Clerk File No. 310151

# The City of Seattle – Legislative Department

## Clerk File sponsored by: _____

Clerk File No. 310151

2008 Seattle Chinatown-International District Preservation and Development Authority Council Independent's Auditors' Report and Financial Statements.

## Committee Action:

| Date | Recommendation | Vote |
|---|---|---|
| | | |
| | | |
| | | |

This file is complete and ready for presentation to Full Council. _____

Related Legislation File: _____

| Date Introduced and Referred: | To: (committee): |
|---|---|
| Date Re-referred: | To: (committee): |
| Date Re-referred: | To: (committee): |
| Date of Final Action: | Disposition: Filed |

## Full Council Action:

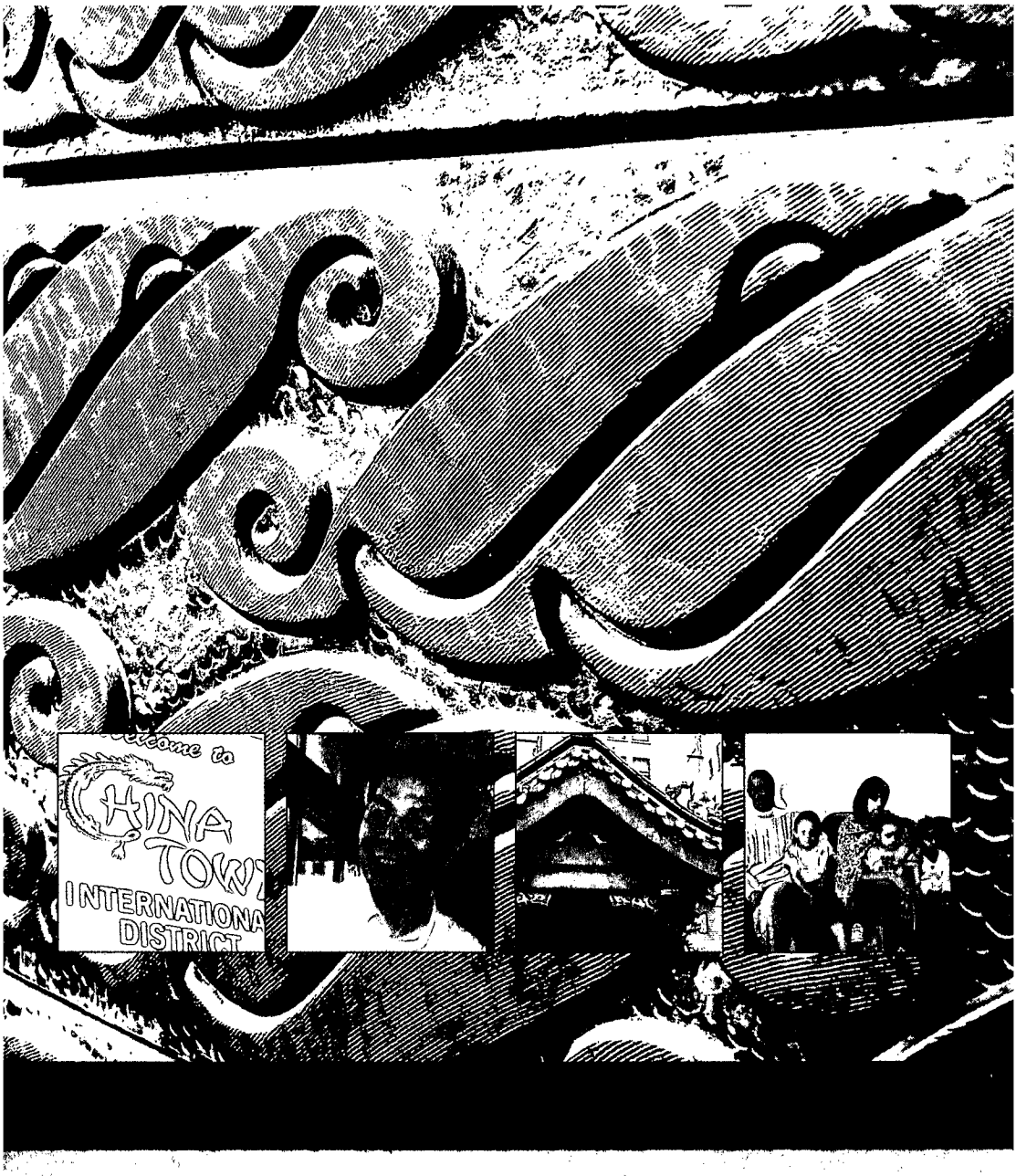
| Date | Decision | Vote |
|---|---|---|
| | | |
| | | |
| | | |
| | | |
| | | |

Aug 24, 2009

**Date Filed with City Clerk**

Emilia M. Sanchez

**By**




SCIDpda

# 2008 Report to the Community

"WORDS CANNOT EXPRESS THE DEEP GRATITUDE THAT I FEEL FOR ALL THAT YOU HAVE DONE FOR MY FAMILY."

*—Family member of Legacy House client*

The value of kinship and caring for others runs deep in the Seattle Chinatown International District community. Which is why community members formed SCIDpda over 30 years ago to serve as an advocate for our neighborhood's residents, workers, and extended community. We provide culturally-responsive services and resources so the Chinatown ID continues to be a welcoming place for immigrants, refugees, and future generations. We honor our neighborhood's heritage by preserving the historic buildings that neighborhood pioneers built and first settled in so they continue to provide a place for community members to live and gather.

As a neighborhood-based organization, we see the daily challenges in our community and work to solve them . Unfortunately, there is not one easy solution to reversing poverty and revitalizing a community. A truly sustainable community is attainable only when people of all ages, incomes, and cultural backgrounds have access to all basic needs from housing to health care to food to child development resources.

