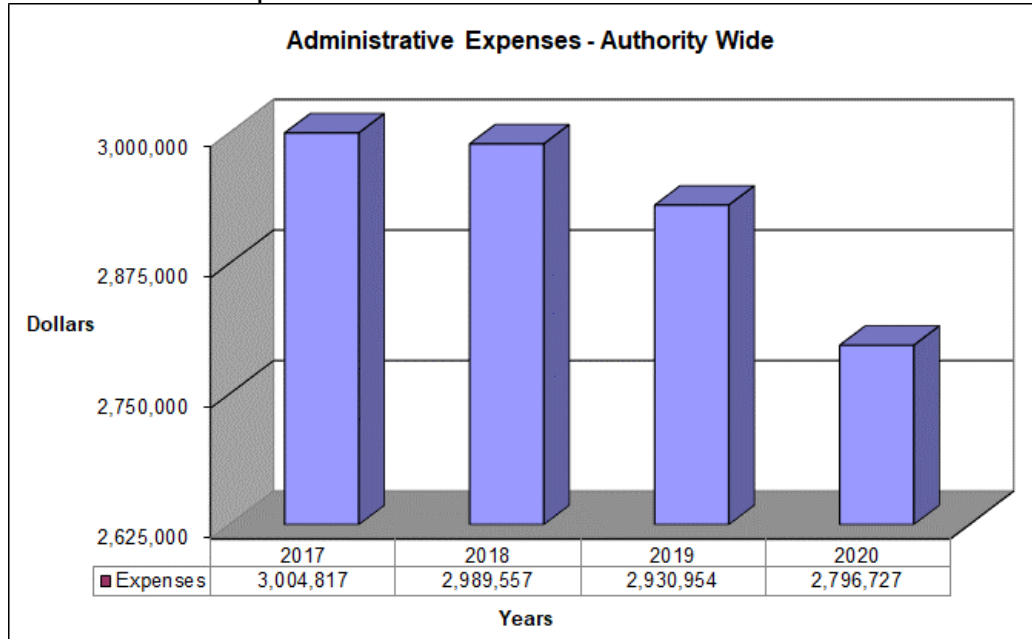
The trends in the Housing Choice Voucher and Public Housing programs are slightly different as depicted below.



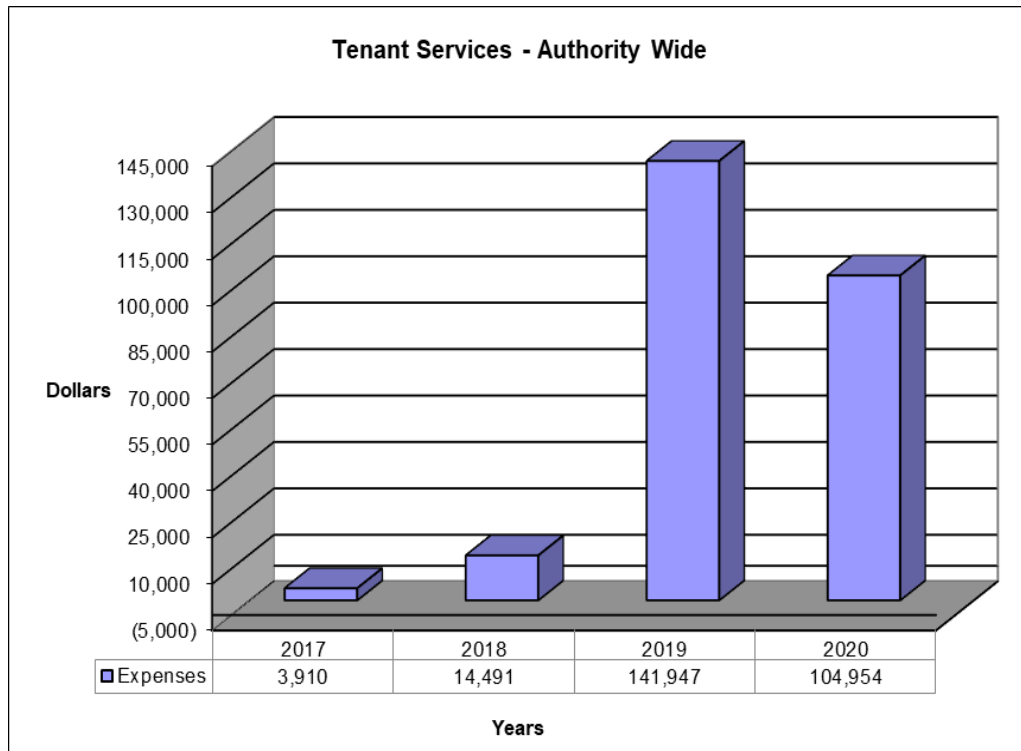
EXPENSE TRENDS – ENTITY WIDE

On the pages that follow, we present expense data for the PCHA for the four years 2017 through 2020 for Authority Wide and for Low Rent Public Housing.

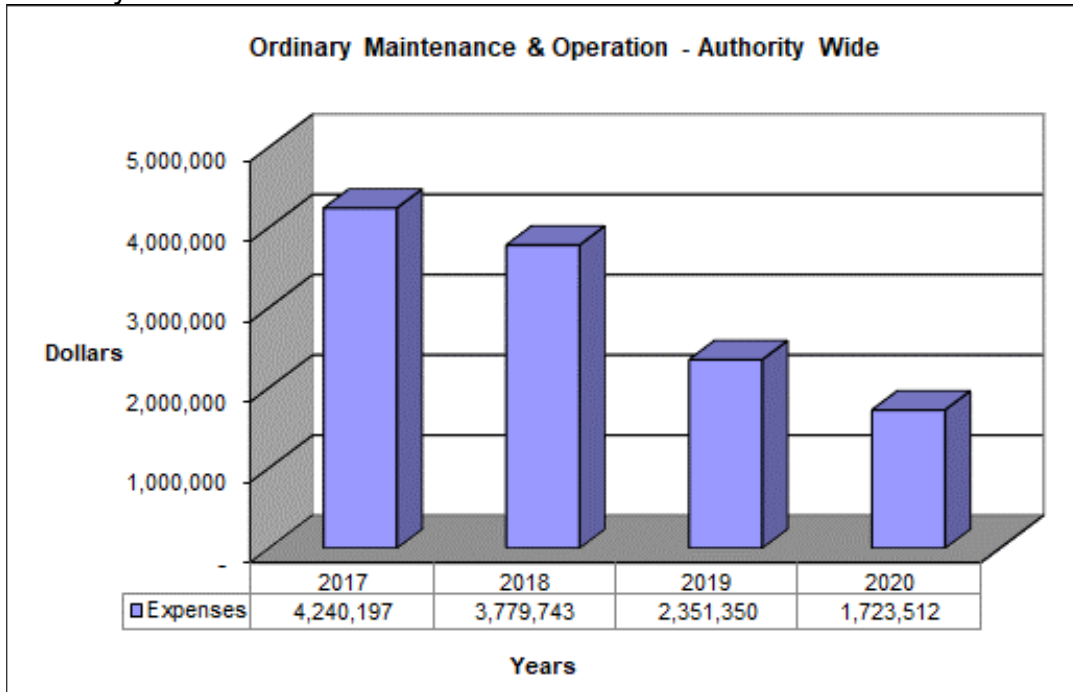
Administrative Expenses:



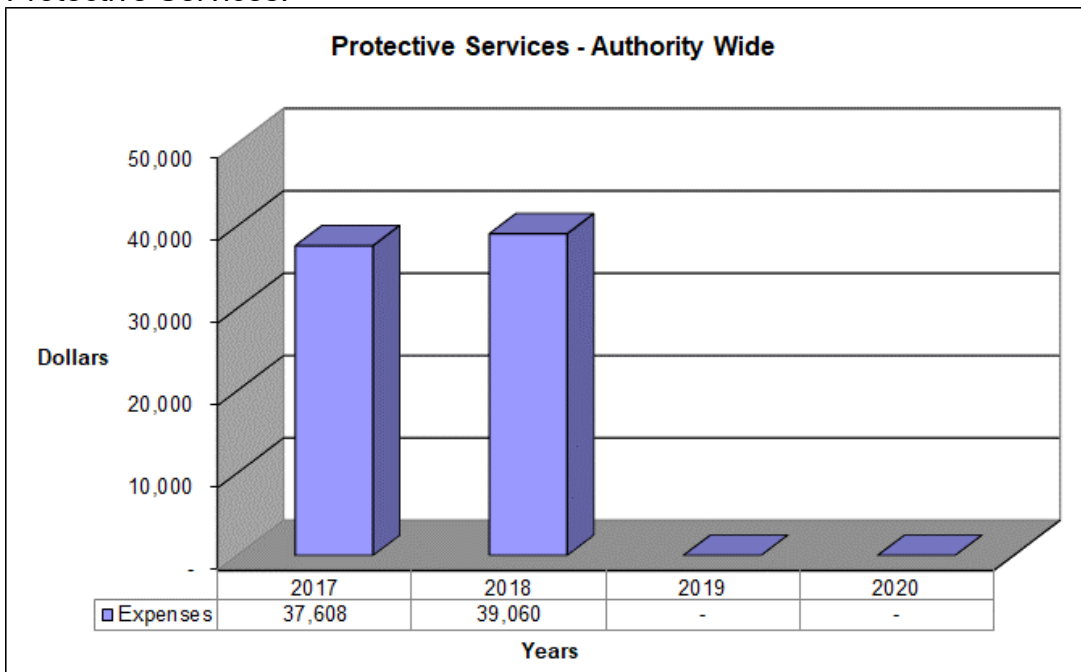
Tenant Services:

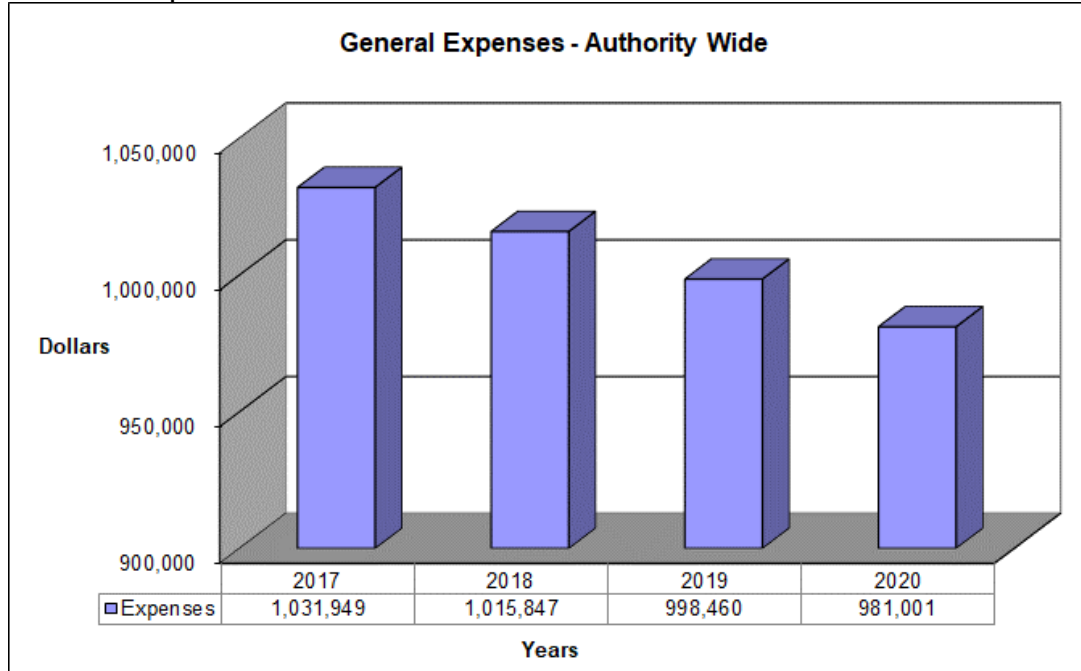


Ordinary Maintenance:



Protective Services:



General Expenses:

It appears that the Authority has effectively reduced expenses in every category. As mentioned earlier, this is in part due to expenses being overstated during the period 2017-2019 due to the embezzlement, but is also due to other reductions in costs. The current Executive Director reported that overhead and other costs have been reduced.

DETAILS CONCERNING DEBT COMMITMENTS

PCHA had \$17,159,374 in outstanding debt as of the latest reported fiscal year end, the year that ended December 31, 2020. The charts below show details of the various outstanding loans along with principal outstanding, maturities, interest rates, and upcoming principal payments.

Program/ Component Unit	Balance as of Jan. 1, 2020	Additions	Retirements	Balance as of Dec. 31, 2020	Maturity	Interest Rate
Chateau Rainier FNMA Loan \$	9,665,153	-	168,045	9,497,108	Year 2046	5.66%
Demark FNMA Loan	3,064,561	-	53,283	3,011,278	Year 2046	5.66%
Lakewood Village FNMA Loan	4,259,946	-	74,066	4,185,880	Year 2046	5.66%
Montgrove Manor Project - SHB	65,000	-	-	65,000	Year 2041	0.00%
Rural Development Loan	422,751	-	22,643	400,108	Year 2030	1.00%
Total \$	17,477,411	-	318,037	17,159,374		

Chateau Rainier Apartments LLC

In 2016, the Chateau Rainier Apartments, LLC obtained a FNMA loan for the purpose of refinancing the existing debt in the amount of \$10,250,000. The loan carries an interest rate of 5.66% and matures in 2046. Monthly payments are \$59,231. Future minimum principal and interest payments related to the loan are as follows:

FY	Principal Due	Interest Due	Total Payments
2020	\$ 168,045	\$ 547,048	\$ 715,093
2021	173,242	537,536	710,778
2022	183,047	527,731	710,778
2023	193,408	517,370	710,778
2024	204,355	56,423	710,778
2025	215,921	494,857	710,778
2026-2030	1,277,357	2,276,533	3,553,890

2031-2035	1,682,152	1,871,738	3,553,890
2036-2040	2,215,227	1,338,663	3,553,890
2041-2045	2,917,234	636,656	3,553,890
2046	435,166	24,630	459,796
Total	\$ 9,665,154	\$ 8,829,185	\$ 18,944,339

DeMark Apartments LLC

In 2016, the DeMark Apartments, LLC obtained a FNMA loan for the purpose of refinancing the existing debt in the amount of \$3,250,000. The loan carries an interest rate of 5.66% and matures in 2046. Monthly payments are \$18,781. Future minimum principal and interest payments related to the loan are as follows:

FY	Principal Due	Interest Due	Total Payments
2020	\$ 53,283	\$ 173,454	\$ 226,737
2021	54,853	170,516	225,369
2022	57,958	167,411	225,369
2023	61,238	164,131	225,369
2024	64,704	160,665	225,369
2025-2029	382,782	744,063	1,126,845
2030-2034	504,086	622,759	1,126,845
2035-2039	663,831	463,014	1,126,845
2040-2044	874,199	252,646	1,126,845
2045-2046	347,626	3,934	351,560
Total	\$ 3,064,560	\$ 2,922,593	\$ 5,987,153

Lakewood Village Apartments LLC

In 2016, the Lakewood Village Apartments, LLC obtained a FNMA loan for the purpose of refinancing the existing debt in the amount of \$4,517,719. The loan carries an interest rate of 5.66% and matures in 2046. Monthly payments are \$26,106. Future minimum principal and interest payments related to the loan are as follows:

FY	Principal Due	Interest Due	Total Payments
2020	\$ 74,066	\$ 241,113	\$ 315,179
2021	76,250	170,516	225,369
2022	80,565	167,411	225,369
2023	85,125	164,131	225,369
2024	89,943	160,665	225,369
2025-2029	532,092	744,063	1,126,845
2030-2034	700,713	622,759	1,126,845
2035-2039	922,769	463,014	1,126,845
2040-2044	1,215,196	252,646	1,126,845
2045-2046	483,225	3,934	351,560
Total	\$ 4,185,878	\$ 2,749,139	\$ 5,760,416

Rural Development Program

In 2014, the Authority obtaining a loan that was used to acquire an apartment complex in the amount of \$696,219. The loan carries an interest rate of 1% and matures in 2030. Annual payments are \$26,871.

FY	Principal Due		Interest Due		Total Payments	
2020	\$	22,643	\$	4,228	\$	26,871
2021		22,870		4,001		26,871
2022		23,099		3,772		26,871
2023		23,330		3,541		26,871
2024		23,563		3,308		26,871
2025-2029		121,396		12,959		134,355
2030-2034		185,851		6,766		192,617
Total	\$	422,752	\$	38,575	\$	461,327

Based upon the financial condition of the housing authority as described in the first section of this report, it appears that the housing authority does not have issues servicing debt.

HOUSING CHOICE VOUCHER PROGRAM UTILIZATION

PCHA is currently working on increasing utilization of its Housing Choice Voucher Program funding in an effort to lease more vouchers. The Housing Authority has 2,946 Vouchers available to lease, although the current 2021 funding (excluding HAP reserves) would only support 2,704 Vouchers. The current year funding is \$29,661,811 (see the following page). When divided by the current average HAP (Housing Assistance Payment) of \$914 and then divided by 12 months, the result is 2,704 units.

PCHA started 2021 with 2,614 Vouchers under lease. In November 2021, this had increased to 2,655 Vouchers under lease. PCHA projects the number of Vouchers under lease to continue increasing during the first half of 2022

PCHA has an excessive amount of HAP reserves – including both PHA-held and HUD-held reserves. The rule of thumb for a maximum level of reserves is 4% of annual funding, which amounts to approximately \$1,186,000. PCHA is trending toward a HAP reserve of \$2,439,000 by the end of calendar year 2021. Therefore, PCHA is ramping up leasing in order to spend down the excess reserves.

HUD provides an excel model know as the “Two Year Tool” (TYT) to assist PHAs in making good decisions concerning leasing. PCHA utilizes the TYT on a monthly basis. Shown in the following pages is the TYT prepared during the month of November 2021.

Page 40 shows that PCHA has a total of \$30,700,510 available for leasing vouchers in 2021, and an estimated \$31,548,336 available in 2022. Note that the resources available in 2022 include \$2.4 million in HAP reserves, the estimated January 1, 2022 balance. This is enabling PCHA to lease more than the 2,704 vouchers that the funding will support. It is anticipated that reserves will be reduced to \$510,000 by the end of 2022. This additional spending would result in a significantly higher funding level of about \$31 million in 2023 due to rebenchmarking¹. A rule of thumb for a minimum level of HAP reserves is 2% of annual funding – approximately \$600,000. PCHA will want to monitor closely to ensure that utilization is maximized but at the same time avoiding a shortfall. Another risk is if HUD recaptures a portion of the \$2.4 million reserve the funds may not be available to lease up to the projected level. Page 41 shows the number of vouchers leased and HAP expenses to date for 2021.

¹ Rebenchmarking refers to a funding process that consists of next year's HAP funding being based upon this year's HAP expenses. PCHA is projecting to spend about \$31 million in HAP expenses in calendar year 2022, which would increase HAP funding to about \$31 in calendar year 2023.

Funding Components	Current Year (2021)	Year 2 (2022)	Year 3 (2023)
<u>Initial BA Funding (net offset)</u>	\$29,661,811	\$29,108,704	\$31,037,509
Offset of HAP Reserves	\$0	\$0	\$0
Set Aside Funding	\$0		
New ACC Units Funding	\$0	\$0	\$0
Total ABA Funding Provided	\$29,661,811	\$29,108,704	\$31,037,509
PHA Income	\$15,573	\$0	
Total Cash-Supported Prior Year-End Reserves	\$1,023,126	\$2,439,633	\$510,827
Total Funding			
Total Funding Available	\$30,700,510	\$31,548,336	\$31,548,336

UMA = unit months available – the maximum number of Vouchers PCHA is permitted to lease if there was enough funding available

UML = unit months leased – the actual number of Vouchers under lease each month

Actual HAP = total payment to landlords, by month

2021	UMAs	Actual UMLs	Actual HAP
Jan-21	2,946	2,614	\$2,376,940
Feb-21	2,946	2,612	\$2,375,514
Mar-21	2,946	2,605	\$2,364,190
Apr-21	2,946	2,587	\$2,337,976
May-21	2,946	2,572	\$2,328,460
Jun-21	2,946	2,560	\$2,308,626
Jul-21	2,946	2,539	\$2,287,473
Aug-21	2,946	2,510	\$2,264,525
Sep-21	2,946	2,564	\$2,317,355
Oct-21	2,946	2,654	\$2,437,842
Nov-21	2,946	2,655	\$2,426,530
Dec-21	2,946	0	\$0
<i>Total</i>	35,352	28,472	\$25,825,431
2022			
Jan-22	2,946		
Feb-22	2,946		
Mar-22	2,946		
Apr-22	2,946		
May-22	2,946		
Jun-22	2,946		
Jul-22	2,946		
Aug-22	2,946		
Sep-22	2,946		
Oct-22	2,946		
Nov-22	2,946		
Dec-22	2,946		
<i>Total</i>	35,352	0	\$0

The chart below shows the part of the Two Year Tool where a PHA can see the impact of issuing additional vouchers. PCHA has determined that issuing 180 Vouchers in December 2021 and another 52 Vouchers in January 2022 will maximize the number of Vouchers under lease in order to spend down the excess reserves. Note that the additional issuance of Vouchers will result in the Vouchers under lease increasing to 2,783 – and then attrition will gradually reduce the voucher count.

