

BOARD MEETING AGENDA

Tuesday, August 17, 2021

5:30 – 7:30 p.m.

**Virtual:**<https://us02web.zoom.us/j/85205354757>

(669) 900.6833, 85205354757#

(346) 248.7799, 85205354757#

Due to the extraordinary public health circumstances related to the ongoing COVID-19 (coronavirus) outbreak, participation in this meeting will be telephonic. All board members will participate remotely, as will any members of the public who wish to attend.

| | | |
|------|-----------------------|---|
| 5:30 | Action | 1. Call to Order – Mindy Au Agenda Approval Public Comment – <i>public may sign up to address the board for up to 2 minutes on matters on this agenda</i> |
| 5:32 | Action / Approval | 2. Consent Agenda Resolution <ul style="list-style-type: none"> • Approve July Meeting Minutes • Accept July 2021 Expenditure Report • Accept June 2021 Financial Reports |
| 5:35 | Discussion | 3. Staff Reports <ul style="list-style-type: none"> • Fundraiser – Joseph • Board Terms – Maiko |
| 5:50 | Discussion / Approval | 4. 2020 Audit Presentation – Steven Judd & Jenny Gebhart <ul style="list-style-type: none"> • Resolution – Accept 2020 Audit |
| 6:30 | Discussion | 5. Board Discussion <ul style="list-style-type: none"> • Ad Hoc Sound Transit Committee • Real Estate Committee • Strategic Plan Discussion – Mindy Au & Sue Taoka <i>(this discussion will start at 7 pm)</i> • Other Business |
| 7:30 | Action | 6. Adjourn – Mindy Au |

Upcoming Dates:

9/7 – Executive Committee, 12 pm

9/9 - Community Initiatives Committee, 4 pm

9/14 – Real Estate Committee, 12 pm

9/21 – SCIDpda Board, 5:30 pm

10/8 – SCIDpda Fundraiser

****Executive sessions may be held:**

- | | |
|--|---|
| <input type="checkbox"/> Lease or purchase of real estate if there's a likelihood that disclosure would increase the price | <input type="checkbox"/> Consideration of the minimum offering price for sale or lease of real estate if there's a likelihood that disclosure would decrease the price. |
| <input type="checkbox"/> Negotiations on the performance of a publicly bid contract | <input type="checkbox"/> Complaints or charges brought against a public officer or employee |
| <input type="checkbox"/> Qualifications of an application for public employment | <input type="checkbox"/> Performance of a public employee |
| <input type="checkbox"/> Agency enforcement actions (requires legal counsel present) | <input type="checkbox"/> Current or potential litigation (requires legal counsel present) |
| <input type="checkbox"/> Legal risks of current or proposed action (requires presence of legal counsel) | |

The mission of the Seattle Chinatown International District Preservation and Development Authority (SCIDpda) is to *preserve, promote, and develop the Seattle Chinatown International District as a vibrant community and unique ethnic neighborhood.*

Resolution 21-08-17-01

RESOLUTION OF SEATTLE CHINATOWN INTERNATIONAL DISTRICT PRESERVATION AND DEVELOPMENT AUTHORITY

We, the Board of the Seattle Chinatown International District Preservation and Development Authority, via consent agenda:

- Approve July Meeting Minutes
- Accept July 2021 Expenditure Report
- Approve June 2021 Financial Reports

Board President

Date

Board Secretary

Date

SCIDpda Board Meeting Minutes

July 20th, 2021

409b Maynard Avenue South – Hing Hay Coworks Conference Room

Seattle, WA 98104

Virtual:

<https://zoom.us/j/359459577>

(669) 900.6833, 359459577#

(346) 248.7799, 359459577#

The July 2021 SCIDpda board meeting was hosted virtually via a Zoom conference room and in person at Hing Hay Coworks. Most attendees attended virtually, with exception to the staff, board members, and guests who attended in-person where the virtual call was hosted.

Board Present (in person at Hing Hay Coworks): Mindy Au, David Della, Tiernan Martin

Board Present (via Phone Conference Call-in): Lisa Nitze, Scott Yasui, Wayne Lau, Cindy Ju, Jerilyn Young, Miye Moriguchi, Jen Reyes, May Wu, Casey Huang, Philip Sit

Staff Present: Maiko Winkler-Chin, Vern Wood, Jared Jonson, Julie Yuan, Joseph Guanlao, Naomi Saito, Jody McCorkle, Janet Smith

Guests Present: Devin Silvernail, Alexis Lair, Brindell Swift, Stephen Mak, Tammy Morales, Cathal Ridge, Kathleen Johnson, Cassie Chinn, Leda Chahim, Jeff Liang, Sam Zimbabwe, Peter Rogoff, Vera Giampietro, Jesseca Brand, Magda Hogness, Calli Knight, Rico Quirindongo, Cassie Chinn, Waing Waing, Anne Fennessey, Sloan Dawson, Gildas Chun, Angie B, Jeff, Monisha Singh, Claudia Balducci

1. Call to Order

The meeting was called to order by Mindy Au, Board Chair, at 5:33 p.m.

Public Comment – public may sign up to address the board for up to 2 minutes on matters on this agenda. No public comments were submitted to the board.

2. Discussion

Sound Transit Project Discussion – Sound Transit Executive Team

SCIDpda board member David Della (at HHC) shared the focus of the meeting. Sound Transit CEO Peter Rogoff (at HHC) gave a quick statement on Sound Transit's presence at meeting. Sound Transit's Cathal Ridge (via Zoom) presented on Sound Transit West Seattle and Ballard Link Extensions. Sound Transit's Leda Chahim spoke about Sound Transit's engagement plan and Draft EIS alternatives. SCIDpda Board Members Mindy, David,

Tiernan, and Sound Transit's Leda Chahim (all at HHC) facilitated dialogue between board, community members, and ST regarding the impacts of system re-alignments, the location of the CID station, and the community engagement plan.

3. Board Action & Approval

At 7:11 PM, members of Sound Transit and guests from the community exited the Zoom call, and the remaining members of SCIDpda board and staff proceeded with the rest of the agenda items.

Consent Agenda

Resolution 21-07-20-01: We, the Seattle Chinatown International District Preservation and Development Authority Board of Directors, via consent agenda:

- Approve June Meeting Minutes
- Accept June 2021 Expenditure Report
- Approve July 2021 Concurrence Request

Moved: David

Seconded: Tiernan

Board Approved: Lisa Nitze, Scott Yasui, Wayne Lau, Cindy Ju, Jerilyn Young, Miye Moriguchi, Jen Reyes, May Wu, Casey Huang, Mindy Au, David Della, Tiernan Martin

Abstained: 0

Absent: 3

Resolution was approved.

4. Board Action & Approval

Resolution – Amend North Lot Predevelopment Loan Amount

Resolution 21-07-20-02: We, the Governing body of the Seattle Chinatown International District Preservation and Development Authority ("SCIDpda"), authorize staff to amend the North Lot predevelopment loan agreement to increase the amount loaned by \$1,000,000 whereby SCIDpda will loan up to \$2,500,000 to the North Lot project at 3% interest.

FURTHER RESOLVED that any and all documents hereby authorized to be executed on behalf of SCIDpda are authorized to be executed by any one of the following each acting

alone (the "Authorized Representative"): Maiko Winkler-Chin, Executive Director
Veronica Wood, Deputy Director

FURTHER RESOLVED that any Authorized Representative is authorized, empowered and directed to execute and deliver all documents and furnish all materials necessary to complete the amendment to the loan, and that any previous execution and delivery or furnishing of documents and materials by any Authorized Representative in furtherance of the foregoing is hereby authorized, confirmed and ratified;

Moved: Wayne

Seconded: David

Board Approved: Lisa Nitze, Scott Yasui, Wayne Lau, Cindy Ju, Jerilyn Young, Miye Moriguchi, Jen Reyes, May Wu, Casey Huang, Mindy Au, David Della, Tiernan Martin

Abstained: 0

Absent: 3

Resolution was approved.

5. Adjourn

The meeting was adjourned by Mindy, Board Chair, at 7:16 p.m.

Seattle Chinatown International District Preservation and Development Authority
409 Maynard Avenue S, Suite P2
Seattle, WA 98114

Expenditure Certification Memorandum

DATE: 8/2/2021
 TO: Board of Directors
 FROM: Vern Wood, Deputy Director
 RE: July 2021 Expenditure Certification

I, Vern Wood, do hereby certify that the materials have been furnished, the services rendered or the labor performed herein; that the claims represented by the vouchers listed below were just obligations of the SCIDpda; and that I am authorized to authenticate and certify said claims.


 Vern Wood, Deputy Director

| | | | | | | |
|----------------------------|------------------|------------------------------------|-----|------|----|-------------------|
| Computer Run Checks | General Checking | 1811 | to | 1823 | \$ | 9,288.58 |
| Electronic Funds Transfers | General Checking | | eft | | \$ | 46,287.44 |
| | | Bush Hotel Commercial | | | \$ | 55,576.02 |
| | | | | | | |
| Computer Run Checks | General Checking | 1756 | to | 1762 | \$ | 25,247.38 |
| | | Bush Hotel Condo | | | \$ | 25,247.38 |
| | | | | | | |
| Computer Run Checks | General Checking | 205 | to | 205 | \$ | 38,000.00 |
| Electronic Funds Transfers | General Checking | | eft | | \$ | 29,593.20 |
| | | Bush Hotel QalicB | | | \$ | 67,593.20 |
| | | | | | | |
| Computer Run Checks | General Checking | 1085 | to | 1105 | \$ | 29,508.99 |
| Electronic Funds Transfers | General Checking | | eft | | \$ | 12,352.07 |
| | | Bush Hotel Residential | | | \$ | 41,861.06 |
| | | | | | | |
| Computer Run Checks | General Checking | 214 | to | 215 | \$ | 610.00 |
| Electronic Funds Transfers | General Checking | | eft | | \$ | 251,343.42 |
| | | CIDpda | | | \$ | 251,953.42 |
| | | | | | | |
| Computer Run Checks | General Checking | 3738 | to | 3754 | \$ | 55,170.46 |
| Electronic Funds Transfers | General Checking | | eft | | \$ | 23,239.43 |
| | | DVA | | | \$ | 78,409.89 |
| | | | | | | |
| Electronic Funds Transfers | General Checking | | eft | | \$ | 19.34 |
| | | Hinghay | | | \$ | 19.34 |
| | | | | | | |
| Computer Run Checks | General Checking | 735 | to | 757 | \$ | 90,577.66 |
| | | IDVS1 Commercial | | | \$ | 90,577.66 |
| | | | | | | |
| Computer Run Checks | General Checking | 267 | to | 274 | \$ | 31,657.80 |
| | | IDVS2 Condo | | | \$ | 31,657.80 |
| | | | | | | |
| Computer Run Checks | General Checking | 419 | to | 429 | \$ | 29,949.61 |
| Electronic Funds Transfers | Bond Revenue | | eft | | \$ | 33,000.00 |
| | | IDVS2 Library & Parking | | | \$ | 62,949.61 |

| | | | | | | |
|----------------------------|------------------|------|-----|----------------------------------|-----------|---------------------|
| Computer Run Checks | General Checking | 544 | to | 555 | \$ | 11,337.05 |
| Electronic Funds Transfers | General Checking | | eft | | \$ | 4,812.34 |
| | | | | IDVS2 Commercial | \$ | 16,149.39 |
| Computer Run Checks | General Checking | 904 | to | 918 | \$ | 12,322.13 |
| Electronic Funds Transfers | General Checking | | eft | | \$ | 22,853.61 |
| | | | | New Central Commercial | \$ | 35,175.74 |
| Computer Run Checks | General Checking | 255 | to | 256 | \$ | 7,602.89 |
| Electronic Funds Transfers | General Checking | | eft | | \$ | 37,549.92 |
| | | | | New Central Hotel | \$ | 45,152.81 |
| Electronic Funds Transfers | General Checking | | | eft | \$ | 37,689.37 |
| | | | | New Central Master Tenant | \$ | 37,689.37 |
| Computer Run Checks | General Checking | 1068 | to | 1085 | \$ | 12,365.83 |
| Electronic Funds Transfers | General Checking | | eft | | \$ | 24,575.66 |
| | | | | New Central Residential | \$ | 36,941.49 |
| Computer Run Checks | General Checking | 2350 | to | 2415 | \$ | 923,316.79 |
| Electronic Funds Transfers | General Checking | | eft | | \$ | 17,781.70 |
| | | | | SCIDpda | \$ | 941,098.49 |
| | | | | | \$ | 1,818,052.67 |

The above checks and electronic fund transfers are hereby approved by a majority of all members of the SCIDpda Board and signed by me in open session in authentication of their approval on this _____ day of _____ 2021.

Treasurer

Chair

SCID Check Summary

Property=bhcomm,bhcondo,bhmanagr,bhmaster,bhqalib,bhres,cidpda,design,design01,design02,design03,design04,design05,design06,design07,design08,design09,design10,design11,design12,design13,design14,design15,design16,design17,design18,design19,dva,hinghay,idvs1com,idvs2com,idvs2lp,loumural,ncentcom,ncentres,nchotel,ncmanagr,ncmaster,pdacmnty,pdadev,pdamaint,pdaprop,scid AND mm/yy=07/2021-07/2021 AND All Checks=Yes

| | | Check | Total | |
|--|---|-----------|------------------|--|
| Check# | Vendor | Date | Check | Note |
| bhcommop - General Checking | | | | |
| 1811 | buihar - Builders' Hardware & Supply Co | 7/1/2021 | 60.09 | Supplies |
| 1812 | sec101 - Security 101 - Seattle | 7/1/2021 | 642.76 | Access Control Systems |
| 1813 | weaarc - Weaver Architects, P.S., Inc. | 7/1/2021 | 801.50 | Professional Fees/Consulting |
| 1814 | pdamaint - SCIDpda Maintenance Dept | 7/8/2021 | 5,675.29 | WOs |
| 1815 | repser - Republic Services | 7/8/2021 | 403.37 | Garbage/Waste Removal |
| 1816 | welfar - Wells Fargo | 7/8/2021 | 3.94 | Telecomm |
| 1817 | cenlin - CenturyLink | 7/15/2021 | 65.31 | Telecomm |
| 1818 | verwir - Verizon Wireless | 7/15/2021 | 9.30 | Telecomm |
| 1819 | wasman - Waste Management of Seattle | 7/15/2021 | 405.06 | Garbage/Waste Removal |
| 1820 | cedgro - Cedar Grove Organics Recycling | 7/22/2021 | 46.40 | Garbage/Waste Removal |
| 1821 | wesext - Western Exterminator Company | 7/22/2021 | 145.53 | Pest Control |
| 1822 | weaarc - Weaver Architects, P.S., Inc. | 7/29/2021 | 884.50 | Professional Fees/Consulting |
| 1823 | wesext - Western Exterminator Company | 7/29/2021 | 145.53 | Pest Control |
| ACH | bushcond - SCIDPDA Bush Hotel Condo Association | 7/8/2021 | 8,454.11 | Condo Billing |
| ACH | bushqali - SCIDpda Bush Hotel QALICB LLC | 7/26/2021 | 37,833.33 | Rent |
| Total bhcommop - General Checking | | | 55,576.02 | |
| bhcondop - General Checking | | | | |
| 1756 | tromorfs - Trotter & Morton Facility Service of PNW, Inc. | 7/1/2021 | 4,346.33 | HVAC/Boiler Maint - Contract |
| 1757 | pugsou - Puget Sound Energy | 7/8/2021 | 1,332.30 | Natural Gas |
| 1758 | seacitli - Seattle City Light | 7/8/2021 | 1,681.20 | Electricity |
| 1759 | ipfscorp - IPFS Corporation | 7/15/2021 | 4,618.82 | Insurance |
| 1760 | citsea - City of Seattle | 7/22/2021 | 475.20 | BIA Assessment |
| 1761 | citseacu - City of Seattle-Combined Utilities | 7/22/2021 | 8,447.20 | Garbage/Waste Removal & Water/Sewer |
| 1762 | tromorfs - Trotter & Morton Facility Service of PNW, Inc. | 7/22/2021 | 4,346.33 | HVAC/Boiler Maint - Contract |
| Total bhcondop - General Checking | | | 25,247.38 | |
| bhqalop - General Checking | | | | |
| 205 | scidpda - SCIDpda | 7/22/2021 | 38,000.00 | Distributions |
| ACH | bannymel - The Bank of New York Mellon Trust Co. | 7/20/2021 | 24,493.20 | Deposits with Other Entities - Monthly |
| ACH | thecomm - The Commerce Bank of WA | 7/31/2021 | 5,100.00 | Loan Payment - Monthly |
| Total bhqalop - General Checking | | | 67,593.20 | |
| bhresope - General Checking | | | | |
| 1085 | cenlin - CenturyLink | 7/1/2021 | 135.74 | Telecomm |
| 1086 | hdsupp - HD Supply Facilities Maintenance, LTD | 7/1/2021 | 106.87 | Supplies |
| 1087 | seacitli - Seattle City Light | 7/1/2021 | 482.73 | Electricity |
| 1088 | pdamaint - SCIDpda Maintenance Dept | 7/8/2021 | 9,805.97 | WOs |
| 1089 | busimp - Business Impact NW | 7/8/2021 | 1,604.68 | Loan Payment - Monthly |
| 1090 | lowes - Lowe's | 7/8/2021 | 44.75 | Supplies |
| 1091 | scidpda - SCIDpda | 7/8/2021 | 13,200.59 | ID Billing |
| 1092 | t0003167 - Balcha | 7/8/2021 | 776.00 | Move Out Refund |
| 1093 | welfar - Wells Fargo | 7/8/2021 | 37.86 | Telecomm |
| 1094 | pacsup - Pacific Supply | 7/15/2021 | 224.88 | Supplies |
| 1095 | shewil - Sherwin-Williams Co. | 7/15/2021 | 256.00 | Supplies |
| 1096 | verwir - Verizon Wireless | 7/15/2021 | 157.13 | Telecomm |

| | | Check | Total | |
|---|---|-----------|-------------------|--|
| Check# | Vendor | Date | Check | Note |
| 1097 | welfar - Wells Fargo | 7/15/2021 | 42.89 | Supplies |
| 1098 | citsea - City of Seattle | 7/22/2021 | 840.66 | BIA Assessment |
| 1099 | hdsupp - HD Supply Facilities Maintenance, LTD | 7/22/2021 | 43.39 | Small Tools/Equipment |
| 1100 | seacitli - Seattle City Light | 7/22/2021 | 657.18 | Electricity |
| 1101 | shewil - Sherwin-Williams Co. | 7/22/2021 | 235.27 | Supplies |
| 1102 | citseacu - City of Seattle-Combined Utilities | 7/29/2021 | 80.30 | Water/Sewer |
| 1103 | kone - Kone Inc. | 7/29/2021 | 181.37 | Elevator - Service Calls |
| 1104 | paclam - Pacific Lamp & Supply Company | 7/29/2021 | 299.81 | Supplies |
| 1105 | wesext - Western Exterminator Company | 7/29/2021 | 294.92 | Pest Control |
| ACH | bushcond - SCIDPDA Bush Hotel Condo Association | 7/8/2021 | 10,355.82 | Condo Billing |
| ACH | bushot2 - Bush Hotel Limited Partnership | 7/15/2021 | 1,996.25 | Operating Reserve Transfer - Quarterly |
| Total bhresope - General Checking | | | 41,861.06 | |
| cidpdao3 - General Checking | | | | |
| 214 | welfar - Wells Fargo | 7/8/2021 | 10.00 | Licenses |
| 215 | makviv - Vivian Laiwah Mak | 7/22/2021 | 600.00 | Direct Fund Raising Expenses |
| ACH | scidpda - SCIDpda | 7/20/2021 | 251,343.42 | Q2 Donation Distributions |
| Total cidpdao3 - General Checking | | | 251,953.42 | |
| cobocap1 - Comm Bond Revenue | | | | |
| ACH | idvs2lib - IDVS2 Library/Parking | 7/8/2021 | 18,000.00 | Transfer for Operating Expenses |
| ACH | idvs2lib - IDVS2 Library/Parking | 7/29/2021 | 15,000.00 | Transfer for Operating Expenses |
| Total cobocap1 - Comm Bond Revenue | | | 33,000.00 | |
| dvaop - General Checking | | | | |
| 3738 | cenlin - CenturyLink | 7/1/2021 | 443.80 | Telecomm |
| 3739 | hdsupp - HD Supply Facilities Maintenance, LTD | 7/1/2021 | 29.42 | Supplies |
| 3740 | idvs2lib - IDVS2 Library/Parking | 7/8/2021 | 17,954.58 | Loan Payment - Monthly |
| 3741 | pdamaint - SCIDpda Maintenance Dept | 7/8/2021 | 15,996.01 | WOs |
| 3742 | pugsou - Puget Sound Energy | 7/8/2021 | 1,715.40 | Natural Gas |
| 3743 | scidpda - SCIDpda | 7/8/2021 | 12,078.73 | ID Billing |
| 3744 | shewil - Sherwin-Williams Co. | 7/8/2021 | 705.42 | Supplies |
| 3745 | smrarc - SMR Architects, PLLC | 7/8/2021 | 4,563.00 | Professional Fees/Consulting |
| 3746 | welfar - Wells Fargo | 7/8/2021 | 22.48 | Telecomm |
| 3747 | hdsupp - HD Supply Facilities Maintenance, LTD | 7/15/2021 | 49.60 | Supplies |
| 3748 | verwir - Verizon Wireless | 7/15/2021 | 118.87 | Telecomm |
| 3749 | wavbro - WAVE | 7/15/2021 | 93.24 | Telecomm |
| 3750 | hdsupp - HD Supply Facilities Maintenance, LTD | 7/22/2021 | 72.35 | Supplies |
| 3751 | cenlin - CenturyLink | 7/29/2021 | 442.76 | Telecomm |
| 3752 | hdsupp - HD Supply Facilities Maintenance, LTD | 7/29/2021 | 37.09 | Supplies |
| 3753 | paclam - Pacific Lamp & Supply Company | 7/29/2021 | 552.79 | Supplies |
| 3754 | wesext - Western Exterminator Company | 7/29/2021 | 294.92 | Pest Control |
| ACH | idvs2con - IDVS2 Condo Association | 7/8/2021 | 20,724.70 | Condo Billing |
| ACH | idvsfh - IDVS 2 Family Housing LLC | 7/15/2021 | 2,514.73 | Replacement Reserve Transfer - Monthly |
| Total dvaop - General Checking | | | 78,409.89 | |
| hingop2 - General Checking | | | | |
| ACH | paypal - PayPal | 7/6/2021 | 19.34 | Bank Fees/Charges |
| Total hingop2 - General Checking | | | 19.34 | |