Because we work within the neighborhood, we have the reward of experiencing community successes first-hand. We see the proud smiles of families when they move into our Domingo Viernes Apartments knowing they finally have a decent place in which to raise their kids. Our hearts are warmed by the youth who teach seniors English in our International District Village Square's community center. When we see an elder first enter Legacy House struggling to walk and then dancing with friends just two weeks later, we are inspired to work even harder to create a better life in our community.

Thank you for your support!

Paul Mar

Paul Mar, Acting Executive Director
Seattle Chinatown International District
Preservation and Development Authority

For over 30 years, SCIDpda has led the effort "to preserve, promote, and develop the Chinatown International District." We create and increase access to the resources and services our community needs to be healthy, vibrant, and sustainable.

OUR BALANCED APPROACH TO NEIGHBORHOOD REVITALIZATION INCLUDES FOUR FOCUS AREAS:

**Programs and Services**
We annually provide over 800 low-income seniors with affordable, culturally-responsive services conveniently located in the Chinatown ID. Our programs include assisted living and adult day services hosted at Legacy House and Nutrition Services, a weekday lunch program.

**Development/Management of Affordable Housing and Commercial/Retail Space**
We provide over 700 low-income individuals, including families and seniors, with affordable housing located within walking distance of transit lines, neighborhood amenities, and city center jobs. We maintain commercial/retail space at a cost that is affordable for small, neighborhood businesses and non-profit service providers.

**Community Development**
Our model of community development is reflected in our award-winning International District Village Square which includes the neighborhood's first community center with a gym and public library, a health clinic, a childcare center, our affordable family-size housing and senior assisted-living facility, and access to ESL classes, job training, and more.

**Neighborhood Involvement**
SCIDpda staff and Council members have contributed to the success of numerous landmark neighborhood projects as volunteers, board members, mentors, and more.

## Programs and Services

**Legacy House:**
75 assisted-living residents
133 adult day service clients

**Nutrition Services**
**Weekday Lunch Program:**
Congregate Meal Program
Home Meal Delivery Service

2008 marks Legacy House's
10th year serving community seniors

Caring for our elders is important to our community. We provide compassionate care in a multi-cultural environment that meets the health, social, and nutritional needs of over 800 low-income elders annually. Many of our clients are the very pioneers who helped build our neighborhood. Most are first-generation immigrants who speak limited English and are unable to access traditional health care due to language and cultural barriers. Most have also experienced feelings of extreme loneliness and isolation before coming to Legacy House.

Nearly all of our seniors live below the poverty level. In fact, 75 percent of the neighborhood's elderly residents live on less than $6,000 a year. That's why it's important that we provide clients with even the most limited incomes a dignified environment in which to grow older.

Our culturally-responsive services are hosted in the Chinatown ID so elders can remain in our community and still access the services they need to maintain their health and independence. From our programs, clients can walk to neighborhood shops and other amenities like the International District Health Clinic, the community center, and public library.

## Affordable Housing and Commercial/Retail

Nearly 60 percent of neighborhood residents live below the poverty level. Maintaining a decent quality of life is a struggle for most of our neighborhood's 3,000 residents and 5,000 workers. Many forgo meals and medical care in order to make rent.

People need the security of a stable living environment in order to thrive. Our goal is to create a neighborhood where all community members have a safe, quality, affordable place to live near day-to-day services, amenities, and jobs.

Currently, we own and/or manage affordable housing for over 700 individuals, families, and seniors. Our buildings include over 200,000 sq ft of commercial/retail space that we rent at affordable prices for small neighborhood businesses and non-profits. We develop new projects as well as rehabilitate historic buildings to meet the needs of our community.

**Completed in May, our newly rehabilitated historic New Central Building is home to 28 low-income elders**

**SCIDpda Owned and Managed Buildings:**
Bush Hotel and Bush Asia Center
Bush Annex
New Central Building
International District Village Square Phase I including Legacy House
International District Village Square Phase II including Domingo Viernes Apartments

**SCIDpda Managed Buildings:**
NP Hotel
Jackson Apartments
Eastern Hotel
Nihonmachi Terrace

**SCIDpda Non-Profit Tenants:**
Asian Counseling and Referral Service
Denise Louie Education Center
International District Housing Alliance
Asian Community Leadership Forum
Wing Luke Asian Museum
Washington Asian Pacific Islander Families Against Substance Abuse
International Community Health Services
CID Business Improvement Area
Korean Women's Association
Tzu-Chi Foundation
Asian and Pacific Islander Women and Family Safety Center

## Affordable Housing and Commercial/Retail

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Asian Community Leadership Forum
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Washington Asian Pacific Islander Families Against Substance Abuse
International Community Health Services
CID Business Improvement Area
Korean Women's Association
Tzu-Chi Foundation
Asian and Pacific Islander Women and Family Safety Center

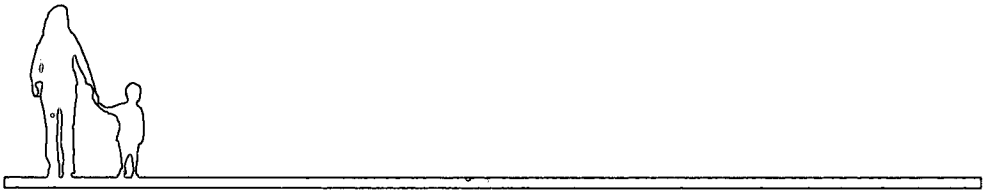
## Community Development

As a community developer, SCIDpda's projects meet the basic needs of our community, honor our neighborhood's heritage, and serve as catalysts for economic vitality.