Assuming the funding for 2023 is \$31,037,000 – that would support 2,702 vouchers using a project average HAP of \$957 (see the column labeled PUC, which stands for Per Unit Cost, but means average Landlord Payment/HAP). Once again, PCHA needs to monitor carefully because in an effort to spend down HAP reserves, overleasing is occurring. This is fine, as long as attrition enables PCHA to bring down the Voucher count quick enough to avoid a experiencing shortfall – defined as not having enough funds to satisfy landlord payment on all units under lease.

Vouchers Issued/Projected To Be Issued	Other Planned Additions/ Reductions	New Leasing from Issued Vouchers	Estimated Attrition	UMLs: Actual/Projected	HAP: Actual/Projected	PUC: Actual/Projected
				2,614	\$2,376,940	\$909
				2,612	\$2,375,514	\$909
				2,605	\$2,364,190	\$908
				2,587	\$2,337,976	\$904
				2,572	\$2,328,460	\$905
				2,560	\$2,308,626	\$902
				2,539	\$2,287,473	\$901
				2,510	\$2,264,525	\$902
				2,564	\$2,317,355	\$904
				2,654	\$2,437,842	\$919
				2,655	\$2,426,530	\$914
180	1	0	-11.5	2,644	\$2,435,446	\$921
180	1	0	-11.5	31,116	\$28,260,877	\$908
52	4	35	-11.5	2,672	\$2,469,287	\$924
52	4	42	-11.6	2,707	\$2,509,285	\$927
	4	32	-11.7	2,731	\$2,539,688	\$930
	4	27	-11.8	2,750	\$2,566,154	\$933
	4	36	-11.9	2,778	\$2,600,626	\$936
	4	12	-12.0	2,783	\$2,613,035	\$939
	4	8	-12.1	2,783	\$2,621,454	\$942
	4	0	-12.1	2,775	\$2,622,188	\$945
	4	0	-12.0	2,767	\$2,622,907	\$948
	4	0	-12.0	2,759	\$2,623,611	\$951
	4	0	-12.0	2,751	\$2,624,300	\$954
	4	0	-11.9	2,743	\$2,624,974	\$957
104	48	193	-142.6	32,999	\$31,037,509	\$941

The next part of the two year tool various percentages reflecting the increase in utilization. Not that by the end of 2022 PCHA will be spending 107-108% of eligibility. Note: UML stands for Unit Months Leased and ABA stands for Annual Budget Authority (annual funding).

Cumulative % Annual Leased	Cumulative % Eligibility Expended	Monthly UML %	Monthly ABA Expended %
88.7%	96.2%	88.7%	96.2%
88.7%	96.1%	88.7%	96.1%
88.6%	96.0%	88.4%	95.6%
88.4%	95.6%	87.8%	94.6%
88.2%	95.3%	87.3%	94.2%
88.0%	95.0%	86.9%	93.4%
87.7%	94.7%	86.2%	92.5%
87.4%	94.3%	85.2%	91.6%
87.4%	94.2%	87.0%	93.8%
87.6%	94.7%	90.1%	98.6%
87.9%	95.0%	90.1%	98.2%
88.0%	95.3%	89.8%	98.5%
88.0%	95.3%		
90.7%	101.8%	90.7%	101.8%
91.3%	102.6%	91.9%	103.4%
91.8%	103.3%	92.7%	104.7%
92.2%	103.9%	93.4%	105.8%
92.6%	104.6%	94.3%	107.2%
92.9%	105.1%	94.5%	107.7%
93.1%	105.5%	94.5%	108.1%
93.3%	105.9%	94.2%	108.1%
93.3%	106.1%	93.9%	108.1%
93.4%	106.3%	93.6%	108.2%
93.4%	106.5%	93.4%	108.2%
93.3%	106.6%	93.1%	108.2%
93.3%	106.6%		

The main focus of the Two Year Tool is the year end outcomes in terms of HAP reserves. As stated earlier, the optimal level of HAP reserves (PHA-held and HUD-held) is 2%-4% of annual funding. The chart below is a floating box that shows the outcomes in terms of percent of HAP reserves for 2021 and 2022, and stays on screen throughout the usage of the Two Year Tool. In January 2022 PCHA needs to be focusing on outcomes at the end of 2023, once again to ensure that the number of vouchers issued is not excessive to the point of causing a shortfall. It would probably be wise to assess the projected level of HAP reserves at 12/31/2023 before the additional 52 Vouchers are issued in January 2022. This can be achieved by utilizing the 2022 Two Year Tool beginning January 2022.

Summary Outcomes ×

Year-End Outcomes		
	2021	2022
UML % of ACC (UMA)	88.0%	93.3%
HAP Exp as % All Funds	92.1%	98.4%
HAP Exp as % of Elig.	95.3%	106.6%
Proj. 12/31 Total Reserves	\$2,439,633	\$510,827
HAP Reserves - % ABA	8.2%	1.8%

SUMMARY OF UNRESOLVED PRIOR AUDIT FINDINGS AND CURRENT AUDIT FINDINGS

2019-001: THE HOUSING AUTHORITY'S INTERNAL CONTROLS OVER ACCOUNTING AND FINANCIAL REPORTING WERE INADEQUATE TO ENSURE ACCURATE AND TIMELY REPORTING.

Background

Pierce County Housing Authority (Housing Authority) management, state and federal agencies, and the public rely on the information included in financial statements and reports to make decisions. Housing Authority management is responsible for designing and following internal controls that provide reasonable assurance regarding the reliability of financial reporting.

The Housing Authority provides housing opportunities for eligible individuals in Pierce County. The Housing Authority owns and manages nine apartment complexes and provides housing assistance through the Low Income Public Housing program. The Housing Authority's operating expenses were roughly \$35.1 million in 2019, which includes \$26 million of housing assistance payments. In the previous audit report dated December 13, 2019, we issued a finding over a material weakness in accounting and financial reporting internal controls that were inadequate to ensure accurate and timely reporting and the prevention of fraud.

The Housing Authority relied on the former Finance Director for proper recording of all financial activities, including bank account activity, financial statement preparation and reporting, without adequate oversight and review.

The Housing Authority has taken action and implemented improvements since our prior year audit. However, it has only partially resolved the conditions noted.

Government Auditing Standards requires the auditor to communicate significant deficiencies, defined in the Applicable Laws and Regulations section below, as a finding.

Description of Condition

In the current audit, we identified the following deficiencies in internal controls that, when taken together, represent a significant deficiency:

- The former Finance Director was placed on leave in August 2019 due to a reported fraud. The Housing Authority was without a Finance Director until October 2019, when it contracted with a consultant to act as an interim Finance Director and prepare its 2019 financial statements. The Housing

Authority relied on the consultant for financial statement preparation and reporting, without adequate oversight and review.

- Staff members did not use the accounting system to perform bank reconciliations. Instead, they used off-the-shelf software to reconcile cash and investments activities. These duplicate systems made it more difficult to identify and resolve variances in a timely manner.
- The Housing Authority's secondary review of the financial statements was inadequate to detect and prevent errors before submitting the annual financial report for audit.

This issue was reported as a finding in the prior audit.

Cause of Condition

The Housing Authority experienced turnover in key finance staff and has not adequately trained staff responsible for recording financial transactions. The Housing Authority's use of off-the-shelf software to reconcile the checking and investment accounts circumvented the reconciliation process in the accounting system. Further, the Authority has not established an effective process for oversight of reporting of financial activity and secondary review of financial statements.

Effect of Condition

Our audit identified financial statement errors, including misstatements and inaccurate presentation of financial statements and supplementary schedules. In addition, there is a risk that by not directly reconciling bank statement activity to the general ledger, errors could occur and go undetected. Our audit did not identify significant errors.

Recommendations

We recommend the Housing Authority continue to strengthen internal controls over the financial systems and preparation of the financial statements. These controls should include:

- Proper monitoring of financial transactions and bank statement activity to ensure financial errors are prevented or quickly detected. This includes properly reconciling the general ledger to the bank accounts, evaluating and limiting employee access to accounting systems based on job responsibilities, and considering requiring dual authorizations.
- Adequate oversight and secondary review of financial statement preparation and reporting
- Providing staff with the training and information needed to effectively perform their duties. This includes training employees on how to conduct a meaningful review of financial information, such as journal entries, bank statements, and ACH payments.

Housing Authority's Response

Pierce County Housing Authority (PCHA) is committed to ensuring that all necessary controls are implemented to protect both PCHA's and the public's assets. PCHA has reviewed this report and agrees with all the recommendations presented by the State Auditor's Office.

Response to the State Auditor's recommendations:

Proper Monitoring and reconciliation of general ledger, employee access and job responsibilities

Job duties have been segregated, reconciliations are performed monthly by our consultant, and dual authorizations are in place

Adequate Oversight and secondary review

The new Executive Director with financial background is reviewing financial statement preparation and reporting before being presented to our newly formed Board Finance Committee on a monthly basis.

Staff Training

This is a long term process that has begun with in house training and soon to be extended to third party training from industry sources

PCHA recognizes its responsibility for the preparation and fair presentation of financial statements in accordance with accounting principles generally accepted in the United States of America.

Auditor's Remarks

We appreciate the Housing Authority's commitment to resolving the issues identified above and emphasize the importance of establishing effective internal control over accounting and financial reporting. We will follow up on the status of this finding during our next audit.

Applicable Laws and Regulations

Budgeting, Accounting and Reporting System (BARS) manual, Internal Control section 3.1.3, states in part:

Purpose and Definition of Internal Controls

Internal control is defined by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), in standards adopted by the American Institute of Certified Public Accountants and by the Federal Office of Management and Budget as follows:

Internal control is a process – affected by those charged with governance, management and other personnel designed to provide reasonable assurance regarding the achievement of objectives in the following categories:

- Effectiveness and efficiency of operations
- Compliance with applicable laws and regulations
- Reliability of financial reporting

Management and the governing body are responsible for the government's performance, compliance, and financial reporting. Therefore, the adequacy of internal control to provide reasonable assurance of achieving these objectives is also the responsibility of management and the governing body.

The governing body has ultimate responsibility for ensuring adequate controls to achieve objectives, even though primary responsibility has been delegated to management. Since management and the governing body are assumed to work in harmony, both parties are collectively referred to as “management” throughout the rest of this section.

Controls over Financial Reporting

This objective refers to fair presentation of financial statements and required schedules in all material respects in accordance with the stated basis of accounting. . . .

Preparation of the annual report – Controls should ensure that financial statements and required schedules are properly compiled and prepared from source accounting records. Controls should also ensure correct presentation of statements and schedules . . .

Controls over Financial Reporting

This objective refers to fair presentation of financial statements and required schedules in all material respects in accordance with the stated basis of accounting.

In meeting this objective, the government should have controls that accomplish the following key functions:

- Identification of financial events – Controls should ensure financial events and transactions are properly identified and recorded.
- Properly applying accounting standards – Controls should ensure correct criteria and methodology is applied when accounting for financial events. When the correct method of accounting for or reporting a transaction is unclear, the government should seek clarification by performing research, contracting for accounting assistance, or communicating with the State Auditor's Office or standard setting bodies.

- Correctly accounting for all financial events – Controls should ensure that:
 - Only valid transactions are recorded and reported.
 - All transactions occurred during the period are recorded and reported.
 - Transactions are recorded and reported at properly valued and calculated amounts.
 - Recorded and reported transactions accurately reflect legal rights and obligations.
 - Transactions are recorded and reported in the account and fund to which they apply.
 - Preparation of the annual report – Controls should ensure that financial statements and required schedules are properly compiled and prepared from source accounting records. Controls should also ensure correct presentation of statements and schedules.

Controls and processes should generate adequate documentation to demonstrate achievement of objectives. This is not only important for audit, oversight and public records purposes, but also to enable effective monitoring of controls over financial reporting by management.

Government Auditing Standards, December 2011 Revision, paragraph 4.23 states:

4.23 When performing GAGAS financial audits, auditors should communicate in the report on internal control over financial reporting and compliance, based upon the work performed, (1) significant deficiencies and material weaknesses in internal control; (2) instances of fraud and noncompliance with provisions of laws or regulations that have a material effect on the audit and any other instances that warrant the attention of those charged with governance; (3) noncompliance with provisions of contracts or grant agreements that has a material effect on the audit; and (4) abuse that has a material effect on the audit.

The American Institute of Certified Public Accountants *Codification of Statements on Auditing Standards*, section 265 – Communicating Internal Controls Related Matter Identified in Audit, paragraph 7, states:

For purposes of generally accepted auditing standards, the following terms have the meanings attributed as follows:

Material weakness. 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.

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

2019-002: THE HOUSING AUTHORITY DID NOT HAVE ADEQUATE CONTROLS IN PLACE TO ENSURE COMPLIANCE WITH FEDERAL PROGRAM REQUIREMENTS.

CFDA Number and Title: 14.871 Section 8 Housing Choice Vouchers

Federal Grantor Name: Office of Public and Indian Housing, Department of Housing and Urban Development

Federal Award/Contract Number: N/A

Pass-through Entity Name: N/A

Pass-through Award/Contract Number: N/A

Questioned Cost Amount: \$2,053,360

Background

The Housing Choice Voucher Program (HCVP) provides rental assistance to help families with very low income afford decent, safe, and sanitary rental housing. The Department of Housing and Urban Development (HUD) enters into Annual Contributions Contracts (ACCs) with the Housing Authority, in which HUD provides funds to administer the program locally. During 2019, the Housing Authority spent \$27,734,996 under this program.

Federal regulations require recipients of federal awards to establish and follow internal controls to ensure compliance with program requirements. These controls include understanding grant requirements and monitoring the effectiveness of established controls.

Activities allowed / allowable costs

The Housing Authority receives administrative fees, which it can use only for the costs of operating the program as well as costs to assist families in special situations. In 2019, the Housing Authority received \$2,053,360 in administrative fee revenue and spent all of these funds.

Operating transfers and administrative fees / rolling forward equity balance

The ACC establishes the amounts HUD will provide for housing assistance payments (HAP) and administrative fees. The ACC requires housing authorities to properly account for program activity. Proper accounting requires that account balances are properly maintained, records and accounting transactions support a proper roll-forward of equity, and errors are corrected as detected.

Housing quality standards — inspections

The Housing Authority must inspect housing units at least every two years to ensure the units meet federal Housing Quality Standards.

Description of Condition

Activities allowed / allowable costs

The Housing Authority has developed cost allocation plans in which a percentage of the Housing Authority's expenses, such as payroll and software expenses, is charged to the federal program for administration of the program. The Housing Authority did not have controls in place to verify that costs allocated through the cost allocation plan were for allowable operating costs of the program.

We consider this deficiency in internal controls to be a significant deficiency. This issue was reported as a finding in the prior audit as finding 2018-002.

Operating transfers and administrative fees / rolling forward equity balance

The Housing Authority did not have controls in place to account for program activity and track administrative fees. Current staff could not provide the tracking spreadsheet it said it used to monitor the accounting transactions and track the proper roll-forward of equity.

We consider this deficiency in internal controls to be a material weakness, which led to material noncompliance. This issue was reported as a finding in the prior audit as finding 2018-002.

Housing quality standards — inspections

The Housing Authority contracted with an external party to perform housing inspections. We found the Housing Authority did not have controls in place to monitor and ensure the external contractor performed inspections timely.

We consider this deficiency in internal controls to be a material weakness, which led to material noncompliance. This issue was not reported as a finding in the prior audit.

Cause of Condition

Activities allowed / allowable costs / operating transfers and administrative fees / rolling forward equity balance

Housing Authority staff and management relied on the former Finance Director to perform grant-related activities and comply with all program requirements without adequate oversight. When the former Finance Director was fired from her position, remaining Housing Authority staff lacked adequate training and

experience administering the program and could not provide documents to demonstrate compliance with program requirements.

Housing quality standards — inspections

The Housing Authority experienced turnover in key staff and had no inspector from November 2018 to January 2019. As a result, inspections were not completed in a timely manner, as required. The Housing Authority had also recently contracted with an out-of-state contractor to perform inspections. Although, the contractor scheduled inspections two days a week, the Housing Authority relied on the external contractor and did not have an adequate monitoring control to ensure inspections were performed in a timely manner.

Effect of Condition and Questioned Costs

Activities allowed / allowable costs

Without support for the administrative fee expenses, the Housing Authority cannot verify the fees were used for allowable purposes. As a result, we are questioning \$2,053,360 of costs.

We question costs when we find an entity has not complied with grant regulations or when it does not have adequate documentation to support its expenditures.

Operating transfers and administrative fees / rolling forward equity balance

Without support for the operating transfers and administrative fees and rolling forward equity balance, the Housing Authority cannot support whether these program costs were allowable and that funds were rolled over properly. Therefore, we are questioning all administrative fees received as noted above.

Housing quality standards — inspections

Because the Housing Authority did not perform timely inspections, it cannot demonstrate that the housing units met housing quality standards, as required, for 15 of the 29 tenant files reviewed. All inspections were completed within 90 days after the required due date.

Recommendations

Activities allowed / allowable costs

We recommend the Housing Authority ensure only valid and allowable costs are charged to the program. Further, we recommend the Housing Authority develop and follow internal controls to properly track and maintain adequate support for reported administrative fee funding activity.

Operating transfers and administrative fees / rolling forward equity balance

We recommend the Housing Authority develop and follow internal controls and ensure account balances are properly maintained, records and accounting transactions support a proper roll-forward of equity, and that errors are corrected when detected.

Housing quality standards — inspections

We recommend the Housing Authority strengthen internal controls to monitor external contractors and ensure they perform housing unit inspections at least every two years to comply with program requirements.

Housing Authority's Response

We appreciate the Auditor's comments and respond to the following three areas noted:

Activities allowed /allowable costs

The Authority has put in place Cost Allocation Plan for the fiscal years 2020 and 2021 developed and approved by a CPA firm familiar with Public Housing Authority structures, rules and finance. Monthly allocation of expenses will be prepared by our consulting firm initially but subsequently assumed by trained PCHA staff. All documentation will be provided and maintained substantiating the allocation.

Operating transfers and administrative fees/ rolling forward equity balance

We have put in place with the assistance of our consultant controls tracking and documenting transactions and proper roll-forward equity.

Housing quality standards –inspections

The inspection function has been brought in-house and plans are to hire a full-time professional to be our inspector. The new, soon to be installed, integrated software package include automation of the documentation of the function.

Auditor's Remarks

We appreciate the Housing Authority's commitment to resolving the issues identified above and emphasize the importance of establishing effective internal controls over compliance with federal program requirements. We will follow up on the status of this finding during our next audit.

Applicable Laws and Regulations

Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

(Uniform Guidance), section 516, Audit findings, establishes reporting requirements for audit findings.

Title 2 CFR Part 200, Uniform Guidance, section 303 Internal controls, describes the requirements for auditees to maintain internal controls over federal programs and comply with federal program requirements.

Title 2 CFR Part 200, Uniform Guidance, Section 53, Improper Payments, defines what improper payment means and what it includes.

Title 2 CFR Part 200, Uniform Guidance, Section 403, Factors affecting Allowability of costs, provides for the general criteria in order for a cost to be charged to a federal award.