| | | Check | Total | |
|--|---|-----------|------------------|------------------------------|
| Check# | Vendor | Date | Check | Note |
| idvs2op4 - General Checking | | | | |
| 544 | pdamaint - SCIDpda Maintenance Dept | 7/8/2021 | 2,508.70 | WOs |
| 545 | idvs2con - IDVS2 Condo Association | 7/8/2021 | 2,583.09 | Condo Billing |
| 546 | lowes - Lowe's | 7/8/2021 | 58.63 | Supplies |
| 547 | repser - Republic Services | 7/8/2021 | 1,984.59 | Garbage/Waste Removal |
| 548 | scidpda - SCIDpda | 7/8/2021 | 1,707.81 | ID Billing |
| 549 | smrarc - SMR Architects, PLLC | 7/8/2021 | 234.00 | Professional Fees/Consulting |
| 550 | welfar - Wells Fargo | 7/8/2021 | 2.37 | Telecomm |
| 551 | verwir - Verizon Wireless | 7/15/2021 | 1.93 | Telecomm |
| 552 | wasman - Waste Management of Seattle | 7/15/2021 | 2,007.99 | Garbage/Waste Removal |
| 553 | wesext - Western Exterminator Company | 7/15/2021 | 117.97 | Pest Control |
| 554 | wonche - Cheuk Fung Wong | 7/15/2021 | 12.00 | Maintenance - Other Vendors |
| 555 | wesext - Western Exterminator Company | 7/29/2021 | 117.97 | Pest Control |
| ACH | herban - Heritage Bank | 7/20/2021 | 4,812.34 | Loan Payment - Monthly |
| Total idvs2op4 - General Checking | | | 16,149.39 | |
| nccomop2 - General Checking | | | | |
| 904 | seacitli - Seattle City Light | 7/1/2021 | 401.88 | Electricity |
| 905 | pdamaint - SCIDpda Maintenance Dept | 7/8/2021 | 4,461.90 | WOs |
| 906 | lowes - Lowe's | 7/8/2021 | 60.41 | Supplies |
| 907 | shewil - Sherwin-Williams Co. | 7/8/2021 | 231.29 | Supplies |
| 908 | welfar - Wells Fargo | 7/8/2021 | 16.96 | Telecomm |
| 909 | wesext - Western Exterminator Company | 7/8/2021 | 117.97 | Pest Control |
| 910 | seacitli - Seattle City Light | 7/15/2021 | 45.49 | Electricity |
| 911 | verwir - Verizon Wireless | 7/15/2021 | 6.54 | Telecomm |
| 912 | wasman - Waste Management of Seattle | 7/15/2021 | 30.30 | Garbage/Waste Removal |
| 913 | citsea - City of Seattle | 7/22/2021 | 254.42 | BIA Assessment |
| 914 | citseacu - City of Seattle-Combined Utilities | 7/22/2021 | 3,571.77 | Water/Sewer |
| 915 | hdsupp - HD Supply Facilities Maintenance, LTD | 7/22/2021 | 1,721.93 | Supplies |
| 916 | tromorfs - Trotter & Morton Facility Service of PNW, Inc. | 7/22/2021 | 674.53 | HVAC/Boiler Maint - Contract |
| 917 | wesext - Western Exterminator Company | 7/22/2021 | 206.50 | Pest Control |
| 918 | seacitli - Seattle City Light | 7/29/2021 | 520.24 | Electricity |
| ACH | scidpda - SCIDpda | 7/8/2021 | 1,153.13 | ID Billing |
| ACH | newcenmt - New Central Hotel Master Tenant LLC | 7/22/2021 | 21,700.48 | Rent/Insurance |
| Total nccomop2 - General Checking | | | 35,175.74 | |
| nchotop - General Checking | | | | |
| 255 | easwes - East-West Investment Co. | 7/8/2021 | 5,252.93 | Ground Lease Expense |
| 256 | ipfscorp - IPFS Corporation | 7/15/2021 | 2,349.96 | Insurance |
| ACH | scidpda - SCIDpda | 7/12/2021 | 18,000.00 | Distributions |
| ACH | welfar - Wells Fargo | 7/10/2021 | 19,549.92 | Loan Payment - Monthly |
| Total nchotop - General Checking | | | 45,152.81 | |
| ncmaster - General Checking | | | | |
| ACH | newcenth - New Central Hotel LLC | 7/8/2021 | 37,689.37 | Rent/Insurance |
| Total ncmaster - General Checking | | | 37,689.37 | |
| ncresop - General Checking | | | | |
| 1068 | cenlin - CenturyLink | 7/1/2021 | 63.71 | Telecomm |
| 1069 | hdsupp - HD Supply Facilities Maintenance, LTD | 7/1/2021 | 29.42 | Supplies |
| 1070 | pmjans - Phnoux | 7/1/2021 | 2,460.00 | Janitorial - Service |

| | | Check | Total | |
|--|---|-----------|------------------|--|
| Check# | Vendor | Date | Check | Note |
| 1071 | seacitli - Seattle City Light | 7/1/2021 | 1,718.79 | Electricity |
| 1072 | shewil - Sherwin-Williams Co. | 7/8/2021 | 231.28 | Supplies |
| 1073 | hdsupp - HD Supply Facilities Maintenance, LTD | 7/15/2021 | 49.60 | Supplies |
| 1074 | pugsou - Puget Sound Energy | 7/15/2021 | 332.10 | Natural Gas |
| 1075 | verwir - Verizon Wireless | 7/15/2021 | 97.09 | Telecomm |
| 1076 | welfar - Wells Fargo | 7/15/2021 | 21.56 | Supplies |
| 1077 | citsea - City of Seattle | 7/22/2021 | 334.75 | BIA Assessment |
| 1078 | citseacu - City of Seattle-Combined Utilities | 7/22/2021 | 3,485.92 | Garbage/Waste Removal & Water/Sewer |
| 1079 | hdsupp - HD Supply Facilities Maintenance, LTD | 7/22/2021 | 43.38 | Small Tools/Equipment |
| 1080 | tromorfs - Trotter & Morton Facility Service of PNW, Inc. | 7/22/2021 | 838.46 | HVAC/Boiler Maint - Contract |
| 1081 | wesext - Western Exterminator Company | 7/22/2021 | 294.92 | Pest Control |
| 1082 | bulhar - Builders' Hardware & Supply Co | 7/29/2021 | 591.78 | Locks/Keys |
| 1083 | cenlin - CenturyLink | 7/29/2021 | 63.67 | Telecomm |
| 1084 | paclam - Pacific Lamp & Supply Company | 7/29/2021 | 233.73 | Supplies |
| 1085 | seacitli - Seattle City Light | 7/29/2021 | 1,475.67 | Electricity |
| ACH | newcenmt - New Central Hotel Master Tenant LLC | 7/8/2021 | 17,821.89 | Rent/Insurance |
| ACH | newcentc - SCIDPDA New Central Commercial, Inc | 7/8/2021 | 11.04 | Telecomm |
| ACH | scidpda - SCIDpda | 7/8/2021 | 6,314.73 | ID Billing |
| ACH | newcentr - SCIDPDA New Central Apartments, Inc | 7/15/2021 | 428.00 | Replacement Reserve Deposit - Monthly |
| Total nresop - General Checking | | | 36,941.49 | |
| pdaopacc - General Checking | | | | |
| 2350 | kaifou - of Washington Options Inc | 7/1/2021 | 20,685.79 | Payroll Benefits - Medical |
| 2351 | a3aco - A3 Acoustics, LLP | 7/1/2021 | 1,015.00 | Program Expenses - LS Landmark |
| 2352 | gounoo - Gourmet Noodle Bowl | 7/1/2021 | 550.00 | Program Expenses - Resident Food Relief |
| 2353 | hartfo - The Hartford | 7/1/2021 | 0.00 | Void |
| 2354 | hohose - HO HO Seafood Restaurant | 7/1/2021 | 370.00 | Program Expenses - Resident Food Relief |
| 2355 | net2ph - Net2Phone Inc. | 7/1/2021 | 662.79 | Telecomm |
| 2356 | seacitli - Seattle City Light | 7/1/2021 | 96.88 | Electricity |
| 2357 | thelab - The Labor Compliance Managers | 7/1/2021 | 2,805.00 | Development Project - SHA KC Records Site |
| 2358 | visser - Vision Service Plan | 7/1/2021 | 306.09 | Payroll Benefits - Vision |
| 2359 | wasden - Delta Dental of Washington | 7/1/2021 | 2,070.15 | Payroll Benefits - Dental |
| 2360 | wesext - Western Exterminator Company | 7/1/2021 | 104.74 | Pest Control |
| 2361 | hartfo - The Hartford | 7/1/2021 | 817.28 | Payroll Benefits - Life Insurance |
| 2362 | cenlin - CenturyLink | 7/8/2021 | 133.30 | Telecomm |
| 2363 | finnei - Finney Neill & Co. P.S. | 7/8/2021 | 13,125.50 | Audit Fees |
| 2364 | frilit - Friends of Little Saigon | 7/8/2021 | 90.00 | Program - Subcontracts |
| 2365 | gounoo - Gourmet Noodle Bowl | 7/8/2021 | 550.00 | Program Expenses - Resident Food Relief |
| 2366 | hohose - HO HO Seafood Restaurant | 7/8/2021 | 370.00 | Program Expenses - Resident Food Relief |
| 2367 | impcap - Impact Capital | 7/8/2021 | 4,315.07 | Development Project - North Lot Housing |
| 2368 | kincorec - King County Recorder | 7/8/2021 | 202.50 | Development Project - North Lot Housing |
| 2369 | navben - Navia Benefit Solutions | 7/8/2021 | 101.50 | Payrolls Benefits |
| 2370 | norasi - Northwest Asian Weekly | 7/8/2021 | 1,242.00 | Program Expenses |
| 2371 | proins - Propel Insurance | 7/8/2021 | 556.28 | Program Expenses |
| 2372 | ricusa - Ricoh USA, Inc | 7/8/2021 | 378.18 | Copier Lease/Maintenance |
| 2373 | seapubuti - Seattle Public Utilities - DSO | 7/8/2021 | 2,000.00 | Development Project - North Lot Housing |
| 2374 | tecave - Techie Avenger Inc | 7/8/2021 | 1,450.56 | Computer - Maintenance |
| 2375 | watcon - Watanabe Consultation | 7/8/2021 | 0.00 | Void |
| 2376 | wavbro - WAVE | 7/8/2021 | 132.45 | Telecomm |
| 2377 | welfar - Wells Fargo | 7/8/2021 | 1,328.25 | Employee Benefits Payable, Telecomm, Computer & Membership |
| 2378 | welfar - Wells Fargo | 7/8/2021 | 2,500.00 | Membership |

| | | Check | Total | |
|--|---|-----------|-------------------|--|
| Check# | Vendor | Date | Check | Note |
| 2379 | cenlin - CenturyLink | 7/15/2021 | 150.15 | Telecomm |
| 2380 | gounoo - Gourmet Noodle Bowl | 7/15/2021 | 400.00 | Program Expenses - Resident Food Relief |
| 2381 | hohose - HO HO Seafood Restaurant | 7/15/2021 | 200.00 | Program Expenses - Resident Food Relief |
| 2382 | idvs2lib - IDVS2 Library/Parking | 7/15/2021 | 145.00 | Employee Benefits Payable - Parking |
| 2383 | ipfscorp - IPFS Corporation | 7/15/2021 | 483.47 | Insurance |
| 2384 | louhot - Louisa Hotel Master Tenant LLC | 7/15/2021 | 480.00 | Employee Benefits Payable - Parking |
| 2385 | magcon - Magnum Construction Services, LTD. | 7/15/2021 | 927.21 | Program - Subcontracts |
| 2386 | newcentc - SCIDPDA New Central Commercial, Inc | 7/15/2021 | 1,175.44 | Rent |
| 2387 | ricusa - Ricoh USA, Inc | 7/15/2021 | 243.87 | Copier Lease/Maintenance |
| 2388 | uspost - US Postal Service | 7/15/2021 | 246.00 | Office Supplies |
| 2389 | verwir - Verizon Wireless | 7/15/2021 | 691.93 | Telecomm |
| 2390 | welfar - Wells Fargo | 7/15/2021 | 717.46 | Computer Software, Advertising & Program Expenses |
| 2391 | welfar - Wells Fargo | 7/15/2021 | 223.84 | Training/Education & Window Coverings |
| 2392 | welfar - Wells Fargo | 7/15/2021 | 315.17 | Office Supplies/Equipment, Employee Meals & Council Expenses |
| 2393 | bushcomm - SCIDpda Bush Hotel Commercial | 7/22/2021 | 14,665.28 | Rent |
| 2394 | bushcond - SCIDPDA Bush Hotel Condo Association | 7/22/2021 | 5,000.00 | Note Receivable - Cash Flow Loan |
| 2395 | citsea - City of Seattle | 7/22/2021 | 256.36 | BIA Assessment |
| 2396 | gounoo - Gourmet Noodle Bowl | 7/22/2021 | 400.00 | Program Expenses - Resident Food Relief |
| 2397 | hohose - HO HO Seafood Restaurant | 7/22/2021 | 200.00 | Program Expenses - Resident Food Relief |
| 2398 | idvs2con - IDVS2 Condo Association | 7/22/2021 | 5,000.00 | Note Receivable - Cash Flow Loan |
| 2399 | intpark - Interim Parking Services | 7/22/2021 | 190.00 | Program Expenses |
| 2400 | malpet - Peter Malarkey Painting Conversation Inc | 7/22/2021 | 12,999.29 | Program - Subcontracts |
| 2401 | net2ph - Net2Phone Inc. | 7/22/2021 | 661.37 | Telecomm |
| 2402 | seachit - Seattle Chinese Times | 7/22/2021 | 1,310.00 | Program Expenses |
| 2403 | pdamaint - SCIDpda Maintenance Dept | 7/22/2021 | 1,895.81 | WOs |
| 2407 | scidpda - SCIDpda | 7/22/2021 | 800,000.00 | Transfer for Investment |
| 2408 | bushcomm - SCIDpda Bush Hotel Commercial | 7/29/2021 | 10,000.00 | Due to/from Related Property - Cash Flow Loan |
| 2409 | gounoo - Gourmet Noodle Bowl | 7/29/2021 | 400.00 | Program Expenses - Resident Food Relief |
| 2410 | hohose - HO HO Seafood Restaurant | 7/29/2021 | 200.00 | Program Expenses - Resident Food Relief |
| 2411 | nwiglo - NWI Global | 7/29/2021 | 1,162.48 | Translation/Interpreters |
| 2412 | seacitli - Seattle City Light | 7/29/2021 | 126.36 | Electricity |
| 2413 | uwajimay - Uwajimaya | 7/29/2021 | 2,080.00 | Program - Professional Fees/Consulting |
| 2414 | watcon - Watanabe Consultation | 7/29/2021 | 2,306.25 | Professional Fees/Consulting |
| 2415 | wesext - Western Exterminator Company | 7/29/2021 | 104.74 | Pest Control |
| ACH | stwab&o - Department of Revenue | 7/26/2021 | 125.86 | B&O Taxes |
| ACH | citsearc - City of Seattle | 7/27/2021 | 468.34 | B&O Taxes |
| ACH | scidpda - SCIDpda | 7/15/2021 | 2,187.50 | LH Replacement Reserve Deposit - Monthly |
| ACH | newcentc - SCIDPDA New Central Commercial, Inc | 7/22/2021 | 15,000.00 | Due to/from Related Property - Cash Flow Loan |
| Total pdaopacc - General Checking | | | 941,098.49 | |

vs1op - General Checking

| | | | | |
|-----|-------------------------------------|-----------|-----------|-----------------------------|
| 735 | pdamaint - SCIDpda Maintenance Dept | 7/8/2021 | 2,243.25 | WOs |
| 736 | cenlin - CenturyLink | 7/8/2021 | 81.00 | Telecomm |
| 737 | lowes - Lowe's | 7/8/2021 | 59.60 | Supplies |
| 738 | pugsou - Puget Sound Energy | 7/8/2021 | 626.42 | Natural Gas |
| 739 | repser - Republic Services | 7/8/2021 | 2,137.09 | Garbage/Waste Removal |
| 740 | scidpda - SCIDpda | 7/8/2021 | 28,279.39 | ID Billing |
| 741 | seacitli - Seattle City Light | 7/8/2021 | 12,033.44 | Electricity |
| 742 | welfar - Wells Fargo | 7/8/2021 | 2.37 | Telecomm |
| 743 | ipfscorp - IPFS Corporation | 7/15/2021 | 3,238.04 | Insurance |
| 744 | powcle - PowerClean | 7/15/2021 | 853.28 | Maintenance - Other Vendors |

| | | Check | Total | |
|--|---|-----------|---------------------|-------------------------------------|
| Check# | Vendor | Date | Check | Note |
| 745 | pugsou - Puget Sound Energy | 7/15/2021 | 479.11 | Natural Gas |
| 746 | scidpda - SCIDpda | 7/15/2021 | 7,500.00 | Distributions |
| 747 | verwir - Verizon Wireless | 7/15/2021 | 28.22 | Telecomm |
| 748 | wasman - Waste Management of Seattle | 7/15/2021 | 2,627.22 | Garbage/Waste Removal |
| 749 | welfar - Wells Fargo | 7/15/2021 | 1.82 | Postage |
| 753 | citsea - City of Seattle | 7/22/2021 | 632.02 | BIA Assessment |
| 754 | citseacu - City of Seattle-Combined Utilities | 7/22/2021 | 11,843.20 | Water/Sewer |
| 755 | tromorfs - Trotter & Morton Facility Service of PNW, Inc. | 7/22/2021 | 11,445.60 | HVAC/Boiler Maint - Contract |
| 756 | bulsaf - Bulger Safe & Lock | 7/29/2021 | 891.59 | Locks/Keys |
| 757 | mckser - McKinstry Service | 7/29/2021 | 5,575.00 | Fire Maint - Contract |
| Total vs1op - General Checking | | | 90,577.66 | |
| vs2conop - General Checking | | | | |
| 267 | tromorfs - Trotter & Morton Facility Service of PNW, Inc. | 7/1/2021 | 2,237.71 | HVAC/Boiler Maint - Contract |
| 268 | cenlin - CenturyLink | 7/8/2021 | 64.10 | Telecomm |
| 269 | pdamaint - SCIDpda Maintenance Dept | 7/8/2021 | 470.00 | WOs |
| 270 | seacitli - Seattle City Light | 7/8/2021 | 2,506.86 | Electricity |
| 271 | ipfscorp - IPFS Corporation | 7/15/2021 | 6,037.38 | Insurance |
| 272 | citsea - City of Seattle | 7/22/2021 | 451.56 | BIA Assessment |
| 273 | citseacu - City of Seattle-Combined Utilities | 7/22/2021 | 17,652.48 | Garbage/Waste Removal & Water/Sewer |
| 274 | tromorfs - Trotter & Morton Facility Service of PNW, Inc. | 7/22/2021 | 2,237.71 | HVAC/Boiler Maint - Contract |
| Total vs2conop - General Checking | | | 31,657.80 | |
| vs2lpop - General Checking | | | | |
| 419 | cenlin - CenturyLink | 7/8/2021 | 265.44 | Telecomm |
| 420 | citsea - City of Seattle | 7/8/2021 | 185.57 | B&O Taxes |
| 421 | idvs2con - IDVS2 Condo Association | 7/8/2021 | 2,391.38 | Condo Billing |
| 422 | smrarc - SMR Architects, PLLC | 7/8/2021 | 1,053.00 | Professional Fees/Consulting |
| 423 | usbank - US Bank/TFM/97298300/Julie Kammuelier | 7/8/2021 | 14,753.13 | Loan Payment - Monthly |
| 424 | welfar - Wells Fargo | 7/8/2021 | 9.46 | Telecomm |
| 425 | verwir - Verizon Wireless | 7/15/2021 | 56.48 | Telecomm |
| 426 | citseafa - City of Seattle FAS | 7/22/2021 | 28.34 | B&O Taxes |
| 427 | scidpda - SCIDpda | 7/22/2021 | 10,714.36 | ID Billing |
| 428 | cenlin - CenturyLink | 7/29/2021 | 265.11 | Telecomm |
| 429 | paclam - Pacific Lamp & Supply Company | 7/29/2021 | 227.34 | Supplies |
| Total vs2lpop - General Checking | | | 29,949.61 | |
| | | | 1,818,052.67 | |

SCIDpda Consolidated Balance Sheet (With Period Change)

Period = Jan 2021-Jun 2021

Book = Accrual ; Tree = .fc_bs

PDA Reporting=PDA Admin,Community Initiatives,Hinghay,Properties,Property Mgmt/Maint,Other Legal Holdings;

| | Balance | Beginning | Net |
|--|-------------------|-------------------|--------------------|
| | Current Period | Balance | Change |
| ASSETS | | | |
| CURRENT ASSETS | | | |
| CASH & CASH EQUIVALENTS | | | |
| Cash & Cash Equivalents | 4,458,720 | 1,046,702 | 3,412,018 |
| Investments | 2,069,227 | 2,374,206 | (304,979) |
| Restricted Cash | 4,617,022 | 5,427,159 | (810,137) |
| Restricted Investments | 130,497 | 378,585 | (248,088) |
| TOTAL CASH & CASH EQUIVALENTS | 11,275,466 | 9,226,652 | 2,048,814 |
| ACCOUNTS RECEIVABLE | | | |
| Accounts Receivable - Net | 437,111 | 577,423 | (140,312) |
| Deferred Rent Receivable | 896,814 | 896,814 | - |
| TOTAL ACCOUNTS RECEIVABLE | 1,333,925 | 1,474,237 | (140,312) |
| OTHER RECEIVABLES | | | |
| Note Receivable | 1,914,211 | 3,417,044 | (1,502,833) |
| Other Receivables | 164,139 | 30,985 | 133,154 |
| TOTAL OTHER RECEIVABLES | 2,078,350 | 3,448,029 | (1,369,679) |
| DEPOSITS & PREPAIDS | | | |
| Prepaid Insurance | 42,555 | 61,615 | (19,060) |
| Prepaid Expenses & Deposits | 354,853 | 41,376 | 313,477 |
| TOTAL DEPOSITS & PREPAIDS | 397,408 | 102,991 | 294,417 |
| TOTAL CURRENT ASSETS | 15,085,149 | 14,251,909 | 833,240 |
| LONG-TERM ASSETS | | | |
| PROPERTY | | | |
| Property - Net Accum. Depreciation | 34,925,904 | 35,643,298 | (717,394) |
| TOTAL PROPERTY | 34,925,904 | 35,643,298 | (717,394) |
| FIXED ASSETS | | | |
| Furniture Fixtures & Equipment - Net Accum. Deprec | 160,536 | 157,666 | 2,870 |
| TOTAL FIXED ASSETS | 160,536 | 157,666 | 2,870 |
| TOTAL LONG-TERM ASSETS | 35,086,440 | 35,800,964 | (714,524) |
| OTHER ASSETS | | | |
| OTHER ASSETS | | | |

Balance Sheet (With Period Change)

Period = Jan 2021-Jun 2021

Book = Accrual ; Tree = .fc_bs

PDA Reporting=PDA Admin,Community Initiatives,Hinghay,Properties,Property Mgmt/Maint,Other Legal Holdings;

| | Balance | Beginning | Net |
|---|-------------------|-------------------|------------------|
| | Current Period | Balance | Change |
| Other Receivables | 2,710,724 | 1,717,518 | 993,206 |
| Investments in & Deposits with Other Entities | 6,386,365 | 6,355,532 | 30,833 |
| Development Projects | 4,282,009 | 3,813,457 | 468,552 |
| TOTAL OTHER ASSETS | 13,379,098 | 11,886,507 | 1,492,591 |
| TOTAL OTHER ASSETS | 13,379,098 | 11,886,507 | 1,492,591 |
| TOTAL ASSETS | 63,550,687 | 61,939,380 | 1,611,307 |
| LIABILITIES & CAPITAL | | | |
| LIABILITIES | | | |
| CURRENT LIABILITIES | | | |
| PAYABLES & OBLIGATIONS | | | |
| Accounts Payable | 522,952 | 713,508 | (190,556) |
| Prepaid Rent | 47,217 | 18,845 | 28,373 |
| Current Portion Due of Mortgages & Other Obligation | 1,158,615 | 1,340,070 | (181,455) |
| Taxes & Benefits Payable | 1,564 | 943 | 621 |
| TOTAL PAYABLES & OBLIGATIONS | 1,730,348 | 2,073,366 | (343,017) |
| ACCRUED EXPENSES | | | |
| Accrued Expenses | 1,574,296 | 1,618,278 | (43,982) |
| TOTAL ACCRUED EXPENSES | 1,574,296 | 1,618,278 | (43,982) |
| TOTAL CURRENT LIABILITIES | 3,304,645 | 3,691,644 | (386,999) |
| LONG-TERM LIABILITIES | | | |
| MORTGAGES & OTHER OBLIGATIONS | | | |
| Loan Payable | 30,910,455 | 29,602,740 | 1,307,715 |
| Deferred Inflow of Resources - Net Accum. Amortiza | 310,568 | 326,181 | (15,613) |
| TOTAL MORTGAGES & OTHER OBLIGATIONS | 31,221,023 | 29,928,921 | 1,292,102 |
| TOTAL LONG-TERM LIABILITIES | 31,221,023 | 29,928,921 | 1,292,102 |
| OTHER LIABILITIES | | | |
| Security Deposit Liability | 151,258 | 150,044 | 1,213 |
| Other Liabilities | 594,076 | 191,279 | 402,798 |
| Deferred Rent Payable | 702,045 | 702,045 | - |
| TOTAL OTHER LIABILITIES | 1,447,379 | 1,043,368 | 404,011 |

Balance Sheet (With Period Change)

Period = Jan 2021-Jun 2021

Book = Accrual ; Tree = .fc_bs

PDA Reporting=PDA Admin,Community Initiatives,Hinghay,Properties,Property Mgmt/Maint,Other Legal Holdings;

| | Balance | Beginning | Net |
|--|-----------------------|-------------------|------------------|
| | Current Period | Balance | Change |
| TOTAL LIABILITIES | 35,973,047 | 34,663,934 | 1,309,113 |
| CAPITAL | | | |
| Retained Earnings | 27,577,640 | 27,275,446 | 302,194 |
| TOTAL CAPITAL | 27,577,640 | 27,275,446 | 302,194 |
| TOTAL LIABILITIES & CAPITAL | 63,550,687 | 61,939,380 | 1,611,307 |