Our model for community development is reflected in our award-winning International District Village Square. We transformed an abandoned bus barn that was a neighborhood eyesore into a convenient one-stop service hub that now serves over 170,000 individuals annually. The Village Square includes the neighborhood's first community center with a gym and public library, a health clinic, a childcare center, access to ESL classes and job training, and our affordable family-size housing (Domingo Viernes Apartments) and senior assisted-living facility (Legacy House).

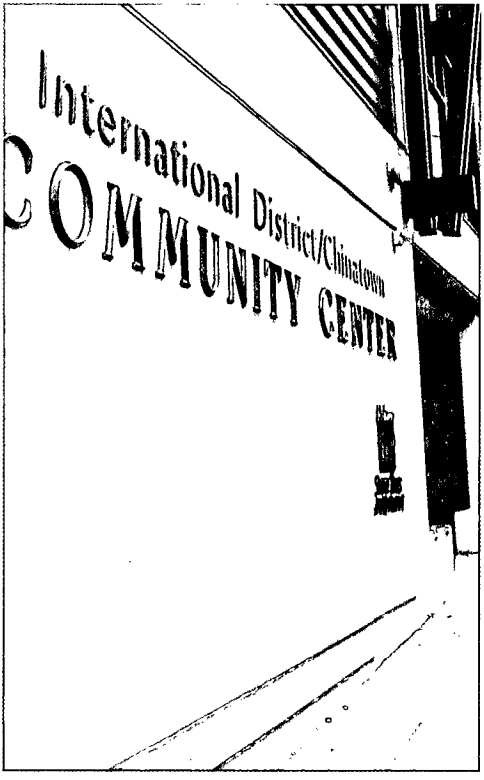
**ID 2030 Design and Resource Center scheduled to open fall 2008**

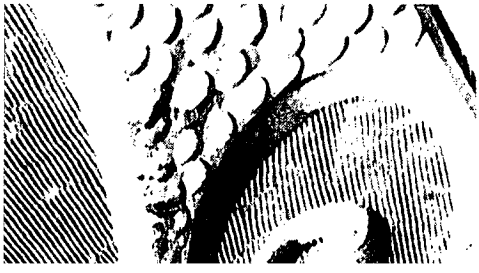
In fall 2008, we will open our new ID 2030 Design and Resource Center to bring together residents, business and property owners, planners, and architects to collaborate on ways to encourage economic revitalization. The center will be a resource for community stakeholders to develop strategies for rehabilitating vacant and deteriorating buildings and other neighborhood improvements.



## Neighborhood Involvement

**Awarded the 2007 "Community Service Award" by The Asian Bar Association of Washington**



SCIDpda embraces the community's tradition and spirit of collaboration as a means to overcome challenges. We work with partnering organizations to empower and involve community members in neighborhood improvement and development projects. Our staff has contributed to numerous landmark projects as volunteers, board members, mentors, and partners.

Below are just a few of the projects and organizations SCIDpda staff and council members provide support to:

Chinatown ID Business Improvement Area
Chinatown ID Night Market
Housing Development Consortium
ID/Chinatown Community Center
Impact Capital
International District Housing Alliance
National Coalition for Asian Pacific American Community Development
Vietnamese Economic Development Association
Wing Luke Asian Museum
Yesler Terrace Citizens Review Committee
ID Rotary
Merchant's Parking
Alaskan Way Viaduct Stakeholders Committee
Seattle King County Housing Development Consortium

## SCIDpda 2008 Council

Albert Shen, Chair
Shen Consulting

Rod Fujita, Vice Chair
Bader Martin, P.S.

Joyce Pisnanont, Secretary
International District Housing Alliance

Barry Mar, Executive Committee
Atlas Apartment Buildings

Gemma Valdez Daggatt,
Executive Committee
Community Supporter

Jerry Meyer
Aegis Living

Tyler Moriguchi
Community Supporter

Josephine Tamayo Murray
Catholic Community Services

Mike Omura
Mithun

Arry Shin
KPMG

Mark Williams
Heritage House at the Market

Michael Wu
Greater Seattle Chamber of Commerce

**2007 Consolidated Sources of Income**

| | |
|---|---|
| Property Management | $3,006,000 |
| Service Contracts | $1,999,000 |
| Fundraising | $864,000 |
| Investment Income | $332,000 |
| Other | $96,000 |
| Total | $6,297,000 |

Timberlan

**$50,000+**
WaMu

**$25,000–$50,000**
Fannie Mae Foundation
Seattle Foundation

**$10,000–$24,999**
Housing Development Corporation of Washington
Key Community Development Banking

**$5,000–$9,999**
Chinatrust
Joseph Kelley
State Farm Insurance
Union Station Associates
Wells Fargo

**$2,500–$4,999**
Bratrud Middleton Insurance
Columbia Bank
Rod Fujita
Kantor Taylor McCarthy P.C.
Ken Kido
Jerry Meyer & Nina Zingale
McKinstry
Nitze-Stagen
Seattle Mariners
Shen Consulting
Stewart Title Co.
Vulcan Inc.
Michael Wu

**$1,000–$2,499**
Tony Au
BECU
Building Envelope Technology & Research
Raymond & Ling Chinn
Alan Cornell
Darigold
Patricia Denny
Finney Neill & Company, P.S.
Flack + Kurtz Inc
K&L Gates
Kovalenko Hale Architects
Barry Mar
Paul Mar
Marpac, Inc.
Tyler Moriguchi
Mithun
National Specialty Underwriters Inc.
Mike Omura
Pacific Continental Bank
Pacific Northwest Title
Pioneer Masonry Restoration Co, Inc.
Public Health Seattle and King County
Seattle Bituin Lions Club
SMR Architects
Sue Taoka & Richard Mar
Urban Influence
Gemma Valdez-Daggatt