The American Institute of Certified Public Accountants defines significant deficiencies and material weaknesses in its *Codification of Statements on Auditing Standards*, section 935, Compliance Audits, paragraph 11.

Title 24 CFR Part 982, *Section 8 Tenant-Based Assistance: Housing Choice Voucher Program*, Section 152, Administrative fee, outlines the purpose and use of administrative fees.

Title 24 CFR Part 982, *Section 8 Tenant-Based Assistance: Housing Choice Voucher Program*, Section 158, Program accounts and records, establishes requirements over program accounts and records.

Title 24 CFR Part 982, *Section 8 Tenant-based assistance: Housing Choice Voucher Program*, Section 405, Subpart I establishes housing quality standards subsidy standards inspection and maintenance.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

This schedule presents the status of findings reported in prior audit periods.

Audit Period: January 1, 2018 – December 31, 2018

Report Ref. No.: 1025404

Finding Ref. No.: 2018-001

Finding Caption

The Housing Authority's internal controls over accounting and financial reporting were inadequate to ensure accurate and timely reporting and the prevention and detection of fraud.

Background

The Housing Authority relied on the former Finance Director for proper recording of all financial activities, including bank account activity, financial statement preparation and reporting, without adequate oversight and review.

In addition, the Housing Authority's use of off-the-shelf software to reconcile the checking and investment accounts circumvented the reconciliation process in the accounting system, which helped the former Finance Director to perpetrate and conceal her misappropriation.

Finally, the finance staff lacked adequate training and information needed to effectively perform their duties. All questions went back to the former Finance Director for resolution.

Status of Corrective Action

- ☐ Fully Corrected
- ☒ Partially Corrected
- ☐ Not Corrected
- ☐ Finding is considered no longer valid

Corrective Action Taken

PCHA has contracted with a nationally recognized firm with deep knowledge and understanding of public housing authorities to conduct a complete assessment of current financial processes and procedures and to implement strong internal control systems in the agency's financial systems, including:

- *System of review for all financial transactions pre and post processing by both finance and executive staff – **The consultant continues to function as our Controller reviewing all general ledger entries and reconciling monthly cash balances. Executive Director hired in 2021, approves all payment of invoices after preparation by accounting then it is reviewed again lead accounting clerk.***
- *Dual review of bank statements by executive staff – **Completed. Monthly reconciliation is reviewed by our outside consultant.***
- *Restriction of wire transfer capabilities and limits on amounts allowed in a single transfer – **Completed. Wire transfers have been eliminated.***
- *Implementation of dual approval procedures for all wire transfers - **Completed. Wire transfers have been eliminated.***
- *Ongoing training for finance staff, executive staff and board members on review of journal entries, bank statements, and ACH payments - **Completed training provided by contractor and we are scheduling third party industry training for our Finance Group.***
- *Collaboration with software provider to expand the current system's capabilities or transition to more appropriate financial software. - **PCHA is transitioning to a new software system, implementation has begun with a completion date set for September 2021.***
- *Identification of bank accounts needed to avoid co-mingling restricted funds and eliminating all unnecessary accounts. – **Completed, the***

sweeps have been removed, restricted funds are isolated and all bank activity is reviewed by third party consultant.

In addition, PCHA hired a finance director who was working collaboratively with contracted finance professionals to continue review and modification of processes and procedures, however the Authority separated from this individual in November 2020. PCHA has hired a new Executive Director with finance experience and recruiting has begun for an experienced Controller.

Audit Period: January 1, 2018 – December 31, 2018

Report Ref. No.: 1025922

Finding Ref. No.: 2018-002

CFDA Number(s): 14.871

Federal Program Name and Granting Agency: Housing Choice Voucher Cluster – Office of Public and Indian Housing, Department of Housing and Urban Development

Pass-Through Agency Name: N/A

Finding Caption

The Housing Authority did not have adequate controls in place to ensure compliance with federal program requirements.

Background

Activities allowed / allowable costs

The Housing Authority has developed cost allocation plans in which a percentage of the Housing Authority's expenses, such as payroll and software expenses, is charged to the federal program. The Housing Authority did not have controls in place to verify that costs allocated through the cost allocation plan were for legitimate Housing Authority expenses.

Operating transfers and administrative fees / rolling forward equity balance

The Housing Authority did not have controls in place to account for program activity and track administrative fees. Current staff could not find the tracking spreadsheet that was said to be used to monitor the accounting transactions and track the proper roll-forward of equity.

Depository agreement

The Housing Authority did not have controls in place to ensure accurate completion of the GDA. The GDA on file was not fully executed (signed by HUD) and did not include all of the Housing Authority's account numbers, as required. Further, the GDA form expired October 31, 2017, and the Housing Authority failed to enter into a new agreement.

Reporting

The Housing Authority did not have a process in place to verify that the FDS was accurately prepared and submitted timely to the grantor.

Status of Corrective Action

- ☐ Fully Corrected
☒ Partially Corrected
☐ Not Corrected
☐ Finding is considered no longer valid

Corrective Action Taken

As described above, PCHA has contracted with a nationally recognized firm with deep knowledge and understanding of public housing authorities to conduct a complete assessment of current financial processes and procedures and to implement strong internal control systems in the agency's financial systems that includes compliance with federal program requirements, including:

- System of review for all financial transactions pre and post processing by both finance and executive staff – **The consultant continues to function as our Controller reviewing all general ledger entries and reconciling monthly cash balances. Executive Director hired in 2021, approves all payment of invoices after preparation by accounting then it is reviewed again lead accounting clerk.***
- Dual review of bank statements by executive staff – **Completed. Monthly reconciliation is reviewed by our outside consultant.***
- Restriction of wire transfer capabilities and limits on amounts allowed in a single transfer – **Completed. Wire transfers have been eliminated.***
- Implementation of dual approval procedures for all wire transfers – **Completed. Wire transfers have been eliminated.***
- Ongoing training for finance staff, executive staff and board members on review of journal entries, bank statements, and ACH payments - **Completed training provided by contractor and we are scheduling third party industry training for our Finance Group.***
- Collaboration with software provider to expand the current system's capabilities or transition to more appropriate financial software. - **PCHA is transitioning to a new software system, implementation has begun with a completion date set for September 2021.***
- Separation of bank accounts housing federal funds and removal of the 'sweep' function.– **Completed, the sweeps have been removed, restricted funds are isolated and all bank activity is reviewed by third party consultant.***
- System of review for HCV-related funds that includes collaboration between finance and HCV management staff. - **Allocation Plan prepared by outside CPA firm for 2020 and 2021.***

INFORMATION TECHNOLOGY ENVIRONMENT

PCHA utilizes the following software products:

Quickbooks - used for Finance, protected with a password and backed up nightly to tape via the all server nightly backups

Microsoft Office Suite - Outlook, Excell, Powerpoint, etc.

HAB PHA software

Encompass

Filevision

Adobe Acrobat

Trend Micro Worry Free Business Security - Antivirus on every workstation and server

GFI Mail Essentials with email attachment scanning - Spam filter with allowed/blocked sender lists, IP address blocking, It also has a built in antivirus to scan email attachments as they come in

Microsoft Exchange - Email hosted on premise at a datacenter

Yardi – PCHA is in the process of migrating to Yardi that is hosted in the cloud

Zoom for meetings



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING
Quality Assurance Division

January 13, 2020

Ms. Elinor Ottey, Interim Executive Director
Pierce County Housing Authority
1525 108th Street South
Tacoma, WA 98444

Dear Ms. Ottey:

The Quality Assurance Division (QAD) staff conducted an on-site Financial Management Review at the **Pierce County Housing Authority (PCHA, WA054)**. The primary goal of our visit was to ensure that Housing Choice Voucher (HCV) Program funds have been expended and reported appropriately.

The specific purpose of our visit was to:

- Determine the Unrestricted Net Position (UNP) balance as of September 2019.
- Determine the Restricted Net Position (RNP) balance as of, December 2017, December 2018, and September 2019.
- Determine if appropriated funds were expended properly.
- Validate and analyze administrative expenses for October 2018 through September 2019.
- Confirm the availability of cash and/or investments sufficient to support the calculated UNP and RNP balances.
- Ensure proper use of appropriated funds.

The results of our review are presented in the enclosed report. The report contains four (4) findings for which a corrective action plan must be prepared and submitted in a Microsoft Word format to Ms. Lynn Ambrosiano at Lynn.Ambrosiano@hud.gov, with a copy furnished to Mr. Harlan Stewart at Harlan.Stewart@hud.gov. Responses must be received within 30 days of the date of this report.

We appreciate the cooperation extended to the QAD staff during our visit. Should you or your staff have any questions, please feel free to contact myself or Mr. Larsen.

Sincerely,

A handwritten signature in blue ink, reading "MaryAnn Creager". The signature is written in a cursive, flowing style.

MaryAnn Creager
Supervisory Program Analyst,
Quality Assurance Division

Enclosure

cc: Harlan Stewart, Director, Office of Public & Indian Housing
Roxanne Byers, Division Director, Financial Management Center
Stephen Schneller, Program Advisor, Office of Field Operations

Background: Based on the results of the Department of Housing and Urban Development's (HUD) 2018 National Risk Assessment Tool, the Pierce County Housing Authority (PCHA) was selected for an Office of Public Housing Voucher Programs (OHVP) Quality Assurance Division (QAD) Financial Management Review (FMR). In addition, the risk analysis indicated PCHA's HCV program was insolvent based upon the data that the PCHA had provided to HUD.

Accordingly, we conducted a Financial Management Review on-site at the PCHA. Our review included review of PCHA's HCV program solvency, validation of PCHA's Restricted Net Position (RNP) and Unrestricted Net Position (UNP) account balances, verification of whether the PCHA HCV program has sufficient cash and investments on hand to cover the validated RNP and UNP balances, and an examination of the PCHA administrative expenses for the Housing Choice Voucher (HCV) program. We conducted the review utilizing source records provided by the PCHA staff, prior Independent Audit Reports, and data submitted by the PCHA on the Financial Data Schedule (FDS) to the Financial Assessment Subsystem (FASS). Please note that our review did reveal that the PCHA owes interest earned on the investment of restricted funds to the U.S. Department of Treasury as shown in Table No. 1 below.

Table No 1: Debts Owed to Program/HUD/Treasury			
Reason for Debt	Amount	Owed to/Resolution	Status
Finding No. 2020-2: The PCHA incorrectly calculated and reported the RNP and UNP balances in FDS and VMS and owes interest earned on the investment of restricted funds to the U.S. Department of Treasury.	\$4,428	U.S. Department of Treasury	To Be Paid

Insolvency Analysis: The QAD FMR team assessed the solvency of PCHA's HCV program and determined the HCV program is not insolvent. During the FMR, QAD staff identified an error in PCHA's accounting related to adjustments in the pension liability's allocation across programs in FY2018. After correcting the accounting error, the adjusted UNP¹ becomes (\$38,717) and the inter-program HCV liability is eliminated. Moreover, PCHA transferred funds from a closed mod/rehab project to unrestricted non-federal funds that should be unrestricted HCV funds and will increase the UNP balance. Finally, a thorough review of prior year cost allocations may result in a reduction in prior year administrative expenses resulting in a UNP with a positive balance. Further it is the opinion of the QAD that the PCHA's HCV program is not insolvent because there are significant non-federal resources available to cover HCV expenses.

Summary: The QAD FMR was unable to validate RNP and UNP due to financial recording and reporting discrepancies that are explained in the "Verification of RNP and UNP Balances" section of the report. Incorrectly reporting RNP and UNP balances fails to provide HUD with the correct information required for accurate renewal funding calculation. The QAD FMR also revealed four (4) financial management findings related to internal controls, financial reporting, the FSS program, and the General Depository Agreement requirements that are addressed in the Findings and Concerns section of this report.

¹ Adjusted UNP is the UNP balance after removing the pension and OPEB liabilities including deferred inflows and deferred outflows related to the pension and OPEB liabilities.

VERIFICATION OF RNP AND UNP BALANCES

Verification of Restricted Net Position (RNP) balance as of December 31, 2017, December 31, 2018 and September 30, 2019

We were unable to complete a validation of the PCHA's RNP balances as of December 31, 2017, December 31, 2018, and September 30, 2019. We were not able to validate the RNP account balance due to significant concerns regarding the integrity of the HAP payment information. The State of Washington Auditor recently issued a report indicating there was \$6,948,277 in misappropriated funds between March 18, 2016 and July 17, 2019, which covers the majority of our review period.² The report detailed the lack of internal controls and PCHA funds sent to illegitimate vendors. Due to the limited scope of the FMR review that does not include the verification of landlords or review HAP payments, we were unable to confirm that HAP payments were not to fraudulent landlords. In addition, our team was unable to validate the retroactive HAP payments due to PCHA's inability to provide the requested retro HAP information and documentation.

Verification of the Unrestricted Net Position (UNP) balances as of September 30, 2019.

We were unable to complete a validation of the PCHA's UNP account balance as of September 30, 2019. We were not able to validate the UNP account balance primarily due to significant concerns regarding the HCV program administrative expenditures in the accounting system. For example, we were unable to validate interfund transfers, cost allocations and HCV administrative expense supporting documentation. Moreover, the State of Washington Auditor recently issued a report indicating \$6,948,277 in misappropriated funds between March 18, 2016 and July 17, 2019.³ Due to PCHA's significant interfund transactions and complex cost allocations, we were unable to determine whether the misappropriated funds included HCV funds. However, it is the opinion of the QAD that the PCHA's HCV program is not insolvent because there are significant non-federal resources available to cover HCV expenses. The Office of Field Operations, Program Recovery Team (PRT) shall continue to evaluate the solvency of the PCHA, and if the status changes steps will be taken to resolve any problems discovered.

² <https://portal.sao.wa.gov/ReportSearch/Home/ViewReportFile?arn=1025349&isFinding=false&sp=false>

³ <https://portal.sao.wa.gov/ReportSearch/Home/ViewReportFile?arn=1025349&isFinding=false&sp=false>

FINDINGS AND CONCERNS

Finding No. 2020-1: The PCHA has inadequate internal controls to allow a speedy and effective audit and ensure accurate financial reporting to HUD.

Condition: The PCHA lacks adequate internal controls over HCV program funds. The State of Washington Auditor report indicated there were significant control weaknesses that enabled the former finance director to steal funds.

Criteria: The regulations at 24 CFR § 982.153 provide that agencies administering the HCV program comply with all parts of the consolidated Annual Contributions Contract (ACC) including Part 11, which states:

The HA must use program receipts to provide decent, safe, and sanitary housing for eligible families in compliance with the U.S. Housing Act of 1937 and all HUD requirements. Program receipts may only be used to pay program expenditures.

Further, the regulations at 24 CFR § 982.156 stipulate:

- (a) Unless otherwise required or permitted by HUD, all program receipts must be promptly deposited with a financial institution selected as depository by the PHA in accordance with HUD requirements.
- (b) The PHA may only withdraw deposited program receipts for use in connection with the program in accordance with HUD requirements.

HUD's requirements for the use of HCV Program funds have been detailed over the years in several Public and Indian Housing (PIH) notices, most notably in the annual implementation of funding provisions notices. Most recently, [Notice PIH 2019-08](#) states:

18. Use of HAP and HAP RNP/HUD-Held Program Reserves. PHAs are reminded that funds in the HAP RNP account and HUD-held program reserves shall only be used for eligible HAP needs in the current CY. The Consolidated Annual Contributions Contract (CACC) requires PHAs to use HAP funding to cover housing assistance payments. HAP and/or PHA reserves (HAP RNP and HUD-held reserves) shall not under any circumstances be used for any other purpose, such as to cover administrative expenses or be loaned, advanced or transferred (referred to as operating transfers due to/due from) to other component units or other programs such as the Low-Rent (Public Housing) program. Use of HAP for any purpose other than eligible HAP needs is a violation of law, and such illegal uses or transfers may result in sanctions and possible declaration of breach of the ACC. Current year funding may not be used for prior year costs, including by MTW agencies.

In instances where a PHA is found to have misappropriated HAP and/or HAP RNP/HUD-held reserve funds by using the funds for any purpose other than valid HAP expenses for units up to the baseline, HUD requires the immediate return of the funds to the HAP or HAP RNP/HUD-held reserves account. HUD may act, including suspension

and debarment, against a PHA or any party that has used HAP funds and/or the HAP RNP/HUD-held reserves account for non-HAP purposes.

19. Uses of Administrative Fees. For proper uses and reporting of Administrative Fees and UNP (formerly known as Unrestricted Net Assets (UNA) or as the “administrative fee reserve”), please refer to PIH Notice 2015-17: Use and Reporting of Administrative Fee Reserves.

[Notice PIH 2015-17 \(HA\)](#) further explained that:

The HCV program regulations at 24 CFR 982.152 provide that PHA administrative fees may only be used to cover costs incurred to perform PHA administrative responsibilities for the program in accordance with HUD regulations and requirements. During the PHA’s current fiscal year, any administrative fees received in that PHA fiscal year may only be used for this purpose. If a surplus of administrative fees remains at the end of the PHA’s fiscal year, the amount by which the program administrative fees paid by HUD for the PHA fiscal year exceeded the PHA’s HCV administrative expenses for the fiscal year is added to the administrative fee reserves. The eligible uses of the PHA’s Administrative Fee Reserve are described in sections 4 and 5 below.

Note that if a PHA lacks administrative fee reserves and needs to temporarily supplement the administrative fee provided by HUD with non-Federal, non-restricted funds in order to cover eligible HCV program administrative expenses, the PHA may use subsequent administrative fees to reimburse the source of the non-Federal, non-restricted funding used as the temporary bridge to cover the HCV program administrative expenses. However, HCV administrative fees may never be loaned to another program in order to cover that program’s expenses, regardless of whether the PHA intends to reimburse the HCV program at a later date.

Regarding the use of UNP/Administrative Fee Reserves, Notice PIH 2015-17 (HA) further states:

4. Pre-2004 Administrative Fee Reserves: Any administrative fees funded prior to the FFY 2004 Appropriations Act remain subject to the regulatory requirements at 24 CFR 982.155(b)(1), which states:

*The PHA must use funds in the administrative fee reserve to pay program administrative expenses in excess of administrative fees paid by HUD for a PHA fiscal year. If funds in the administrative fee reserve are not needed to cover PHA administrative expenses (to the end of the last expiring funding increment under the consolidated ACC), **the PHA may use these funds for other housing purposes permitted by State and local law. However, HUD may prohibit use of the funds for certain purposes.***

Due to the restrictions imposed by the FFY 2004 and subsequent appropriations, the use of administrative fee reserves for “other housing purposes permitted by State and local law” only applies to pre-2004 administrative fee reserves.

5. Post-2003 Administrative Fee Reserves: The FFY 2004 Appropriations Act and subsequent appropriations require that administrative fee reserves provided from these appropriations shall only be used for activities related to the HCV Program, including related development activities. Examples of related development activities could include modifications to HCV units to provide accessibility features or project-based voucher development costs. Any post-2003 administrative fees moved into the administrative fee reserve account at year end may **not** be used for “other housing purposes permitted by state and local law.”

As provided in 24 CFR 982.155 b(3), if the PHA has not adequately administered the HCV program according to HUD requirements, HUD may prohibit use of funds in the administrative fee reserve, and may direct the PHA to use funds in the reserve to improve administration of the HCV program or to reimburse ineligible expenses. Post-2003 administrative fee reserves may not be used for Low Rent Public Housing (PH) development activities, PH maintenance, or PH funding shortfalls, nor may they be loaned to other PHA programs.

Cause: The PCHA finance director created an environment that lacked adequate internal controls to ensure HCV funds are spent appropriately. In addition, the PCHA was unable to provide documents enabling a speedy and effective audit. For example, the PCHA was unable to provide adequate supporting documentation for administrative expenses. Moreover, the PCHA was unable to provide supporting documentation for transferring funds from a closed HCV mod-rehab project to unrestricted non-federal funds. Finally, the PCHA was unable to provide supporting documentation related to retro HAP adjustments.

Effect: PCHA is unable to ensure HCV program expenditures are allowable, reasonable, and correctly allocated expenditures spent in accordance with HUD regulations.