PDA Reporting Comparison Cash Flow Statement

Book = Accrual ; Tree = .fc_is_report_ne

Benchmark Reporting=Residential,Commercial,Community Initiatives,Administration,Property Mgmt/Maint,Other;

| Year to Date - 2nd Quarter 2021 | | | | | | | | |
|--|-----------------------|-------------|--------------------|---------------------|---|---------------|--------------|----------------------|
| Admin Fundraising Development | Community Initiatives | Residential | Commercial Hinghay | Property Mgmt/Maint | Legal Holdings Master/QualicB Hotel/Condo | Total SCIDpda | Total Budget | Variance Fav (Unfav) |
| REVENUE | | | | | | | | |
| RENT INCOME | | | | | | | | |
| Rent | 0 | 0 | 1,135,778 | 1,325,621 | 0 | 656,752 | 3,118,152 | 3,120,972 (2,820) |
| Vacancies | 0 | 0 | (4,923) | (44,184) | 0 | 0 | (49,107) | (48,440) (667) |
| Concessions and Bad Debt | 0 | 0 | (7,193) | (130,666) | 0 | 0 | (137,860) | (17,096) (120,764) |
| NET RENT INCOME | 0 | 0 | 1,123,662 | 1,150,771 | 0 | 656,752 | 2,931,185 | 3,055,436 (124,251) |
| TOTAL OTHER RENTAL INCOME | 0 | 0 | 0 | 106,878 | 0 | 0 | 106,878 | 106,085 793 |
| TOTAL SERVICE INCOME | 54,532 | 0 | 0 | 8,883 | 641,000 | 0 | 704,415 | 735,797 (31,383) |
| TOTAL OTHER INCOME | 44,965 | 2,300 | 4,923 | 39,910 | 0 | 0 | 92,098 | 71,360 20,738 |
| TOTAL INTEREST INCOME | 49,534 | 0 | 1,115 | 52,393 | 0 | 63 | 103,106 | 80,351 22,755 |
| Grants | 169,220 | 145,394 | 4,394 | 73,692 | 0 | 0 | 392,699 | 225,760 166,939 |
| LESS Grant Program Expense | (22,115) | (86,186) | 0 | 0 | 0 | 0 | (108,301) | (108,076) (225) |
| Other Fundraising | 55,991 | 87,713 | 0 | 0 | 50,000 | 0 | 193,704 | 165,260 28,444 |
| TOTAL FUNDRAISING INCOME | 203,096 | 146,920 | 4,394 | 73,692 | 50,000 | 0 | 478,102 | 282,944 195,158 |
| TOTAL REVENUE | 352,127 | 149,220 | 1,134,095 | 1,432,526 | 691,000 | 656,815 | 4,415,783 | 4,331,972 83,811 |
| EXPENSES | | | | | | | | |
| ADMINISTRATIVE | | | | | | | | |
| Professional Fees & Consulting | 53,359 | 3,202 | 26,881 | 26,559 | 0 | 7,115 | 117,115 | 98,607 (18,509) |
| Rent Expense | 24,798 | 4,500 | 99,900 | 367,238 | 4,410 | 211,002 | 711,848 | 711,352 (496) |
| Salaries | 449,769 | 132,355 | 73,776 | 25,600 | 585,094 | 0 | 1,266,595 | 1,304,048 37,453 |
| Other Admin Expenses | 40,795 | 447 | 13,925 | 14,619 | 10,777 | 120 | 80,684 | 79,536 (1,148) |
| TOTAL ADMINISTRATIVE | 568,721 | 140,503 | 214,483 | 434,016 | 600,281 | 218,237 | 2,176,241 | 2,193,542 17,301 |
| TOTAL MANAGEMENT FEE | 436 | 138 | 90,649 | 101,206 | 38,492 | 0 | 230,921 | 258,051 27,130 |
| TOTAL MAINTENANCE | 24,037 | 0 | 246,400 | 50,546 | 1,756 | 0 | 322,739 | 352,720 29,981 |
| TOTAL UTILITIES | 8,392 | 0 | 193,239 | 9,500 | 616 | 0 | 211,747 | 231,758 20,011 |
| TOTAL TAXES | 65 | 6 | 12,711 | 1,878 | 33 | 0 | 14,693 | 14,930 237 |
| TOTAL INSURANCE | 3,233 | 0 | 59,700 | 16,502 | 488 | 0 | 79,922 | 84,658 4,737 |
| TOTAL PROGRAM EXPENSES | 1,494 | 0 | 0 | 0 | 0 | 0 | 1,494 | 1,494 0 |
| TOTAL OPERATING EXPENSES | 606,378 | 140,648 | 817,181 | 613,648 | 641,666 | 218,237 | 3,037,757 | 3,137,154 99,396 |
| NOI BEFORE DEBT SERVICE & GROUND LEASE | (254,251) | 8,573 | 316,914 | 818,879 | 49,334 | 438,578 | 1,378,026 | 1,194,819 183,207 |
| TOTAL DEBT SERVICE & GROUND LEASE | 0 | 0 | 75,585 | 103,425 | 0 | 107,873 | 286,883 | 286,181 (703) |
| NOI AFTER DEBT SERVICE & GROUND LEASE | (254,251) | 8,573 | 241,328 | 715,454 | 49,334 | 330,705 | 1,091,143 | 908,638 182,504 |
| TOTAL OTHER EXPENSES | 29,721 | 0 | 11,407 | (33,856) | 0 | 1,500 | 8,771 | (4,136) (12,907) |
| NET INCOME BEFORE DEPR & AMORT | (283,972) | 8,573 | 229,922 | 749,310 | 49,334 | 329,205 | 1,082,371 | 912,774 169,597 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | | | | | |
| Operating Reserve Deposits | | | (3,993) | | | | (3,993) | |
| Replacement Reserve Deposits | | | (17,656) | (46,595) | | (13,959) | (78,211) | |
| Replacement Reserve Draws | | | | | 25,063 | 25,063 | | |
| Building Improvements, Furniture & Equipment | | | | | (35,222) | (35,222) | | |
| Development costs | (537,889) | | | | | (537,889) | | |
| NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES | (537,889) | 0 | (21,649) | (46,595) | 0 | (24,118) | (630,252) | |
| CASH FLOWS FROM FINANCING ACTIVITIES | | | | | | | | |
| Accrued Interest not paid | | | 20,316 | | | | 20,316 | |
| Deposits/Commitment Fees | (304,532) | | | | | | (304,532) | |
| Predevelopment Funding Sources | 537,889 | | | | | | 537,889 | |
| Principal payments on notes payable | | | (76,045) | (305,017) | | (93,968) | (475,031) | |
| NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES | 233,357 | 0 | (55,729) | (305,017) | 0 | (93,968) | (221,358) | |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (588,504) | 8,573 | 152,543 | 397,697 | 49,334 | 211,119 | 230,762 | |

PDA Reporting Comparison Income Statement

Book = Accrual ; Tree = .fc_is_report_ne

Benchmark Reporting=Residential,Commercial,Community Initiatives,Administration,Property Mgmt/Maint,Other;

| 2nd Quarter 2021 | | | | | | | | | Year to Date | | | | | | | | | |
|-------------------------------|-----------------------|-------------|--------------------|---------------------|--|---------------|--------------|----------------------|-------------------------------|-----------------------|-------------|--------------------|---------------------|--|---------------|--------------|----------------------|--|
| Admin Fundraising Development | Community Initiatives | Residential | Commercial Hinghay | Property Mgmt/Maint | Legal Holdings Master/QalicB Hotel/Condo | Total SCIDpda | Total Budget | Variance Fav (Unfav) | Admin Fundraising Development | Community Initiatives | Residential | Commercial Hinghay | Property Mgmt/Maint | Legal Holdings Master/QalicB Hotel/Condo | Total SCIDpda | Total Budget | Variance Fav (Unfav) | |
| | | | | | | | | | | | | | | | | | | |
| 0 | 0 | 570,037 | 663,331 | 0 | 330,001 | 1,563,370 | 1,562,733 | 636 | 0 | 0 | 1,135,778 | 1,325,621 | 0 | 656,752 | 3,118,152 | 3,120,972 | (2,820) | |
| 0 | 0 | (1,334) | (23,616) | 0 | 0 | (24,950) | (24,980) | 30 | 0 | 0 | (4,923) | (44,184) | 0 | 0 | (49,107) | (48,440) | (667) | |
| 0 | 0 | (1,527) | (75,801) | 0 | 0 | (77,328) | (9,243) | (68,085) | 0 | 0 | (7,193) | (130,666) | 0 | 0 | (137,860) | (17,096) | (120,764) | |
| 0 | 0 | 567,176 | 563,915 | 0 | 330,001 | 1,461,092 | 1,528,510 | (67,419) | 0 | 0 | 1,123,662 | 1,150,771 | 0 | 656,752 | 2,931,185 | 3,055,436 | (124,251) | |
| 0 | 0 | 0 | 53,835 | 0 | 0 | 53,835 | 53,042 | 793 | 0 | 0 | 0 | 106,878 | 0 | 0 | 106,878 | 106,085 | 793 | |
| 27,116 | 0 | 0 | 4,419 | 326,462 | 0 | 357,997 | 372,950 | (14,954) | 54,532 | 0 | 0 | 8,883 | 641,000 | 0 | 704,415 | 735,797 | (31,383) | |
| 23,658 | 300 | 2,402 | 20,440 | 0 | 0 | 46,801 | 35,808 | 10,992 | 44,965 | 2,300 | 4,923 | 39,910 | 0 | 0 | 92,098 | 71,360 | 20,738 | |
| 20,414 | 0 | 549 | 25,284 | 0 | 25 | 46,273 | 35,944 | 10,329 | 49,534 | 0 | 1,115 | 52,393 | 0 | 63 | 103,106 | 80,351 | 22,755 | |
| 27,506 | 47,259 | 0 | 73,692 | 0 | 0 | 148,457 | 103,880 | 44,577 | 169,220 | 145,394 | 4,394 | 73,692 | 0 | 0 | 392,699 | 225,760 | 166,939 | |
| (2,674) | (39,710) | 0 | 0 | 0 | 0 | (42,384) | (54,038) | 11,654 | (22,115) | (86,186) | 0 | 0 | 0 | 0 | (108,301) | (108,076) | (225) | |
| 85,895 | 73,758 | 0 | 0 | 0 | 0 | 159,653 | 66,630 | 93,023 | 55,991 | 87,713 | 0 | 0 | 50,000 | 0 | 193,704 | 165,260 | 28,444 | |
| 110,727 | 81,306 | 0 | 73,692 | 0 | 0 | 265,725 | 116,472 | 149,253 | 203,096 | 146,920 | 4,394 | 73,692 | 50,000 | 0 | 478,102 | 282,944 | 195,158 | |
| 181,915 | 81,606 | 570,128 | 741,584 | 326,462 | 330,026 | 2,231,722 | 2,142,727 | 88,995 | 352,127 | 149,220 | 1,134,095 | 1,432,526 | 691,000 | 656,815 | 4,415,783 | 4,331,972 | 83,811 | |
| | | | | | | | | | | | | | | | | | | |
| 26,753 | 1,133 | 18,336 | 16,130 | 0 | 3,558 | 65,909 | 61,288 | (4,621) | 53,359 | 3,202 | 26,881 | 26,559 | 0 | 7,115 | 117,115 | 98,607 | (18,509) | |
| 12,399 | 2,250 | 49,950 | 185,002 | 2,205 | 105,501 | 357,307 | 357,301 | (6) | 24,798 | 4,500 | 99,900 | 367,238 | 4,410 | 211,002 | 711,848 | 711,352 | (496) | |
| 210,574 | 59,730 | 38,642 | 16,501 | 294,332 | 0 | 619,778 | 664,357 | 44,579 | 449,769 | 132,355 | 73,776 | 25,600 | 585,094 | 0 | 1,266,595 | 1,304,048 | 37,453 | |
| 19,438 | 342 | 6,913 | 6,656 | 7,061 | 0 | 40,410 | 36,063 | (4,348) | 40,795 | 447 | 13,925 | 14,619 | 10,777 | 120 | 80,684 | 79,536 | (1,148) | |
| 269,164 | 63,455 | 113,841 | 224,289 | 303,598 | 109,059 | 1,083,405 | 1,119,009 | 35,604 | 568,721 | 140,503 | 214,483 | 434,016 | 600,281 | 218,237 | 2,176,241 | 2,193,542 | 17,301 | |
| 180 | 18 | 45,665 | 49,828 | 19,588 | 0 | 115,279 | 133,295 | 18,016 | 436 | 138 | 90,649 | 101,206 | 38,492 | 0 | 230,921 | 258,051 | 27,130 | |
| 12,088 | 0 | 125,938 | 26,934 | 970 | 0 | 165,930 | 182,727 | 16,797 | 24,037 | 0 | 246,400 | 50,546 | 1,756 | 0 | 322,739 | 352,720 | 29,981 | |
| 4,145 | 0 | 92,320 | (5,708) | 308 | 0 | 91,066 | 100,508 | 9,443 | 8,392 | 0 | 193,239 | 9,500 | 616 | 0 | 211,747 | 231,758 | 20,011 | |
| 51 | 6 | 6,470 | 955 | 17 | 0 | 7,499 | 7,463 | (36) | 65 | 6 | 12,711 | 1,878 | 33 | 0 | 14,693 | 14,930 | 237 | |
| 1,865 | 0 | 29,513 | 8,429 | 244 | 0 | 40,051 | 46,811 | 6,759 | 3,233 | 0 | 59,700 | 16,502 | 488 | 0 | 79,922 | 84,658 | 4,737 | |
| 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,494 | 0 | 0 | 0 | 0 | 0 | 1,494 | 1,494 | 0 | |
| 287,494 | 63,479 | 413,748 | 304,726 | 324,724 | 109,059 | 1,503,229 | 1,589,812 | 86,583 | 606,378 | 140,648 | 817,181 | 613,648 | 641,666 | 218,237 | 3,037,757 | 3,137,154 | 99,396 | |
| (105,579) | 18,127 | 156,380 | 436,859 | 1,739 | 220,968 | 728,493 | 552,915 | 175,578 | (254,251) | 8,573 | 316,914 | 818,879 | 49,334 | 438,578 | 1,378,026 | 1,194,819 | 183,207 | |
| 0 | 0 | 37,495 | 50,609 | 0 | 56,902 | 145,006 | 146,360 | 1,354 | 0 | 0 | 75,585 | 103,425 | 0 | 107,873 | 286,883 | 286,181 | (703) | |
| (105,579) | 18,127 | 118,885 | 386,249 | 1,739 | 164,066 | 583,487 | 406,555 | 176,932 | (254,251) | 8,573 | 241,328 | 715,454 | 49,334 | 330,705 | 1,091,143 | 908,638 | 182,504 | |
| 16,645 | 0 | 5,703 | (16,748) | 0 | 750 | 6,350 | (1,939) | (8,290) | 29,721 | 0 | 11,407 | (33,856) | 0 | 1,500 | 8,771 | (4,136) | (12,907) | |
| (122,224) | 18,127 | 113,181 | 402,998 | 1,739 | 163,316 | 577,137 | 408,495 | 168,642 | (283,972) | 8,573 | 229,922 | 749,310 | 49,334 | 329,205 | 1,082,371 | 912,774 | 169,597 | |
| 8,888 | 0 | 114,763 | 169,061 | 0 | 97,107 | 389,819 | 386,380 | (3,439) | 17,776 | 0 | 229,527 | 338,411 | 0 | 194,463 | 780,177 | 773,892 | (6,285) | |
| (131,112) | 18,127 | (1,582) | 233,937 | 1,739 | 66,209 | 187,318 | 22,115 | 165,203 | (301,748) | 8,573 | 395 | 410,899 | 49,334 | 134,742 | 302,194 | 138,882 | 163,312 | |

PDA Reporting Comparison Income Statement

Book = Accrual ; Tree = .fc_is_report_ne

Benchmark Reporting=Residential,Commercial,Community Initiatives,Administration,Property Mgmt/Maint,Other;

| | Year to Date - 2nd Quarter 2021 | | | | | | | | | | | | | | | | | | | | |
|--|---------------------------------|--------------|----------------------|-----------------------|--------------|----------------------|-------------|--------------|----------------------|--------------------|--------------|----------------------|---------------------|--------------|----------------------|---|--------------|----------------------|---------------|--------------|----------------------|
| | Admin/Fundraising/Development | | | Community Initiatives | | | Residential | | | Commercial/Hinghay | | | Property Mgmt/Maint | | | Legal Holdings Master/QaliciB/Hotel/Condo | | | Total SCIDpda | | |
| | Actual | Total Budget | Variance Fav (Unfav) | Actual | Total Budget | Variance Fav (Unfav) | Actual | Total Budget | Variance Fav (Unfav) | Actual | Total Budget | Variance Fav (Unfav) | Actual | Total Budget | Variance Fav (Unfav) | Actual | Total Budget | Variance Fav (Unfav) | Total SCIDpda | Total Budget | Variance Fav (Unfav) |
| REVENUE | | | | | | | | | | | | | | | | | | | | | |
| RENT INCOME | | | | | | | | | | | | | | | | | | | | | |
| Rent | 0 | 0 | 0 | 0 | 0 | 0 | 1,135,778 | 1,139,106 | (3,328) | 1,325,621 | 1,325,114 | 508 | 0 | 0 | 0 | 656,752 | 656,752 | 0 | 3,118,152 | 3,120,972 | (2,820) |
| Vacancies | 0 | 0 | 0 | 0 | 0 | 0 | (4,923) | (10,304) | 5,381 | (44,184) | (38,136) | (6,048) | 0 | 0 | 0 | 0 | 0 | 0 | (49,107) | (48,440) | (667) |
| Concessions and Bad Debt | 0 | 0 | 0 | 0 | 0 | 0 | (7,193) | (1,109) | (6,084) | (130,666) | (15,987) | (114,679) | 0 | 0 | 0 | 0 | 0 | 0 | (137,860) | (17,096) | (120,764) |
| NET RENT INCOME | 0 | 0 | 0 | 0 | 0 | 0 | 1,123,662 | 1,127,693 | (4,031) | 1,150,771 | 1,270,991 | (120,220) | 0 | 0 | 0 | 656,752 | 656,752 | 0 | 2,931,185 | 3,055,436 | (124,251) |
| TOTAL OTHER RENTAL INCOME | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 106,878 | 106,085 | 793 | 0 | 0 | 0 | 0 | 0 | 0 | 106,878 | 106,085 | 793 |
| TOTAL SERVICE INCOME | 54,532 | 76,327 | (21,796) | 0 | 0 | 0 | 0 | 0 | 0 | 8,883 | 8,928 | (45) | 641,000 | 650,542 | (9,542) | 0 | 0 | 0 | 704,415 | 735,797 | (31,383) |
| TOTAL OTHER INCOME | 44,965 | 38,716 | 6,249 | 2,300 | 0 | 2,300 | 4,923 | 6,195 | (1,272) | 39,910 | 26,449 | 13,461 | 0 | 0 | 0 | 0 | 0 | 0 | 92,098 | 71,360 | 20,738 |
| TOTAL INTEREST INCOME | 49,534 | 28,721 | 20,814 | 0 | 0 | 0 | 1,115 | 1,050 | 65 | 52,393 | 50,532 | 1,861 | 0 | 0 | 0 | 63 | 48 | 15 | 103,106 | 80,351 | 22,755 |
| Grants | 169,220 | 134,260 | 34,960 | 145,394 | 91,500 | 53,894 | 4,394 | 0 | 4,394 | 73,692 | 0 | 73,692 | 0 | 0 | 0 | 0 | 0 | 0 | 392,699 | 225,760 | 166,939 |
| LESS Grant Program Expense | (22,115) | 0 | (22,115) | (86,186) | (108,076) | 21,890 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | (108,301) | (108,076) | (225) |
| Other Fundraising | 55,991 | 23,000 | 32,991 | 87,713 | 92,260 | (4,547) | 0 | 0 | 0 | 0 | 0 | 0 | 50,000 | 50,000 | 0 | 0 | 0 | 0 | 193,704 | 165,260 | 28,444 |
| TOTAL FUNDRAISING INCOME | 203,096 | 157,260 | 45,836 | 146,920 | 75,684 | 71,236 | 4,394 | 0 | 4,394 | 73,692 | 0 | 73,692 | 50,000 | 50,000 | 0 | 0 | 0 | 0 | 478,102 | 282,944 | 195,158 |
| TOTAL REVENUE | 352,127 | 301,024 | 51,103 | 149,220 | 75,684 | 73,536 | 1,134,095 | 1,134,938 | (843) | 1,432,526 | 1,462,984 | (30,458) | 691,000 | 700,542 | (9,542) | 656,815 | 656,800 | 15 | 4,415,783 | 4,331,972 | 83,811 |
| | | | | | | | | | | | | | | | | | | | | | |
| EXPENSES | | | | | | | | | | | | | | | | | | | | | |
| ADMINISTRATIVE | | | | | | | | | | | | | | | | | | | | | |
| Professional Fees & Consulting | 53,359 | 36,718 | (16,640) | 3,202 | 2,192 | (1,010) | 26,881 | 28,305 | 1,424 | 26,559 | 24,277 | (2,282) | 0 | 0 | 0 | 7,115 | 7,115 | (0) | 117,115 | 98,607 | (18,509) |
| Rent Expense | 24,798 | 24,798 | 0 | 4,500 | 4,500 | 0 | 99,900 | 99,900 | 0 | 367,238 | 366,742 | (496) | 4,410 | 4,410 | 0 | 211,002 | 211,002 | 0 | 711,848 | 711,352 | (496) |
| Salaries | 449,769 | 493,034 | 43,265 | 132,355 | 113,373 | (18,982) | 73,776 | 69,041 | (4,735) | 25,600 | 25,015 | (585) | 585,094 | 603,585 | 18,491 | 0 | 0 | 0 | 1,266,595 | 1,304,048 | 37,453 |
| Other Admin Expenses | 40,795 | 42,526 | 1,731 | 447 | 1,178 | 731 | 13,925 | 13,854 | (71) | 14,619 | 12,794 | (1,825) | 10,777 | 9,063 | (1,714) | 120 | 120 | 0 | 80,684 | 79,536 | (1,148) |
| TOTAL ADMINISTRATIVE | 568,721 | 597,076 | 28,355 | 140,503 | 121,243 | (19,261) | 214,483 | 211,100 | (3,382) | 434,016 | 428,828 | (5,188) | 600,281 | 617,058 | 16,777 | 218,237 | 218,237 | (0) | 2,176,241 | 2,193,542 | 17,301 |
| TOTAL MANAGEMENT FEE | 436 | 25,837 | 25,401 | 138 | 0 | (138) | 90,649 | 91,374 | 725 | 101,206 | 101,888 | 682 | 38,492 | 38,952 | 460 | 0 | 0 | 0 | 230,921 | 258,051 | 27,130 |
| TOTAL MAINTENANCE | 24,037 | 33,116 | 9,079 | 0 | 0 | 0 | 246,400 | 263,706 | 17,306 | 50,546 | 55,705 | 5,159 | 1,756 | 1,873 | 117 | 0 | (1,680) | (1,680) | 322,739 | 352,720 | 29,981 |
| TOTAL UTILITIES | 8,392 | 8,292 | (100) | 0 | 0 | 0 | 193,239 | 205,890 | 12,651 | 9,500 | 16,958 | 7,458 | 616 | 618 | 2 | 0 | 0 | 0 | 211,747 | 231,758 | 20,011 |
| TOTAL TAXES | 65 | 119 | 54 | 6 | 0 | (6) | 12,711 | 12,941 | 230 | 1,878 | 1,837 | (41) | 33 | 33 | 0 | 0 | 0 | 0 | 14,693 | 14,930 | 237 |
| TOTAL INSURANCE | 3,233 | 2,699 | (534) | 0 | 0 | 0 | 59,700 | 64,174 | 4,474 | 16,502 | 17,297 | 796 | 488 | 489 | 2 | 0 | 0 | (0) | 79,922 | 84,658 | 4,737 |
| TOTAL PROGRAM EXPENSES | 1,494 | 1,494 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1,494 | 1,494 | 0 |
| TOTAL OPERATING EXPENSES | 606,378 | 668,632 | 62,254 | 140,648 | 121,243 | (19,405) | 817,181 | 849,185 | 32,004 | 613,648 | 622,513 | 8,866 | 641,666 | 659,023 | 17,357 | 218,237 | 216,557 | (1,680) | 3,037,757 | 3,137,154 | 99,396 |
| NOI BEFORE DEBT SERVICE & GROUND LEASE | (254,251) | (367,608) | 113,357 | 8,573 | (45,559) | 54,132 | 316,914 | 285,753 | 31,161 | 818,879 | 840,471 | (21,592) | 49,334 | 41,519 | 7,815 | 438,578 | 440,243 | (1,665) | 1,378,026 | 1,194,819 | 183,207 |
| TOTAL DEBT SERVICE & GROUND LEASE | 0 | 0 | 0 | 0 | 0 | 0 | 75,585 | 75,482 | (103) | 103,425 | 103,354 | (71) | 0 | 0 | 0 | 107,873 | 107,344 | (529) | 286,883 | 286,181 | (703) |
| NOI AFTER DEBT SERVICE & GROUND LEASE | (254,251) | (367,608) | 113,357 | 8,573 | (45,559) | 54,132 | 241,328 | 210,271 | 31,058 | 715,454 | 737,117 | (21,663) | 49,334 | 41,519 | 7,815 | 330,705 | 332,899 | (2,194) | 1,091,143 | 908,638 | 182,504 |
| TOTAL OTHER EXPENSES | 29,721 | 25,591 | (4,130) | 0 | 0 | 0 | 11,407 | 11,411 | 4 | (33,856) | (42,638) | (8,781) | 0 | 0 | 0 | 1,500 | 1,500 | 0 | 8,771 | (4,136) | (12,907) |
| NET INCOME BEFORE DEPR & AMORT | (283,972) | (393,199) | 109,227 | 8,573 | (45,559) | 54,132 | 229,922 | 198,860 | 31,062 | 749,310 | 779,754 | (30,444) | 49,334 | 41,519 | 7,815 | 329,205 | 331,399 | (2,194) | 1,082,371 | 912,774 | 169,597 |
| TOTAL DEPRECIATION & AMORTIZATION | 17,776 | 17,776 | 0 | 0 | 0 | 0 | 229,527 | 229,726 | 199 | 338,411 | 332,804 | (5,607) | 0 | 0 | 0 | 194,463 | 193,586 | (877) | 780,177 | 773,892 | (6,285) |
| NET INCOME | (301,748) | (410,975) | 109,227 | 8,573 | (45,559) | 54,132 | 395 | (30,866) | 31,261 | 410,899 | 446,950 | (36,052) | 49,334 | 41,519 | 7,815 | 134,742 | 137,813 | (3,071) | 302,194 | 138,882 | 163,312 |

Resolution 21-08-17-2

RESOLUTION OF SEATTLE CHINATOWN INTERNATIONAL DISTRICT PRESERVATION AND DEVELOPMENT AUTHORITY

We, the Seattle Chinatown International District Preservation and Development Authority Board of Directors, accept the 2020 Audit Report as presented.