**$1–$999**
AA Pacific Herb
AAA Pacific Herb
Alderwood Pest Control
Patricia Allen
Negin Almassi in honor of Yuki Tanaka
Jo Anderson & Matt Cavinta
Ron Angeles
Anonymous
Bernie & Wendy Aquino
Suzanne Aria & Trent Tiedeman
Asia Pacific Education and Culture Foundation
Mauricia Asuncion
Susan Asuncion
Back & Neck Pain Centers
Aileen Balahadia
Teresita Batayola
Maria Bautista
Bill & Melinda Gates Foundation
Patti Bingham
Bob Johnson's Pharmacy
Bolima Drafting and Design
Meyer Brothers
Patty Buckingham & Jack Eng
Ruena Bumagat
Catherine Burks
Joanne Burt-Watson
Allen & Donna Butts
Rosalina Candido
Wei Chang Cao & Min Huang
Capital Campaign Consulting
Julie Carino
Cascade Medical Supply
Nori Catabay
Catherine & Roland Funtanilla
Central Area Development Association
Central Texas College Students
Aldo Chan
Regina Chang
Paul Chan
Robert Chan
Jane Chao in honor of Ben & May Liu
Nancy Chartlon
Chenh Chau
Emily Chen
Ginny Cheng
June Cheng
Irene Chen
Mark & Elizabeth Chen
George Cheung
Jerry Chihara
Raymond & Mui Ling Ching
Kay Chinn
Raymond Chinn
Joesph Choi
Suj'n Chon
Chiao Chou
Kai Chu Choy &Yuk-PoCheung
Kit Wah Chu
Lin Mong Ciong
Anne Xuan Clark
Ying Crumley
Mai Thi Dang
Douglas Davies
Janice Deguchi
Jay & Norilyn de la Pena
Aniceta & Melchor Delfinado
Elisa del Rosario & Michael Flor
Pedro Dequit
Jill & Jerry Devenport in honor of our beautiful daughter, Jane Devenport
Erin Devoto
Jennifer Dice
Jan Donohue
Lang Duc
Tam Duong
Joan Earl
Karen Eckhart
James Edwards
Shann Emerald
Lai Wai Eng
Linda Eng
Wah Lai Eng
Wu Pei En
Masao Everett
First Hill Lions Club
Lannhi Fischl
Vicki Fletcher
Lorenza Florencio
Beau Fong
Lee Yuet Foon
Michael & Christine Friedman
Rolando Fuentes
Nellie Fujii Anderson in honor of Sue, Wendy, Bob & Annie
Francis Fung
Andrea Gallagher
GGLO
Kim Gilman
Roland & Julie Goh
Bet Gouras
John Green
Greenwood Memorial
Millie Ha
Brenda Handley
Nancy Hansen
Stephanie Hansen
Andrea Hanson
Jenny Hayes
Hui Ping He
Shih Ho Her & Bu-Yun Ho
John Hickey
Hillis Clark Martin & Peterson
Gil Hirabayashi
Roy & Patty Hoinville
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Bob Hord
Yit Ho
Fen Hsiao
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Casey Huang
Su Mu Huang
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Yen Kien Hua
Sylvia Hubbert
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Ching Hung
Hsiao Hung
David Ichikawa
Eric Ilgenfritz
Sider + Byers Associates Inc.
Inter*im
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International District Housing Alliance
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Ham & Jan Kumasaka
Michelle Kumata
Candice Kuo
Christopher & Shirley Kuo
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Akiko Kusunose
Yan Man "Beth" Ku
Wan Xiao Lai
Donavan Lam
Eunice Lam
Katy Lam
Philip Lam
Yinsze Lam
Duc Lang
Janet Laskey
So Mee Lee & Wong Lee
Lily Lee
Patricia Lee
Ya-Fang Lee
Yuet Foon Lee
Khoang Lenh
Pearl Leung
Uyen Le
Justine Leyson
Joanna Liang
Sylvia Liang
Min-Shyong Lin
Mong-Ciong Lin
Ruby Linsao
Ray Li
Chang Chun Liu
LiLi Liu
Sheng Yung Liu
Wen Chien Liu
Alfonso Llares
Eric Loh