Corrective Action No. 2020-1a: The PCHA must complete the State of Washington Auditor recommendations to re-evaluate and strengthen its internal control systems⁴ and provide HUD quarterly updates on progress to implement all the recommendations until all the recommendations have been implemented.

Corrective Action No. 2020-1b: The PCHA must also update written policies and procedures to include reconciliations between VMS and the general ledger. A copy of these policies must be presented to the QAD and the Seattle Field Office with all accompanying Board of Commissioners approvals. Moreover, PCHA must also include policies and procedures that implement with the single auditor recommendations regarding information reported in FDS and include any discrepancies in reconciliations between the general ledger and FDS. Finally, HUD recommends PCHA evaluate alternative accounting software systems that enable staff to provide accurate current financial information to their stakeholders in an efficient manner.

Finding No. 2020-2: The PCHA incorrectly calculated and reported the RNP and UNP balances in FDS and VMS and owes interest earned on the investment of restricted funds to the U.S. Department of Treasury.

⁴ See page 6 of the State of Washington Auditor’s Fraud Investigation Report of PCHA.

Condition: The PCHA miscalculated and misreported the RNP and UNP balances. In addition to not ensuring internal controls are adequate to report accurate data to HUD in the FDS and VMS, the PCHA had errors in their reporting process.

Criteria: 24 CFR § 982.151 provides that under the Annual Contributions Contract the PHA agrees to administer the program in accordance with HUD regulations and requirements. In accordance with 24 CFR § 982.158:

The PHA must maintain complete and accurate accounts and other records for the program in accordance with HUD requirements. The records must be in the form required by HUD, including requirements governing computerized or electronic forms of record keeping. The PHA must furnish to HUD accounts and other records, reports, documents and information as required by HUD.

HUD Notice PIH 2015-17⁵ and the VMS User's Manual⁶ require PHAs to report RNP, UNP, and cash/investments balances to HUD monthly in the VMS. Please review both documents for complete reporting guidance; however, the VMS Reporting Guidance attachment at the end of the report provides excerpts from the HUD Notice and VMS User's Manual specific to RNP and UNP reporting.

Regarding the return of interest, beginning with January 1, 2012, the interest earned on HAP funds is no longer added to the RNP. Interest earned on HAP and RNP funds in excess of \$100 per year from 2012 to 2013 and earnings in excess of \$500 per year starting in 2014 must be returned to the U.S. Treasury. Any interest earned on investment of HAP funds totaling \$100 or less in 2012 and 2013 and earnings of \$500 or less per year thereafter shall be recorded as administrative revenue and added to the UNP balance.

The regulations at § 24 CFR 85.21(i) stipulate:

Interest earned on advances. Except for interest earned on advances of funds exempt under the Intergovernmental Cooperation Act (31 U.S.C. 6501 et seq.) and the Indian Self-Determination Act (23 U.S.C. 450), grantees and sub-grantees shall promptly, but at least quarterly, remit interest earned on advances to the Federal agency. The grantee or sub-grantee may keep interest amounts up to \$100 per year for administrative expenses.

The regulations at 2 CFR §200.305(b)(9), increased the of interest that could be retained as administrative to \$500 effective calendar year 2014 states:

“Interest earned amounts up to \$500 per year may be retained by the non-Federal entity for administrative expense. Any additional interest earned on Federal advance payments deposited in interest-bearing accounts must be remitted annually to the Department of Health and Human Services Payment Management System (PMS) through an electronic medium using either Automated Clearing

⁵ PIH Notice 2015-17 can be found at <https://www.hud.gov/sites/documents/PIH2015-17.PDF>

⁶ The VMS User's Manual can be found at <https://www.hud.gov/sites/documents/INSTRUCTIONS.PDF>.

House (ACH) network or a Fedwire Funds Service payment.” In the case of the HCV Program, this provision allows up to \$500 in interest earned on HAP and RNP to be kept per calendar year and applied to the UNP balance.

REAC Accounting Brief No. 19 dated June 2013 states:

Prior to 01/01/2012, interest earned on NRA [RNP] balances were considered PHA revenue and credited to NRA [RNP] equity. However, with the advent of cash management, interest income on NRA [RNP] balances are no longer classified as revenue because interest income does not represent an available resource that can be used by the PHA. Beginning with CY 2012, interest earned on NRA [RNP] balances must be returned to the Federal government. Therefore, any interest income earned on the PHA’s NRA[RNP] balance since 01/01/2012 should not be recognized as revenue on the PHA’s income statement, but instead should be reported as Cash – restricted for payment of current liability (FDS line 115) and as an Accounts payable HUD PHA programs (FDS line 331).

Please note that beginning January 1, 2014 the amount a PHA may retain for interest earned on HAP funds increased to \$500 per year.

A notice was sent to all PHA’s during June 2015 describing the procedures required for remitting interest earned on excess HAP funds to the US Treasury. Specifically, funds are returned to the HHS Division of Payment Management website at the following link:

<https://pms.psc.gov/grant-recipients/returning-funds-interest.html>

Click on “returning funds” for specific information. The notice also requires PHAs to maintain an annual certification regarding the interest earned on excess HAP funds and RNP balances. The certification shall be maintained as a PHA internal record and will be subject to future QAD reviews.

Cause: The PCHA staff was unaware of HUD reporting requirements in FDS and VMS related to retroactive HAP adjustments and the treatment of interest income. For example, the PCHA is not reporting retro HAP adjustments in VMS and incorrectly reported interest income in both FDS and VMS. PCHA included the interest income in the RNP balance and should reduce the RNP balance to account for the amount due to Treasury. The PCHA also had incorrectly reported the UNP balance due to a journal entry error in the amount of \$989,602.⁷ The correction of the journal entry will eliminate the HCV interfund liability and increase the UNP balance.

Effect: The PCHA is unable to ensure the information reported to HUD in FDS and VMS is consistently accurate. HUD requires accurate RNP, UNP, and cash reporting and utilizes that information to calculate funding, offsets, or cash management disbursements. In addition, the PCHA actual financial position was not clearly presented to HUD.

Corrective Action No. 2020-2a: The PCHA must update written financial policies and procedures to ensure accurate reporting to HUD in the VMS and FDS information systems. In

⁷ The journal entry was a debit to pension liability and a credit to the interfund account; however, the credit should have been to the UNP account.

addition, PCHA must improve internal controls to ensure PCHA staff adheres to written policies and procedures. For example, the HCV program director would review and approve all VMS reporting and the finance director would review auditor submissions in the FDS. A copy of these procedures and all accompanying Board of Commissioners approvals must be provided to the QAD and the Seattle Field Office.

Corrective Action No.2020- 2b: PCHA must remit \$4,428 to the U.S. Treasury for interest earned on HAP funds between FY2012 and FY2018. In addition, PCHA must transfer HAP interest in the amount of \$349 for interest earned from FY2012 thru FY2014 from RNP to UNP. A copy of the Journal Entry documenting the \$349 transfer must be provided to the QAD and the Seattle Field Office. Copies of the wire transfer or negotiated check for interest remitted to the U.S. Department of Treasury must be provided as well.

Corrective Action No. 2020-2c: PCHA must adjust where appropriate and necessary in the FDS submission(s) to the Financial Assessment Subsystem (FASS)⁸ and Voucher Management System. Copies of these adjustments must be provided to the QAD and the Seattle Field Office.

Finding No. 2020-3: The PCHA is not adhering to FSS program requirements.

Condition: The PCHA is not in compliance with several FSS program requirements.

Criteria: The regulations at 24 CFR § 984.305 state:

(a) Establishment of FSS account -

(1) General. The PHA shall deposit the FSS account funds of all families participating in the PHA's FSS program into a single depository account. The PHA must deposit the FSS account funds in one or more of the HUD-approved investments.

(2) Accounting for FSS account funds -

(i) Accounting records. The total of the combined FSS account funds will be supported in the PHA accounting records by a subsidiary ledger showing the balance applicable to each FSS family. During the term of the contract of participation, the PHA shall credit periodically, but not less than annually, to each family's FSS account, the amount of the FSS credit determined in accordance with paragraph (b) of this section.

(ii) Proration of investment income. The investment income for funds in the FSS account will be prorated and credited to each family's FSS account based on the balance in each family's FSS account at the end of the period for which the investment income is credited.

(iii) Reduction of amounts due by FSS family. If the FSS family has not paid the family contribution towards rent, or other amounts, if any, due under the public housing or section 8-assisted lease, the balance in the family's FSS account shall be reduced by that amount (as reported by the owner to the PHA in the Section 8 FSS program) before prorating the interest income. If the FSS family has fraudulently under-reported income, the amount credited to the FSS

⁸ Please note that changes cannot be made to audited submissions, but prior period adjustments and/or corrections to errors may be made in the current year prior to the final audited submission.

account will be based on the income amounts originally reported by the FSS family.

(3) *Reporting on FSS account.* Each PHA will be required to make a report, at least once annually, to each FSS family on the status of the family's FSS account. At a minimum, the report will include:

- (i) The balance at the beginning of the reporting period;
- (ii) The amount of the family's rent payment that was credited to the FSS account, during the reporting period;
- (iii) Any deductions made from the account for amounts due the PHA before interest is distributed;
- (iv) The amount of interest earned on the account during the year; and
- (v) The total in the account at the end of the reporting period.

In addition, the regulations at 24 CFR § 984.401 state:

Each PHA that carries out an FSS program under this part shall submit to HUD, in the form prescribed by HUD, a report regarding its FSS program. The report shall include the following information:

- (a) A description of the activities carried out under the program;
- (b) A description of the effectiveness of the program in assisting families to achieve economic independence and self-sufficiency;
- (c) A description of the effectiveness of the program in coordinating resources of communities to assist families to achieve economic independence and self-sufficiency; and
- (d) Any recommendations by the PHA or the appropriate local program coordinating committee for legislative or administrative action that would improve the FSS program and ensure the effectiveness of the program.

The PIH Real Estate Assessment Center (REAC) issued Accounting Brief #23⁹ providing PHA's reporting requirements related to FSS program expenditures and reporting FSS Program funds under its own CFDA #14.896.

Cause: The PCHA staff was unaware of the FSS program participant escrow and reporting requirements. First, the PCHA was unable to provide a current FSS program activity report. Second, the PCHA does not maintain the FSS program participant's escrow funds in a separate bank account. Third, the PCHA was unable to provide support for the allocation of FSS

⁹ PIH-REAC Accounting Brief #20 can be found at:

<https://www.hud.gov/sites/dfiles/PIH/documents/accountingbrief23fss.pdf>

expenditures exceeding the grant amount in FY2015 and FY2016. Finally, PCHA is not reporting the FSS program separately in FDS using the FSS program CFDA number.

Effect: FSS participant clients may not receive the correct amount in their FSS escrow account without PCHA reconciling all activity in the general ledger account with a program participant subsidiary ledger and the FSS participant escrow bank account.

Corrective Action No. 2020-3a: The PCHA must update written policies and procedures to ensure the FSS program escrow account is reconciled on a monthly basis and any discrepancies with participant escrow balances in the program report are addressed in a timely manner. In addition, written policies and procedures should include a reconciliation process between the bank statement balance, balance in the FSS escrow program report, and FSS escrow general ledger liability account. A copy of these policies, as well as all associated Board of Commissioners approvals, must be provided to the QAD and the Seattle Field Office.

Corrective Action No. 2020-3b: The PCHA must provide evidence to HUD of a separate interest-bearing, non-sweep bank account for all FSS participant escrow funds and documentation that the appropriate funds have been transferred into that account. A copy of all documentation must be provided to the QAD and the Seattle Field Office.

Corrective Action No. 2020-3c: The PCHA must update written policies and procedures to ensure any FSS program expenses exceeding the grant amount are accurately allocated between the HCV program and the public housing program. In addition, PCHA must determine a reasonable allocation between the HCV program and public housing of prior year FSS expenditures exceeding the FSS grant amount. Copies of a Board of Commissioners approved allocation plan, approved policy updates, and all associated Board of Commissioners approvals must be provided to the QAD and the Seattle Field Office.

Corrective Action No. 2020-3d: The PCHA must update written policies and procedures to ensure the FSS program reporting meets HUD reporting requirements. In addition, PCHA must report the FSS program under the correct CFDA number in the FDS at its next annual submission (either unaudited or audited). A copy of the updated policies and all associated Board of Commissioners approvals must be sent to the QAD and the Seattle Field Office.

Corrective Action No. 2020-3e: At least quarterly, the PCHA must provide the appropriate reports to the Seattle Field Office regarding FSS program operation in accordance with the regulations at 24 CFR § 984.401.

Finding No. 2020-4: The PCHA did not have a properly executed General Depository Agreement (GDA, form HUD-51999)

Condition: The PCHA was unable to provide a properly executed General Depository Agreement (GDA).¹⁰ For example, the GDA did not include all the PHA's bank account numbers in the signed GDA document.

Criteria: 24 CFR § 982.52 requires the PHA to comply with the consolidated ACC, HUD regulations and other requirements for the program, and other HUD requirements, as regulations, Federal Register notices or other binding program directives as well as PHA's HUD-approved applications for program funding.

HUD regulation at 24 CFR § 982.156 Depository for Program Funds, provides that:

- (a) Unless otherwise required or permitted by HUD, all program receipts must be promptly deposited with a financial institution selected as depository by the PHA in accordance with HUD requirements. (b) The PHA may only withdraw deposited program receipts for use in connection with the program in accordance with HUD requirements. (c) The PHA must enter into an agreement with the depository in the form required by HUD.

In addition, Section 13, Paragraph b of form HUD-52520, the "*Consolidated Annual Contributions Contract*" (ACC) requires PHAs to enter into an agreement with the depository institution, on the form required by HUD.

Cause: The PCHA was unaware of the specific requirements of a properly executed HUD General Depository Agreement form (HUD form 51999).

Effect: A lack of a properly executed GDA negatively affects HUD's ability to control program funds in the event of default on behalf of the PHA.

Corrective Action No. 2020-4: The PCHA must ensure that all HCV Program funds are maintained in an account or accounts covered by the ACC-mandated duly executed and approved GDA. The current GDA (HUD form 51999) can be found at:
<https://www.hud.gov/sites/dfiles/OCHCO/documents/51999.pdf>

A GDA will need to be executed for all financial accounts that maintain Low-Rent Public Housing, FSS, and HCV funds. The GDA must list all associated account numbers. A copy of the GDA agreements will need to be provided to QAD, The Seattle Field Office, and the Financial Management Center. If the financial institution will not execute a GDA then the funds must be moved to a financial institution that will execute a GDA.

Within 30 days of the date of this report, please provide a written Corrective Action Plan (CAP) to Lynn Ambrosiano at Lynn.Ambrosiano@hud.gov with a copy furnished to Mr. Harlan Stewart at Harlan.Stewart@hud.gov. The CAP must incorporate a detailed and comprehensive plan to correct the concerns included in this report.

¹⁰ See HUD form 51999

Administrative Expenses Review

The QAD FMR team was unable to complete an administrative expense review due to the reasons identified earlier in the report related to inadequate internal controls and lack of documentation supporting cost allocations and administration expenses.

Technical Assistance

The QAD provided the PCHA staff with technical assistance related to the correct calculation of RNP and UNP and utilizing the general ledger appropriately for the HCV program. The QAD also recommended maintaining separate bank accounts for each program. Finally, the QAD recommended that PCHA change the current process for port-in accounting and follow the guidance provided by REAC in Accounting Brief #18.¹¹

Attachment 1 - VMS Reporting Guidance

RNP as reported in the VMS should consist of the following:

- Prior month's ending RNP balance **plus (+)**
- HAP revenues for the month from HUD disbursements and landlord reimbursements for previous overpayment of HAP (does not include fraud or Port-In revenues) **plus (+)**
- Portion of fraud recovery actually collected in cash that goes to the RNP account (usually 50% of the total collected)^[1] **plus (+)**
- FSS escrow forfeitures **minus (-)**
- HAP expenses for the month (does not include Port-In HAP Expenses)

Please note that beginning with January 1, 2012, the interest earned on HAP funds is no longer added to the RNP. Interest earned on HAP and RNP funds more than \$100 per year from 2012 to 2013 and earnings more than \$500 per year starting in 2014 must be returned to the U.S. Treasury. Any interest earned on investment of HAP funds totaling \$100 or less in 2012 and 2013 and earnings of \$500 or less per year thereafter shall be recorded as administrative revenue and added to the UNP balance.

Please also note that, as explained in the new VMS User's Manual for VMS Release 9.2.0.0, negative RNP balances should be carried over from one month to the next in **VMS reporting**, regardless of GAAP rules prohibiting a negative RNP balance at the FYE. Since the VMS is

¹¹ REAC Accounting Brief #18 can be found at:
<https://www.hud.gov/sites/documents/ACCTBRIEF18PORT.PDF>

simply a reporting system, and not an accounting system, it is okay to carry over a negative RNP balance into the first month of a new fiscal year and to keep reporting the negative balance until HAP disbursements received in cash and/or other cash revenues have cleared the negative RNP balance. This standard also applies to negative RNP balances in December at the end of the calendar year. The Financial Management Center (FMC) would like all negative RNP balances to be carried over into future months until cash revenue has cleared the negative balance. Carrying negative RNP balances through each month in the VMS reports until the balance is cleared by cash revenue is necessary to allow cash management reconciliations and disbursements to proceed efficiently and accurately. However, PHAs are reminded that the relevant appropriations laws prohibit current year HCV funding from clearing past years' deficits. Thus, PHAs that do not have HUD-held Reserves sufficient to cover a negative RNP at the end of December must use HCV UNP or other non-federal funds to cover the negative balance more than the HUD-held Reserves balance, since budget authority from the following year may not be used to cover the deficit.

UNP as reported in the VMS should consist of the following:

- Prior month's ending UNP balance **plus (+)**
- Portion of fraud recovery collected that goes to the UNP account **plus (+)**
- Interest and other income earned on the investment of Admin and UNP funds (plus any interest earned on RNP and HAP funds before reaching the allowed maximum of \$500 a year) **plus (+)**
- Unabsorbed Port-In revenues^[2] **minus (-)**
- Unabsorbed Port-In HAP expenses³ **minus (-)**
- Any expenditures from the UNP account to cover cumulative excess administrative costs that exceed admin fee funding disbursed by HUD, excess HAP costs not covered by HAP funding and RNP, etc.

For the month to month UNP balance, note that excess admin fee disbursements from HUD (that occur when AF disbursements exceed administrative expenses) are not generally added into the UNP on a monthly basis. This aspect of the calculation also prohibits replenishing the UNP during the PHA's fiscal year if excess AF funding in the current month cures an administrative fee deficit from a previous month. Thus, if a PHA must use the UNP to cover excess administrative expenses, it still may not increase the UNP during the fiscal year by adding in excess current year admin fees in later months, even if the UNP balance remains below the previous fiscal year-end balance. Current fiscal year excess admin fee disbursements are not added in to the UNP balance each month because excess admin fees do not become "unrestricted" assets until the end of the fiscal year. During the fiscal year, admin fee disbursements from HUD may only be used to cover current year HCV administrative expenses. They may not be used to pay for HAP or any other expenses. The 24 CFR §982.152(a)(3) states that, "HA administrative fees may only be used to cover costs incurred to perform HA administrative responsibilities for the program in accordance with HUD regulations and requirements." Once these administrative fees become UNP at the FYE, they can be used for certain other purposes. As 24 CFR §982.155(a) states, "The PHA must credit to the administrative fee reserve the total of: (1) The amount by which program administrative fees

paid by HUD for a PHA fiscal year exceed the PHA program administrative expenses for the fiscal year”

Therefore, excess administrative expenses may decrease the UNP from month to month during the fiscal year, but excess administrative fee disbursements from HUD should not generally increase the UNP from month to month during the fiscal year. Only fraud recovery, Port-In, interest, or other non-HUD revenue may increase the UNP from month to month during the fiscal year. If cumulative excess admin fees remain at the end of the PHA’s fiscal year, they should be added into the UNP balance at the end of the last month of the fiscal year. **The one exception to this rule occurs when the UNP balance is negative.** As long as the UNP remains negative, the PHA may add current year excess admin fee disbursements back into the UNP balance, thereby making the balance less negative, **but only** if the PHA is sending the excess admin fees back to the COCC or other fund that loaned the HCV Program the money needed to cover the admin deficit that caused the negative UNP.