Board President

Date

Board Secretary

Date



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

July 21, 2021

Board of Directors
Seattle Chinatown International District Preservation and Development Authority
409 Maynard Avenue South, Suite 200
Seattle, WA 98104

RE: CPA firm audit in lieu of an Auditor's Office audit

The Authority, has requested the Office of the Washington State Auditor to accept its financial and single audits performed by a separately contracted certified public accountants (CPA) firm under generally accepted government auditing standards, in lieu of an Auditor's Office audit. This letter's purpose is to communicate the terms under which the Office would accept the financial and single audits.

The State's Constitution and statutes designate the Washington State Auditor as the auditor of public accounts and gives the State Auditor authority to establish the frequency of those audits. State law also authorizes the State Auditor to contract with public accountants certified in Washington (CPA firms) to carry out those portions of the Office's duties of auditing local governments as the State Auditor may determine appropriate. Therefore, following are the conditions accompanying our acceptance of a CPA firm audit and report:

Period: The period of acceptance for the Authority to submit to the Auditor's Office its financial and single audits performed by a separately contracted CPA firm is being granted for audits of fiscal years 2018, 2019 and 2020.

Cancellation/revocation: The Auditor's Office reserves the right to rescind its agreement to accept the CPA firm audit report with 30 days written notice if the Authority fails to comply with any provision of this letter.

Further, as the auditor of public accounts, the Auditor's Office may determine it is in the public's best interest to rescind this acceptance during the acceptance period, for reasons including but not limited to:

- a. Significant concerns with the quality of a CPA firm's audit work or other issues related to the acceptance, up to and including not complying with government auditing standards.

- b. One or more audits of the Authority identify potential misfeasance, malfeasance or nonfeasance, or a history of material noncompliance or material weaknesses in internal control.

Responsibilities of the Authority – As a condition of the Office’s acceptance of the CPA firm audit and report, the Authority is responsible to do all of the following:

- a. Comply with this letter’s terms.
- b. Ensure the terms of the contract entered into between the Authority and the CPA firm in lieu of an Auditor’s Office audit meet all of this letter’s terms, and as part of the selection process, consider the CPA firm’s independence and professional reputation.
- c. Require the CPA firm to perform all such audits covered by its contract under generally accepted government auditing standards.
- d. Ensure the Auditor’s Office has unrestricted access to review the CPA firm’s audit documentation, including administration and planning files, except for those documents determined to be attorney-client privileged under RCW 5.60.060.
- e. Provide an electronic copy of the audit report to the Auditor’s Office within 10 business days of receipt by the Authority for publishing on the Office’s external website.
- f. Schedule the completion of the CPA firm’s audits before other Auditor’s Office audits, if possible. The Authority acknowledges that potential efficiencies and cost savings might be lost if the CPA firm audits are not available for review before Auditor’s Office audits begin.
- g. Invite the Auditor’s Office to key meetings between the CPA firm and the Authority, and pay the Auditor’s Office for the cost of Auditor’s Office staff attending these meetings.
- h. Pay the Auditor’s Office for the cost of reviewing the CPA firm’s audit report and documentation at the Office’s then-current billing rate.
- i. Pay for re-performing audit work, or the entire audit if necessary, if the Auditor’s Office determines the CPA firm’s audit work does not conform to applicable auditing standards and the CPA firm is unable or unwilling to correct the deficiency.
- j. Notify the Auditor’s Office as soon as it becomes aware that the CPA firm plans to or has reissued an audit report covered under this letter, and will provide a copy of the reissued report electronically to the Auditor’s Office within 10 business days of receiving it.

Auditor’s Office responsibilities – The Auditor’s Office will do the following:

- a. Accept the CPA firm’s financial and single audits and reports for the Seattle Chinatown International District Preservation and Development Authority for the periods specified above, in lieu of an Auditor’s Office audit, if all of this letter’s terms are met.
- b. The Auditor’s Office will periodically monitor the Authority’s compliance with this letter’s terms, including ongoing invitations to meetings. The Auditor’s Office will notify the Authority immediately if it identifies non-compliance with this letter’s terms.
- c. Review the CPA firm’s audit documentation and audit report to determine if they comply with applicable auditing standards.
- d. Review the CPA firm’s audit documentation and audit report before completing other Auditor’s Office audits to limit duplication of effort where possible.
- e. Notify the Authority if the review identifies areas of concern with the CPA firm’s audit documentation or report.
- f. Publish the CPA firm’s audit report on the Office’s external website.

- g. Provide 30-day notice if the Auditor's Office rescinds acceptance of the Authority's financial and single audits performed by a separately contracted CPA firm in lieu of an Auditor's Office audit.
- h. If the CPA firm is unable or unwilling to correct any deficiencies identified during the Auditor's Office review, the Auditor's Office will re-perform such audit work or audits as it deems necessary to fulfill the Authority's statutory audit requirements.
- i. When notified that a report will be or has been reissued, the Auditor's Office will ensure the original report is removed from the Office's website immediately to avoid further reliance on it. The workpapers applicable to the reissuance also will be reviewed under section d above. When the Auditor's Office has determined the revised audit report and documentation meet this letter's terms, the Auditor's Office will publish the reissued report on the Office's website along with a revised letter.

Please note that acceptance of such an audit and report does not remove the Authority's statutory requirement to file an annual financial report with the Auditor's Office. If you have any questions about the information above, please contact Audit Manager, Joseph Simmons, at 206-615-0557 or joseph.simmons@sao.wa.gov.

Sincerely,



Joseph Simmons, Audit Manager
Office of the Washington State Auditor

**SEATTLE CHINATOWN-INTERNATIONAL
DISTRICT PRESERVATION AND
DEVELOPMENT AUTHORITY**

**FINANCIAL STATEMENTS
AND
COMPLIANCE REPORT
YEAR ENDED DECEMBER 31, 2020**

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Seattle Chinatown-International District Preservation and Development Authority
Seattle, Washington

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities (primary government) and the discretely presented component unit of the Seattle Chinatown-International District Preservation and Development Authority (the Authority) as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the discretely presented component unit of the Seattle Chinatown-International District Preservation and Development Authority as of December 31, 2020, and the respective changes in financial position and cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

INDEPENDENT AUDITORS' REPORT, CONTINUED

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 to 13 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 8, 2021 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Finney, Hill & Company, P.S.

July 8, 2021
Seattle, Washington

SEATTLE CHINATOWN INTERNATIONAL DISTRICT PRESERVATION AND DEVELOPMENT AUTHORITY

Management's Discussion and Analysis December 31, 2020

OVERVIEW OF THE FINANCIAL STATEMENTS

The Seattle Chinatown International District Preservation and Development Authority (the Authority) is pleased to present its basic financial statements for the fiscal year ending December 31, 2020, which have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). GAAP requires the inclusion of three basic financial statements: The Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Net Position; and the Statement of Cash Flows. In addition, GAAP requires the inclusion of a Management's Discussion and Analysis (MD&A) section as required supplementary information.

This section of the Authority's annual financial report presents our discussion and analysis of the Authority's financial performance during the fiscal year ending December 31, 2020 with comparative data from the year ending December 31, 2019. Please read it in conjunction with the Authority's basic financial statements, which immediately follow this section.

The basic financial statements provide both long-term and short-term information about the Authority's overall financial condition. Following the basic financial statements are notes that both explain some of the information in the basic financial statements and provide more detailed data.

As provided for under GAAP, the Authority uses the accrual basis of accounting to prepare its basic financial statements. Under this basis of accounting, revenues are recognized in the period in which they are earned and expenses, including depreciation, are recognized in the period in which they are incurred. All assets and liabilities associated with the operation of the Authority are included in the Statement of Net Position.

There are three broad government fund categories: governmental, proprietary and fiduciary. Proprietary funds are used to account for services provided on a total or partial cost-recovery basis to parties outside the government. The Authority falls under the proprietary fund category.

FINANCIAL HIGHLIGHTS

- Assets of the Authority exceeded liabilities and deferred inflows of resources at December 31, 2020 by \$20,866,398 (net position). Of this amount, \$1,697,352 (unrestricted net position) may be used to meet the Authority's ongoing obligations.
- The Authority immediately responded to COVID-19 by instituting hazard pay for front-line workers during Phase I, offering rent deferrals to several of its residential and commercial tenants, and granting rent concessions to several of its residential and commercial tenants. These additional expenses were partially offset by increased donations and loan deferrals.
- \$1,379,285 of contributions and grants were received by the Authority in 2020 and used to respond to COVID-19 and to directly benefit the neighborhood, including providing resident meals, ensuring that the community received COVID-19 resources in appropriate languages, providing business technical assistance to businesses, neighborhood lighting projects, supporting families with children in school, and public safety.

**SEATTLE CHINATOWN INTERNATIONAL DISTRICT
PRESERVATION AND DEVELOPMENT AUTHORITY**

**Management's Discussion and Analysis
December 31, 2020**

- The Authority was granted a deferral of the 2020 annual principal payment on the SCIDpda Bush Hotel QALICB LLC HUD 108 loan or \$105,000. (See Note 9.)
- The Authority was granted three-year deferrals on its three Washington State Department of Commerce Loans, totaling \$108,992 in 2020 and \$123,415 in each of the two subsequent years. (See Note 9.)
- The Authority develops real estate projects and partners with other nonprofit agencies and private partners to assist with development projects. In 2020, the Authority also continued to assist with some program elements of the Landmark project in Little Saigon and continued to assist two nonprofits in the renovation of their facilities.
- The Authority continued to develop the Yesler Family Housing Project as partner in its joint venture with Community Roots Housing, with the purpose of developing 156 units of affordable family housing and an early learning center for working families in and around the communities of Yesler Terrace, Little Saigon, and the Central District. (See Notes 11 and 17.)
- The Authority received a \$1,532,500 Land Acquisition Program (LAP) loan, reimbursing the Authority's 2019 advance and financing of the earnest money deposit for the purchase of the North Lot property. (See Note 9.)
- The Authority received an additional \$1,186,295 in predevelopment loans as it continued to develop the North Lot of the historic Pacific Hospital campus. The project will be developed in two phases. Phase I will include 160 units of affordable family housing, a program for all-inclusive care for the elderly (PACE), and an early learning center. (See Notes 11 and 17.)
- In February 2020 the Authority hired a new Director of Property Operations, followed by a new Senior Property Manager in June 2020, in a concentrated effort to enhance its operations and set commercial standards.
- In an attempt to further enhance its operations and to focus on its internal properties, the Authority ceased managing three Interim Community Development Association (ICDA) properties as of September 30, 2020.
- On October 31, 2020, Chinatown International District Preservation and Development Association contributed its ownership interest in SCIDpda Bush Hotel Manager, Inc. to the Authority.
- Outstanding Commercial Accounts Receivable increased through December 31, 2020 due to COVID-19. A \$100,000 All in Washington grant was awarded in December 2020, which was passed on to the Authority's tenants in the form of rent concessions in 2021 and reduced said Accounts Receivable. (See Note 17.)

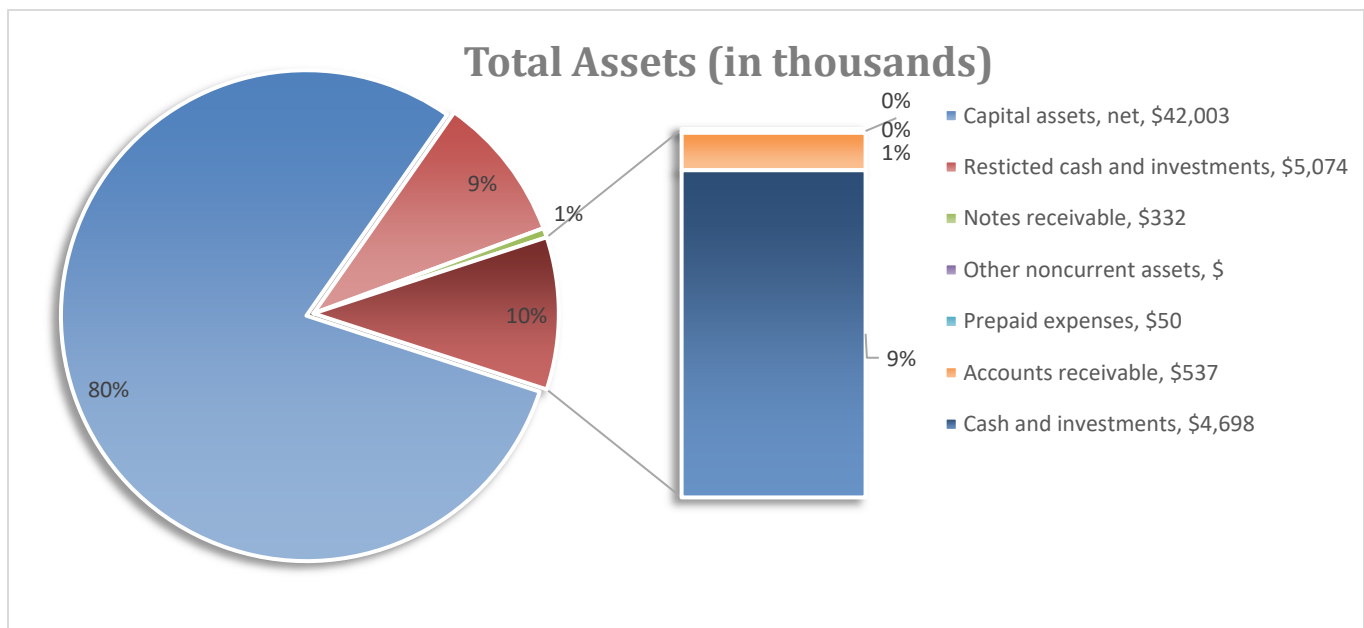
SEATTLE CHINATOWN INTERNATIONAL DISTRICT PRESERVATION AND DEVELOPMENT AUTHORITY

Management's Discussion and Analysis December 31, 2020

FINANCIAL ANALYSIS

Statement of Net Position

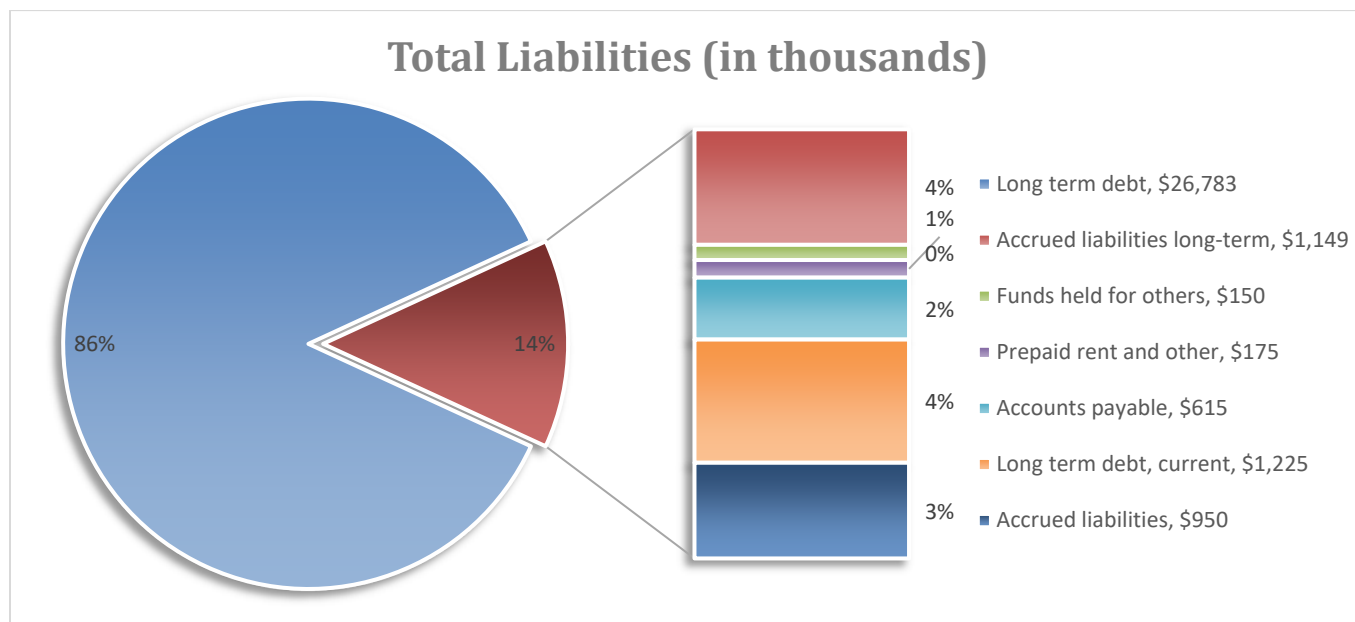
The Statement of Net Position presents the financial position of the Authority at the end of the fiscal year. The purpose of the Statement of Net Position is to give the financial statement readers a snapshot of the fiscal condition of the Authority as of a certain point in time. It presents end-of-year data for assets, liabilities and deferred inflow of resources and net position (assets minus liabilities plus deferred inflow of resources). Also shown is the sum of total liabilities, deferred inflow of resources and net position which equals total assets.



Total assets of the Authority were \$52,693,797 at December 31, 2020 compared to \$47,613,636 at December 31, 2019. Total assets increased by \$5,080,161. Current assets are comprised of several categories. Cash and investments include the Authority's cash, cash equivalents and investment account balances. Accounts receivable include grant receivables and receivables from tenants and other governments. Prepaid expenses are also considered current assets of the Authority. Total current assets increased by \$1,132,158. Current cash and cash equivalents increased as the Authority was reimbursed its \$1,525,000 earnest money deposit for the purchase of the North Lot property and as it continued to identify previously classified restricted funds that are in fact available for the Authority's use at its discretion. Investments decreased as the Authority moved some of its investments to higher yielding cash accounts due to the sharp reduction in investment interest rates. Noncurrent assets are certain cash and investments, capital assets, notes receivable and other noncurrent assets. Capital assets include land, buildings, and equipment and are shown net of accumulated depreciation. Noncurrent assets increased by \$3,948,000 due to the contribution of ownership interest in SCIDpda Bush Hotel Manager, Inc. by Chinatown International District Preservation and Development Association and to \$2,123,235 in predevelopment expense on the North Lot Project.

SEATTLE CHINATOWN INTERNATIONAL DISTRICT PRESERVATION AND DEVELOPMENT AUTHORITY

Management's Discussion and Analysis December 31, 2020



Total liabilities of the Authority were \$31,501,219 at December 31, 2020 compared to \$26,523,179 at December 31, 2019. Current and long-term liabilities increased by a combined total of \$4,978,040. While payments were made to reduce outstanding debt, principal payments on four loans were deferred due to COVID-19, and new loans were drawn on for the North Lot Development Project. (See Note 9.) Current liabilities include accounts payable and other accrued liabilities, funds held for others, prepaid rent, and the current portions of long-term debt. A liability is considered to be current if it is due within one year. Long-term liabilities are made up of the long-term portion of the accrued liabilities and long-term debt.

Deferred inflow of resources represents a deferred gain resulting from the advanced refunding of the Authority's Series 2007 and 2002 Special Obligation Bonds. The advanced refunding resulted in a difference between the reacquisition price and the net carrying amount of the debt. This gain is amortized over the shorter of the life of the refunded or refunding debt.

Total net position increased by \$133,347 from the prior year. This represents the Authority's equity, a portion of which is restricted for certain uses. Net position is divided into three major categories. The first category, invested in capital assets, shows the Authority's equity in land, buildings, construction in progress, and equipment, net of related capital debt outstanding; this category increased by \$4,346,477 due in large part to the contribution of ownership interest in SCIDpda Bush Hotel Manager, Inc. by Chinatown International District Preservation and Development Association and to \$2,123,235 in predevelopment expense on the North Lot Project. The next net position category, restricted net position, represents assets that have external limitations on the way in which they may be used; this category decreased by \$70,741. The last category, unrestricted net position, represents assets that are available to be used for any lawful and prudent purpose; this category decreased by \$4,142,389, due to \$1,393,433 that it advanced to its joint venture with Community Roots Housing for the Yesler Family Housing Project, \$847,087 that it advanced to the North Lot Development Project for predevelopment expense, and the contribution of ownership interest in SCIDpda Bush Hotel Manager, Inc. by Chinatown International District Preservation and Development Association.

**SEATTLE CHINATOWN INTERNATIONAL DISTRICT
PRESERVATION AND DEVELOPMENT AUTHORITY**

**Management's Discussion and Analysis
December 31, 2020**

Condensed Statement of Net Position

| | December 31, 2020 | December 31, 2019 |
|--|-------------------|-------------------|
| Assets | | |
| Current assets | \$ 6,857,758 | \$ 5,725,600 |
| LT restricted cash and investments | 3,500,640 | 3,640,406 |
| Capital assets, net | 42,003,106 | 33,895,815 |
| Other assets | 332,293 | 4,351,815 |
| Total assets | <u>52,693,797</u> | <u>47,613,636</u> |
| Liabilities | | |
| Current Liabilities | 3,569,089 | 2,090,419 |
| Noncurrent liabilities | 27,932,130 | 24,432,760 |
| Total liabilities | <u>31,501,219</u> | <u>26,523,179</u> |
| Deferred inflow of resources | 326,180 | 357,406 |
| Net Position | | |
| Invested in capital assets, net of debt | 13,994,951 | 9,648,474 |
| Restricted | 5,174,095 | 5,244,836 |
| Unrestricted | 1,697,352 | 5,839,741 |
| Total net position | <u>20,866,398</u> | <u>20,733,051</u> |
| Total liabilities, deferred inflows and net position | <u>52,693,797</u> | <u>47,613,636</u> |

**SEATTLE CHINATOWN INTERNATIONAL DISTRICT
PRESERVATION AND DEVELOPMENT AUTHORITY**

**Management's Discussion and Analysis
December 31, 2020**

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

The purpose of the Statement of Revenues, Expenses and Changes in Net Position is to present the revenues earned by the Authority, both operating and non-operating, and the expenses incurred by the Authority, both operating and non-operating, as well as any other gains and losses affecting the Authority.