# Thank You to our 2007 Contributors

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Diana Louie
Chi Lui
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Mildred Man
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Martin Matsudaira
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Pete McMenamin
Maria Mcmurray
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Keng Mei & Chen Shen
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National Equity Fund
Kieu Neubert
It Sim Ng
Jeanette Ng
Thanh Ngo
Mai Nguyen & Lester Tran
Tai Nguyen
Nightingale's Adult Family Home
Mae Numata
Nurse Call Northwest in memory of Joan Mohap
Song Oh
Susan Oki
Oppenheimer
Organization of Chinese Americans
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Ponciano Paalisbo
Pacific Herb & Grocery
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Joyce Pisnanont
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Thaddeus Pritchett
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Promed Agency/ Nuco Health Care
Sunshine Puddao
RealSolutions Capital LLC
Lynn Rivera
Celia Rodriguez
Ruby Janitorial
Randy Rydel
Lisa Samuel
Angela Sarabia
Chuck Scheinbaum/ AIGRetirement
Seattle International Rotary Club
Seattle Kiero
Banu Sekendur
Senior Services of America
Service Paper Company
Herman Setijono
Cathy Shan
James Shaw
Albert Shen
Liang Shen
Yu Zhen Shu
Chay Smith
Camille Smithson
Solid Ground
Sonja Olsen Salon
Mimi Soong
Shih Peh Soong
Mariano Soriano in memory of Pedro & Alejandra Soriano
Sterling Savings Bank
Kim Storms
Rich & Diane Sugimura
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So Fan Tse
Tsue Chong Co.
Patty Turnberg
Trang Tu
Leora Tyau
Wes Uhlman
Janet Ung
U-Park System
Urban Visions
Uwajimaya
Todd Uyeda
Mike vande Merwe & Shanon Doolittle
Virgie Sheldon Graphic Design in honor of Ludivinia Bermudez
Victoria Vu
Julie Walker
Mei Ying Wang & Tong Rong Deng
An Chi Angel Wang
Lilly Wang
Nan-Ping Wang in honor of Chao Sing Wang & Yaming Wang
Serena Wang in memory of Elizabeth Wang
Yi Wang
Barbara Warren
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Wendy Watanabe
Heyward Watson
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Melinda Williams
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Kim Wong
Lai Kwan Wong
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Yat-Ching & Barry Y.K. Wong
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Ya Hua Xu
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Scott Yasui
Michael Yee
Su Han Yuan
Mei Kam Yueng
Sammy Yu
Miao Zhao
Jun Yuan Zhen
Shi Gui Zhen
Shu Yu Zhen
Yin Gui Zhen
Chunyan Zhou & Jackelin Tran

**In-Kind**

ACT Theatre
Aegis Living
Bellevue Arts Museum
Bozc Salon
Maxine Chan
Kenny Che
Desiree Chinn
Charlotte Claude
Columbia Tower Club
Crowne Plaza Hotel
Sally Ding
Edgewater Hotel—Six Seven Restaurant
El Gaucho
Experience Music Project
FareStart
David Foltz
Frontier Room
Garage Billiards and Bowl
Higo
Gil Hirabayashi
Grand Hyatt
Richard Huie
Hsiao Fen Hung
Intiman Theatre
Jazz Alley
Chris Kim
Kimpton Hotels
Marilynn Kreft
McCormick's Fish House & Bar
Midori Inc
New Star Restaurant
Assunta Ng
Northwest Outdoor Center
Colin Palmer
Panama Hotel
Perche'No Pasta and Vino
Emily Pernsteiner
Holly Perzynski
Phnom Phenh
Queen City Grill
REI
Salish Lodge & Spa
Salon Divas
Salty's
Seattle Aquarium
Seattle Seahawks
Seattle Underground Tour
Seven Salon
Sorrento Hotel
James Sun
Sunset Bowl
Tacoma Art Museum
Simon Tam
Gerry Tsutakawa
Greg Tuai
Tutta Bella
Yuuki Terada
Wing Luke Asian Museum
Ricky Wong

photographs by Carina A. del Rosario and Dean Wong.

www.SCIDpda.org (206) 624-8929

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# SEATTLE CHINATOWN-INTERNATIONAL DISTRICT PRESERVATION AND DEVELOPMENT AUTHORITY

## INDEPENDENT AUDITORS' REPORT AND FINANCIAL STATEMENTS

**December 31, 2008**

FILED
CITY OF SEATTLE
09 AUG 24 AM 11:15
CITY CLERK

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

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FINNEY, NEILL & COMPANY, P.S.
CERTIFIED PUBLIC ACCOUNTANTS

# INDEPENDENT AUDITORS' REPORT

The Council
Seattle Chinatown-International District Preservation and Development Authority

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the Seattle Chinatown-International District Preservation and Development Authority as of and for the year ended December 31, 2008, as listed in the table of contents. These financial statements are the responsibility of the Seattle Chinatown-International District Preservation and Development Authority's management. Our responsibility is to express an opinion 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 aggregate discretely presented component units of the Seattle Chinatown-International District Preservation and Development Authority as of December 31, 2008, and the changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying management's discussion and analysis on pages 2 through 7 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Finney, Neill & Company, P.S.

August 7, 2009

9757 Greenwood Avenue North • Seattle, WA 98103 • (206) 298-9811 • FAX: 298-9772

# Management's Discussion and Analysis

## 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, 2008, 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 Balance Sheet; the Statement of Revenues, Expenses, and Changes in Net Assets; 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.

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 definition.

The basic financial statements provide both long term and short-term information about the Authority's overall financial condition. The basic financial statements also include notes that 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 Balance Sheet.

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, 2008 with comparative data from the year ending December 31, 2007. Please read it in conjunction with the transmittal letter in the introductory section of this report and the Authority's basic financial statements, which immediately follow this section.

## FINANCIAL HIGHLIGHTS

- Assets of the Authority exceeded liabilities at December 31, 2008 by $13,380,325 (net assets). Of this amount, $6,434,344 may be used to meet the Authority's ongoing obligations.

- Total net assets increased by $527,317.

- Net capital assets decreased from $18,359,886 in 2007 to $17,803,235 in 2008 primarily due to depreciation expense.

- During 2008 the SCIDpda completed the financing for the renovation of the commercial condominium of the Bush Hotel. See footnote 14.5 for a description of the project financing.

- In accordance with GASB #13, *Accounting for Operating Leases with Scheduled Rent Increases*, rent expense is recognized on a straight-line basis over the lease term rather than in accordance with the lease payment schedules. Differences between the straight-line rents recorded and the amounts actually paid are accounted for as deferred rent payable and included in accrued liabilities. The impact of the straight line adjustment increased rental expense by $82,662 for the year ended December 31, 2008.

- SCIDpda has adopted GASB #31 *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, which requires that investments be carried at fair value. New Central Hotel (a component unit) entered into an interest rate swap agreement with a lender. The estimated fair value of the interest rate swap agreement decreased in value as of December 31, 2008 by $641,498. This is the main reason SCIDpda's investment in the New Central Hotel decreased by a $359,665 in 2008.