Please also note that starting in January 2015, due to recent changes to the appropriation laws enacted by Congress, Public Housing and HCV FSS coordinator funding is now provided as part of one single grant that is separate from the HCV funding streams. Therefore, FSS grant revenue drawn down from LOCCS since January 2015, and all FSS coordinator salary and benefits covered by those draw downs, should be on their own ledger and should no longer affect the HCV UNP. Any unexpended HCV FSS coordinator grant funding that was received prior to January 2015 (which was disbursed through HUDCAPS rather than drawn down through LOCCS) should remain on the HCV books as Unearned Revenue until spent on allowable HCV FSS coordinator salary and benefit expenses, rather than being included in the HCV UNP balance. However, from January 2015 forward, any excess salary expenses related to helping HCV FSS participants that exceed the total grant proceeds drawn from LOCCS and used to assist the HCV FSS participants, as well as other related expenses not covered by the FSS coordinator grants, such as phone and internet charges associated with the FSS coordinator’s work with HCV FSS participants, should be included as HCV administrative expenses and should reduce the HCV UNP accordingly.

Regarding OPEB liabilities, the Government Accounting Standards Board (GASB), Statement No. 45¹² states:

In addition to pensions, many state and local governmental employers provide other postemployment benefits (OPEB) as part of the total compensation offered to attract and retain the services of qualified employees. OPEB includes postemployment healthcare, as well as other forms of postemployment benefits (for example, life insurance) when provided separately from a pension plan. This Statement establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers...

Employers that participate in single-employer or agent multiple-employer defined benefit OPEB plans (sole and agent employers) are required to measure and disclose an amount for annual OPEB cost on the accrual basis of accounting.

¹² Additional information regarding GASB Statement No. 45 may be found here: <http://www.gasb.org/st/summary/gstsm45.html>

Annual OPEB cost is equal to the employer's annual required contribution to the plan (ARC), with certain adjustments if the employer has a net OPEB obligation for past under- or over-contributions.

Since these OPEB liabilities are required to be reported, and since these constitute an administrative expense, these must be deducted from the PHA's cumulative UNP balance, even in situations where the PHA may not ever need to make cash payment toward this liability.

Regarding retention of fraud recovery proceeds, the regulations at 24 CFR § 792.202 states:

- (a) Where the HA is the principal party initiating or sustaining an action to recover amounts from tenants that are due as a result of fraud and abuse, the HA may retain, the greater of:
 - (1) Fifty percent of the amount it actually collects from a judgment, litigation (including settlement of lawsuit) or an administrative repayment agreement pursuant to, or incorporating the requirements of, § 882.216 or § 887.405; or
 - (2) Reasonable and necessary costs that the HA incurs related to the collection from a judgment, litigation (including settlement of lawsuit) or an administrative repayment agreement pursuant to, or incorporating the requirements of, § 882.216 or § 887.405. Reasonable and necessary costs include the costs of the investigation, legal fees and collection agency fees.

Based upon the regulation, a PHA may retain 50% of the recovered funds, or the actual expenses, whichever is greater.

In terms of the reporting of Cash and Investments in the VMS, the VMS User's Manual includes the following when defining what to report on the "Cash/Investments as of the last day of the month" line:

Cash and investments for FSS escrows must not be included, nor should any cash or investments representing other current liabilities to the PHA, such as outstanding checks ... as these funds are already restricted for specific purposes and are not available for use to pay HAP or other administrative costs.

Pierce County Housing Authority Board of Commissioner's Board Member Description

Mission Statement

Pierce County Housing Authority provides safe, decent, affordable housing and economic opportunity, free from discrimination.

Pierce County Housing Authority History

The Pierce County Housing Authority (PCHA) is a public body, corporate and politic, created by Pierce County in 1978 pursuant to State statute to provide affordable housing for low-income persons in Pierce County.

The Authority was first under the management of the Tacoma Housing Authority until 1980, at which time the Pierce County Housing Authority assumed its own management.

Currently, the Authority operation provides housing to over 3,400 households and more than 5,000 people annually, including over 3,300 children. PCHA provides rental vouchers for supportive housing serving over 160 veterans annually. Attached to this job description is information specific to PCHA programs and relevant statistics.

Pierce County Housing Authority Governance and Board of Commissioners

The governing body of the Housing Authority is the Board of Commissioners, which is comprised of six members, five of whom are appointed from the community by the Pierce County Executive and ratified by County Council and one of whom is a public housing program participant referred to the Executive and Council for appointment. Commissioners serve for up to two, five-year, terms. Appointments are staggered when filling unexpired vacancies. Attendance and participation in meetings is an essential role of the Commissioner. The enabling legislation can be viewed at:

<https://www.codepublishing.com/WA/PierceCounty/#!/PierceCounty02/PierceCounty0260.html>

The Board of Commissioners is the legally and financially responsible governing body of a public housing authority (PHA) and the first line of accountability for the PHA's performance. The Board appoints and supervises the Executive Director to administer the affairs of the Authority. The Executive Director serves as Secretary to the Board and leads the operations of the Authority and implements the policies established by the Board.

Department of Housing and Urban Development identifies the following roles – Leadership, Oversight and Direct Participation and outlines responsibilities of a PHA Commissioner

(<https://www.hudexchange.info/onecpd/assets/File/PHA-Lead-the-Way-Roles-Responsibilities-Quick-Reference.pdf>):

1. Set and champion the mission of the PHA
2. Make strategic decisions to ensure the financial solvency of the agency
3. Speak up when concerns arise
4. Monitor the agency's ability to meet statutory, regulatory, and contractual obligations
5. Assure PHAs meet obligations on audit recommendations and other regulatory agencies
6. Approve internal controls to safeguard the agency's assets
7. Safeguard the financial integrity of the PHA, preventing fraud, waste, mismanagement, and abuse
8. Approve, review, and monitor budgets, contracts, and other financial documents
9. Conduct monthly reviews of budgets with actual expenses and revenues
10. Ensure ethical, legal, and effective work performance
11. Keep informed of subsidized housing industry rules and regulations
12. Actively participate in board meetings and board committee assignments

Commissioner Knowledge and Training

Commissioner training is available and funded for Commissioners and is offered through several nationally recognized programs approved by the Board of Commissioners and Housing Authority. Whenever possible, Commissioners are encouraged to utilize online training and regional offerings. At times, these trainings are also offered as part of national conferences and require out of state, necessitating travel, budgeted for by PCHA.

Commissioners each bring a different expertise and community perspective to the agency and will become knowledgeable of the PCHA's history, mission, programs, financials, and strategic plan; agency policies and procedures; agency-owned developments and properties; and will receive training regarding board and committee meeting processes, including open meeting requirements and confidentiality, federal and state laws and regulations.

Primary PCHA Programs

PCHA participates in the following housing programs:

1. Family Self Sufficiency Program
2. Housing Choice Voucher Program (formerly Section 8 Housing)
3. HUD-VASH Vouchers, supportive housing program of HUD and the Veterans Affairs proving housing assistance for homeless veterans.
4. Low-Income Public Housing
5. Enterprise Housing, 692 units of non-subsidized housing in nine locations in Pierce County.

Family Self Sufficiency Program (FSS):

The goal of this voluntary program is to support participating households in increasing their earned income and reduce their dependency on welfare assistance and rental subsidies. In 2020, the average FSS participant's income increased by \$7,134 per household, a total increase in income of \$972,438. As household income decreases, the housing subsidy paid by the authority decreases, allowing for more residents in need to be served.

FSS is available to up to 130 households participating in PCHA's Section 8 or Public Housing programs. Participants who join FSS receive access to employment assessment and preparation; job search and referral; asset building assistance and strategies, and other financial education.

HUD VASH Vouchers:

The HUD-Veterans Affairs Supportive Housing (VASH) program offers housing assistance for homeless veterans. It combines Section 8 rental assistance with case management and clinical services provided by Veterans Affairs at its local medical centers. Pierce County has been allocated 269 VASH vouchers and works in close partnership with the American Lake VA and other Pierce County service providers to keep formerly homeless Veterans housed.

The Section 8 Housing Choice Voucher Program:

The Housing Choice Voucher is more commonly referred to as the Section 8 program. Distinct from the public housing program, the Housing Choice Voucher (HCV), program allows families to rent privately owned housing rather than housing owned by housing authorities. In the HCV program, the housing authority provides monthly housing assistance payments on behalf of the tenants to landlords. This makes the HCV program a partnership between the public and private sectors. The HCV program is, PCHA's largest single program.

Low Rent Public Housing Program:

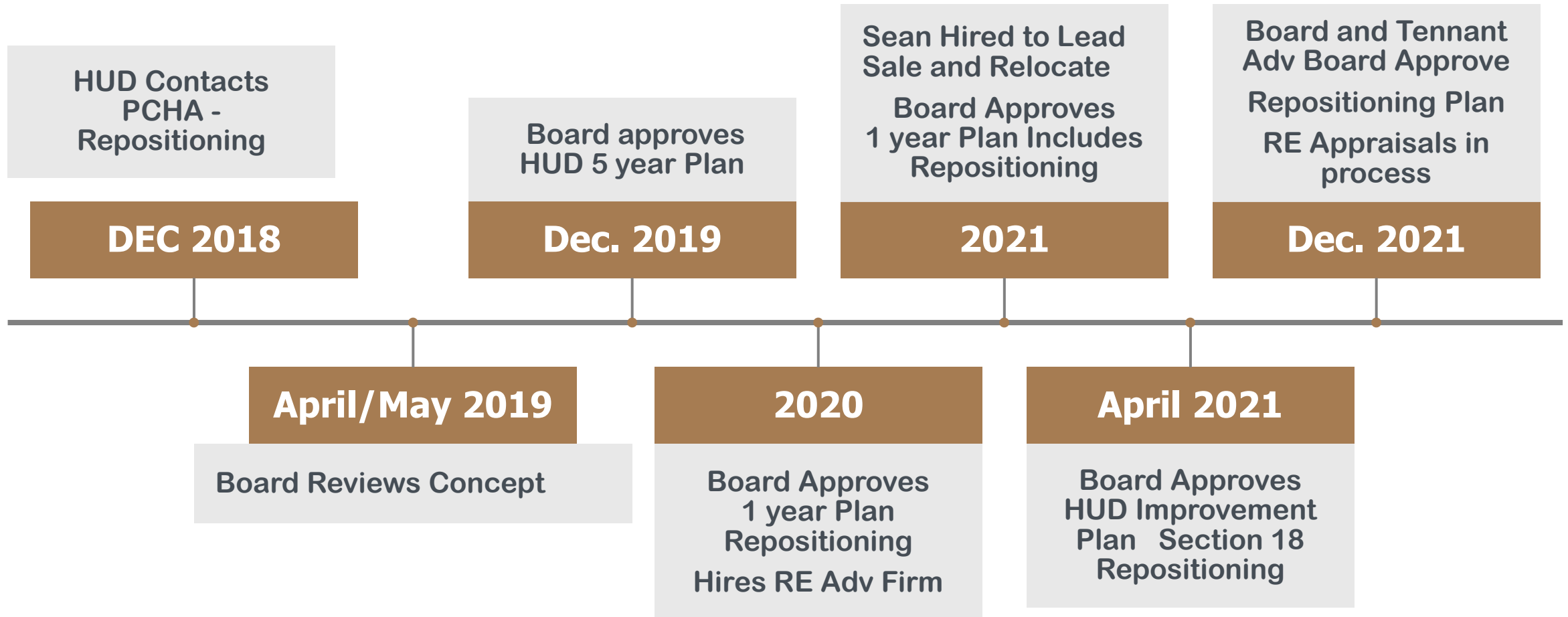
More commonly referred to as Public Housing, this program is one of the oldest federal housing programs in the nation. Congress, through the US Department of Housing and Urban Development HUD), awards funding to housing authorities to acquire or build a housing portfolio. Thereafter, additional funding is provided to the housing authority to operate and maintain the housing. Program participants are able to pay low rents, based on their annual income, because the housing and its operations are funded by HUD. Pierce County Housing Authority was created after HUD and Congress began to favor the Section 8 program. Pierce County Housing Authority's public housing portfolio is comprised of only 124 units of single family homes spread throughout Pierce County.

Multi-family Rental Housing:

Originally purchased using the bonding capacity of the housing authority, Pierce County Housing Authority owns and operates eight multifamily housing communities. These units do not receive federal housing subsidy (though Section 8 participants may choose to live in them). Maintenance and operations is paid for by rents from the community.

Pierce County Housing Authority Repositioning Timeline

Sale of Public Housing Units



Repositioning PCHA's Public Housing Portfolio

May 2019 Four Options to Consider

HUD Messaging “Repositioning Public Housing”

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WASHINGTON, DC 20410-5000

GENERAL DEPUTY ASSISTANT SECRETARY FOR PUBLIC AND INDIAN HOUSING

Dear Executive Director,

November 13, 2018

As you know, the **capital needs of our nation’s public housing inventory has outpaced Federal funding** for much of the past decade. **In 2010, HUD conservatively estimated the public housing capital needs backlog at almost \$26 billion, and we believe this figure continues to grow at around \$3.5 billion every year.** The public housing industry also faces barriers in accessing other forms of affordable housing financing commonly available in the private market. Some PHAs are understandably struggling to preserve the quality of these important affordable housing resources which serve 1 million families nationwide. Under the leadership of Secretary Carson, the Office of Public and Indian Housing (PIH) is focusing on **repositioning public housing** by providing PHAs with additional flexibilities, allowing communities to develop locally appropriate strategies to preserve affordable housing. **The Department set a goal to reposition 105,000 public housing units to a more sustainable platform by September 30, 2019 in its FY2019 Annual Performance Plan.**

The success of the Rental Assistance Demonstration (RAD) program, **new flexibilities for Section 18 demolition** and disposition, together with forthcoming guidance on Voluntary Conversions and the Retention of Assets after a Declaration of Trust (DOT) release will help us reach this goal together and set public housing properties on a more financially sustainable path.

Within PIH we are taking several steps to achieve this goal. Over the past few months many of our Office Directors have been highlighting repositioning tools at industry conferences. We are also building capacity in our Field Offices and the Special Application Center, focusing staff on this priority, and developing additional guidance and training materials to help you understand your repositioning options. As we make more resources available, we’ll make them available on the PIH One-Stop Tool for PHAs (POST).

Over the next few months your local Public Housing Field Office may contact you to explore repositioning possibilities in your inventory. Our goal in reaching out to you is to make sure you and your staff are aware of the repositioning strategies available and to provide technical assistance where needed. We look forward to helping facilitate locally-driven solutions to your unique set of challenges and opportunities.

If you are interested in learning more about this goal and the repositioning tools available, please contact your local Public Housing Field Office. Thank you for your continued partnership and assistance in this important effort to ensure that these incredibly important and limited affordable housing resources in your communities are preserved to house future generations. Many thanks,

Dominique Blom

What is Disposition of Public Housing

- Originating legislation: [Section](#) 18 of the Housing Act of 1937
- Allows housing authorities to remove (sell) public housing units under three reasons:
 - Surrounding area are/have deteriorated due to density, industrial or commercial development and adversely affect the health or safety residents or feasible operation by the housing authority
 - Improved efficiency/effectiveness through off site development of low income housing
 - Best interests and consistency – PHA certifies it has determined that the disposition is appropriate for reasons in the best interest of the residents, the goals of the PHA, the PHA plan and are consistent with “The Act”
- Process:
 - Must be in PHA plan
 - Must be included in NEPA review
 - Includes resident consultation
 - Offer of sale to Resident and Resident Organizations
 - Local Government Consultation
 - Board Resolution
- Can include Tenant Protection Vouchers (Section 8) allowing occupants to secure subsidized housing elsewhere (separate application process)
- Includes tenant relocation assistance, but not under 49 CFR Part 24 (Uniform Relocation). Asset Repositioning Fee may be available



Option 4

Section 18 Disposition

Strengths

- ¹²³Allows residents access to TPV
- Removes public housing and associated administrative requirements
- PCHA no longer liable for capital needs of aging portfolio
- Eliminates inefficiencies of single family housing
- Could generate as much as \$20-30 million for investment in new housing (project based vouchers) for low and moderate income households
- HUD has created infrastructure to support scattered site portfolios in Section 18
- Current environmental review includes demolition

Weaknesses

- Will require majority of current residents to move
- Ability of PH participants to lease up under Section 8 will require support
- Will require extensive application, appraisals, and administrative resources
- Optics of selling affordable housing and relocation of 125 households
- HUD may streamline process in the future, but PCHA would be locked in

Opportunities

- Allows PCHA to invest in new development(s):
 - More efficient operation and maintenance
 - Decreased administrative burden when compared to PH
 - Construction of multiple unit sizes that are in areas of higher opportunity
- Disposition can include opportunities for non-profit partnerships, e.g. Habitat for Humanity

Threats

- What happens if current residents cannot house with vouchers?
- Lack of resident support
- Lack of Pierce County Executive support
- HUD changes practices, narrows applications, increased barriers to disposition
- Ability to dispose of units in timely fashion and reinvest in allowed uses/new development



Option 4

Section 18 Disposition



Typical PCHA Public Housing

Pierce County Housing Authority's Public Housing Portfolio Today

An issue of sustainability.

PCHA Public Housing Today

Pierce County Housing Authority's Public Housing Portfolio is currently comprised of 125 single family homes.

- 103 homes are three bedroom

- 22 homes are four bedroom

- There are 0 two bedroom homes

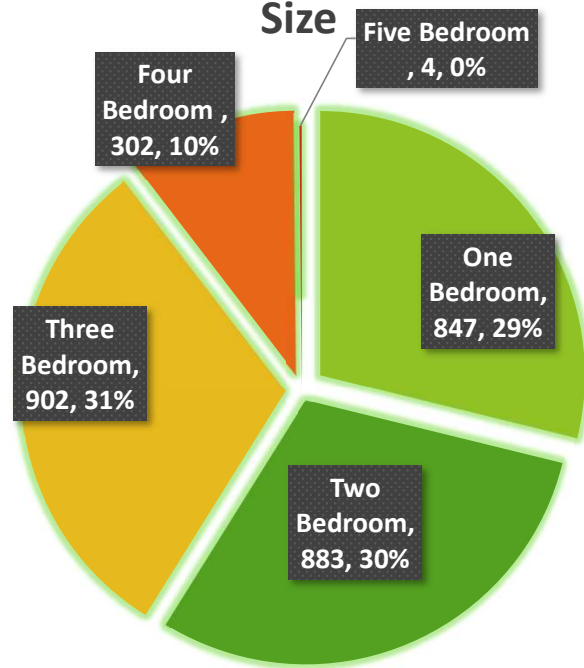
- There are 0 one bedroom homes

Pierce County Housing Authority last opened its waitlist August 27, 2018 through August 31, 2018.

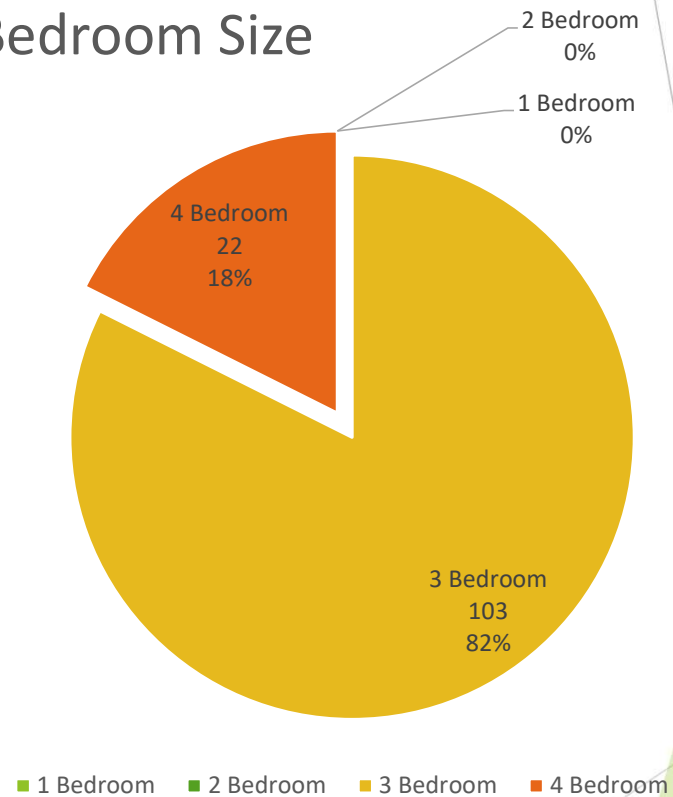
2,938 applicants for Public Housing waitlist. Only 1,204 were eligible, primarily due to family size (too small for three or four bedroom units).