The Authority considers operating revenues and expenses to be generated by service agreements, rental income and the provision of administrative services to third parties. Service agreements revenue through February 29, 2019 included services provided by the Authority to seniors in assisted living, daytime health and recreation services, and an affordable meal program. These revenues were offset by the senior care operations and nutrition services expenses. Both service agreements revenue and expense provided by senior care operations and nutrition services ceased in March 1, 2019 with the transition of the senior services programs to International Community Health Services (ICHS). Service agreements revenue also includes revenue earned by the Authority in connection with property development projects. Rental income represents amounts received for providing housing to the Authority's tenants as well as subsidies received from the U.S. Department of Housing and Urban Development (HUD). Rental income is offset by expenses incurred to maintain these housing units and provide other services for the tenants of the Authority. Revenues and expenses for administrative fees and property management services represent amounts earned and expended by the Authority for property management services.

Non-operating revenues include funds received for which goods and services are not provided, for example, contributions and grants, interest income, and investment income. The Authority receives grant funding from federal, state, and local governments as well as from corporations. Non-operating expenses include interest expense, debt forgiveness, and losses from investments. In 2019 the Authority recognized a \$29,062 gain on the transition of its senior services programs. Capital contributions represent funds received from individuals, foundations, corporations and other government entities for the Authority's capital activities.

**SEATTLE CHINATOWN INTERNATIONAL DISTRICT
PRESERVATION AND DEVELOPMENT AUTHORITY**

**Management's Discussion and Analysis
December 31, 2020**

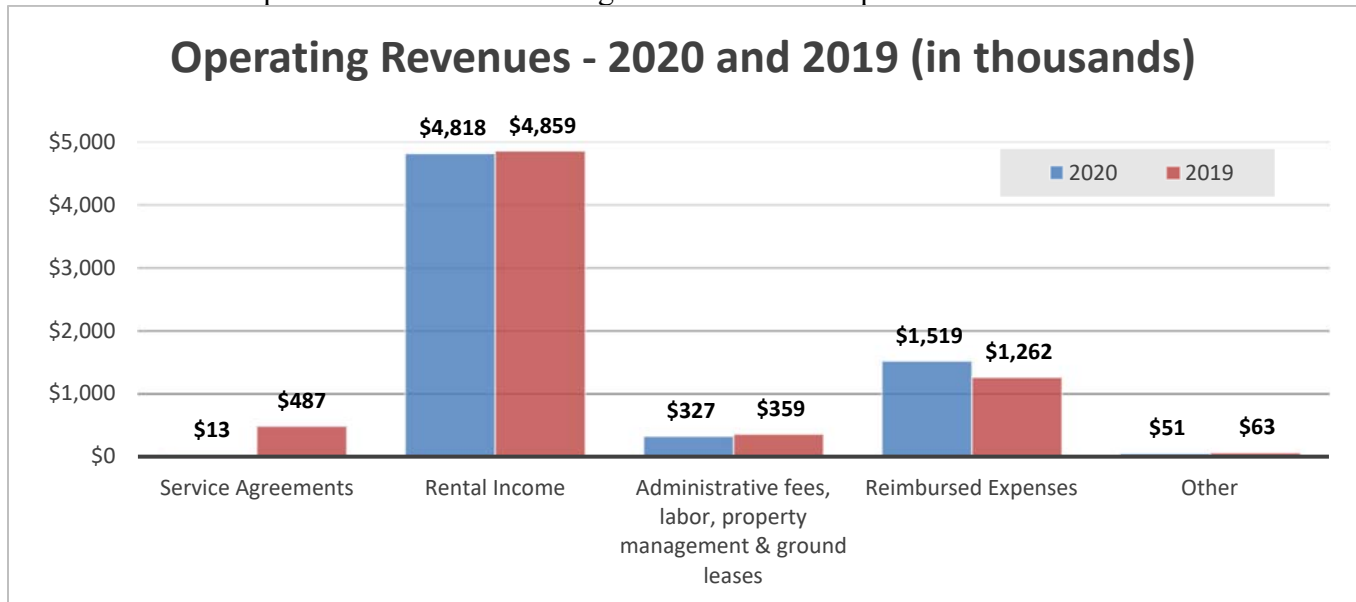
Statement of Revenues, Expenses, and Changes in Net Position

| | December 31, 2020 | December 31, 2019 |
|---|-----------------------------|-----------------------------|
| Operating Revenues | | |
| Service agreements | \$ 12,830 | \$ 486,532 |
| Rental income | 4,818,092 | 4,858,857 |
| Administrative fees, property management and ground leases | 326,885 | 359,033 |
| Reimbursed expenses | 1,519,444 | 1,262,287 |
| Other | 51,473 | 63,372 |
| Total operating revenues | <u>6,728,724</u> | <u>7,030,081</u> |
| Operating Expenses | | |
| Rental operations | 2,220,982 | 2,724,993 |
| Property management, project and community development | 2,353,653 | 1,935,106 |
| Senior care operations | - | 481,706 |
| Nutrition services | - | 16,768 |
| General administration | 943,796 | 769,043 |
| Depreciation and amortization | 1,587,950 | 1,341,408 |
| Total operating expenses | <u>7,106,381</u> | <u>7,269,024</u> |
| Income (loss) from operations before other income (expense) | (377,657) | (238,943) |
| Nonoperating Revenues (expenses) | | |
| Contributions and grants - operational support | 1,379,285 | 883,526 |
| Interest income | 46,391 | 121,939 |
| Interest expense | (477,441) | (478,387) |
| Gain (loss) on disposition of assets, net | - | 29,062 |
| Other | 19,313 | 1,350,770 |
| Other income (expense), net | <u>967,548</u> | <u>1,906,910</u> |
| Change in net position | <u>589,891</u> | <u>1,667,967</u> |
| Net position, beginning of year, restated | <u>20,276,507</u> | <u>19,065,084</u> |
| Merger of component unit | <u>-</u> | <u>(456,544)</u> |
| Net position, end of year | <u><u>\$ 20,866,398</u></u> | <u><u>\$ 20,276,507</u></u> |

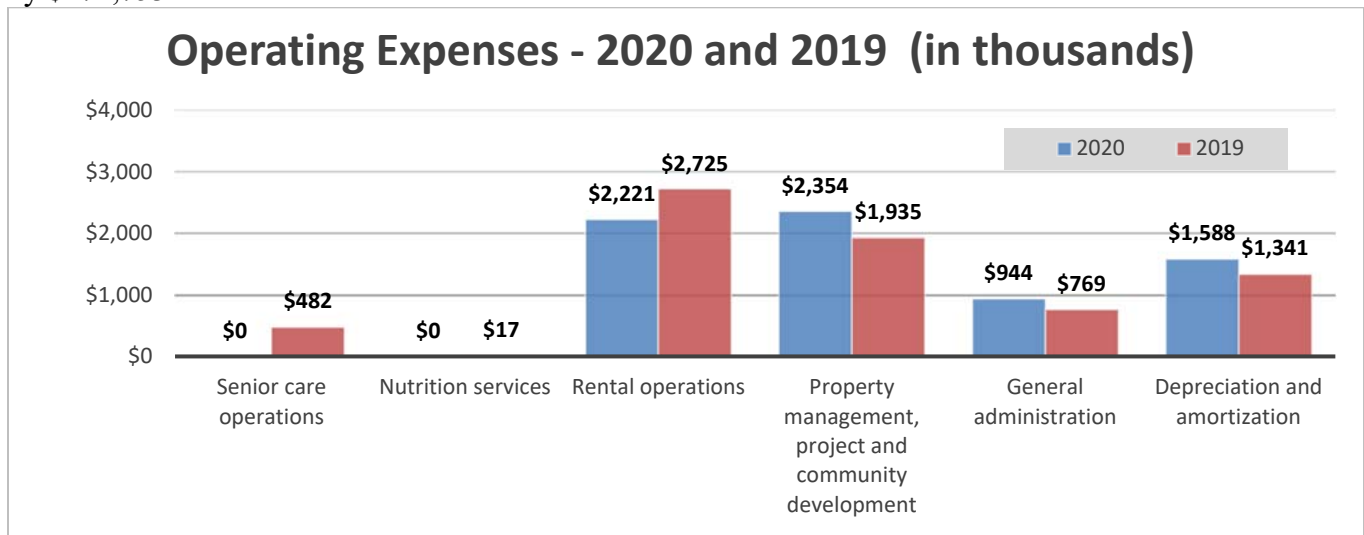
SEATTLE CHINATOWN INTERNATIONAL DISTRICT PRESERVATION AND DEVELOPMENT AUTHORITY

Management's Discussion and Analysis December 31, 2020

Operating revenues decreased 4% or \$301,357 from 2019 to 2020. Service agreements revenue decreased by \$473,702 due to the transition of the senior services programs effective March 1, 2019. Rental income decreased by \$40,765 due to rent concessions. Administrative fees, property management, and ground leases decreased by \$32,148 due to the transition of the senior services programs and to the transition of the three ICDA properties effective September 30, 2020. Reimbursed expenses increased by \$257,157 due to continued improvements in NNN billing and reconciliation processes.



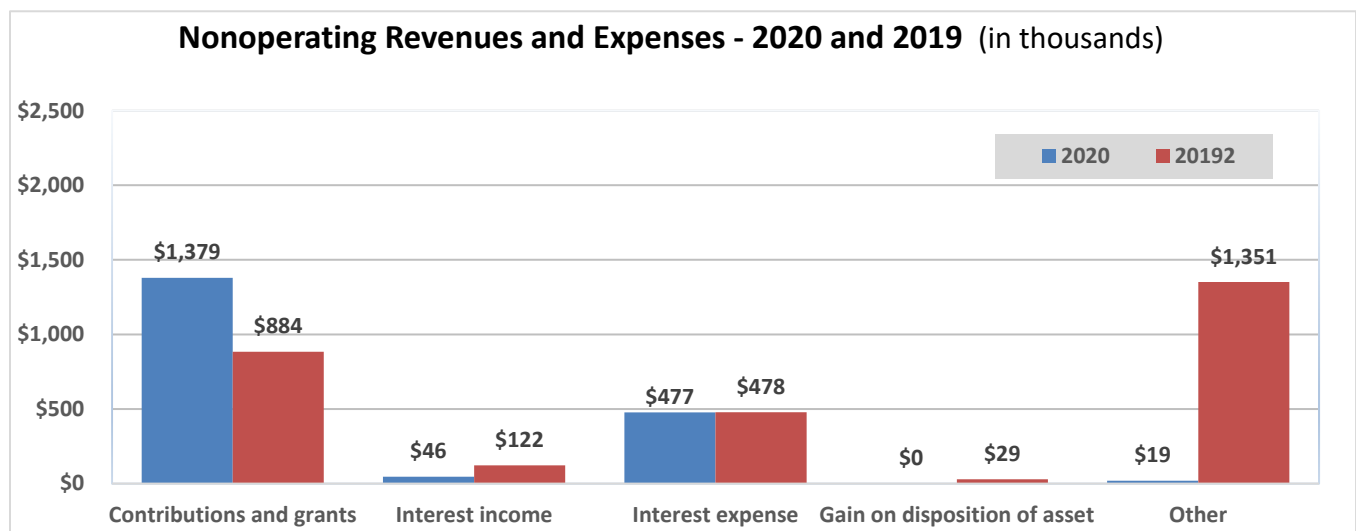
Operating expenses decreased 2% or \$162,643 from 2019 to 2020. Senior care operations and nutrition services expenses combined decreased by \$481,706 with the transition of the senior services programs effective March 1, 2019. Rental operations expenses decreased by \$504,011 with the transition of the three ICDA properties effective September 30, 2020. Property management expenses increased by \$418,547 due the hiring of the new Director of Property Operations and Senior Property Manager and to COVID-19 related expenses, including hazard pay for front-line staff, personal protective equipment, increased cleaning, and increased program expenses offset by increased donations. General administration increased by \$174,753 due to increased labor costs.



**SEATTLE CHINATOWN INTERNATIONAL DISTRICT
PRESERVATION AND DEVELOPMENT AUTHORITY**

**Management's Discussion and Analysis
December 31, 2020**

Non-operating revenues and expenses represent income earned and expenses incurred that are derived from sources not related to the typical activities of the Authority. Contributions and grant revenue comes from amounts contributed to the Authority by individuals and businesses, as well as city, state and federal government agencies, and increased by \$495,759 in response to COVID-19. Interest income decreased by \$75,548 as a result of lower interest rates. Interest expense decreased by \$946 as lenders deferred interest payments on three loans due to COVID-19. In 2019 the Authority realized a \$29,062 gain on the transition of its senior services programs. Other non-operating revenue decreased by \$1,331,457 largely due to the 2019 proceeds received from the sale of Transferable Development Rights above the Bush Hotel.



**SEATTLE CHINATOWN INTERNATIONAL DISTRICT
PRESERVATION AND DEVELOPMENT AUTHORITY**

**Management's Discussion and Analysis
December 31, 2020**

CAPITAL ASSET AND DEBT ADMINISTRATION

The table below shows the Authority's capital assets, net of depreciation, at the end of the fiscal year as compared to the end of the previous fiscal year.

| | December 31, 2020 | December 31, 2019 |
|--|-----------------------------|-----------------------------|
| Capital assets not being depreciated: | | |
| Land | \$ 1,273,941 | \$ 1,234,600 |
| Construction in progress | 6,202,142 | 2,263,575 |
| | <u>7,476,083</u> | <u>3,498,175</u> |
| Depreciable capital assets: | | |
| Buildings and improvements | 57,469,702 | 49,920,777 |
| Furniture and equipment | 544,170 | 525,059 |
| | <u>58,013,872</u> | <u>50,445,836</u> |
| Less accumulated depreciation | <u>(23,486,849)</u> | <u>(20,048,196)</u> |
| Total capital assets being depreciated, net | <u>34,527,023</u> | <u>30,397,640</u> |
| Total capital assets, net | <u><u>\$ 42,003,106</u></u> | <u><u>\$ 33,895,815</u></u> |

Note 7 to the Authority's basic financial statements provides additional detail regarding the changes in capital assets during the year ended December 31, 2020.

The Authority's long-term debt was \$26,783,084 at December 31, 2020 compared to \$24,247,314 at December 31, 2019. Long-term debt increased by \$2,535,770 due to new predevelopment loans for the North Lot Project from Impact Capital, Enterprise Community Partners, Inc., and Washington State Housing Finance Commission. Note 9 to the Authority's basic financial statements provides additional detail regarding the debt changes during the year ended December 31, 2020.

**SEATTLE CHINATOWN INTERNATIONAL DISTRICT
PRESERVATION AND DEVELOPMENT AUTHORITY**

**Management's Discussion and Analysis
December 31, 2020**

ECONOMIC FACTORS AFFECTING THE AUTHORITY'S FUTURE

The Authority is primarily at risk from economic and political situations and governmental decisions beyond its control. The factors that could impact the Authority's ongoing stability are changes to federal and local rental subsidy programs and the ongoing COVID-19 pandemic. Although the development, ownership, and management of low income affordable housing remain stable, the margins are slim. The Authority would be challenged by decisions of the city, state, or federal governments to reduce either subsidies or reimbursements or to increase unfunded mandates.

In 2020, the Authority benefited from the stability of its residential housing subsidies and was able to help its commercial tenants stay in place, maintaining 97% commercial occupancy. In 2021, the Authority will continue to work to meet the needs of its tenants during the COVID-19 pandemic and recovery. The Authority will continue to pass on the economic relief that it receives, in the form of loan deferrals and contributions, to its tenants in the form of rent concessions and meal deliveries.

Because of its proximity to downtown and the football and baseball stadiums, as well as the transit richness of the neighborhood, the Seattle Chinatown International District is a focus area for development. The Authority is moving forward with two development projects that are funded with tax credit equity. While the Authority is subject to risks relative to increased construction costs, delays and unforeseen events outside the Authority's control, the Authority benefits from the significant funding it has been awarded through its strong partnerships with state and local agencies.

This financial report is designed to provide a general overview of the Authority's finances for all those interested. Questions concerning any of the information presented in this report or requests for additional information, including copies of component unit audit reports, should be addressed to Veronica Wood, Deputy Director, SCIDpda, P.O. Box 3302, Seattle, WA 98114.

**SEATTLE CHINATOWN-INTERNATIONAL DISTRICT
PRESERVATION AND DEVELOPMENT AUTHORITY**
STATEMENT OF NET POSITION
December 31, 2020

ASSETS

| | <u>Primary Government</u> | <u>Component Unit</u> |
|--|--------------------------------------|----------------------------------|
| Current assets: | | |
| Cash and cash equivalents | \$ 4,378,382 | 168,105 |
| Investments | 319,431 | - |
| Restricted cash | 1,573,455 | 7,737 |
| Receivables: | | |
| Grants, contributions and contracts | 127,136 | 8,801 |
| Due from component unit | 173,095 | - |
| Property management | 236,440 | - |
| Prepaid expenses and deposits | <u>49,819</u> | <u>864</u> |
| Total current assets | <u>6,857,758</u> | <u>185,507</u> |
| Noncurrent assets: | | |
| Cash restricted for long-term purpose | 3,121,960 | - |
| Investments restricted for long-term purpose | 378,680 | - |
| Capital assets, net | 42,003,106 | - |
| Notes receivable | <u>332,293</u> | <u>-</u> |
| Total noncurrent assets | <u>45,836,039</u> | <u>-</u> |
| Total assets | <u>\$ 52,693,797</u> | <u>185,507</u> |

(continued)

The accompanying notes are an integral part of these financial statements.

**SEATTLE CHINATOWN-INTERNATIONAL DISTRICT
PRESERVATION AND DEVELOPMENT AUTHORITY**
STATEMENT OF NET POSITION – CONTINUED
December 31, 2020

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION

| | <u>Primary Government</u> | <u>Component Unit</u> |
|--|--------------------------------------|----------------------------------|
| Current liabilities: | | |
| Current portion of long-term debt | \$ 1,225,071 | - |
| Accounts payable | 615,148 | 35,880 |
| Accounts payable - Primary Government | - | 173,095 |
| Accrued liabilities, current | 950,004 | 7,765 |
| Tenant security deposits | 150,045 | - |
| Funds held in trust | 453,486 | |
| Deferred revenues and other | 175,335 | - |
| Total current liabilities | <u>3,569,089</u> | <u>216,740</u> |
| Long-term liabilities: | | |
| Accrued liabilities, net of current portion | 1,149,046 | - |
| Long-term debt, net of current portion | 26,783,084 | - |
| Total long-term liabilities | <u>27,932,130</u> | <u>-</u> |
| Total liabilities | <u>31,501,219</u> | <u>216,740</u> |
| Deferred inflows of resources: | | |
| Deferred bond refunding gain, net | 326,180 | - |
| Net position: | | |
| Invested in capital assets, net of debt | 13,994,951 | - |
| Restricted | 5,174,095 | - |
| Unrestricted | 1,697,352 | (31,233) |
| Total net position | <u>20,866,398</u> | <u>(31,233)</u> |
| Total liabilities, deferred inflows of resources, and net position | <u>\$ 52,693,797</u> | <u>185,507</u> |

The accompanying notes are an integral part of these financial statements.

**SEATTLE CHINATOWN-INTERNATIONAL DISTRICT
PRESERVATION AND DEVELOPMENT AUTHORITY**
STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION
Year Ended December 31, 2020

| | Primary Government | Component Unit |
|--|-------------------------------|---------------------------|
| Operating revenues: | | |
| Service agreements | \$ 12,830 | - |
| Rental income | 4,818,092 | - |
| Administrative fees, property management and ground leases | 326,885 | - |
| Reimbursed expenses | 1,519,444 | - |
| Other | 51,473 | - |
| Total operating revenues | <u>6,728,724</u> | <u>-</u> |
| Operating expenses: | | |
| Rental operations | 2,220,982 | - |
| Property management, project and community development | 2,353,653 | - |
| General administration | 943,796 | 17,658 |
| Depreciation | 1,587,950 | - |
| Total operating expenses | <u>7,106,381</u> | <u>17,658</u> |
| Operating income (loss) | (377,657) | (17,658) |
| Nonoperating revenues (expenses): | | |
| Contributions and grants | 1,379,285 | 90,672 |
| Interest income | 46,391 | 1 |
| Interest expense | (477,441) | - |
| Other | 19,313 | (110,950) |
| Total nonoperating revenues (expenses), net | <u>967,548</u> | <u>(20,277)</u> |
| Change in net position | 589,891 | (37,935) |
| Net position, beginning of year - as restated | <u>20,276,507</u> | <u>6,702</u> |
| Net position, end of year | <u><u>\$ 20,866,398</u></u> | <u><u>(31,233)</u></u> |

The accompanying notes are an integral part of these financial statements.

**SEATTLE CHINATOWN-INTERNATIONAL DISTRICT
PRESERVATION AND DEVELOPMENT AUTHORITY**
STATEMENT OF CASH FLOWS
Increase (Decrease) In Cash, Restricted Cash, and Cash Equivalents
Year Ended December 31, 2020

| | <u>Primary Government</u> | <u>Component Unit</u> |
|--|-------------------------------|---------------------------|
| Cash flows from operating activities: | | |
| Cash received from service agreements and tenants | \$ 6,475,013 | - |
| Cash received from pass-through contributions | 1,030,800 | - |
| Cash paid for goods and services | (2,090,945) | (49,106) |
| Cash paid to employees | (2,673,991) | - |
| Cash paid for pass-through contributions | (577,314) | - |
| Net cash provided by (used in) operating activities | <u>2,163,563</u> | <u>(49,106)</u> |
| Cash flows from noncapital financing activities: | | |
| Contributions, net | <u>1,326,618</u> | <u>188,697</u> |
| Net cash provided by (used in) noncapital financing activities | <u>1,326,618</u> | <u>188,697</u> |
| Cash flows from capital financing activities: | | |
| Payments of notes payable | (883,380) | - |
| Borrowing on note payable | 2,635,854 | - |
| Capital contributions | 19,000 | - |
| Capital expenditures | (4,056,122) | - |
| Payments of interest | (447,257) | - |
| Net cash provided by (used in) capital financing activities | <u>(2,731,905)</u> | <u>-</u> |
| Cash flows from investing activities: | | |
| Sale (purchase) of investments, net | 776,042 | - |
| Notes receivable advances, net | (210,000) | - |
| Interest on investments | 46,391 | - |
| Net cash provided by (used in) investing activities | <u>612,433</u> | <u>-</u> |
| Net increase (decrease) in cash, cash equivalents, and restricted cash | 1,370,709 | 139,591 |
| Cash, restricted cash, and cash equivalents at beginning of year | <u>7,703,088</u> | <u>36,251</u> |
| Cash, restricted cash, and cash equivalents at end of year | <u>\$ 9,073,797</u> | <u>175,842</u> |
| Reconciliation to Statement of Net Position | | |
| Cash and cash equivalents | \$ 4,378,382 | 168,105 |
| Restricted cash - current | 1,573,455 | 7,737 |
| Cash restricted for long-term purpose | 3,121,960 | - |
| | <u>\$ 9,073,797</u> | <u>175,842</u> |

The accompanying notes are an integral part of these financial statements.

**SEATTLE CHINATOWN-INTERNATIONAL DISTRICT
PRESERVATION AND DEVELOPMENT AUTHORITY**

STATEMENT OF CASH FLOWS, continued
Increase (Decrease) In Cash and Cash Equivalents
Year Ended December 31, 2020

| | <u>Primary Government</u> | <u>Component Units</u> |
|--|-------------------------------|----------------------------|
| RECONCILIATION OF NET OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES: | | |
| Net operating income (loss) | \$ (377,657) | (17,658) |
| Adjustments to reconcile net operating income to net cash provided by operating activities: | | |
| Depreciation and amortization | 1,587,950 | - |
| (Increase) decrease in assets: | | |
| Receivables | (213,910) | 4,354 |
| Prepaid expenses, deposits and other | 871 | 2,834 |
| Increase (decrease) in liabilities: | | |
| Accounts payable | 359,990 | (32,514) |
| Accrued liabilities | 392,634 | (6,122) |
| Deferred revenues and funds held in trust | 413,685 | - |
| Total adjustments | <u>2,541,220</u> | <u>(31,448)</u> |
| Net cash provided by (used in) operating activities | <u>\$ 2,163,563</u> | <u>(49,106)</u> |
| Non-cash transactions that would have been reported if the transactions had involved a cash exchange: | | |
| Interest forgiveness on loans | \$ 19,313 | - |

The accompanying notes are an integral part of these financial statements.