## FINANCIAL ANALYSIS

### BALANCE SHEET

The Balance Sheet presents the assets, liabilities, and net assets of the Authority at the end of the fiscal year. The purpose of the Balance Sheet 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 net assets (assets minus liabilities). Also shown is the sum of total liabilities and net assets which equals total assets.

Total assets of the Authority at December 31, 2008 and December 31, 2007 amounted to $36,076,959 and $32,957,710, respectively. Current assets are comprised of several categories. Equity in pooled cash and cash equivalents and investments include the Authority's cash and investments. Accounts receivable include tenant receivables, services contract receivables, grant receivables and receivables from other governments. Prepaid expenses and inventories are also assets of the Authority. The noncurrent assets are certain investments, capital assets and notes receivable. Capital assets include land, buildings, and equipment and are shown net of accumulated depreciation.

Total liabilities of the Authority at December 31, 2008 and December 31, 2007, are $22,696,634 and $20,104,702 respectively, and also include a current and non-current portion. Current liabilities include accounts payable and other accrued liabilities, funds held for others, deferred revenue, and the current portions of long term debt. A liability is considered to be current if it is due within one year. Non-current liabilities are made up of the long-term portion of the notes and bonds payable.

Net assets represent the Authority's equity, a portion of which is restricted for certain uses. Net assets are divided into three major categories. The first category, invested in capital assets, net of related debt shows the Authority's equity in land, structures, construction in progress and equipment, net of related capital debt outstanding. The next net asset category is restricted net assets. These assets have external limitations on the way in which they may be used. The last category is unrestricted net assets. They are available to use for any lawful and prudent purpose of the Authority.

**Condensed Balance Sheet**

| | December 31, 2008 | December 31, 2007 |
|---|---|---|
| Assets: | | |
| Current assets | $ 3,684,919 | $ 2,411,038 |
| Restricted cash and investments | 2,578,905 | 3,091,906 |
| Capital assets, net | 18,152,160 | 18,359,886 |
| Other assets | 11,660,975 | 9,094,880 |
| Total assets | $ 36,076,959 | $ 32,957,710 |
| Liabilities | | |
| Current liabilities | $ 1,937,354 | $ 972,823 |
| Noncurrent liabilities | 20,759,280 | 19,131,879 |
| Total liabilities | 22,696,634 | 20,104,702 |
| Net assets | | |
| Invested in capital assets, net of related debt | 3,025,387 | 3,599,644 |
| Restricted | 3,920,594 | 3,561,935 |
| Unrestricted | 6,434,344 | 5,691,429 |
| Total net assets | 13,380,325 | 12,853,008 |
| Total liabilities and net assets | $ 36,076,959 | $ 32,957,710 |

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

The purpose of the statement of revenues, expenses and changes in net assets is to present the revenues earned by the Authority, both operating and nonoperating, and the expenses incurred, operating and nonoperating and any other revenues, expenses, gains, and losses received or spent by the Authority.

The Authority considers operating revenues and expenses to be generated by service agreements, rental operations and the provision of administrative services to third parties.

Nonoperating revenues are funds received for which goods and services are not provided. Capital contributions represent funds received from individuals, foundations, corporations and other governments for the Authorities capital activities such as the renovation of the New Central Building.

| | Years Ended December 31 | |
|---|---|---|
| | 2008 | 2007 |
| Operating revenues: | | |
| Service agreements | $ 3,036,834 | $ 2,456,985 |
| Rental income | 2,494,739 | 2,580,421 |
| Administrative fees, labor, property management & ground leases | 345,042 | 363,248 |
| Other | 99,755 | 61,452 |
| Total operating revenues | 5,976,370 | 5,462,106 |
| Operating expenses: | | |
| Rental operations | 1,170,784 | 1,075,193 |
| Property management, project and community development | 902,102 | 643,961 |
| Long-term care operations | 1,877,925 | 1,710,813 |
| Nutrition services | 213,413 | 198,564 |
| General administration | 660,485 | 561,677 |
| Depreciation and amortization | 643,564 | 660,293 |
| Total operating expenses | 5,468,273 | 4,850,501 |
| Income from operations before other income (expense) | 508,097 | 611,605 |
| Other income (expense): | | |
| Contributions and grants - operational support | 367,112 | 251,957 |
| Contributions - capital projects | 223,952 | 675,816 |
| Other | (103,203) | 193,578 |
| Interest income | 249,495 | 310,328 |
| Interest expense | (718,136) | (902,987) |
| Other income (expense), net | 19,220 | 528,692 |
| Change in net assets | 527,317 | 1,140,297 |
| Net assets, beginning of year | 12,853,008 | 11,712,711 |
| Net assets, end of year | $ 13,380,325 | $ 12,853,008 |

## CAPITAL ASSET AND DEBT ADMINISTRATION

The Authority capitalized development costs related to the renovation of the New Central Building and Bush Hotel.