Our current public housing portfolio is incompatible with more than 50% of waitlist applicants (1,730 of 2,938).

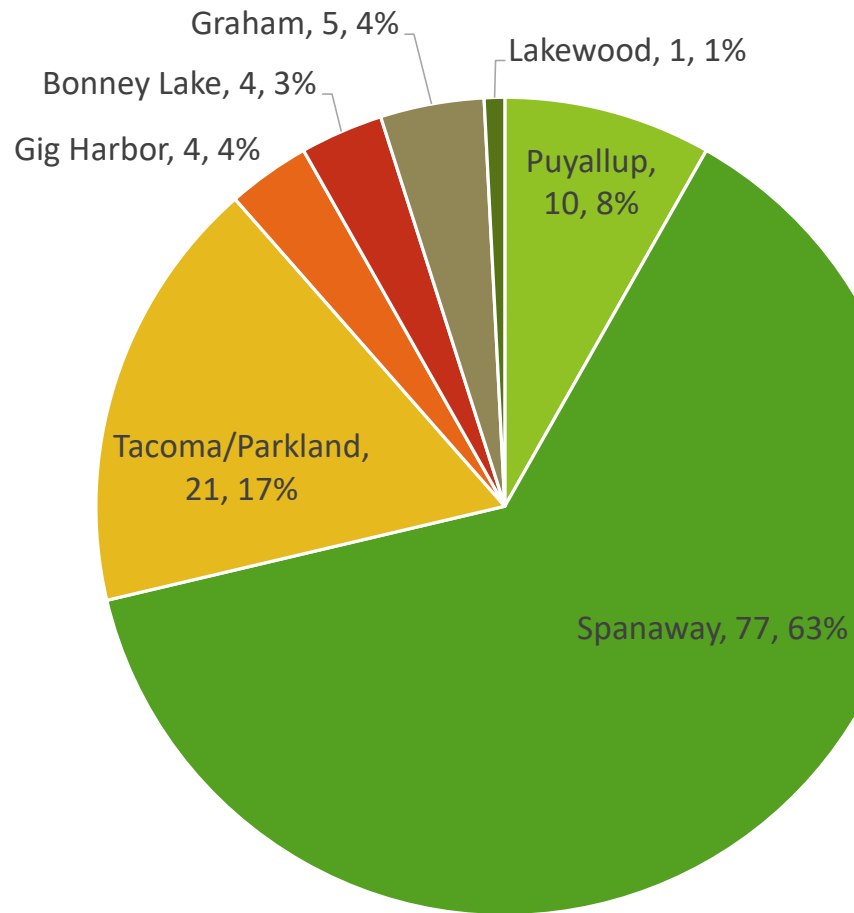
2018 Waitlist Applicants by Unit Size



Public Housing by Bedroom Size



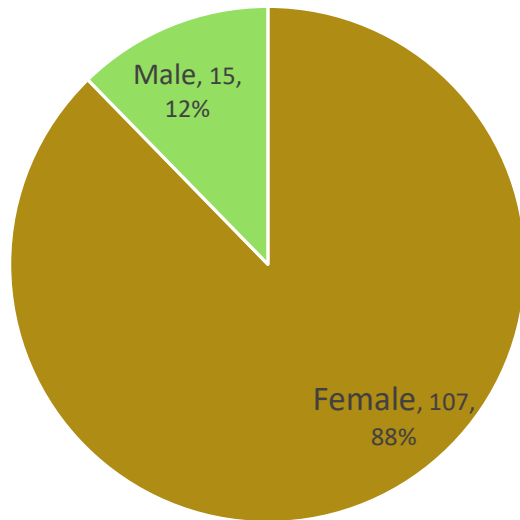
PCHA Public Housing Current Portfolio



Units by City Location

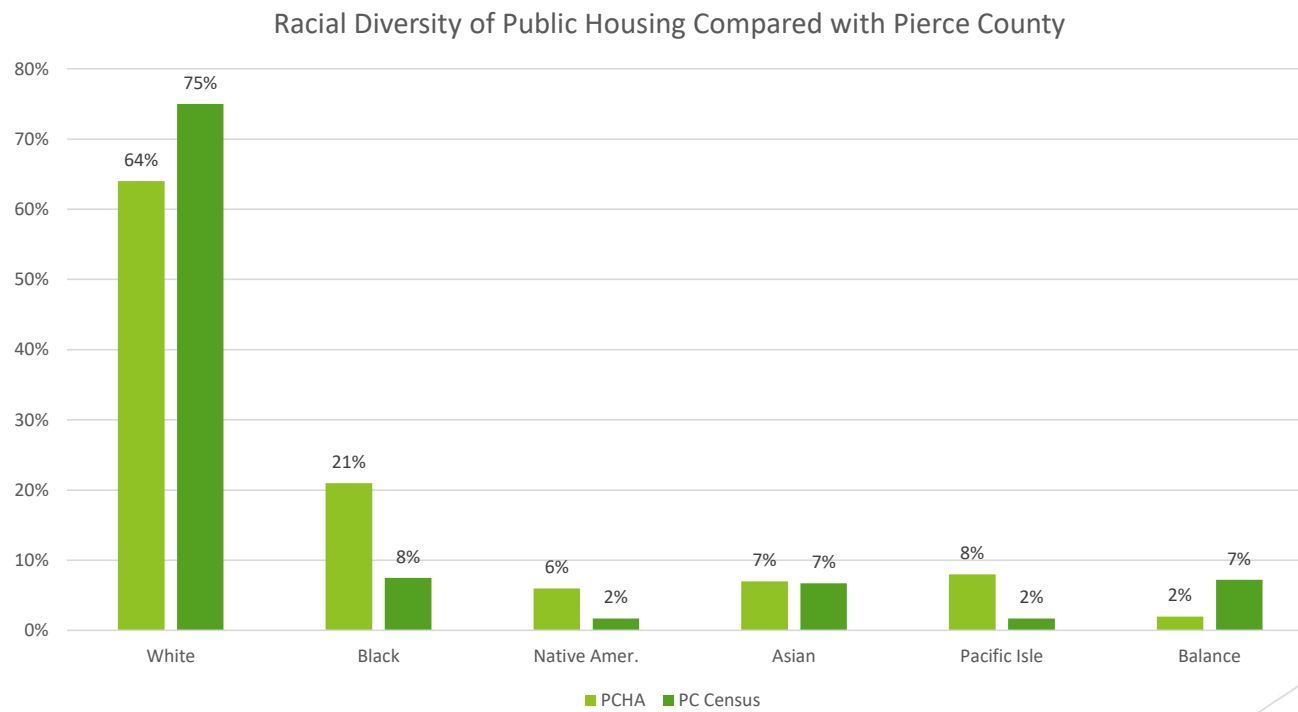
PCHA Public Housing Current Portfolio

Gender Head of Household



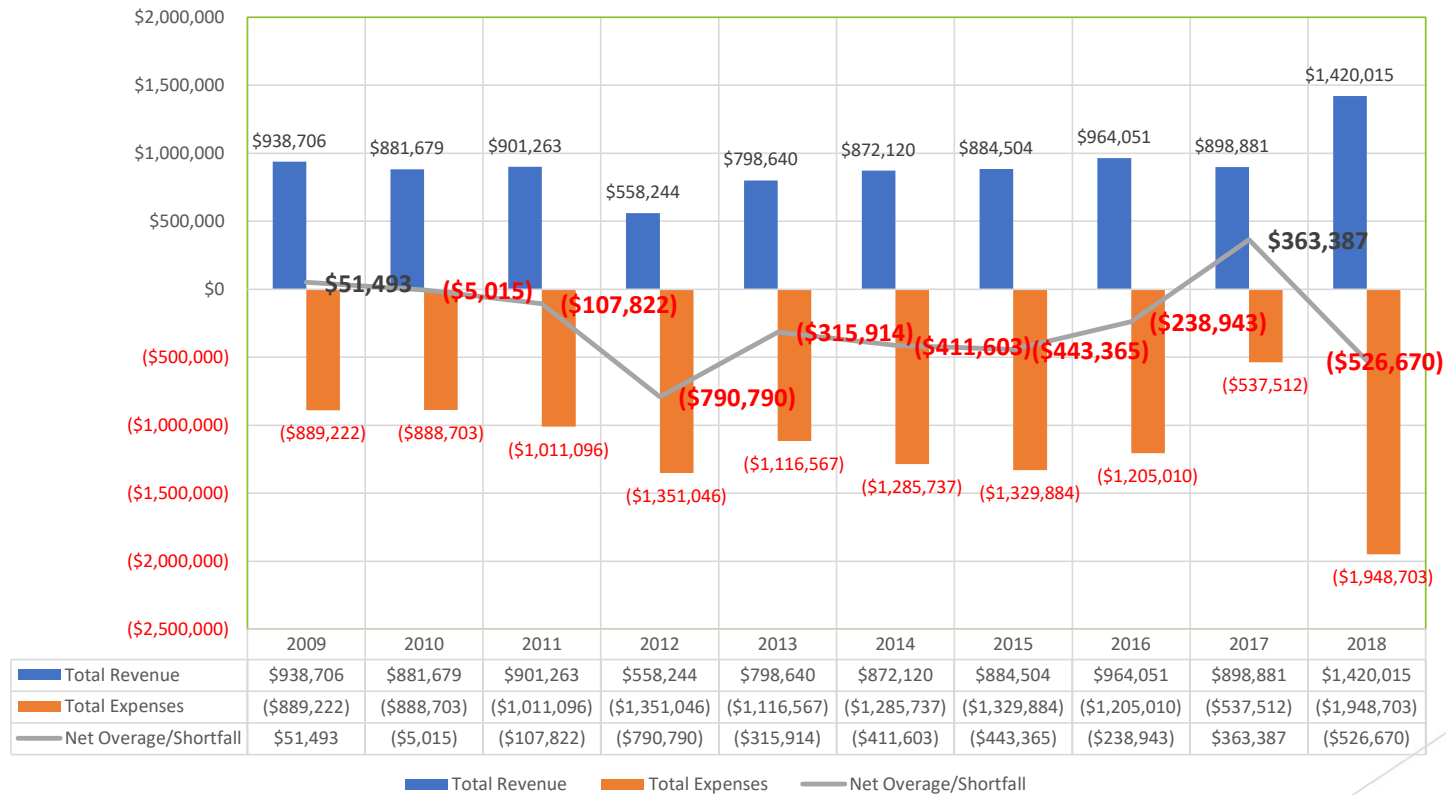
Average Age Head of Household	41
Average Annual Income/Monthly	\$26,679/\$2,220
Average Tenant Rent	\$391/mo
Average Household Size	3.9
Total Number of Minor Children	238
Disabled Household Members	33
Elderly (62+)	6
Total Occupants:	477

PCHA Public Housing Current Portfolio



PCHA Public Housing Current Portfolio

Public Housing Revenue/Expenditure 2009-2018



The unit mix of the Project is as follows:

	Number of Units	Composition	Approximate Square Footage
	41	1 bedroom, 1 bath	574
	54	2 bedroom, 2 bath	794
	10	3 bedroom, 2 bath	1,029
Total:	105		

The Borrower and the Developer

The Borrower for the Project is Everett Housing Legacy LLLP, a Washington limited liability limited partnership (the “Borrower”). The general partner of the Borrower is the Housing Authority of the City of Everett, a public body corporate and politic of the State of Washington (in such capacity, the “General Partner”), who will have a 0.009% ownership interest in the Borrower. The limited partner of the Borrower is RBC-Baker Heights LLC, a Delaware limited liability company (the “Investor Limited Partner”), who will have 99.99% ownership interest in the Borrower. The special limited partner of the Borrower is RBC Community Investments Manager II, Inc., a Delaware corporation (the “Special Limited Partner”), who will have 0.001% ownership interest in the Borrower.

The developer of the Project will be Housing Authority of the City of Everett, a public body corporate and politic of the State of Washington (in such capacity, the “Developer”). The Developer is in its 82nd year of operation. Since its inception, the Developer has focused on creating affordable housing options for residents at a variety of income levels. The Developer currently owns and operates 90 units of residential housing. In addition, the Developer is manager and general partner of six limited partnership entities which together own approximately 952 low income housing tax credit units and the sponsor and managing agent of 11 single asset nonprofit entities which together own approximately 443 units of rental housing.

The prior experience of the Developer or its affiliates is no assurance that the Project will be successful.

Limited Assets and Obligations of the Borrower

The Borrower entity was formed to develop, construct and operate the Project. The Borrower has no material assets other than the Project and has covenanted not to engage in any activities unrelated to the Project. However, the Developer and its affiliates are engaged in and will continue to engage in the acquisition, development, ownership and management of market rate and affordable housing developments. They may be financially interested in, as officers, partners or otherwise, and devote substantial times to, business and activities that may be inconsistent or competitive with the interests of the Project.

The obligations and liabilities of the Borrower under the Note are of a non-recourse nature and are limited to funds deposited or to be deposited under the Indenture to enable the Borrower to satisfy such obligations. Neither the Borrower nor its partners have any personal liability for payments on the Note to be applied to pay the principal of and interest on the Bonds. Furthermore, no representation is made that the Borrower has substantial funds available for the Project. Accordingly, neither the Borrower’s financial statements nor those of its partners are included in this Official Statement.

of partnership interests in the Borrower. The Subordinate Loan is anticipated to be repaid from the above-described Tax Credit equity contributions, will bear interest at a rate of 3.75% per annum, and will mature on September 1, 2023.

Sponsor Loan

Simultaneously with the closing of the Bonds, Sponsor will make a loan in the maximum principal amount of \$2,800,000 to the Borrower (“Sponsor Loan”). The Sponsor Loan will be secured by a subordinate Leasehold Deed of Trust, will be repayable from net cash flow, will bear interest at a rate of 8% per annum, and will mature on September 1, 2063, which maturity date may be extended.

HAP Contract

Simultaneously with the closing of the Bonds, Sponsor will provide the Borrower an Agreement to enter into a Housing Assistance Payments Contract and, upon completion of the Project, Sponsor is expected to provide a Housing Assistance Payment Contract, which will have a 20-year term with options to renew up to 40 years cumulatively.

THE PROJECT AND THE PARTICIPANTS

The Project

The Project consists of the construction and permanent phase financing of a 105-unit multifamily rental housing development to be known as Baker Heights Legacy, located at 2710 14th Street in Everett, Washington. The construction of the Project is expected to commence in April 2021 and be completed approximately 20 months later.

The Project will consist of four buildings containing residential units, as well as community amenities such as laundry facilities and meeting rooms. The Project’s new residential buildings will be surrounded by irrigated landscaping. New public sidewalks and curbs will extend along the north and south sides of the site. The courtyard between the buildings will include a children’s tot lot play area, an amphitheater with stepped seating, bioretention areas, bicycle racks, and motorcycle parking. Offsite work will include underground utilities within 14th and 15th streets at the north and south sides of the site. Building A will contain an Early Childhood Education facility run by the Everett Public Schools, with space for twenty students per class. None of the Bond proceeds will be applied to pay costs allocated to the portions of the Project used for non-housing purposes.

Typical units within the Project will include painted GWB walls and ceiling, with wood stud interior framing. Resilient vinyl plank flooring will be used throughout the apartment unit interior living rooms, kitchens, bathrooms, closets, and entry hallways and there will be no in-unit carpeting or sheet vinyl flooring. In-unit appliances will generally include electric range/oven, dishwasher, disposal, refrigerator, and range hoods. Buildings B, C, and D also include stacking washer/dryers.

ESTIMATED PERMANENT SOURCES AND USES OF FUNDS*

The total costs of the Project and the sources of funds to pay those costs are estimated by the Borrower as follows:

Sources of Funds*

Lender Loan	\$18,347,000
Tax Credit Equity†	16,467,108
Washington State Housing Trust Fund Loan	3,000,000
Snohomish County HOME Loan	1,500,000
Sponsor Loan	2,800,000
Deferred Developer Fee	899,683
General Partner Equity	1,000
Total	\$43,014,791

Uses of Funds*

Acquisition – (Land)	\$850,000
Hard Costs – Construction	28,555,459
Hard Costs Contingency	1,412,125
Soft Costs	4,350,355
Financing Costs	2,042,292
Reserves	857,305
Developer Fee	4,947,255
Total	\$43,014,791

† The Borrower expects to obtain the Subordinate Loan from Sponsor in the maximum principal amount of \$9,200,000* to bridge a portion of the Tax Credit equity contributions, and a portion of such loan will be advanced to the Trustee as Sponsor Collateral Deposits under the Indenture.

All costs of issuing the Bonds, including Underwriter's fee, will be paid by the Borrower from sources other than Bond proceeds.*

ESTIMATED SOURCES AND USES OF BOND PROCEEDS*

The sources and uses of funds for the Project to be applied under the Indenture are estimated by the Borrower to be approximately as follows.

Sources of Funds*

Bond Proceeds	\$22,000,000
Lender Collateral Deposit	18,347,000
Capitalized Interest Deposit†	
Sponsor Collateral Deposit	3,653,000
Total	\$44,000,000

Uses of Funds*

Deposit to Project Fund	\$22,000,000
Deposit to Capitalized Interest Account†	
Deposit to Collateral Fund	22,000,000
Total	\$44,000,000

† The Capitalized Interest Deposit has been calculated to be sufficient to pay, together with investment earnings on Permitted Investments deposited with the Trustee on the Closing Date, and without the need for reinvestment, interest which will become due on the Bonds to the Mandatory Tender Date.

* Preliminary; subject to change.

Routine Board Reports

2 YEAR TOOL ACRONYMS AND TERMS

ABA- ANNUAL BUDGET AUTHORITY -Annual Budget Authority (for HAP expenses in the HCV program)

ACC: ANNUAL CONTRIBUTION CONTRACT (ACC): Annual contracts with Public Housing Authorities for payments toward rent, financing debt service, and financing for modernization.

BA: BUDGET AUTHORITY-Legal authority to enter into financial obligations

FMR: FAIR MARKET RENT (FMR): Primarily used to determine payment standard amounts for the Housing Choice Voucher program, to determine initial renewal rents for some expiring project-based Section 8 contracts, to determine initial rents for housing assistance payment contracts in the Moderate Rehabilitation Single Room Occupancy program, and to serve as a rent ceiling in the [HOME](#) rental assistance program.

HAP- HOUSING ASSISTNACE PAYMENT

HHR-HUD HELD RESERVES

PUC-PER UNIT COST-The average cost of HAP we pay monthly per voucher count and HAP expenses reported.

UMA- UNIT MONTHS AVAILABLE- total number of vouchers allocated by HUD to PCHA

UML-UNIT MONTHS LEASED- total number of vouchers under the allocation actually leased for that month.

Supported Housing Board Report

May 2022

Highlights

Staffing

- Recruitment for Apprentice Housing Specialists- 3 positions available- public recruitment, interviews have begun and we have several viable candidates. Will hope to a make decision in the next 2 weeks.

Yardi Software Conversion

- Go live date is July 1, 2022. HCV and LIPH have been working in dual databases since January 1, 2022. We are in the process of a line-by-line audit of every participant and landlord between our current database, Encompass and the new database, Yardi. Staff is verifying unit addresses, landlord information, and current respective subsidies, making sure they are correct and the July 1, 2022 \$2.5 million check run to our landlord community is a smooth transition.

Delinquencies, Repayments, Evictions – Public Housing

- \$119,346.40 total delinquency as of 5/19/2022 (30% of our households have a balance due of \$1000 or more)
- 14-Day Pay or Quit Notices being issued every month. Multiple administrative layers to new landlord-tenant law, which requires Repayment Plan offers and Early Eviction Resolution Program (ERP) through Center for Dialog and Resolution.
- Eviction on non-payment cannot happen unless tenant refuses to enter into Repayment Plan and we receive a “certificate of failure” from ERP, or fails to comply with signed/executed Repayment Plan terms.