**SEATTLE CHINATOWN-INTERNATIONAL DISTRICT
PRESERVATION AND DEVELOPMENT AUTHORITY**

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

NOTE 1 - ORIGIN, PURPOSE, AND AUTHORITY

The Seattle Chinatown-International District Preservation and Development Authority (SCIDpda) is a public authority. The SCIDpda was established by a charter issued by the City of Seattle (City) on December 16, 1975. The purpose of the SCIDpda is to preserve, promote and develop the Seattle Chinatown-International District as a vibrant community and unique ethnic neighborhood.

The SCIDpda has the power to acquire, improve, sponsor, manage, construct and lease real estate projects, sell or transfer its real or personal property, lend and borrow money, and issue bonds or secure financial assistance, including securing of funds from the Federal Government for SCIDpda projects and activities.

The SCIDpda operates several properties and programs under the following descriptions:

▲ **Community Initiatives**

Community Initiatives is the community-interfacing department of the SCIDpda. Formerly known as IDEA Space, Community Initiatives focuses on projects that aim to revitalize the neighborhood and support economic growth. Its areas of work include: business assistance, community-centered design, public safety, and property owner assistance.

▲ **Property Management**

SCIDpda owns and/or manages 282 units of low-income housing and 160,000 square feet of commercial/retail space, overseeing building operations, maintenance, marketing and leasing, and financial management.

▲ **Real Estate Development**

SCIDpda develops new projects and rehabilitates historic buildings to meet community needs and encourage future growth in the Chinatown International District and adjacent communities. It has developed International District Village Square Phase 1 and 2 and rehabilitated the Bush and New Central Hotels. SCIDpda continues to partner with non-profits and for-profit developers and organizations and is currently developing Yesler Family Housing and the North Lot of the historic Pacific Hospital campus.

▲ **International District Village Square Phase 1**

The International District Village Square 1 was opened in June of 1998. It is a mixed-use facility including low-income elderly housing, social and health service agency offices, and commercial space.

▲ **International District Village Square Phase 2**

The International District Village Square Phase 2 was opened in May of 2004. It is a mixed-use facility including low-income housing, a community center, a library, commercial space, and parking.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The SCIDpda is governed by a Board of up to seventeen members. Four of the Board members are appointed by the Mayor of the City of Seattle, the remaining Board members are elected by a majority vote of the Board. All members of the SCIDpda's Board must be confirmed by the Seattle City Council. The City of Seattle does not consider the SCIDpda to be a component unit of the City of Seattle.

Financial Statement Presentation

The financial statements of the SCIDpda have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) as established by the Governmental Accounting Standards Board (GASB). For financial reporting purposes the Authority is considered a special-purpose government engaged in business-type activities. The financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis method of accounting, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

**SEATTLE CHINATOWN-INTERNATIONAL DISTRICT
PRESERVATION AND DEVELOPMENT AUTHORITY**
NOTES TO FINANCIAL STATEMENTS, Continued

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In determining how to define the reporting entity, management has considered all potential component units. The determination to include a component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting and Financial Reporting Standards and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34*. These criteria include: financial accountability; appointment of a voting majority; imposition of will; financial benefit to or burden on a primary organization; financial accountability as a result of fiscal dependency; potential for dual inclusion; and organizations included in the reporting entity although the primary organization is not financially accountable.

During 2020, there was only a single fund in existence, the operating fund. The operating fund includes unrestricted resources and represents the portion of funds that are available for support of SCIDpda operations. The operating fund has been divided into several properties and programs: Property Management, Real Estate Development, Community Initiatives, Hing Hay Coworks, Bush Hotel (blended component unit), New Central Hotel (blended component unit), International District Village Square Phase 1, and the International District Village Square Phase 2. Inter-departmental charges for rent, utility charges and administrative fees have been eliminated in the accompanying statement of revenues, expenses, and changes in net position. Inter-departmental receivable and payable balances have also been eliminated in the accompanying statement of net position.

The financial statements include the accounts of SCIDpda's blended component units: SCIDpda New Central Manager, Inc., SCIDpda New Central Apartments, Inc., SCIDpda New Central Commercial, Inc., SCIDpda Bush Residential, LLC, New Central Hotel LLC, New Central Master Tenant LLC, SCIDpda Bush Hotel Commercial, Inc., SCIDpda Bush Hotel Manager, Inc., SCIDpda Bush Hotel QALICB, LLC, IDVS2 Family Housing LLC, and Big Village LLLP (see Note 14). These wholly owned entities were created to provide a mechanism for SCIDpda's redevelopment of various properties in the international district and are considered to be direct extensions of the SCIDpda. SCIDpda exercises complete management and financial control over these entities and their financial activities are blended into SCIDpda's basic financial statements.

The Chinatown International District Preservation and Development Association (CIDPDA) is a legally separate tax-exempt component unit of the SCIDpda (see Note 13) with a distinct and separate board. The CIDPDA acts primarily as a fund-raising organization to supplement the resources that are available to SCIDpda and because its resources can only be used by or for the benefit of SCIDpda, the CIDPDA is considered a component unit of the SCIDpda and is discretely presented in SCIDpda's financial statements. Copies of their separate financial statements can be obtained by contacting the SCIDpda.

CIDPDA was the sole owner of SCIDpda Bush Hotel Manager, Inc. which is the managing member and 57.5% owner of SCIDpda Bush Hotel QALICB, LLC and SCIDpda owned 42.5%. On October 31, 2020, CIDPDA withdrew from the LLC and assigned its ownership interest to SCIDpda, which assumed ownership of SCIDpda Bush Hotel Manager, Inc. and the related debt of the LLC to complete the merger transaction. Prior to the merger, they were reported as discretely presented component units of the Authority. The transactions resulted in the following increases and decreases in the January 1, 2020 amounts reported for the primary government and component units:

| | Primary Government | Component Units |
|------------------------|-----------------------|--------------------|
| Current Assets | \$ 14,900 | (14,900) |
| Capital assets, net | 5,639,121 | (5,639,121) |
| Restricted cash | 136,117 | (136,117) |
| Noncurrent assets | (4,229,522) | (141,793) |
| Current liabilities | (8,793) | 8,793 |
| Long term debt | (2,008,367) | 2,008,367 |
| Noncurrent liabilities | - | - |
| Net Position | <u>\$ (456,544)</u> | <u>(3,914,771)</u> |

**SEATTLE CHINATOWN-INTERNATIONAL DISTRICT
PRESERVATION AND DEVELOPMENT AUTHORITY**
NOTES TO FINANCIAL STATEMENTS, Continued

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Recently Adopted Accounting Principles

GASB Statement No. 84, *Fiduciary Activities*, defines criteria for identifying activities that state and local governments should report as fiduciary activities and how they should be reported. There was no impact to the Authority's financial statements as a result of implementing this statement.

GASB statement Number 88, *Certain Disclosures Related to Debt*, improves note disclosures related to debt obligations. The standard defines debt as a liability that arises from a contractual obligation to pay cash (or other assets in lieu of cash) in one or more amounts that is fixed at the date the contractual obligation is established. It requires new disclosures related to amounts pledged for collateral of debt, unused lines of credit, terms related to default, termination or acceleration of debt, and disclosures related to direct borrowings and direct placements. These disclosures have been incorporated into the Authority's financial statements.

GASB Statement No. 90, *Majority Equity Interests* improves financial reporting by providing users of financial statements with essential information related to presentation of majority equity interests in legally separate organizations. There was no impact to the Authority's financial statements as a result of implementing this statement.

New Accounting Standards to be Adopted in Future Years

GASB Statement No. 87, *Leases*, is effective for reporting periods beginning after June 15, 2021. Its objective is to improve accounting and financial reporting for leases by governments by establishing a single model for lease accounting based on the principle that leases are financing of the right to use an underlying asset. It requires recognition of certain lease assets and liabilities that were previously classified as operating.

GASB Statement No. 89 *Accounting for Interest Cost Incurred before the End of a Construction Period*, is effective for reporting periods beginning after December 15, 2020. This GASB statement requires that interest costs incurred during construction be expensed.

GASB Statement No. 91, *Conduit Debt Obligations*, is effective for reporting periods beginning after December 15, 2021. This Statement will provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures.

GASB Statement No. 93, *Replacement of Interbank Offered Rates (IBOR)*, is effective for reporting periods beginning after June 15, 2021. Its objective is to address accounting and financial reporting implications that result from the replacement of an IBOR.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, is effective for fiscal years beginning after June 15, 2022. Its objective is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs), and to provide guidance for accounting and financial reporting for availability payment arrangements (APAs).

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, is effective for fiscal years beginning after June 15, 2022. Its objective is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements for government end users.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, is effective for fiscal years beginning after June 15, 2021, except for certain provisions which are effective immediately.

The SCIDpda management is currently evaluating these new standards to determine what impact, if any, they will have on the Authority.

**SEATTLE CHINATOWN-INTERNATIONAL DISTRICT
PRESERVATION AND DEVELOPMENT AUTHORITY**
NOTES TO FINANCIAL STATEMENTS, Continued

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital Assets and Depreciation

Land, buildings, building improvements, office equipment and furniture are stated at cost. The buildings, equipment and furniture are depreciated using the straight-line method over the estimated useful lives of the respective assets, as follows:

| | |
|-----------------------|----------------|
| Equipment | 3 to 10 years |
| Building improvements | 10 to 50 years |
| Buildings | 23 to 50 years |

The SCIDpda follows a policy of capitalizing all capital asset additions which exceed \$5,000 and the expected lives exceed one year.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Rental Operation Costs

All costs incurred in the rental operation of a project are expensed as incurred.

Capitalized Interest

The SCIDpda has a policy of capitalizing interest as a component of the cost of buildings constructed for its own use. During 2020, total interest incurred by the SCIDpda was \$513,220, \$477,441 of which was charged to nonoperating expenses and \$33,829 was capitalized.

Deferred Outflows/Inflows of Resources

In addition to assets and liabilities, the Statement of Net Position, when applicable, will report a section for deferred outflows or inflows of resources. The SCIDpda has a deferred gain on refunding debt which qualifies for reporting as a deferred inflow of resources. A deferred gain on refunding debt results from the difference in the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Development Costs

The SCIDpda has a policy of capitalizing as a cost of that property certain project costs which are clearly associated with the acquisition, development and construction of the real estate project.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the SCIDpda considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. The SCIDpda participates in the State of Washington Local Government Investment Pool. Local Government Investment Pool (LGIP) assets are carried at amortized cost and are reported as cash and cash equivalents in the statement of financial position. The LGIP portfolio of securities meets the requirements in GASB 79 which allow its investments to be reported at amortized cost.

Investments

Investments are comprised of certificates of deposit. Investments with readily determinable fair values are reported at their fair values in the statement of net position.

Notes Receivable and Notes Payable

Many of the notes carry below market interest rates and/or contain provisions for deferral or forgiveness of interest or principal. Such notes and related interest amounts are recorded in the financial statements according to the terms of the notes. No adjustment to market rates has been made due to the compliance requirements that must be met for forgiveness or deferral to occur. Forgiveness of debt and related accrued interest for notes payable will be recorded as income in accordance with terms of the various loan agreements.

Revenue Recognition

The SCIDpda records revenue for all exchange and non-exchange transactions earned and in which all eligibility requirements have been satisfied, if measurable and probable of collection. The SCIDpda considers operating revenues and expenses to be those generated by service agreements, rental operations and the provision of administrative services to third parties.

**SEATTLE CHINATOWN-INTERNATIONAL DISTRICT
PRESERVATION AND DEVELOPMENT AUTHORITY**
NOTES TO FINANCIAL STATEMENTS, Continued

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Materials and Equipment

Donated materials or equipment, when received, are reflected as contributions in the accompanying financial statements at their estimated fair market values at the date of receipt.

Compensated Absences

SCIDpda employees are entitled to certain compensated absences based upon their length of employment. The SCIDpda accrues compensated absences as they are earned.

Fair Value of Financial Instruments

The SCIDpda has accounted for all investments at fair value on the statement of net position. Cash deposits are carried at cost, which approximates fair value.

Budgets

The SCIDpda's Board formally reviews and approves the annual budget, however, it is not a legally adopted budget.

NOTE 3 - CONCENTRATION OF CREDIT RISK

Financial instruments that potentially subject the SCIDpda to concentrations of credit risk consist principally of cash and cash equivalents. The SCIDpda places cash and cash equivalents with various financial institutions. Accounts at each institution are insured up to limits established by the Federal Deposit Insurance Corporation. The SCIDpda has not experienced any losses and believes it is not exposed to any significant credit risk on cash and cash equivalents.

NOTE 4 – CASH AND CASH EQUIVALENTS, RESTRICTED CASH, AND INVESTMENTS

The SCIDpda is authorized to invest in obligations of the U.S. Treasury and U.S. agencies, government money market funds, repurchase agreements, reverse repurchase agreements, certificates of deposit and bankers' acceptances.

Deposits in Pooled Accounts

The Authority invests a portion of its funds with the Washington State Local Government Investment Pool (LGIP) managed by the State Treasurer's office. The investments in this pool comprise repurchase agreements, government securities, and certificates of deposit. The LGIP operates in a manner consistent with the Security and Exchange Commission's Rule 2a-7 of the Investment Company Act of 1940. As such, the LGIP uses amortized cost to approximate fair value.

The LGIP has a minimum transaction amount for both deposits and withdrawals of \$5,000. There is no maximum transaction amount, but the LGIP requests at least one day advance notice for any transaction in the amount of \$10 million or more. For transactions less than \$10 million, the LGIP requires notification the same business day and transactions are limited to one transaction each business day. The LGIP financial statements are available on the Washington State Treasurer's website.

Classification

Cash and investments held as long-term operating reserves or for the future payment of long-term liabilities are classified as non-current assets. Cash and investments legally or contractually restricted as to their use are classified as restricted.

Cash, cash equivalents, and investments held by the SCIDpda at December 31, 2020 were:

| | Cash and Cash | | |
|--|---------------------|----------------|------------------|
| | Equivalents | Investments | Total |
| Deposits - unrestricted | \$ 1,135,774 | - | 1,135,774 |
| Deposits - restricted | 3,540,774 | - | 3,540,774 |
| Certificates of deposit - unrestricted | - | 319,431 | 319,431 |
| Certificates of deposit - restricted | - | 378,680 | 378,680 |
| Government money market funds - unrestricted | 1,038,001 | - | 1,038,001 |
| Government money market funds - restricted | 1,154,641 | - | 1,154,641 |
| Local Govt Investment Pool - unrestricted | 2,204,607 | - | 2,204,607 |
| | <u>\$ 9,073,797</u> | <u>698,111</u> | <u>9,771,908</u> |

These notes are an integral part of the financial statements.

**SEATTLE CHINATOWN-INTERNATIONAL DISTRICT
PRESERVATION AND DEVELOPMENT AUTHORITY**
NOTES TO FINANCIAL STATEMENTS, Continued

NOTE 4 - CASH, RESTRICTED CASH, AND INVESTMENTS (continued)

Investment Risk Factors

There are many factors that can affect the value of investments. Some, such as custodial risk, concentration of credit risk, and foreign currency risk may affect both equity and fixed-income securities. Equity securities respond to such factors as economic conditions, individual company earnings performance, and market liquidity, while fixed income securities are particularly sensitive to credit risks and changes in interest rates. The SCIDpda's cash and investments are subject to several types of risk, which are examined in more detail below:

Credit Risk

Fixed-income securities are subject to credit risk, which is the risk that a bond issuer will fail to pay interest or principal in a timely manner, or that negative perceptions of the issuer's ability to make these payments will cause prices to decline. The circumstances may arise due to a variety of factors such as financial weakness, bankruptcy, litigation, and/or adverse political developments. A bond's credit quality is an assessment of the issuer's ability to pay interest on the bond, and ultimately, to pay the principal. Credit quality is evaluated by one of the independent bond rating agencies such as Moody's Investors Service or Standard and Poor's. The lower the rating, the greater the chance that the bond issuer will default or fail to meet its payment obligations. Generally, the lower a bond's credit rating, the higher its yield should be to compensate for the additional risk. Certain fixed income securities, including obligations of the U.S. government or those explicitly guaranteed by the U.S. government and certificates of deposit, are not considered to have credit risk and therefore are not rated.

The SCIDpda has no investment policy that would limit its investment choices, except as noted in the State statute.

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the SCIDpda will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2020, all investments were insured or registered, and held by the Authority or its agent in the Authority's name, or investment pools that are not classified since the investments are not evidenced by securities that exist in physical or book entry form. Therefore, the investments are not exposed to custodial risk. The SCIDpda does not have a policy for custodial credit risk.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss associated with a lack of diversification of having too much invested in a few individual issuers, thereby exposing the organization to greater risks resulting from adverse economic, political, regulatory, geographic, or credit developments. Securities issued or explicitly guaranteed by the U.S. government, mutual funds, external investment pools, and other pooled investments are excluded from this review. Investments in the various investment pools managed by the State are external investment pools and are not subject to concentration of credit risk. There is no concentration of any single individual issuer of equity or non-U.S. government fixed income securities that comprise more than five percent of total investments. The Authority has a large percentage of its portfolio invested in the LGIP. The LGIP is not rated. The SCIDpda does not have a policy regarding concentration of credit risk.

Foreign Currency Risk

Foreign currency risk is the possibility that changes in exchange rates between the U.S. dollar and foreign currencies could adversely affect a deposit or investment's fair value. The SCIDpda has no exposure to foreign currency risk.

Interest Rate Risk

Interest rate risk is the risk that the value of fixed-income securities will decline because of rising interest rates. The prices of fixed-income securities with a longer time to maturity tend to be more sensitive to changes in interest rates and, therefore, more volatile than those with shorter maturities. The SCIDpda's investment policy does not restrict investment maturities.

Custodial Credit Risk of Bank Deposits

Custodial credit risk is the risk that in the event of a bank failure, the SCIDpda's deposits may not be returned to it. The SCIDpda does not have a deposit policy for custodial credit risk. At year end, the SCIDpda had \$9,033,922 of deposits (checking accounts, savings accounts, LGIP and government money market funds). All deposits in excess of FDIC insurance limit of \$250,000 are covered by the Public Deposit Protection Commission of the State of Washington established under Chapter 39.58 of the Revised Code of Washington.

**SEATTLE CHINATOWN-INTERNATIONAL DISTRICT
PRESERVATION AND DEVELOPMENT AUTHORITY**
NOTES TO FINANCIAL STATEMENTS, Continued

NOTE 4 - CASH, RESTRICTED CASH, AND INVESTMENTS (continued)

Fair Value Measurement

The Authority measures and reports the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

The Authority's investments and money market funds are classified using Level 1 measurement, and Certificates of Deposit are valued at the initial investment cost plus accrued interest.

GASB Statement No.79 Certain External Investment Pools and Pool Participants, allows the Authority to report investments with the WA State Investment Pool (LGIP) at amortized cost.

Restricted Cash and Investments

In accordance with the SCIDpda's bond resolutions and other agreements, separate restricted asset accounts have been established. These assets are restricted for specific purposes, including refunds to tenants, debt service payments, coverage of operating deficits and funding of capital projects or repairs. At December 31, 2020, the carrying amount, which approximates market, and composition of the restricted cash, cash equivalents and investments is as follows:

| | Cash and Cash Equivalents | Certificates of Deposit | Total |
|---------------------------------------|------------------------------|----------------------------|------------------|
| Bond reserve accounts | \$ 1,077,636 | - | 1,077,636 |
| Operating & capital reserves | 3,467,502 | 378,680 | 3,846,182 |
| Cash held in trust for other agencies | 453,486 | - | 453,486 |
| Tenant reserve accounts | 150,277 | - | 150,277 |
| | <u>\$ 5,148,901</u> | <u>378,680</u> | <u>5,527,581</u> |

NOTE 5 - FEDERAL INCOME TAX

The SCIDpda has received a ruling from the Internal Revenue Service stating it is a nonprofit public authority and:

1. The income received or generated by the SCIDpda's activities is exempt from Federal income tax under Section 115(a)(1) of the Internal Revenue Code of 1954, as amended.
2. Obligations issued by the SCIDpda shall be considered issued on behalf of the City of Seattle, a political subdivision of the State of Washington, pursuant to Section 1.103-1(b) of the income tax regulations; and the interest paid thereon will be excludable from the gross income of the recipients pursuant to Section 103(a)(1) of the Internal Revenue code of 1954, as amended.

NOTE 6 - AGENCY SERVICE AGREEMENTS AND GRANTS

The SCIDpda receives funding under a variety of grants and service agreements from HUD, State of Washington, City of Seattle and other organizations and grantors. During the year ended December 31, 2020, SCIDpda received contributions and grants totaling \$1,379,285. Restricted contributions of \$100,000 were included in restricted net position at year-end and are restricted for use in providing financial assistance grants.

| | |
|--|---------------------|
| Contributions and grants | \$ 1,279,285 |
| Restricted for financial assistance grants | <u>100,000</u> |
| Contributions and grants - total | <u>\$ 1,379,285</u> |

During 2020, SCIDpda was appointed the custodian of the Small Business Relief Fund (the Fund), which is managed by a coalition of various government agencies and not-for-profit entities in the International District. SCIDpda does not have administrative involvement or direct financial involvement with the Fund. As of December 31, 2020, SCIDpda held \$453,486 in assets for the Fund and expects these amounts to be expended with three months of year end. Cash held on behalf of the Fund is reported in restricted cash and as a corresponding liability on the Statement of Net Position.