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, 2008 | December 31, 2007 |
|---|---|---|
| Capital assets not being depreciated: | | |
| Land | $ 100,089 | $ 100,089 |
| Construction in progress | - | - |
| Depreciable capital assets: | | |
| Buildings and improvements | 23,468,695 | 23,412,395 |
| Furniture and equipment | 475,745 | 450,201 |
| | 23,944,440 | 23,862,596 |
| Less accumulated depreciation | (6,241,294) | (5,602,799) |
| Total capital assets being depreciated, net | 17,703,146 | 18,259,797 |
| Total capital assets, net | $ 17,803,235 | $ 18,359,886 |

The table below shows the Authority's long term debt, at the end of the fiscal year as compared to the end of the previous fiscal year:

| | December 31, 2008 | December 31, 2007 |
|---|---|---|
| Notes payable | $ 8,013,367 | $ 6,045,180 |
| Special Obligation Bonds - 2002 | 5,400,000 | 5,525,000 |
| Special Obligation Bonds - 2007 | 7,355,000 | 7,355,000 |
| | $ 20,768,367 | $ 18,925,180 |

## ECONOMIC FACTORS AFFECTING THE AUTHORITY'S FUTURE

The Authority is primarily at risk from political and governmental decisions beyond its control. Two factors that could impact the Authority's ongoing stability are changes to the HUD Section 8 operating subsidies and the Medicaid reimbursements for assisted living and adult day programs. Although the development, ownership, and management of low income housing and affordable retail/commercial space are stable, the margins are slim. The Authority would be challenged by decisions by the state or federal governments to reduce either subsidies or reimbursements or increase unfunded mandates.

In 2008 the Authority purchased the commercial condominium of the Bush Hotel, then transferred the condominium to a separate LLC and began the rehabilitation of the space. The renovations are scheduled to be completed in 2010.

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 addition information should be addressed to Ray Ishii, Chief Financial Officer, SCIDPDA, P.O. Box 3302, Seattle, WA 98114.

**SEATTLE CHINATOWN-INTERNATIONAL DISTRICT**
**PRESERVATION AND DEVELOPMENT AUTHORITY**
BALANCE SHEET
December 31, 2008

**ASSETS**

| | Primary Government | Component Units |
|---|---|---|
| Current assets: | | |
| Cash and cash equivalents | $ 1,132,505 | 2,224,058 |
| Restricted cash and cash equivalents | 1,341,689 | 50,651 |
| Receivables: | | |
| Grants, contributions and contracts | 405,749 | - |
| Property management | 729,675 | 2,261 |
| Prepaid expenses and deposits | 75,301 | 48,979 |
| Total current assets | 3,684,919 | 2,325,949 |
| Noncurrent assets: | | |
| Restricted cash and investments | 2,578,905 | 1,381,789 |
| Capital assets, net | 17,803,235 | 29,947,986 |
| Capitalized costs, net | 348,925 | 325,706 |
| Note receivable | 4,673,241 | - |
| Due from component units | 5,770,670 | - |
| Other noncurrent assets | 1,217,064 | 274,357 |
| Total noncurrent assets | 32,392,040 | 31,929,838 |
| Total assets | $ 36,076,959 | 34,255,787 |

(continued)

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

**SEATTLE CHINATOWN-INTERNATIONAL DISTRICT**
**PRESERVATION AND DEVELOPMENT AUTHORITY**
BALANCE SHEET – CONTINUED
December 31, 2008

**LIABILITIES AND NET ASSETS**

| | Primary Government | Component Units |
|---|---|---|
| Current liabilities: | | |
| Current portion of long-term debt and bonds payable | $ 446,370 | 128,417 |
| Line of credit payable | 255,000 | - |
| Accounts payable | 536,611 | 305,558 |
| Accrued liabilities | 590,535 | 221,021 |
| Deposits and trust funds | 83,136 | 50,651 |
| Deferred revenue | 25,702 | 1,865 |
| Total current liabilities | 1,937,354 | 707,512 |
| Long-term liabilities: | | |
| Accrued liabilities | 437,289 | 1,396,004 |
| Bonds payable, net of current portion | 12,345,000 | - |
| Long-term debt, net of current portion | 7,976,991 | 22,809,534 |
| Total long-term liabilities | 20,759,280 | 24,205,538 |
| Total liabilities | 22,696,634 | 24,913,050 |
| Net assets: | | |
| Invested in capital assets, net of debt | 3,025,387 | 6,215,220 |
| Restricted | 3,920,594 | 1,432,440 |
| Unrestricted | 6,434,344 | 1,695,077 |
| Total net assets | 13,380,325 | 9,342,737 |
| Total liabilities and net assets | $ 36,076,959 | 34,255,787 |

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 ASSETS
Year Ended December 31, 2008

| | Primary Government | Component Units |
|---|---|---|
| Operating revenues: | | |
| Service agreements | $ 3,036,834 | - |
| Rental income | 1,849,245 | 1,782,908 |
| Administrative fees, property management and ground leases | 345,042 | - |
| Reimbursed expenses | 645,494 | 91,314 |
| Other | 99,755 | 20,464 |
| Total operating revenues | 5,976,370 | 1,894,686 |
| Operating expenses: | | |
| Rental operations | 1,170,784 | 689,854 |
| Property management, project and community development | 902,102 | - |
| Long-term care operations | 1,877,925 | - |
| Nutrition services | 213,413 | - |
| General administration | 660,485 | 275,524 |
| Depreciation and amortization | 643,564 | 820,849 |
| Total operating expenses | 5,468,273 | 1,786,227 |
| Operating income (loss) | 508,097 | 108,459 |
| Nonoperating revenues (expenses): | | |
| Contributions and grants - operational support | 367,112 | 133,074 |
| Interest income | 249,495 | 9,117 |
| Interest expense | (718,136) | (518,206) |
| Gain on sale | 250,000 | - |
| Other | (353,203) | (1,143,496) |
| Total nonoperating revenues (expenses), net | (204,732) | (1,519,511) |
| Contributions: | | |
| Contributions - capital projects | 223,952 | - |
| Partner and member capital contributions | - | 1,800,000 |
| Total contributions | 223,952 | 1,800,000 |
| Change in net assets | 527,317 | 388,948 |
| Net assets, beginning of year | 12,853,008 | 8,953,789 |
| Net assets, end of year | $ 13,380,325 | 9,342,737 |