* Only 1 court ordered non-payment eviction so far – and that was this month May 2022, sheriff will be out this week and it appears the tenant is moving.

*Working with attorney and ERP/Center of Dialog & Resolution to get movement on the highest balances, most of whom have not entered into Repayment Plans and are unresponsive to communications from property management- we had 2 writs issued in May but both were stayed and the order requires us to ask for mitigation funds from the State of Washington Department of Commerce rent relief program. We will apply but up until a month ago, PHA’s were not qualified to ask for these funds, we now are but were told that we are last ones in the pipeline to be approved and it would be a year before we saw any money.

For the HCV breakdown please refer to the 2-year tool.

HCV Leasing and Spending Projection

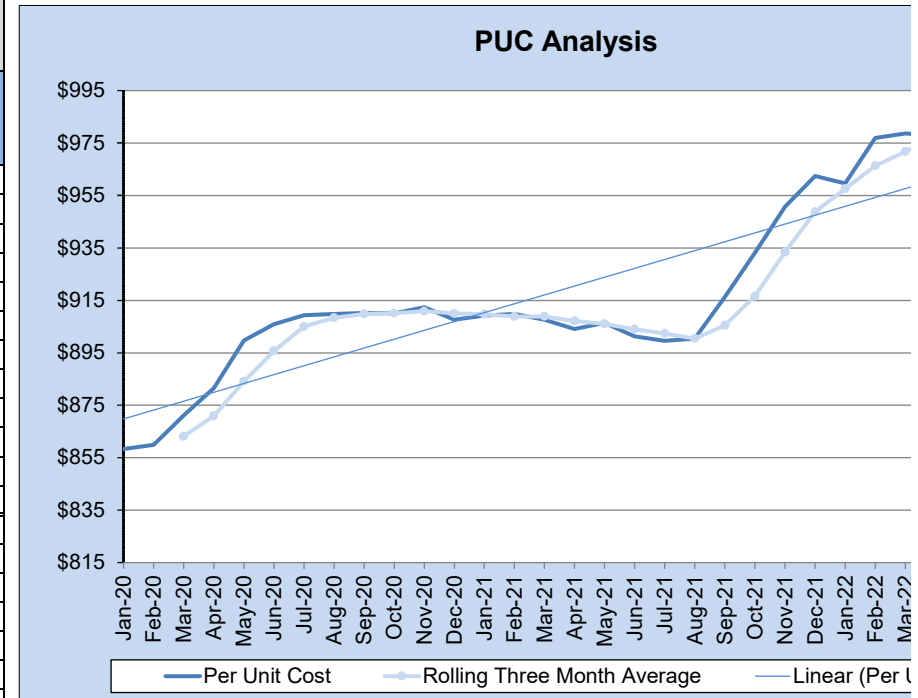
PHI Name				PHA Number				WA054				Utilization Report:				HCV Utilization Report December 2021				Print				TYT Guide				TYT Videos			
Save				Access Additional Tools				Disclaimer																							
ACC/Funding Information								Funding Proration/Offset Levels				Program Projection Variables								Leasing and Spending Outcomes: Current and Following Year Projections											
ACC		Current Year (2021)	Year 2 (2022)	Year 3 (2023)	HAP				Success Rate		58%		Annual Turnover Rate		6.8%		2021				2022										
Beginning ACC Vouchers		2,946	2,946	2,946	Year 2 (2022) Rebenchmark		102.7%								PIC EOP % as of 2/28/2022 (164 EOPs): 6.64%		UML % of ACC (UMA)		87.8%		86.8%										
Funding Components		Current Year (2021)	Year 2 (2022)	Year 3 (2023)	Year 3 (2023) Rebenchmark		102.7%		Time from Issuance to HAP Effective Date (Current: 2.74 months)								HAP Exp as % All Funds		92.8%		97.0%										
Initial BA Funding (net offset)		\$29,661,811	\$29,247,765	\$31,332,772	Year 2 (2022) % 'Excess' Reserves Offset		25.0%		% leased in 30 days		29%				*Estimated* 2022 Inflation		HAP Exp as % of Eligibility only		96.0%		104.3%										
Offset of HAP Reserves		\$0	\$0	\$0	Year 3 (2023) % 'Excess' Reserves Offset		0.0%		% leased in 30 to 60 days		25%				2.7%		End of Year Results														
Set Aside Funding		\$0			Administrative Fees				% leased in 60 to 90 days		12%						Projected 12/31 Total HAP Reserves		\$2,207,540		\$947,013										
New ACC Units Funding		\$0	\$0	\$0	Year 1 (2021)		84.0%		% leased in 90 to 120 days		11%						HAP Reserves as % of ABA (Start: 3.3%)		7.4%		3.2%										
Total ABA Funding Provided		\$29,661,811	\$29,247,765	\$31,332,772	Year 2 (2022)		80.0%		% leased in 120 to 150 days		23%						"Excess" Reserves Subject To Offset		\$0		\$0										
PHA Income		\$28,492	\$736														End of Year 3 Results (2023)														
Total Cash-Supported Prior Year-End Reserves		\$986,153	\$2,207,540	\$947,013	HUD-Held Reconciliation Cash Sufficiency Check												\$1,214,984		3.9%		Projected Total HAP Reserves ***** Reserves % BA										
					HUD-established CYE HHR		\$926,497		HUD-established CYE HHR																						
Total Funding					HUD-estimated Net Excess Cash		\$146,498		\$103,115		PHA-Held Cash 12/31/2020 (VMS)						Administrative Fees Analysis		See Detail		2021		2022								
Total Funding Available		\$30,676,456	\$31,456,041	\$32,279,785	HUD-Reconciled		\$1,072,995		\$1,029,612		HUD-Reconciled (Cash Capped)				<= 7,200 UMLs (No Proration)		> 7,200 UMLs (No Proration)		Admin Fees Earned (PY: \$2,220,212)		\$2,213,113		\$2,074,570								
					Lower of H17/I17 (May Override)		\$986,153		Lower of H17/I17 (May Override)		Reserve Adjustment due to PY VMS Changes.				\$95.58		\$89.23		Expense		\$0		\$1,487,068								
					HUD-Reconciled Excess Cash v PHA RNP (12/31/2020)														Expense %		0.0%		71.7%								
					HUD v. PHA difference: \$43,383.00 or 0.1% of Eligibility		\$103,115		<--VMS EOY RNP ***** EOY Excess Cash -->		\$146,498				WA054 has a cost per UML of \$52.08 compared to its Earnings/UML & Size peer group of \$84.90 (a difference of -63%) and its state peer group (of all PHAs in the state) of \$61.33 (a difference of -17.8%).				Based on the most recent, official (end of fiscal year) UNP, WA054 has a projected 2021 Calendar Year-End (CYE) UNP of \$1,975,181 (or 89.2% of CY 2021 Earned Admin Fees) and a 2022 CYE UNP of \$2,562,683 (or 123.5% of CY 2022 Earned Admin Fees).												

HCV Leasing and Spending Projection

2021	UMAs	Actual UMLs	Actual HAP	Vouchers Issued/Projected To Be Issued	Other Planned Additions/ Reductions	New Leasing from Issued Vouchers	Estimated Attrition	UMLs: Actual/Projected	HAP: Actual/Projected	PUC: Actual/Projected	Manual PUC Override	Cumulative % Annual Leased	Cumulative % Eligibility Expended	Monthly UML %	Monthly ABA Expended %
Jan-21	2,946	2,615	\$2,377,772					2,615	\$2,377,772	\$909		88.8%	96.2%	88.8%	96.2%
Feb-21	2,946	2,611	\$2,375,500					2,611	\$2,375,500	\$910		88.7%	96.1%	88.6%	96.1%
Mar-21	2,946	2,604	\$2,363,474					2,604	\$2,363,474	\$908		88.6%	96.0%	88.4%	95.6%
Apr-21	2,946	2,587	\$2,338,913					2,587	\$2,338,913	\$904		88.4%	95.6%	87.8%	94.6%
May-21	2,946	2,571	\$2,330,554					2,571	\$2,330,554	\$906		88.2%	95.4%	87.3%	94.3%
Jun-21	2,946	2,568	\$2,314,495					2,568	\$2,314,495	\$901		88.0%	95.1%	87.2%	93.6%
Jul-21	2,946	2,551	\$2,294,909					2,551	\$2,294,909	\$900		87.8%	94.8%	86.6%	92.8%
Aug-21	2,946	2,541	\$2,288,017					2,541	\$2,288,017	\$900		87.6%	94.5%	86.3%	92.6%
Sep-21	2,946	2,522	\$2,310,938					2,522	\$2,310,938	\$916		87.4%	94.4%	85.6%	93.5%
Oct-21	2,946	2,625	\$2,449,518					2,625	\$2,449,518	\$933		87.6%	94.8%	89.1%	99.1%
Nov-21	2,946	2,628	\$2,498,368					2,628	\$2,498,368	\$951		87.7%	95.4%	89.2%	101.1%
Dec-21	2,946	2,625	\$2,526,458					2,625	\$2,526,458	\$962		87.8%	96.0%	89.1%	102.2%
Total	35,352	31,048	\$28,468,916	0	0	0	0.0	31,048	\$28,468,916	\$917		87.8%	96.0%		
2022															
Jan-22	2,946	2,609	\$2,503,584					2,609	\$2,503,584	\$960		88.6%	102.7%	88.6%	102.7%
Feb-22	2,946	2,615	\$2,554,709					2,615	\$2,554,709	\$977		88.7%	103.8%	88.8%	104.8%
Mar-22	2,946	2,593	\$2,537,612					2,593	\$2,537,612	\$979		88.4%	103.9%	88.0%	104.1%
Apr-22	2,946	2,548	\$2,491,814					2,548	\$2,491,814	\$978		88.0%	103.5%	86.5%	102.2%
May-22	2,946	0	\$0	102	4	0	-14.4	2,538	\$2,496,960	\$984	\$984	87.6%	103.3%	86.1%	102.4%
Jun-22	2,946	0	\$0		4	17	-14.4	2,544	\$2,518,895	\$990	\$990	87.4%	103.3%	86.4%	103.3%
Jul-22	2,946	0	\$0		4	15	-14.4	2,549	\$2,538,515	\$996	\$996	87.3%	103.4%	86.5%	104.2%
Aug-22	2,946	0	\$0		4	7	-14.4	2,545	\$2,550,458	\$1,002	\$1,002	87.2%	103.6%	86.4%	104.6%
Sep-22	2,946	0	\$0		4	7	-14.4	2,541	\$2,561,782	\$1,008	\$1,008	87.1%	103.7%	86.3%	105.1%
Oct-22	2,946	0	\$0		4	14	-14.4	2,545	\$2,580,281	\$1,014	\$1,014	87.0%	103.9%	86.4%	105.9%
Nov-22	2,946	0	\$0		4	0	-14.4	2,534	\$2,584,921	\$1,020	\$1,020	86.9%	104.1%	86.0%	106.1%
Dec-22	2,946	0	\$0		4	0	-14.4	2,524	\$2,589,496	\$1,026	\$1,026	86.8%	104.3%	85.7%	106.2%
Total	35,352	10,365	\$10,087,719	102	0	59	-115.3	30,685	\$30,509,028	\$994		86.8%	104.3%		
<div>Graphs</div> <div> <p>FINANCIAL - Beginning Year: Cash & Investments (VMS) of \$103,115 compares to RNP (VMS) of \$103,115. Current: VMS Cash & Investments of \$376,269 compares to VMS NRP plus UNP of \$376,269. SPVs: Additional SPV leasing should focus on the 83 unleased VASH vouchers and the 18 unleased NED vouchers. PBVs: Currently, the PHA reports 208 leased PBVs, for a leased PBV rate of 86%. Additional leasing should focus on the 34 unleased PBVs, for which the PHA is making vacancy payments on 0. Finally, the PHA reports 0 PBVs under AHAP.</p> </div> <div>Comments (VMS Comments in Note)</div>															

HCV Leasing and Spending Projection

PUC Analysis						
Year	Month	ACTUAL Leased Units	Actual HAP	Per Unit Cost	Monthly Change	Rolling Three Month Average
2020	J	2,683	\$2,302,887	\$858.33		
2020	F	2,676	\$2,301,295	\$859.98		
2020	M	2,668	\$2,324,359	\$871.20	↗ 1.31%	\$863.17
2020	A	2,662	\$2,346,489	\$881.48	↗ 1.18%	\$870.88
2020	M	2,660	\$2,393,352	\$899.76	↗ 2.07%	\$884.14
2020	J	2,651	\$2,401,718	\$905.97	↗ 0.69%	\$895.73
2020	J	2,650	\$2,409,780	\$909.35	↗ 0.37%	\$905.02
2020	A	2,635	\$2,397,585	\$909.90	↗ 0.06%	\$908.41
2020	S	2,632	\$2,395,610	\$910.19	↗ 0.03%	\$909.81
2020	O	2,619	\$2,383,601	\$910.12	↘ -0.01%	\$910.07
2020	N	2,608	\$2,379,473	\$912.37	↗ 0.25%	\$910.89
2020	D	2,616	\$2,374,249	\$907.59	↘ -0.52%	\$910.03
2021	J	2,615	\$2,377,772	\$909.28	↗ 0.19%	\$909.75
2021	F	2,611	\$2,375,500	\$909.80	↗ 0.06%	\$908.89
2021	M	2,604	\$2,363,474	\$907.63	↘ -0.24%	\$908.91
2021	A	2,587	\$2,338,913	\$904.10	↘ -0.39%	\$907.18
2021	M	2,571	\$2,330,554	\$906.48	↗ 0.26%	\$906.07
2021	J	2,568	\$2,314,495	\$901.28	↘ -0.57%	\$903.95
2021	J	2,551	\$2,294,909	\$899.61	↘ -0.19%	\$902.46
2021	A	2,541	\$2,288,017	\$900.44	↗ 0.09%	\$900.44
2021	S	2,522	\$2,310,938	\$916.31	↗ 1.76%	\$905.45
2021	O	2,625	\$2,449,518	\$933.15	↗ 1.84%	\$916.63
2021	N	2,628	\$2,498,368	\$950.67	↗ 1.88%	\$933.38
2021	D	2,625	\$2,526,458	\$962.46	↗ 1.24%	\$948.76
2022	J	2,609	\$2,503,584	\$959.60	↘ -0.30%	\$957.58
2022	F	2,615	\$2,554,709	\$976.94	↗ 1.81%	\$966.33
2022	M	2,593	\$2,537,612	\$978.64	↗ 0.17%	\$971.73
2022	A	2,548	\$2,491,814	\$977.95	↘ -0.07%	\$977.84
2022	M					
2022	J					



Remove
Abated Units
from PUC
Calculation

R-Squared, last 6 months

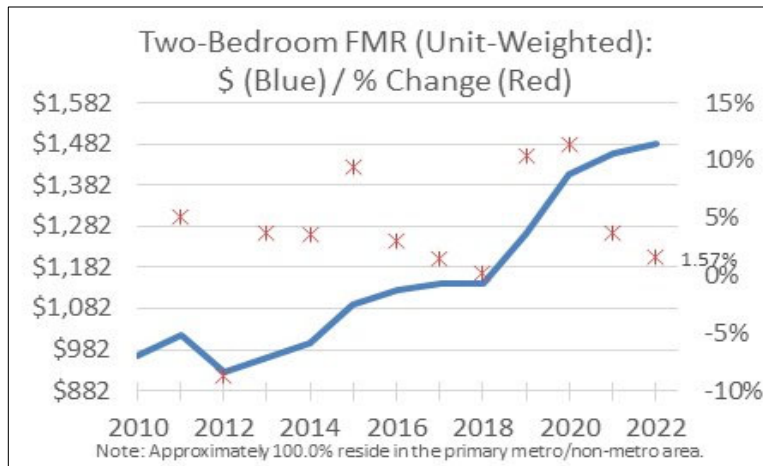
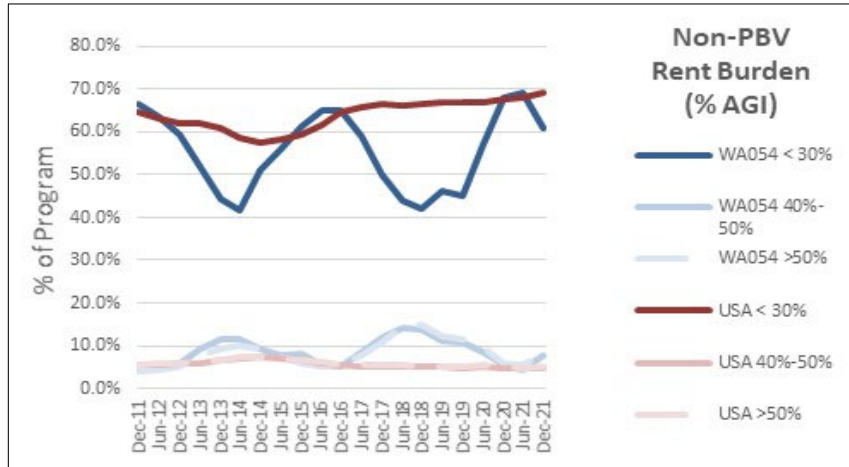
Choose PUC Method

Average Rolling Three-Month Change

Material New Units at
a Material New PUC?

HCV Leasing and Spending Projection

Subsidy Standard Peek	
Peer Group: Avg. Family Members	2.25-<2.5
PHA: Family Members/ Voucher Size	1.22
Peer: Family Members/ Voucher Size	1.22
% Difference	-0.5%
PHA: Unit Size/ Voucher Size	1.12
Peer: Unit Size/ Voucher Size	1.16
% Difference	-3.2%



Count of Areas (i.e. Zip Code) in SAFMR	45
% of June 2021 UML - within SAFMR	89.9%
Count of Areas - SAFMR > FMR	22
% of June 2021 UML - SAFMR > FMR	32.0%

[Open SAFMR Detail Analysis](#)
[PIH 2018-01](#)

- (II) **SAFMR-based exception payment standards (24 CFR §982.503(b)(1)(iii)).** A non-SAFMR PHA may establish an exception payment standard for a ZIP code area of up to and including 110 percent of the SAFMR determined by HUD for that ZIP code area. Regardless of the level of the exception payment standard compared to the MAFMR, the PHA must simply send an email to SAFMRs@hud.gov to notify HUD that it has adopted an exception payment standard based on the SAFMR. In other words, HUD no longer approves or disapproves the exception payment standard amount under this method, nor does the limitation at 24 CFR §902.982(c)(5), governing the total population of HUD-approved exception areas, apply to exception payment standard areas established for a ZIP code area pursuant to this authority.

A PHA that adopts an exception payment standard pursuant to this authority must apply it to the entire ZIP code area, for both its HCV and, if applicable, PBV program. For the PBV program, this means that the rent to owner may not exceed the new exception payment standard amount, provided the rent is still reasonable (24 CFR §983.301(b)).

A PHA that adopts an exception payment standard area must revise its briefing materials to make families aware of the exception payment standard and the area that it covers.

[PIH 2021-34](#)

Table 1. List of expedited regulatory waivers.

Item	Waiver Name	Regulation	Summary of relief from HUD requirements
(1)	Increase in Payment Standard During HAP Contract Term	982.505(c)(4)	PHAs have the option to increase the payment standard for the family at any time after the effective date of the increase, rather than waiting for the next regular reexamination.
(5)	Voucher Tenancy: New Payment Standard Amount	982.503(b)	PHAs may request an expedited waiver to allow for establishment of payment standards from 111 to 120 percent of the FMR. PHAs must follow the instructions below specific to this waiver.