**SEATTLE CHINATOWN-INTERNATIONAL DISTRICT
PRESERVATION AND DEVELOPMENT AUTHORITY**
NOTES TO FINANCIAL STATEMENTS, Continued

NOTE 7 – CAPITAL ASSETS

The capital assets (buildings, land and equipment) are stated at cost. Depreciation expense for 2020 was \$1,587,950. Capital assets as of December 31, 2020 are as follows:

| | Primary Government | Component Unit |
|-------------------------------|-----------------------|-------------------|
| Land | \$ 1,273,941 | - |
| Buildings | 57,469,702 | - |
| Furniture and equipment | 544,170 | - |
| | 59,287,813 | - |
| Less accumulated depreciation | (23,486,849) | - |
| | 35,800,964 | - |
| Construction in progress | 6,202,142 | - |
| Capital assets, net | <u>\$ 42,003,106</u> | <u>-</u> |

The following is a summary of the changes in capital assets of the SCIDpda:

| | Balance 1/1/2020 | Additions | Disposals/ Xfers | Balance 12/31/2020 |
|--------------------------|---------------------|------------------|---------------------|-----------------------|
| Land | 1,273,941 | - | | 1,273,941 |
| Construction in Progress | 2,266,225 | 3,935,917 | - | 6,202,142 |
| Buildings & Improvements | 57,349,499 | 120,203 | - | 57,469,702 |
| Furniture & Equipment | 544,170 | - | - | 544,170 |
| | 61,433,835 | 4,056,120 | - | 65,489,955 |
| Accumulated Depreciation | (21,898,899) | (1,587,950) | - | (23,486,849) |
| | <u>39,534,936</u> | <u>2,468,170</u> | <u>-</u> | <u>42,003,106</u> |

NOTE 8 – LINE OF CREDIT AND FINANCING COMMITMENT

SCIDpda established a line of credit with The Commerce Bank in the amount of \$500,000 and that bears interest at the prime rate as published in the Wall Street Journal, which was 3.25% at December 31, 2020. Line of credit matures December 31, 2021. At December 31, 2020, SCIDpda had outstanding borrowings of \$0.

| | Balance January 1, 2020 | Additions | Payments | Balance December 31, 2020 |
|----------------|----------------------------|-----------|----------|------------------------------|
| Line of Credit | \$ - | - | - | - |

**SEATTLE CHINATOWN-INTERNATIONAL DISTRICT
PRESERVATION AND DEVELOPMENT AUTHORITY**
NOTES TO FINANCIAL STATEMENTS, Continued

NOTE 9 – LONG-TERM DEBT

Long-term debt as of December 31, 2020, consisted of the following:

| | <u>Current</u> | <u>Long-Term</u> | <u>Total</u> |
|---|----------------|------------------|--------------|
| <u>Core Services:</u> | | | |
| 0.0% CDBG loan of \$93,534 from the City of Seattle, dated May 27, 1998. The note is due May 27, 2038 and is secured by a deed of trust. | \$ - | 93,534 | 93,534 |
| 0.0% CDBG loan of \$93,567 from the City of Seattle, dated December, 1997. The note is due December 2037 and is secured by a deed of trust. | - | 93,567 | 93,567 |
| 0.0% International District Neighborhood Strategy Area (IDNSA) Program loan of \$633,407 from the Dept. of Community Development of Seattle dated September 28, 1982, for renovation of New Central Project. The note is due and payable April 30, 2057. | - | 633,407 | 633,407 |
| Loan payable to Impact Capital for up to \$1,000,000 dated July 23, 2020. The loan bears simple interest of 5.25% and matures on July 31, 2022. | - | 928,295 | 928,295 |
| Loan payable to Enterprise Community Partners, Inc. for up to \$300,000 for construction of the North Lot Development project. The loan bears interest at 2% per annum, and matures on March 31, 2022. | - | 300,000 | 300,000 |
| Loan payable to Washington State Housing Finance Commission for 1,532,500 to finance the earnest money deposit for the purchase of the North Lot property for future development. The loan bears interest at 1% per annum, and matures on August 31, 2022. | - | 1,532,500 | 1,532,500 |
| Note payable up to \$120,000 to the City of Seattle. Contingent upon compliance with all related terms and conditions, the note accrues no interest and is forgivable on the maturity date. After the maturity date or upon default, the principal balance accrues interest at 12% per annum, and principal is due and payable on March 26, 2026. | - | 120,000 | 120,000 |
| Note payable up to \$196,000 to the City of Seattle. Contingent upon compliance with all related terms and conditions, the note accrues no interest and is forgivable on the maturity date. After the maturity date or upon default, the principal balance accrues interest at 12% per annum, and principal is due and payable on March 31, 2026. | - | 196,000 | 196,000 |
| <u>International District Village Square Phase 1:</u> | | | |
| Housing Assistance Program loan from the State of Washington Department of Commerce, \$1,500,000 commitment for construction of assisted housing in IDVS1 project, payable in annual installments over 50 years of \$38,135 including principal and interest at 1%, beginning June 30, 1999. During 2020, the lender deferred all principal and interest payments due between June 30, 2020 and December 31, 2022 to the maturity date. | - | 962,361 | 962,361 |
| Note payable to the City of Seattle for the construction of assisted living in the IDVS1 project. The \$1,904,761 note bears interest at 1% per year. The principal and interest is due in 40 years, but the maturity date may be extended for an additional seven five-year periods. The note is dated November 29, 1995 and secured by a deed of trust on the IDVS1. | - | 1,359,432 | 1,359,432 |
| Note payable to the City of Seattle for the construction of a clinic in the IDVS1 project. The \$952,371 note bears interest at 0% per year. The principal is due in forty years. The note is dated September 27, 1996 and secured by a deed of trust on the IDVS1. | - | 952,382 | 952,382 |
| Note payable to the City of Seattle. The loan bears interest between 1.75% and 4% and requires periodic payments of principal and interest as outlined in the note agreement. The note is due in full by November 1, 2026. The note is secured by a deed of trust on the IDVS1. | 465,000 | 2,495,000 | 2,960,000 |

These notes are an integral part of the financial statements.

**SEATTLE CHINATOWN-INTERNATIONAL DISTRICT
PRESERVATION AND DEVELOPMENT AUTHORITY
NOTES TO FINANCIAL STATEMENTS, Continued**

NOTE 9 - LONG-TERM DEBT (continued)

| | <u>Current</u> | <u>Long-Term</u> | <u>Total</u> |
|--|----------------|------------------|--------------|
| <u>International District Village Square Phase 2:</u> | | | |
| Note payable to Heritage Bank. The loan bears interest of 4.6%, payable in monthly installments of \$4,812 including principal and interest. The loan is secured by a deed of trust on the IDVS2 property, and is due in full by November 20, 2022. | 26,852 | 646,080 | 672,932 |
| Note payable to the City of Seattle. The loan bears interest between 3% and 5.125% and requires periodic payments of principal and interest as outlined in the note agreement. The note is due in full by October 2032. The note is secured by a deed of trust on the property. | 225,000 | 3,210,000 | 3,435,000 |
| <u>IDVS2 Family Housing LLC</u> | | | |
| 1.0% note payable to the City of Seattle, Office of Housing. Annual payments are due annually on June 30 in an amount equal to 50% of Net Cash Flow of the preceeding calendar year, as defined in the note. The note contains numerous regulatory requirements governing the use of the property. The note matures in 2052, but may be extended for an additional 25 years. | - | 2,268,037 | 2,268,037 |
| 1.0% note payable to the Seattle Housing Authority. All payments are deferred until the note matures on December 31, 2043, at which time the outstanding principal and accrued interest are due. The non-recourse note is secured by a deed of trust. | - | 1,622,878 | 1,622,878 |
| 1.0% note payable to the State of Washington Housing Trust Fund. The note is amortized over 40 years and requires quarterly payments of \$14,423. During 2020, the lender deferred all principal and interest payments due between June 30, 2020 and December 31, 2022 to the maturity date. The note contains numerous regulatory requirements governing the use of the property. The note matures September 30, 2045. The non-recourse note is secured by a deed of trust. | - | 1,251,936 | 1,251,936 |
| <u>New Central Hotel LLC</u> | | | |
| Note payable to WellsFargo dated December 30, 2015 for \$3,500,000. The note requires monthly payments of principal and interest at the rate of 4.47% and matures January 10, 2026. The note is secured by a deed of trust. | 96,801 | 2,987,886 | 3,084,687 |
| <u>SCIDpda Bush Residential LLC:</u> | | | |
| SCIDpda Bush Residential LLC, refinanced \$407,171 in outstanding principal on the note payable to The Commerce Bank. The new note bears interest at 3.5%, requires a monthly payment of \$4,064 and matures on December 31, 2021. Secured by a deed of trust. | 240,423 | - | 240,423 |
| 1.0% Urban Development Action Grant dated August 8, 1980. In June, 1992, the loan was re-negotiated from the original interest rate of 3.0% and terms were modified. Under the revised agreement, the loan is payable in monthly installments of \$1,605 with interest at 1% beginning July 1, 1992. The total balance renegotiated included the outstanding principal and interest balance of \$634,622 as of June 30, 1992. The note is secured by a deed of trust on the Bush Hotel real property and is due June 20, 2032. | 17,246 | 191,577 | 208,823 |
| \$1,000,000 note payable to Washington State Department of Commerce for the rehabilitation of the Bush Hotel, under the affordable housing program. The loan bears interest at a rate of .5% annually. The loan is payable in annual installments of principal and interest of \$27,588 beginning August 31, 1998. During 2020, the lender deferred all principal and interest payments due between June 30, 2020 and December 31, 2022 to the maturity date. The outstanding loan balance is due August 31, 2037. The note is secured by a deed of trust on the Bush Hotel. | - | 474,817 | 474,817 |

These notes are an integral part of the financial statements.

**SEATTLE CHINATOWN-INTERNATIONAL DISTRICT
PRESERVATION AND DEVELOPMENT AUTHORITY**
NOTES TO FINANCIAL STATEMENTS, Continued

NOTE 9 - LONG-TERM DEBT (continued)

| | <u>Current</u> | <u>Long-Term</u> | <u>Total</u> |
|---|---------------------|-------------------|-------------------|
| <u>SCIDpda Bush Residential LLC, continued:</u> | | | |
| 0.0% rehabilitation loan for Bush Hotel from the City of Seattle dated December 20, 1985. Due December 19, 2036, secured by deed of trust. | - | 672,920 | 672,920 |
| 1.0% rehabilitation loan for Bush Hotel from City of Seattle, Multifamily Code Repair Program dated March 17, 1994. Principal and interest due December 19, 2036. Secured by deed of trust. | - | 105,351 | 105,351 |
| \$1,858,160 note payable to the City of Seattle for the rehabilitation of the Bush Hotel. The note bears interest at a rate of 1% per year in years one through twenty. The note does not accrue interest after the twentieth year. The principal and accrued interest is due on December 19, 2036. Secured by deed of trust. | - | 1,858,160 | 1,858,160 |
| <u>SCIDpda Bush Qalich LLC:</u> | | | |
| Note payable to The Commerce Bank for rehabilitation of the Bush Hotel commercial properties. The note bears interest at a rate of 3.5% until April 30, 2023, when the interest rate will be calculated at the 5-year LIBOR rate + 2.33%. Loan matures on April 30, 2028. Secured by a deed of trust. | 28,749 | 898,963 | 927,712 |
| Note payable to the City of Seattle for the rehabilitation of the Bush hotel commercial properties. The note bears interest at rate of LIBOR + 0.2%. Principal payments are due annually, and interest payments are due bi-annually. Note matures on August 1, 2027. During 2020, the annual principal payment was deferred by the lender and the deferred amount will be spread equally over the remaining principal payments due. | 125,000 | 928,001 | 1,053,001 |
| Totals | <u>\$ 1,225,071</u> | <u>26,783,084</u> | <u>28,008,155</u> |

Maturities of Long-Term Liabilities

Aggregate maturities of long-term liabilities are as follows for years ending December 31:

| <u>Years</u> | <u>Notes Payable</u> | <u>Total Interest</u> |
|--------------|--------------------------|---------------------------|
| 2021 | \$ 1,225,071 | 471,286 |
| 2022 | 4,400,013 | 450,230 |
| 2023 | 1,065,571 | 410,193 |
| 2024 | 1,167,355 | 315,727 |
| 2025 | 1,202,377 | 283,634 |
| 2026 - 2030 | 6,632,480 | 459,957 |
| 2031 - 2035 | 2,616,936 | 273,975 |
| 2036 - 2040 | 4,333,167 | 400,858 |
| 2041 - 2045 | 2,198,657 | 698,032 |
| 2046 - 2050 | 265,084 | 6,885 |
| 2051 - 2055 | 2,268,037 | 1,288,867 |
| 2056 - 2060 | 633,407 | - |
| 2061 - 2065 | - | - |
| | <u>\$ 28,008,155</u> | <u>5,059,644</u> |

These notes are an integral part of the financial statements.

**SEATTLE CHINATOWN-INTERNATIONAL DISTRICT
PRESERVATION AND DEVELOPMENT AUTHORITY**
NOTES TO FINANCIAL STATEMENTS, Continued

NOTE 9 - LONG-TERM DEBT (continued)

The following is a summary of changes in long-term debt:

| | Balance 1/1/2020 | Proceeds | Assignments and Repayments | Balance 12/31/2020 | Due within one year |
|------------------------------|----------------------|------------------|----------------------------------|-----------------------|------------------------|
| Notes from direct borrowings | \$ 26,255,708 | 2,635,854 | (883,407) | 28,008,155 | \$ 1,225,071 |
| | <u>\$ 26,255,708</u> | <u>2,635,854</u> | <u>(883,407)</u> | <u>28,008,155</u> | <u>\$ 1,225,071</u> |

Special Obligation Refunding Bonds, Series 2007

On June 14, 2017, the City of Seattle issued \$4,730,000 of Limited Tax General Obligation Refunding and Improvement Bonds on behalf of SCIDpda for the purpose of refunding SCIDpda's Special Obligation Refunding Bonds, Series 2007. The proceeds of the issue were used to retire outstanding amounts of the Special Obligation Refunding Bonds Series 2007 at par. The refunding bonds were issued by the City of Seattle and the proceeds were loaned by the City of Seattle to SCIDpda. Under the terms of the loan agreement with the City of Seattle, the loan requires payments matching that of the principal and interest on the City Refunding bonds as they come due. Starting in 2018 annual debt service ranges from \$517,900 to \$525,000 in 2026 when the loan will be paid in full. The Bonds bear interest at rates of 2.0% to 5.0%.

NOTE 10 – TENANT SECURITY DEPOSITS

Security deposits and trust funds at December 31, 2020 consisted of tenant Residential and Commercial Lease Deposits for the properties owned and managed by SCIDpda.

NOTE 11 - COMMITMENTS AND CONTINGENCIES

Commercial Lease Agreements:

The SCIDpda has entered into lease agreements to lease office space to various commercial and social agency tenants in its facilities. As of December 31, 2020, the SCIDpda has entered into numerous separate lease agreements with terms ranging from \$500 per month to \$66,595 per month over periods ranging from month-to-month to thirty years.

The future minimum lease receipts for the above leases as of and for the years ending December 31 are:

| | BH Commercial | IDVS1 | IDVS2 Com | IDVS2LP | NCC | Total |
|------------|---------------------|------------------|----------------|------------------|------------------|-------------------|
| 2021 | \$ 272,433 | 1,594,644 | 123,762 | 95,174 | 228,121 | 2,314,134 |
| 2022 | 273,106 | 1,612,962 | 101,815 | 96,602 | 181,307 | 2,265,792 |
| 2023 | 249,667 | 1,494,924 | 93,228 | 98,051 | 169,307 | 2,105,177 |
| 2024 | 257,049 | 789,684 | 94,308 | 99,521 | 166,372 | 1,406,934 |
| 2025 | 264,695 | 790,884 | 57,348 | 101,014 | 171,438 | 1,385,379 |
| Thereafter | 482,332 | 2,306,946 | - | 980,112 | 86,630 | 3,856,020 |
| | <u>\$ 1,799,282</u> | <u>8,590,044</u> | <u>470,461</u> | <u>1,470,474</u> | <u>1,003,175</u> | <u>13,333,436</u> |

**SEATTLE CHINATOWN-INTERNATIONAL DISTRICT
PRESERVATION AND DEVELOPMENT AUTHORITY**
NOTES TO FINANCIAL STATEMENTS, Continued

NOTE 11 - COMMITMENTS AND CONTINGENCIES, continued

Other Commitments and Contingencies

1. Contract and Regulatory Compliance

The SCIDpda is subject to numerous contractual and regulatory compliance requirements. Violation of these contractual and regulatory compliance requirements could subject the SCIDpda to substantial adverse financial consequences.

Under the terms of grants and loans with the State of Washington, City of Seattle and others, periodic compliance audits are required and certain costs may be questioned as not being appropriate expenditures under the agreements. Such audits could lead to reimbursements to the funding/lending agency. Management believes disallowances, if any, will be immaterial.

2. Risk Management

The SCIDpda maintains insurance against most normal hazards. Coverage is provided through individually purchased commercial insurance policies with nominal per loss deductibles. There have been no significant reductions in insurance coverage. Settled claims have not exceeded coverage purchased during the past three years.

3. Legacy House and International District Village Square Phase 1

The mission of Legacy House is to enhance the quality of life for low-income seniors in a culturally responsive environment. The target resident population and rent levels at Legacy House must be maintained as described in various funding source regulatory agreements which expire in 2053. The regulatory agreements are with the City of Seattle, Federal Home Loan Bank, King County, and the State of Washington. As of March 2019, the Legacy House program is no longer operated by SCIDpda, but rather the Authority is leasing the International Village Square Phase 1 space housing the Legacy House program to a third-party not-for-profit organization that is managing the program in accordance with the regulatory agreement.

4. International District Village Square Phase 2

The SCIDpda owns certain property located on Eighth Avenue South, between Dearborn and Lane Streets, in Seattle, Washington. During 2004 the SCIDpda completed the development of a five-unit condominium (the Condominium), one unit of which contains office and retail space, one of which contains a community center, one of which contains a parking garage, one of which contains a public library, and one of which contains 57-units of residential rental housing for low-income individuals (the Residential Unit). In December 2002, the SCIDpda prepared a Declaration of Condominium for the property and formed the IDVS 2 Condominium Association, a State of Washington Non-profit corporation. During 2006 the condo containing the community center was sold to the City of Seattle.

The SCIDpda and the IDVS2 Family Housing LLC have entered into a regulatory agreement with the City of Seattle Office of Housing to maintain the Residential Unit Condominium to serve low income and very low-income families. The regulatory agreement contains certain terms and conditions for the SCIDpda and the LLC.

The project was financed with the sale of tax-exempt special obligation bonds, loans from the City of Seattle, State of Washington, the Housing Authority of the City of Seattle, an award of funds from the Federal Home Loan Bank of Seattle, equity investments made by the SCIDpda, loans from the SCIDpda and other private and public funding sources. The bonds were issued and guaranteed by the SCIDpda and the City of Seattle.

5. Guarantees for Component Units

The SCIDpda has entered into agreements with the blended and discretely presented component units whereby the SCIDpda has agreed to loan to the projects any funds required to fund operating deficits of the projects. The SCIDpda has also agreed to guarantee and pay any unpaid deferred development fees. All payments made by the SCIDpda to the project will be made without any right of repayment.

In addition, the SCIDpda has guaranteed the repayment of any tax credit recapture event that is triggered by the filing of a tax return claiming less credits than the amounts allowed per the agreements or as a result of an audit by the Internal Revenue Service which results in the assessment of a tax deficiency. No recapture events occurred in 2020.

**SEATTLE CHINATOWN-INTERNATIONAL DISTRICT
PRESERVATION AND DEVELOPMENT AUTHORITY**
NOTES TO FINANCIAL STATEMENTS, Continued

NOTE 11 - COMMITMENTS AND CONTINGENCIES, continued

6. Joint Venture – Yesler Terrace Family Housing

In 2019 SCIDpda entered into a joint venture with Community Roots Housing (CRH) to develop and operate the Yesler Family Housing project including 156 units of affordable family-sized housing units, an early learning center, and commercial space. The two parties formed Monku LLC, in which SCIDpda owns a 51% interest and CRH owns a 49% interest. Monku LLC was originally intended to serve as the General Partner in Big Village LLLP. Due to financing restrictions of the committed loan from Seattle Housing Authority, in 2021 it was determined to remove Monku LLC from the ownership structure. Big Village LLLP will own Yesler Family Housing, with SCIDpda serving as the Initial Limited Partner with a 99.99% interest until a formal tax credit investor is brought on board. (See Note 17). CRH will serve as the asset manager of the project and SCIDpda as the property manager and as the master lessee for both the early learning center and the commercial space. Big Village LLLP is presented as a blended component unit in SCIDpda's basic financial statements.

7. Transferable Development Rights Sale

On February 28, 2019, SCIDpda entered into a Purchase and Sale Agreement to sell Transferable Development Rights (TDR) to Sustainable Transit Urban Developments LLC. Under this Agreement, SCIDpda Bush Residential LLC agreed to sell all future development rights above the Bush Hotel. The proceeds from the sale are restricted in use and require the seller to maintain the property as affordable living residential apartments for an additional 50 years.

8. North Lot Development Project

In December 2019 SCIDpda entered into a Purchase and Sale Agreement for the development of the North Lot of the historic Pacific Hospital campus. Phase I will include 160 affordable family-sized housing units, a program for all-inclusive care for the elderly (PACE), and an early learning center. SCIDpda received a \$1,532,500 Land Acquisition Program (LAP) loan and \$1,300,000 in predevelopment loans for this project. SCIDpda subsequently advanced up to \$1,500,000 to the project for additional predevelopment costs. In December 2020, the project was awarded \$4,000,000 towards its construction. (See Note 17).

NOTE 12 - ECONOMIC DEPENDENCY

The SCIDpda receives a substantial amount of funding from the State of Washington, City of Seattle, and Impact Capital in the form of grants, service agreements and loans.

NOTE 13 – DISCRETELY PRESENTED COMPONENT UNIT

Chinatown-International District Preservation and Development Association

The Chinatown International District Preservation and Development Association (CIDPDA) was incorporated June 14, 1994 for the purpose of raising funds for the planning, development and operations of SCIDpda projects and programs. CIDPDA is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The SCIDpda has agreed to provide administrative staff support, office space, utilities, telephone and supplies. In return, SCIDpda will receive the benefits of the fundraising efforts. In 2020, SCIDpda recorded \$732,081 in support from the CIDPDA.

CIDPDA was the sole owner of SCIDpda Bush Hotel Manager, Inc., which held a 57.5% ownership in SCIDpda Bush Hotel QALICB LLC (QALICB LLC) and SCIDpda holds a 42.5% ownership interest in QALICB LLC.

On October 31, 2020, CIDPDA withdrew from the LLC and assigned its ownership interest to SCIDpda, which assumed ownership of SCIDpda Bush Hotel Manager, Inc. and the related debt of the LLC to complete the merger transaction. Prior to January 1, 2020, they were reported as discretely presented component units of the Authority.

**SEATTLE CHINATOWN-INTERNATIONAL DISTRICT
PRESERVATION AND DEVELOPMENT AUTHORITY**
NOTES TO FINANCIAL STATEMENTS, Continued

NOTE 13 – DISCRETELY PRESENTED COMPONENT UNITS (continued)

Summarized discretely presented component unit statement of net position information at December 31, 2020:

| | <u>CIDPDA</u> |
|------------------------------------|--------------------------|
| Current assets: | |
| Cash and cash equivalents | \$ 168,105 |
| Restricted cash and investments | 7,737 |
| Accounts receivable | 8,801 |
| Prepaid expenses and deposits | <u>864</u> |
| Total current assets | <u>185,507</u> |
| Total assets | <u>\$ 185,507</u> |
| Current liabilities: | |
| Accounts payable | \$ 208,975 |
| Accrued liabilities | <u>7,765</u> |
| Total current liabilities | <u>216,740</u> |
| Total liabilities | <u>216,740</u> |
| Net position: | |
| Unrestricted | <u>(31,233)</u> |
| Total net position | <u>(31,233)</u> |
| Total liabilities and net position | <u><u>\$ 185,507</u></u> |

**SEATTLE CHINATOWN-INTERNATIONAL DISTRICT
PRESERVATION AND DEVELOPMENT AUTHORITY**
NOTES TO FINANCIAL STATEMENTS, Continued

NOTE 13 – DISCRETELY PRESENTED COMPONENT UNITS (continued)

Summarized discretely presented component unit statement of revenues, expenses, and changes in net position information for the year ended December 31, 2020:

| | <u>CIDPDA</u> |
|---|---------------------------|
| Operating expenses: | |
| General administration | <u>17,658</u> |
| Total operating expenses | <u>17,658</u> |
| Operating income (loss) | (17,658) |
| Nonoperating revenues (expenses): | |
| Contributions and grants - operational support | 1,777,381 |
| Contributions and grants - paid to Primary Government | (1,686,709) |
| Interest income | 1 |
| Other | <u>(110,950)</u> |
| Total nonoperating revenues (expenses), net | (20,277) |
| Contributions and Distributions: | |
| Change in net position | (37,935) |
| Net position, beginning of year - as restated | <u>6,702</u> |
| Net position, end of year | <u><u>\$ (31,233)</u></u> |

**SEATTLE CHINATOWN-INTERNATIONAL DISTRICT
PRESERVATION AND DEVELOPMENT AUTHORITY**
NOTES TO FINANCIAL STATEMENTS, Continued