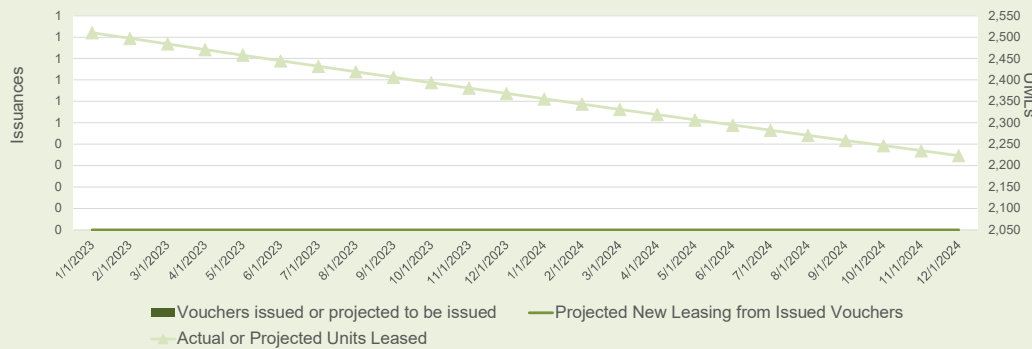
HCV Leasing and Spending Projection

				Years 3 & 4								Print			
PHA Name		HA of Pierce County		PHA Number		WA054									
ACC and Funding Information						Funding Proration/Offset Levels		Program Projection Variables				Leasing and Spending Outcomes: Current and Following Year Projections			
ACC		Year 3 (2023)	Year 4 (2024)	Year 5 (2025)			HAP		Success Rate	58%	Annual Turnover Rate	6.8%			
Beginning ACC # Vouchers		2,946	2,946	2,946			Years 4 & 5	100.0%					UML % of ACC (UMA)	82.8%	77.7%
Funding Components		Year 3 (2023)	Year 4 (2024)	Year 5 (2025)			% Excess Reserves (Optional)		Time from Issuance to HAP Effective Date (Current: 2.74 months)				HAP Exp as % All Funds	96.2%	94.5%
Initial BA Funding (net offset)		\$31,332,772	\$31,064,800	\$30,509,565			Years 4 & 5	0.0%	% leased in 30 days	29%			HAP Exp as % of Eligibility only	99.1%	98.2%
Offset of HAP Reserves		\$0	\$0	\$0			Administrative Fees		% leased in 30 to 60 days	25%			End of Results		
Set Aside Funding		\$0					Years 4 & 5	80.0%	% leased in 60 to 90 days	12%			Projected 12/31 Total HAP Reserves	\$1,214,984	\$1,770,220
New ACC Units Funding		\$0	\$0						% leased in 90 to 120 days	11%			HAP Reserves as % of ABA (Start: 3.0%)	3.9%	5.7%
Total ABA Funding Provided		\$31,332,772	\$31,064,800	\$30,509,565					% leased in 120 to 150 days	23%			"Excess" Reserves Subject to Offset	\$0	\$527,628
PHA Income		\$0													
Cash-Supported Total Reserves at Year-End		\$947,013	\$1,214,984	\$1,770,220											
Total Funding															
Total Funding Available		\$32,279,785	\$32,279,785	\$32,279,785											

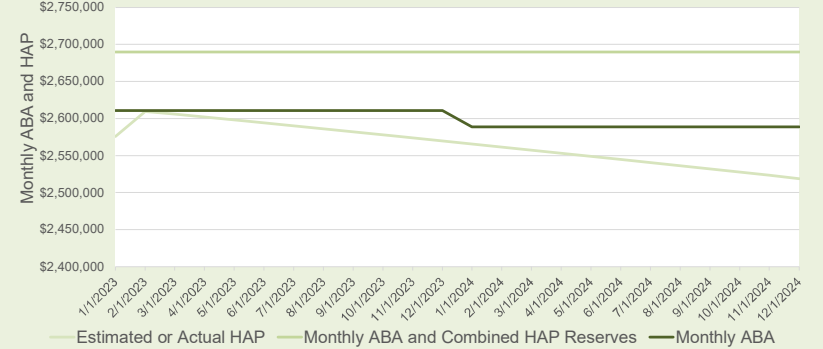
HCV Leasing and Spending Projection

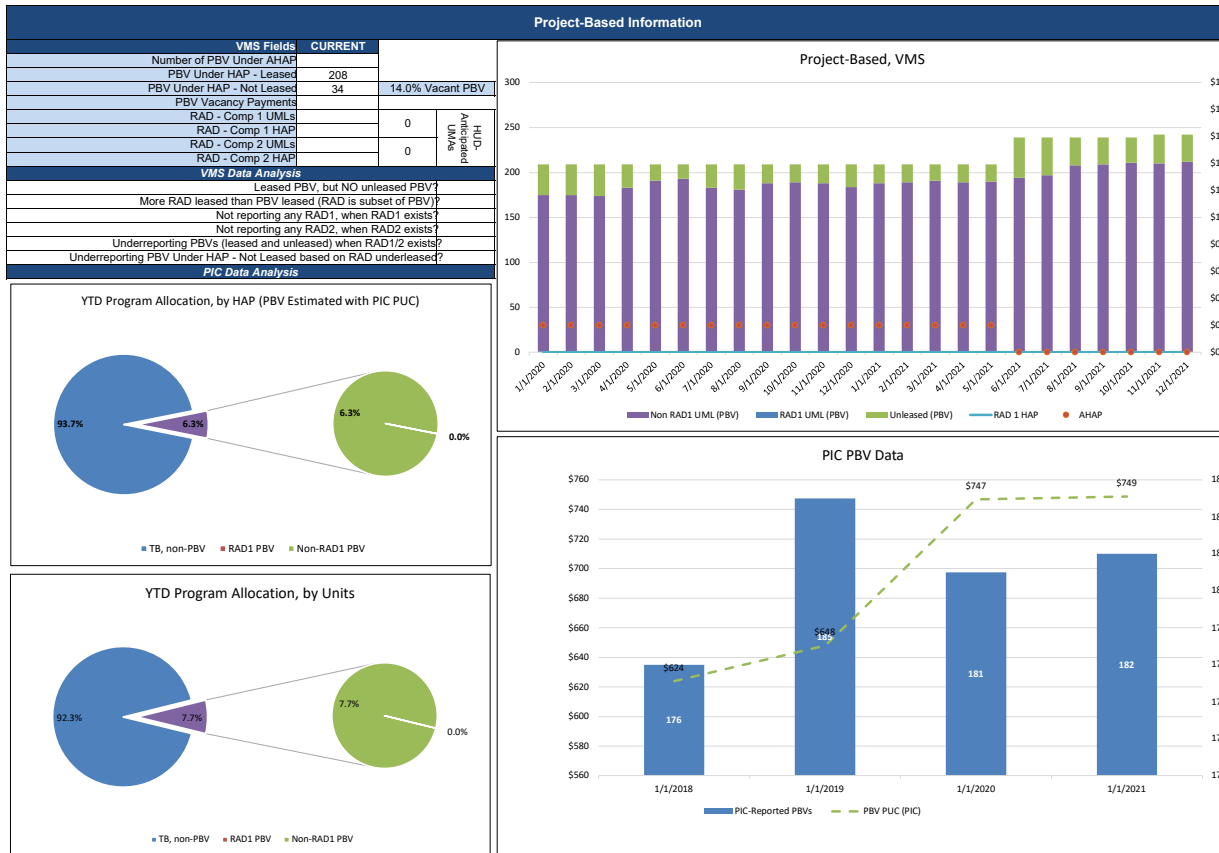
2023	UMAs	Actual UMLs	Actual HAP	Vouchers Issued/Projected To Be Issued	Other Planned Additions/Reductions	New Leasing from Issued Vouchers	Estimated Attrition	UMLs: Actual/Projected	HAP: Actual/Projected	PUC: Actual/Projected	Manual PUC Override	Cumulative % Annual Leased	Cumulative % Eligibility Expended	Monthly UML %	Monthly ABA Expended %
Jan-23	2,946	2,511	\$2,575,848		1	0	-14.3	2,511	\$2,575,848	\$1,026	\$1,041	85.2%	98.7%	85.2%	98.7%
Feb-23	2,946				1	0	-14.2	2,497	\$2,609,661	\$1,045	\$1,045	85.0%	99.3%	84.8%	99.9%
Mar-23	2,946				1	0	-14.2	2,484	\$2,605,788	\$1,049	\$1,049	84.8%	99.5%	84.3%	99.8%
Apr-23	2,946				1	0	-14.1	2,471	\$2,601,888	\$1,053	\$1,053	84.5%	99.5%	83.9%	99.6%
May-23	2,946				1	0	-14.0	2,458	\$2,597,961	\$1,057	\$1,057	84.3%	99.5%	83.4%	99.5%
Jun-23	2,946				1	0	-13.9	2,445	\$2,594,008	\$1,061	\$1,061	84.1%	99.5%	83.0%	99.3%
Jul-23	2,946				1	0	-13.9	2,432	\$2,590,030	\$1,065	\$1,065	83.9%	99.4%	82.6%	99.2%
Aug-23	2,946				1	0	-13.8	2,419	\$2,586,027	\$1,069	\$1,069	83.7%	99.4%	82.1%	99.0%
Sep-23	2,946				1	0	-13.7	2,406	\$2,581,999	\$1,073	\$1,073	83.4%	99.3%	81.7%	98.9%
Oct-23	2,946				1	0	-13.6	2,394	\$2,577,947	\$1,077	\$1,077	83.2%	99.3%	81.3%	98.7%
Nov-23	2,946				1	0	-13.6	2,381	\$2,573,871	\$1,081	\$1,081	83.0%	99.2%	80.8%	98.6%
Dec-23	2,946				1	0	-13.5	2,368	\$2,569,772	\$1,085	\$1,085	82.8%	99.1%	80.4%	98.4%
Total	35,352			0	0	0	-166.7	29,266	\$31,064,800	\$1,061		82.8%	99.1%		
2024															
Jan-24	2,946				1	0	-13.4	2,356	\$2,565,650	\$1,089	\$1,089	80.0%	99.1%	80.0%	99.1%
Feb-24	2,946				1	0	-13.4	2,344	\$2,561,505	\$1,093	\$1,093	79.8%	99.0%	79.6%	98.9%
Mar-24	2,946				1	0	-13.3	2,331	\$2,557,338	\$1,097	\$1,097	79.6%	98.9%	79.1%	98.8%
Apr-24	2,946				1	0	-13.2	2,319	\$2,553,149	\$1,101	\$1,101	79.3%	98.9%	78.7%	98.6%
May-24	2,946				1	0	-13.1	2,307	\$2,548,939	\$1,105	\$1,105	79.1%	98.8%	78.3%	98.5%
Jun-24	2,946				1	0	-13.1	2,295	\$2,544,708	\$1,109	\$1,109	78.9%	98.7%	77.9%	98.3%
Jul-24	2,946				1	0	-13.0	2,283	\$2,540,457	\$1,113	\$1,113	78.7%	98.6%	77.5%	98.1%
Aug-24	2,946				1	0	-12.9	2,271	\$2,536,185	\$1,117	\$1,117	78.5%	98.5%	77.1%	98.0%
Sep-24	2,946				1	0	-12.9	2,259	\$2,531,894	\$1,121	\$1,121	78.3%	98.5%	76.7%	97.8%
Oct-24	2,946				1	0	-12.8	2,247	\$2,527,583	\$1,125	\$1,125	78.1%	98.4%	76.3%	97.6%
Nov-24	2,946				1	0	-12.7	2,235	\$2,523,253	\$1,129	\$1,129	77.9%	98.3%	75.9%	97.5%
Dec-24	2,946				1	0	-12.7	2,223	\$2,518,905	\$1,133	\$1,133	77.7%	98.2%	75.5%	97.3%
Total	35,352			0	0	0	-156.5	27,468	\$30,509,565			77.7%	98.2%		

Issuing/New Leasing/UML Trend



Spending v. Funding





Report of Maintenance Division

May 2022

Staff Projects

- I. Brookridge (69 units)
7312D was completed to make ready status. 6 work orders were completed this month.
- II. Chateau Rainer (248 units)
D101, M204, R101, and R107 were completed to make ready status. 76 work orders were completed this month.
- III. Demark (93 units)
This month we utilized all Maintenance Specialists for our “All Hands” approach to substantially reduce the amount of vacant units A101, A203, A204, C205, and E105 were completed to make ready status. 15 work orders were completed this month.
- IV. Lakewood Village (136 units)
B301 and C203 were completed to make ready status. 26 work orders were completed this month.
- V. Low Income Public Housing (124 homes)
UPCS inspections were completed at 58, 59, 75, 96, 101, 116, 119, 132, 169, and 184. Roofs and gutters were cleaned at 31, 32, 74, 144, and 160. 32 work orders were completed this month.

Training and Development

- I. This month’s safety meeting will cover “Safe Driving” which will explain safe driving techniques, stopping distances, distracted driving, and the importance of vehicle inspections.

AFFORDABLE HOUSING DIVISION BOARD REPORT May 2022

The Affordable Housing team continues to provide quality customer service to residents and public of our eight affordable housing complexes while navigating the continued impacts of the pandemic, staffing, and economy.

HIGHLIGHTS

Customer Service

- Work Orders – along with meeting with residents for lease renewals, resident work orders have increased
- Continued to meet with residents in individual meetings
- Finishing last of new leases this month

Yardi Software Transition for Affordable Housing Division

- Go Live/Transition to new software for current = July 1, 2022
- June 2022 – All residents of the apartment communities starting June 6th will transition their pay accounts from old system to new system to be effective July 1st
- Multiple layers, coordination, and timelines with Finance, Affordable Housing, Yardi, and Wise Consulting to finally get to this step.
- Mandatory overtime for staff the data entry/account updates of all 670 units

Staffing

- Recruitment Assistant Property Manager – external/public recruitment, reviewed applications, interviews starting
- Property Manager – Internal Promotion – Kendal Stearns effective 4/30/2022

Delinquencies, Repayments, Evictions

- \$275,010.84 total delinquency as of 5/16/2022
- 14-Day Pay or Quit Notices being issued every month. Multiple administrative layers to new landlord-tenant law, which requires Repayment Plan offers and Early Eviction Resolution Program (ERP) through Center for Dialog and Resolution.
- Eviction on non-payment cannot happen unless tenant refuses to enter into Repayment Plan and we receive a “certificate of failure” from ERP, or fails to comply with signed/executed Repayment Plan terms.
 - Only 1 court ordered non-payment eviction so far – and that was this month May 2022
 - Working with attorney and ERP/Center of Dialog & Resolution to get movement on the highest balances, most of whom have not entered into Repayment Plans and are unresponsive to communications from property management

Property	Total Number of Apartments	Number of Delinquencies	Repayment Plans	Range of Amounts Due	Total Delinquencies
Brookridge	67	12	4	\$70 - \$7,130	\$21,187.40
Chateau Rainier	248	42	5	\$12 - \$16,135	\$99,900.82
DeMark	93	22	2	140 - \$12,555*	\$40,614.06
Hidden Village	26	6	TBA	\$25 - \$4,719	\$7,209.79
Lakewood Village	136	47	TBA	\$40 - \$15,030	\$76,635.58
Montgrove Manor (GLMH)	30	3	0	\$110 - \$226	\$465.00
Oakleaf	26	7	2	\$35 - \$1,995**	\$7,449.57
Village Square	38	5	1	\$120 - \$13,772**	\$21,548.62
					\$275,010.84
				*Eviction/Court Date	
				**Repayment Plan	

- Supplementary Occupancy and Delinquency Data Report for April 2022 Included with this report

Report Date: 5/19/2022, McLeod, C.L.

Occupancy and Leasing for Period Ending 4/30/22

Occupancy Statistics Apartments	Total Units Available	4/2022 Total # Rented Units	PHA Occupancy %	Total Vacant PB S8 Units	PHA Adjusted Occupancy %
Brookridge	67	64	96%	-	96%
Chateau Rainier	248	239	96%	1	97%
DeMark	93	86	92%	2	95%
Hidden Village	26	26	100%	-	100%
Lakewood Village	136	124	91%	3	93%
Oakleaf	26	21	81%	-	81%
Montgrove Manor	30	27	90%	-	90%
Village Square	38	34	89%	-	89%
Totals	664	621	94%	6	94%

Turn-over Statistics	Trailing 12 Months Move Outs:	106	16%
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Occupancy Statistics Assisted Housing	Total Units Available	4/2022 Total # Rented Units	PHA Occupancy %	Total Units Under Modernizatio n	PHA Adjusted Occupancy %
Orting	20	18	90%	-	90%
LIPH	124	124	100%	-	100%
Totals	144	142	99%	-	99%

Delinquency and Debt for Period Ending 4/30/22

Delinquency Statistics Apartments	4/2022 Rent Roll	YTD Rent Roll	4/2022 Total # Rented Units	Total Units Delinquent	Total Delinquent Actives	% of YTD Rents Delinquent	Delinquent Actives in Evictions	Delinquent Active HAP Section 8/Agency	Pierce County's Covid-19 Rental Assistance	Stipulation & Program Repayments	Adjusted Delinquent Actives	Adjusted % of Active Rents Delinquent
Brookridge	\$ 41,500	\$ 162,805	64	13	\$ 15,715	10%	\$ -	\$ -	\$ -	\$ -	\$ 15,715	10%
Chateau Rainier	\$ 213,958	\$ 828,367	239	47	\$ 59,605	7%	5,445	-	-	-	54,160	7%
DeMark	\$ 77,090	\$ 298,689	86	17	\$ 28,137	9%	-	-	-	2,525	25,612	9%
Hidden Village	\$ 16,950	\$ 60,092	26	6	\$ 5,576	9%	-	-	-	4,876	700	1%
Lakewood Village	\$ 120,696	\$ 461,143	124	31	\$ 62,962	14%	-	-	-	-	62,962	14%
Oakleaf	\$ 11,490	\$ 47,805	21	6	\$ 3,881	8%	-	-	-	-	3,881	8%
Montgrove Manor	\$ 11,700	\$ 48,150	27	4	\$ 204	0%	-	-	-	-	204	0%
Village Square	\$ 22,605	\$ 88,195	34	7	\$ 19,127	22%	-	-	-	-	19,127	22%
Totals	\$ 515,989	\$ 1,995,246	621	131	\$ 195,207	10%	\$ 5,445	\$ -	\$ -	\$ 7,401	\$ 182,361	9%

Delinquency Statistics Asst Housing	4/2022 Rent Roll	YTD Rent Roll	4/2022 Total # Rented Units	Total Units Delinquent	Total Delinquent Actives	% of YTD Rents Delinquent	Delinquent Actives in Evictions	Delinquent Active Rural Devel	Pierce County's Covid-19 Rental Assistance	Stipulation & Program Repayments	Adjusted Delinquent Actives	Adjusted % of Active Rents Delinquent
Orting	\$ 11,070	\$ 44,942	18	9	\$ 1,578	4%	\$ -	\$ -	\$ -	\$ -	\$ 1,333	3%
LIPH	\$ 66,024	\$ 254,687	124	31	\$ 126,361	50%	9,153	-	-	-	\$ 85,428	34%
Totals	\$ 77,094	\$ 299,629	142	40	\$ 127,939	43%	\$ 9,153	\$ -	\$ -	\$ -	\$ 86,761	29%

Evictions	# Active Eviction Proceedings	3
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Project Management Report to PCHA Board of Commissioners

May 25, 2022

1. Section 18 Disposition

- a. Project Timeline: **Submission TBD**
- b. Total appraised home value: \$48.08 MM.
 - i. Estimated transaction costs: \$2.8 MM. (Commission, Title, Escrow, Recording)
 - ii. Estimated Relocation costs: \$2.2 MM (Staff, Movers, Depositions, other fees and services)
 - iii. Estimated Capital Needs through 2026: \$1.6 MM
 - 1. Estimate does not include septic systems
 - iv. Total Capital Fund (2020-2022): \$871,636
- c. Partner Meetings-PCHA talks with County officials and representatives from Habitat for Humanity. Process pending.
 - i. Habitat would need to identify specific units prior to application submission
 - 1. Estimated commission savings on selling 40 units: \$800,000
- d. Engaged consultant to assist with possible use of funds and other technical matters

2. Ongoing repairs:

- a. Structural Damage at Village Square (car damage)
- b. Structural Damage at deMark roof (tree)
- c. Fire Damage at Oakleaf
- d. LIPH unit 009 flood damage

3. Of interest

- a. City of Lakewood CBDG grant fund application draft submitted February 15, for money to pay for exterior paint and minor repairs at both Oakleaf and Village Square apartments.
- b. Engaged local architect to commence with renovation plan at 1525 108th St.
 - i. Goal is to expand office space into warehouse and relocate Building B staff.