NOTE 14 – BLENDED COMPONENT UNITS SUMMARY FINANCIAL INFORMATION

| Condensed Statement of Net Position | | | | | | | | | | | |
|---|--------------------------|-----------------------------|---------------------------|---------------------|---------------------|-------------------------|---------------------------|---------------------------|------------------------|-------------------------|------------------|
| | Bush Hotel Commercial | Bush Hotel Manager, Inc. | Bush Hotel Qalichb LLC | Bush Residential | Big Village LLLP | IDVS2 Family Housing | New Central Apartments | New Central Commercial | New Central Manager | NC Master Tenant LLC | NC Hotel LLC |
| Assets: | | | | | | | | | | | |
| Current assets | \$ 101,411 | - | 207,628 | 1,908,988 | 293,323 | 561,392 | 194,411 | 78,569 | 29,784 | 17,983 | 115,141 |
| Capital assets, net | - | - | 5,411,231 | 4,322,646 | 2,438,475 | 8,575,646 | 62,477 | - | - | - | 5,640,544 |
| Other assets | - | (187,643) | 201,842 | - | - | 69,000 | (62,541) | (75,914) | 163,851 | 2,249,690 | 563,589 |
| Total assets | <u>\$ 101,411</u> | <u>(187,643)</u> | <u>5,820,701</u> | <u>6,231,634</u> | <u>2,731,798</u> | <u>9,206,038</u> | <u>194,347</u> | <u>2,655</u> | <u>193,635</u> | <u>2,267,673</u> | <u>6,319,274</u> |
| Liabilities | | | | | | | | | | | |
| Current liabilities | \$ 1,913,305 | - | 153,749 | 700,335 | 731,893 | 908,426 | 28,595 | 75,819 | - | - | 109,458 |
| Noncurrent liabilities | - | 7,073 | 1,826,964 | 3,424,805 | 1,999,905 | 6,860,368 | - | - | - | - | 2,987,886 |
| Total liabilities | <u>1,913,305</u> | <u>7,073</u> | <u>1,980,713</u> | <u>4,125,140</u> | <u>2,731,798</u> | <u>7,768,794</u> | <u>28,595</u> | <u>75,819</u> | <u>-</u> | <u>-</u> | <u>3,097,344</u> |
| Net Position | | | | | | | | | | | |
| Invested in capital assets, net of related debt | - | (7,073) | 3,430,518 | 640,172 | 438,570 | 1,600,278 | 62,477 | - | - | - | 2,555,857 |
| Restricted | 25,172 | - | 169,760 | 1,709,096 | - | 514,884 | 173,929 | 23,030 | - | - | 75,340 |
| Unrestricted | (1,837,066) | (187,643) | 239,710 | (242,774) | (438,570) | (677,918) | (70,654) | (96,194) | 193,635 | 2,267,673 | 590,733 |
| Total net position | <u>(1,811,894)</u> | <u>(194,716)</u> | <u>3,839,988</u> | <u>2,106,494</u> | <u>-</u> | <u>1,437,244</u> | <u>165,752</u> | <u>(73,164)</u> | <u>193,635</u> | <u>2,267,673</u> | <u>3,221,930</u> |
| Total liabilities and net position | <u>\$ 101,411</u> | <u>(187,643)</u> | <u>5,820,701</u> | <u>6,231,634</u> | <u>2,731,798</u> | <u>9,206,038</u> | <u>194,347</u> | <u>2,655</u> | <u>193,635</u> | <u>2,267,673</u> | <u>6,319,274</u> |
| Condensed Statement of Revenues, Expenses, and Changes in Net Position | | | | | | | | | | | |
| | Bush Hotel Commercial | Bush Hotel Manager, Inc. | Bush Hotel Qalichb LLC | Bush Residential | Big Village LLLP | IDVS2 Family Housing | New Central Apartments | New Central Commercial | New Central Manager | NC Master Tenant LLC | NC Hotel LLC |
| Operating revenues | \$ 580,820 | 121,237 | - | 849,708 | - | 912,174 | 514,216 | 368,698 | 21,676 | 20,826 | - |
| Operating expenses: | (775,698) | (1,202) | 481,815 | (498,388) | - | (607,494) | (417,208) | (369,014) | (1,104) | (21,216) | 346,015 |
| Depreciation and amortization | - | - | (227,889) | (134,817) | - | (322,109) | (2,785) | - | - | - | (161,536) |
| Operating income (loss) | <u>(194,878)</u> | <u>120,035</u> | <u>253,926</u> | <u>216,503</u> | <u>-</u> | <u>(17,429)</u> | <u>94,223</u> | <u>(316)</u> | <u>20,572</u> | <u>(390)</u> | <u>184,479</u> |
| Nonoperating revenues (expenses): | | | | | | | | | | | |
| Interest income | 75 | - | 244 | 4,422 | - | 1,320 | 30 | 2 | - | - | 16 |
| Interest expense | - | - | (43,324) | (11,628) | - | (156,756) | - | - | - | - | (141,994) |
| Nonoperating revenues (expenses) | <u>75</u> | <u>-</u> | <u>(43,080)</u> | <u>(7,206)</u> | <u>-</u> | <u>(155,436)</u> | <u>30</u> | <u>2</u> | <u>-</u> | <u>-</u> | <u>(141,978)</u> |
| Change in net position | <u>(194,803)</u> | <u>120,035</u> | <u>210,846</u> | <u>209,297</u> | <u>-</u> | <u>(172,865)</u> | <u>94,253</u> | <u>(314)</u> | <u>20,572</u> | <u>(390)</u> | <u>42,501</u> |
| Net position, beginning of year | <u>(1,617,091)</u> | <u>(314,751)</u> | <u>3,920,642</u> | <u>1,897,197</u> | <u>-</u> | <u>1,610,109</u> | <u>96,927</u> | <u>(80,421)</u> | <u>173,063</u> | <u>2,288,063</u> | <u>3,284,429</u> |
| Change in component unit | - | - | - | - | - | - | - | - | - | - | - |
| Contributions (Distributions) | - | - | (291,500) | - | - | - | (25,428) | 7,571 | - | (20,000) | (105,000) |
| Net position, end of year | <u>\$ (1,811,894)</u> | <u>(194,716)</u> | <u>3,839,988</u> | <u>2,106,494</u> | <u>-</u> | <u>1,437,244</u> | <u>165,752</u> | <u>(73,164)</u> | <u>193,635</u> | <u>2,267,673</u> | <u>3,221,930</u> |
| Condensed Statement of Cash Flows | | | | | | | | | | | |
| | Bush Hotel Commercial | Bush Hotel Manager, Inc. | Bush Hotel Qalichb LLC | Bush Residential | Big Village LLLP | IDVS2 Family Housing | New Central Apartments | New Central Commercial | New Central Manager | NC Master Tenant LLC | NC Hotel LLC |
| Net Cash Provided by (Used in) | | | | | | | | | | | |
| Operating activities | \$ (78,268) | (1,202) | 285,940 | 311,672 | 697,064 | 349,571 | 74,374 | (18,942) | (1,105) | 155,929 | 210,066 |
| Capital financing activities | - | 1,202 | 61,677 | (173,297) | 1,435,428 | (299,615) | - | - | - | (141,994) | (92,125) |
| Investing activities | 5 | - | (324,899) | 10,065 | (1,839,542) | (27,584) | (72,817) | 9,774 | 1 | (20,000) | (110,810) |
| Net increase (decrease) in cash and equivalents | <u>(78,263)</u> | <u>-</u> | <u>22,718</u> | <u>148,440</u> | <u>292,950</u> | <u>22,372</u> | <u>1,557</u> | <u>(9,168)</u> | <u>(1,104)</u> | <u>(6,065)</u> | <u>7,131</u> |
| Cash and Cash equivalents at January 1 | <u>100,750</u> | <u>-</u> | <u>14,900</u> | <u>34,873</u> | <u>373</u> | <u>21,212</u> | <u>16,336</u> | <u>28,456</u> | <u>30,888</u> | <u>24,048</u> | <u>27,552</u> |
| Cash and Cash equivalents at December 31 | <u>\$ 22,487</u> | <u>-</u> | <u>37,618</u> | <u>183,313</u> | <u>293,323</u> | <u>43,584</u> | <u>17,893</u> | <u>19,288</u> | <u>29,784</u> | <u>17,983</u> | <u>34,683</u> |

These notes are an integral part of the financial statements.

**SEATTLE CHINATOWN-INTERNATIONAL DISTRICT
PRESERVATION AND DEVELOPMENT AUTHORITY**
NOTES TO FINANCIAL STATEMENTS, Continued

NOTE 15 - DEFERRED COMPENSATION PLAN

SCIDpda offers all employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 457. An employee's contribution to the plan may not exceed statutory limits as provided in this section. The SCIDpda may contribute to the plan for employees but made no contribution in 2020. Since the SCIDpda is not the owner of these assets, the plan assets and liabilities are not reported as part of the SCIDpda.

In 2020, SCIDpda began offering all employees a deferred compensation plan created in accordance with Internal Revenue Code (IRC) Section 401a. An employee's contribution to the plan may not exceed statutory limits as provided in this section. The SCIDpda may contribute to the plan for employees and committed to contribute \$77,673 during 2020, which will be paid out in 2021. As the SCIDpda is not the owner of these assets, the plan assets and liabilities are not reported as part of the SCIDpda.

NOTE 16 – IMPACT OF COVID-19 PANDEMIC

On March 11, 2020, the World Health Organization characterized an outbreak of a novel strain of coronavirus (COVID-19) as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. In response to the pandemic, the Authority has suspended some activities and moved others to teleconference or remote work only. Changes to the operating environment may increase operating costs and change revenue sources. Future potential impacts may include disruptions or restrictions on staff ability to work and reductions in tenants' ability to pay the required monthly charges. Operating functions that may be impacted include tenant applications, recertifications, and maintenance operations, as well as construction delays on current development projects in progress. Additional impacts may include the cancellation of future programs, events, and/or activities. The future financial impact or other effects of these issues are unknown.

In response to the COVID-19 pandemic, the City of Seattle granted a deferral of the 2020 annual principal payment on the SCIDpda Bush Hotel QALICB LLC HUD 108 loan. The Washington State Department of Commerce granted three-year deferrals of its loans, including to IDVS2 Family Housing LLC, SCIDpda Bush Residential LLC, and International District Village Square Phase I.

NOTE 17 – SUBSEQUENT EVENTS

In January 2021 SCIDpda received \$100,000 from the All in Washington COVID Relief Fund. SCIDpda has since awarded approximately \$90,000 to several of its mostly commercial tenants in the form of rent concessions, reducing the tenants' liabilities and SCIDpda's accounts receivable.

On March 1, 2021, SCIDpda and the City of Seattle amended a refinancing agreement of a note payable due in full to the City of Seattle by November 1, 2026, and related to International District Village Square Phase I. The amendment suspends further deposits to the capital reserve account, waves the operating reserve requirements, and allows SCIDpda to withdraw and use the capital and operating reserves to pay for general operating expenses.

On May 7, 2021, SCIDpda Bush Hotel Qalib, LLC modified its note with The Commerce Bank of Washington. The note had a principal balance of \$920,058 bearing interest at 3.5% per annum through April 30, 2023. The modified note bears interest at 2.98% per annum through April 30, 2028. (See Note 9.)

On May 7, 2021, SCIDpda Bush Hotel Residential, LLC modified its note with The Commerce Bank of Washington. The note had a principal balance of \$230,306 bearing interest at 3.5% per annum through December 31, 2021. The modified note bears interest at 2.98% per annum through its maturity date of July 31, 2026. (See Note 9.)

In March 2021, a Certificate Amendment was filed with the Secretary of State to replace Monku LLC with SCIDpda (or an affiliate) and CRH (or an affiliate) as the General Partners in Big Village LLLP, with SCIDpda serving as Managing General Partner, and CRH as Co-General Partner.

**SEATTLE CHINATOWN-INTERNATIONAL DISTRICT
PRESERVATION AND DEVELOPMENT AUTHORITY**
NOTES TO FINANCIAL STATEMENTS, Continued

NOTE 17 – SUBSEQUENT EVENTS (continued)

On May 15, 2021, Big Village LLLP entered into a Limited Partnership Agreement with the General Partners and Hudson SLP LLC and Hudson Big Village LLC (Limited Partners) to develop and operate Yesler Family Housing. This is a LIHTC project with Capital One, NA as the construction lender and the Limited Partners as the tax credit investors. The project is funded by equity investment, bond issuance, and other public and private sources. To date, \$79,579,770 has been awarded for this project, of which \$47,730,900 in construction financing was released and construction of the project began in May. As a result of the construction funding, SCIDpda was repaid the \$2,023,993 that it had advanced to the project. (See Note 11.)

The North Lot Development Project was awarded additional funds in 2021. To date the residential portion of this project has been awarded a total of \$12,500,000 from the State of Washington, \$1,000,000 from King County, and approximately \$11,560,000 from the City of Seattle, while the early learning facility portion has been awarded \$800,000 from the State of Washington and \$3,000,000 from the City of Seattle. (See Note 11.)

Subsequent events have been evaluated through July 8, 2021, which is the date the financial statements were available to be issued.

SEATTLE CHINATOWN-INTERNATIONAL DISTRICT PRESERVATION AND DEVELOPMENT AUTHORITY
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended December 31, 2020

| Federal Agency Name / Pass Through Agency | Federal Program Title | CFDA Number | Other Identification Number | Expenditures | | | | Passed through to Subrecipients | Footnote |
|--|--|-------------|-----------------------------|---|---------------------|--------------------------|-----------|---------------------------------|----------|
| | | | | Direct Awards | Pass Through Awards | Loan Balance Outstanding | Total | | |
| US Dept of Housing and Urban Development - Section 8 Project-Based Cluster | | | | | | | | | |
| | Section 8 Housing Assistance Payments Program | 14.195 | WA19A001004 | \$ 433,161 | - | - | 433,161 | - | |
| | Section 8 Housing Assistance Payments Program | 14.195 | WA19A001001 | 130,379 | - | - | 130,379 | - | |
| Seattle Housing Authority - Porchlight | Section 8 Housing Assistance Payments Program | 14.195 | N/A | - | 69,509 | - | 69,509 | - | 4 |
| Seattle Housing Authority - Section 8 Voucher | Section 8 Housing Assistance Payments Program | 14.195 | N/A | - | 23,981 | - | 23,981 | - | 4 |
| Subtotal Section 8 Project-Based Cluster (CFDA #14.195) | | | | 563,540 | 93,490 | - | 657,030 | - | * |
| US Dept of Housing and Urban Development - CDBG - Entitlement Grants Cluster | | | | | | | | | |
| City of Seattle - CDBG Loan | Community Dev. Block Grant Program for Entitlement Communities | 14.218 | DL97CDBG | - | - | 93,567 | 93,567 | - | 6 |
| City of Seattle - CDBG Loan | Community Dev. Block Grant Program for Entitlement Communities | 14.218 | DL98CDBG | - | - | 93,534 | 93,534 | - | 6 |
| City of Seattle - CDBG Loan | Community Dev. Block Grant Program for Entitlement Communities | 14.218 | DL#10-1505 | - | - | 120,000 | 120,000 | - | 6 |
| City of Seattle - CDBG Loan | Community Development Block Grant Program | 14.218 | DL05288B | - | - | 672,920 | 672,920 | - | 6 |
| City of Seattle Housing & Human Services Dept. | Urban Development Action Grant | 14.218 | DIR UDAG-56 | - | - | 226,051 | 226,051 | - | 6 |
| City of Seattle Dept. of Community Development | Community Development Block Grant Program | 14.218 | NA | - | - | 633,407 | 633,407 | - | 4, 6 |
| City of Seattle OED - Only in Seattle Initiative Grant | Community Dev. Block Grant Program for Entitlement Communities | 14.218 | DA192139 | - | 12,439 | - | 12,439 | - | |
| City of Seattle OED | Community Dev. Block Grant Program for Entitlement Communities | 14.218 | DA192156 | - | 43,800 | - | 43,800 | - | |
| Subtotal CFDA #14.218 | | | | - | 56,239 | 1,839,479 | 1,895,718 | - | |
| City of Seattle - CDBG Loan | Community Development Block Grant Program | 14.253 | DL#10-1506 | - | - | 196,000 | 196,000 | - | 5, 6 |
| Subtotal CDBG Entitlements Cluster (CFDA #14.218/14.253) | | | | - | 56,239 | 2,035,479 | 2,091,718 | - | |
| US Dept of Housing and Urban Development | | | | | | | | | |
| Enterprise Community Partners, Inc. | Capacity Building for Community Dev. & Affordable Housing | 14.252 | 003631 | - | - | 300,000 | 300,000 | - | 6 |
| Enterprise Community Partners, Inc. | Capacity Building for Community Dev. & Affordable Housing | 14.252 | 19SG1554 | - | 56,163 | - | 56,163 | - | |
| Subtotal CFDA #14.252 | | | | - | 56,163 | 300,000 | 356,163 | - | |
| US Dept of Treasury | | | | | | | | | |
| King County | Coronavirus Relief Fund | 21.019 | 1139931-A03 | - | 22,500 | - | 22,500 | - | |
| WA State Dept of Commerce | Coronavirus Relief Fund | 21.019 | 20-8C0220-011 | - | 30,000 | - | 30,000 | - | |
| WA State Dept of Commerce | Coronavirus Relief Fund | 21.019 | 20-77330650-004 | - | 17,500 | - | 17,500 | - | |
| Subtotal CFDA #21.019 | | | | - | 70,000 | - | 70,000 | - | |
| * Denotes a major program | | | | Total Expenditures of Federal Awards \$ 563,540 275,892 2,335,479 3,174,911 - | | | | | |

See accompanying notes to the schedule of expenditures of federal awards.

**SEATTLE CHINATOWN-INTERNATIONAL DISTRICT
PRESERVATION AND DEVELOPMENT AUTHORITY**
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, CONTINUED

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant and loan activity of SCIDpda, under programs of the federal government for the year ended December 31, 2020. The Schedule is prepared using the same basis of accounting as the financial statements of the SCIDpda (See Note 2 in the Notes to Financial Statements). The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of SCIDpda, it is not intended to and does not present the financial position, changes in net assets, or cash flows of SCIDpda.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governments*, and the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 – Program and Indirect Costs

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including SCIDpda's portion, may be more than shown.

SCIDpda has not elected to use the 10% de minimis indirect cost rate allowed under Uniform Guidance.

Note 4 – Not Available (N/A)

SCIDpda was unable to obtain an other identification number.

Note 5 – American Recovery And Reinvestment Act (ARRA)

Expenditures for this program were funded by ARRA funds.

Note 6 – Loans Outstanding

SCIDpda had the following loans outstanding at December 31, 2020. The loan balances are also included in the federal expenditures presented in the Schedule.

| <u>Lender</u> | <u>Program Titled</u> | <u>CFDA Number</u> | <u>Balance Outstanding</u> |
|--|---|------------------------|--------------------------------|
| City of Seattle - CDBG Loan | Community Development Block Grant Program | 14.218 | \$ 93,567 |
| City of Seattle - CDBG Loan | Community Development Block Grant Program | 14.218 | 93,534 |
| City of Seattle - CDBG Loan | Community Development Block Grant Program | 14.218 | 120,000 |
| City of Seattle - CDBG Loan | Community Development Block Grant Program | 14.218 | 672,920 |
| City of Seattle Dept of Community Dev - CDBG | Community Development Block Grant Program | 14.218 | 633,407 |
| City of Seattle UDAG Loan | Urban Development Action Grant | 14.218 | 208,823 |
| City of Seattle - CDBG Loan | Community Development Block Grant Program | 14.253 | 196,000 |
| Enterprise Community Partners - HUD Loan | Capacity Building for Community Dev. & Affordable Housing | 14.252 | 300,000 |
| | | | <u><u>\$ 2,318,251</u></u> |

**Independent Auditors' Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standards***

The Board of Directors
Seattle Chinatown-International District Preservation and Development Authority
Seattle, Washington

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities and the discretely presented component unit of the Seattle Chinatown-International District Preservation and Development Authority (the "Authority"), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated July 8, 2021.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2020-001, that we consider to be significant deficiencies.

**Independent Auditors' Report on Internal Control Over Financial Reporting and on
Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With *Government Auditing Standard*, continued**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Finney, Hill & Company, P.S.

July 8, 2021
Seattle, Washington

**Independent Auditors' Report On Compliance For Each Major
Federal Program And On Internal Control Over Compliance
As Required By The Uniform Guidance**

The Board of Directors
Seattle Chinatown-International District Preservation and Development Authority
Seattle, Washington

Report on Compliance for Each Major Federal Program

We have audited the Seattle Chinatown-International District Preservation and Development Authority's (the "Authority") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Authority's major federal programs for the year ended December 31, 2020. The Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2020.

Independent Auditors' Report On Compliance For Each Major Federal Program And On Internal Control Over Compliance As Required By The Uniform Guidance, continued

Report on Internal Control Over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Finney, Hill & Company, P.S.

July 8, 2021
Seattle, Washington

**SEATTLE CHINATOWN-INTERNATIONAL DISTRICT PRESERVATION AND
DEVELOPMENT AUTHORITY**

Schedule of Findings and Questioned Costs
For the year ended December 31, 2020

The results of our audit of the Seattle Chinatown-International District Preservation and Development Authority are summarized below in accordance with Uniform Guidance.

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified that are not considered to be material weaknesses?

_____ yes X no

 X yes _____ none reported

Noncompliance material to financial statements noted?

_____ yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified that are not considered to be material weaknesses?

_____ yes X no

_____ yes X none reported

Type of auditor’s report issued on compliance
for major programs

Unmodified

Any audit findings disclosed that are required
to be reported in accordance with
Uniform Guidance?

_____ yes X no

Identification of major programs:

- CFDA 14.195, Section 8 Housing Assistance Payments Program

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

\$750,000

Auditee qualifies as low-risk auditee?

 X yes _____ no

**SEATTLE CHINATOWN-INTERNATIONAL DISTRICT PRESERVATION AND
DEVELOPMENT AUTHORITY**

Schedule of Findings and Questioned Costs, continued

Section II – Financial Statement Findings

2020-001 Accounting for Pass-Through Contributions

Finding:

Pass-through contributions, and the related expenditures, over which SCIDpda did not have administrative or direct financial involvement were improperly recorded as contribution revenues and operating expenses of the SCIDpda during 2020.

Criteria:

GASBS 24 states that a recipient government serves as a cash conduit if it merely transmits grantor-supplied moneys without having administrative or direct financial involvement in the program.

GASBS 84 states that business-type activities may report assets with a corresponding liability that otherwise should be reported in a custodial fund in the statement of net position of the business-type activity if those assets, upon receipt, are normally expected to be held for three months or less.

Sample Size and Population:

Sampling was not applicable to this finding.

Condition and context:

SCIDpda managed the assets and related receipts and disbursements for a COVID-19 related small business relief fund (the “Fund”) in 2020. The Authority did not have administrative or direct financial involvement and acted as a custodian for the Fund, and management expects receipts for the Fund to be expended within three months of receipt. However, the revenues of the Fund were recorded as part of SCIDpda contributions, and expenditures of the Fund were recorded as part of SCIDpda operating expenses, which is not consistent with GAAP accounting policy.

Cause:

SCIDpda received significant revenues from new funding sources this year and managed new COVID-19 related programs. The small business relief fund was formed quickly to respond to emergency needs in the community. These factors, combined with the impacts of the pandemic on staff resources, resulted in the Authority not properly segregating the funds from SCIDpda operations in their accounting system.

Effect:

The error in accounting for pass-through grants and contributions resulted in contribution revenues being overstated by \$577,314 and operating expenses being overstated by \$577,314. These errors have been corrected in the audited financial statements.

Recommendation:

We recommend management document and refine its process of evaluating pass-through grants and contributions in a manner that consistently applies U.S. GAAP and ensures SCIDpda revenues and expenditures are not overstated, and that all funds held in trust are properly reported.

Questioned Costs:

None

Management Response:

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

Contact Person:

Maiko Winkler-Chin, Executive Director (206) 684-8929

**SEATTLE CHINATOWN-INTERNATIONAL DISTRICT PRESERVATION AND
DEVELOPMENT AUTHORITY**

Schedule of Findings and Questioned Costs, continued

Section III – Findings and Questioned Costs for Federal Awards

No matters were reported.



Seattle Chinatown
International District
Preservation and
Development Authority

Corrective Action Plan

July 1, 2021

The following is management's response and corrective action plan for the finding identified in the audit reporting package for the year ending December 31, 2020.

Finding 2020-001 Accounting for Pass-Through Contributions

We agree with this audit finding.

During 2020, SCIDpda managed the assets and related receipts and disbursements for COVID-19 relief funds, which included the funds for the Small Business Relief Fund. The Small Business Relief Fund was formed quickly to respond to emergency needs of the businesses within the Chinatown International District. The Fund was a partnership between three organizations with SCIDpda acting as custodian for the Fund. SCIDpda did not have direct financial control of the Fund but incorrectly recorded the pass-through contributions as revenue and the offsetting distributions as expense. The large volume of COVID-19 relief funds received by SCIDpda combined with the urgent need to respond to businesses resulted in the Authority not properly segregating the funds from SCIDpda operations in their accounting system.

We understand the auditor's finding and have taken steps to correct the issue identified. We are reviewing the accounting and financial procedures, system of internal controls and policies of the Authority to ensure proper reporting of custodial funds.

Sincerely,

Veronica Wood
Deputy Director

P 206.624.8929
F 206.467.6376

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**SEATTLE CHINATOWN-INTERNATIONAL DISTRICT PRESERVATION AND
DEVELOPMENT AUTHORITY**
Schedule of Prior Audit Findings

2019-001 Unauthorized Distribution

| <u>CFDA Numbers</u> | <u>Name of Federal Program</u> |
|---------------------|---|
| 14.195 | <i>U.S. Department of Housing and Urban Development – Section 8 Housing Assistance Payments</i> |

Finding:

The SCIDpda Bush Residential LLC, a blended component unit, distributed funds totaling \$50,000 to the Authority from surplus cash in the same accounting period as the annual surplus cash calculation, which violated HUD administrative requirements.

Management Response:

Auditee agrees with the finding and returned unauthorized surplus cash distribution to the SCIDpda Bush Residential LLC during 2020.

Status: Closed.