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 and Cash Equivalents
Year Ended December 31, 2008

| | Primary Government | Component Units |
|---|---|---|
| Cash flows from operating activities: | | |
| Cash received from service agreements and tenants | $ 5,732,808 | 1,787,149 |
| Cash paid for goods, services and employees | (4,708,742) | (855,631) |
| Net cash provided by (used in) operating activities | 1,024,066 | 931,518 |
| Cash flows from noncapital financing activities: | | |
| Contributions, net | 367,112 | (5,139) |
| Net cash provided by (used in) noncapital financing activities | 367,112 | (5,139) |
| Cash flows from capital financing activities: | | |
| Proceeds from the sale of capital assets | 1,450,000 | 1,200,000 |
| Payments of bonds and notes payable | (156,813) | (1,196,908) |
| Borrowing on notes payable | 2,254,994 | 4,465,376 |
| Contributions to capital projects | 223,952 | 1,800,000 |
| Capital expenditures | (1,269,307) | (4,581,568) |
| Payments of interest | (718,136) | (518,206) |
| Net cash provided by (used in) capital financing activities | 1,784,690 | 1,168,694 |
| Cash flows from investing activities: | | |
| Purchase of investments | (358,659) | (632,468) |
| Repayment from (advances to) limited partnership and LLC | (2,932,626) | - |
| Interest on investments | 249,495 | 9,117 |
| Net cash provided by (used in) investing activities | (3,041,790) | (623,351) |
| Net increase (decrease) in cash and cash equivalents | 134,078 | 1,471,722 |
| Cash and cash equivalents at beginning of year | 998,427 | 752,336 |
| Cash and cash equivalents at end of year | $ 1,132,505 | 2,224,058 |
| RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES: | | |
| Net operating income | $ 508,097 | 108,459 |
| Adjustments to reconcile net operating income to net cash provided by operating activities: | | |
| Depreciation and amortization | 643,564 | 820,849 |
| (Increase) decrease in assets: | | |
| Receivables | (260,960) | (107,537) |
| Prepaid expenses and deposits | (7,183) | 68,276 |
| Increase (decrease) in liabilities: | | |
| Accounts payable | 106,258 | 50,546 |
| Accrued liabilities | 34,290 | (9,075) |
| Total adjustments | 515,969 | 823,059 |
| Net cash provided by (used in) operating activities | $ 1,024,066 | 931,518 |

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

## 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 matching funds from the Federal government for SCIDpda projects and activities.

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

- Bush-Annex
  The Bush-Annex was acquired by the SCIDpda in 1979 and was renovated. The building is considered to be the cultural heart of the local community and houses the Theatre Off Jackson.

- Legacy House
  Legacy House provides multi-cultural senior housing and services. Legacy House offers a unique model in the State of Washington by serving 100% low income seniors, integrating assisted living and adult day health and care programs and offering culturally appropriate services to an ethnically diverse clientele. Legacy House programs include 75 independent and assisted living apartments and an on-site day health/care program. Ninety percent of Legacy House residents/clients are Asian, the majority of whom are limited and/or non-English speaking.

- Nutrition Services
  The SCIDpda's Nutrition Services program meets the nutritional and social needs of over 800 low-income community elders a year by providing fresh and affordable Asian-style meals each weekday through a Congregate Meal Program and a Home Delivery Service.

- International District Village Square Phase 1
  The International District Village Square 1 facility was opened in June of 1998. The facility provides centralized resources for health care, mental health, social services, pre-school and childcare, employment, senior advocacy, supportive care and housing. The facility is a mixed-use project containing low-income elderly housing, congregate meal program, retail uses and social and health service agency offices.

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

- Property Management
  SCIDpda manages 400 units of low income housing and over 200,000 square feet of affordable commercial/retail space.

- Real Estate Development
  SCIDpda develops real estate projects such as International District Village Square Phase 1 and 2, the New Central Hotel and the Bush Hotel.

- ID 2030 Design and Resource Center
  SCIDpda started a design/resource center to serve as a catalyst for responsible neighborhood investment and a vehicle for strengthening community involvement in revitalization efforts.

- Core Services Department
  The Core Services Department promotes non-profit social services and cultural arts programs, enhances the Asian character and economic vitality of the community's retail/commercial area, and meets the housing needs of low-income residents.

## NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Reporting Entity

The SCIDpda is governed by a twelve-member Council. Four of the Council members are appointed by the Mayor of the City of Seattle, four of the Council members are elected by the constituency and four of the Council members are elected by the SCIDpda Council. All members of the SCIDpda's Council 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 U.S. generally accepted accounting principles as applied to governmental proprietary funds, using the economic resources measurement focus. Under this economic resources measurement focus, all assets and all liabilities associated with the operation of the SCIDpda are included in the balance sheet. The SCIDpda uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The SCIDpda has adopted Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management Discussion and Analysis – for State and Local Governments.* The SCIDpda, in accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, has elected to apply all Governmental Accounting Standards Board statements as well as all Financial Accounting Standards Board (FASB) statements which do not conflict with Governmental Accounting Standards Board statements.

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 Hotel Manager, Inc. and SCIDpda Bush Hotel Commercial, Inc. These wholly owned entities were created to provide a mechanism for SCIDpda's redevelopment of the New Central building and the Bush Hotel commercial condo. SCIDpda exercises complete management and financial control over these entities and their financial activities are blended into SCIDpda's basic financial statements.

The SCIDpda serves as general partner and managing member in several partnerships/LLCs (see Note 14). These partnerships/LLCs constitute component units of SCIDpda as defined by GASB Statement 14 because they are separate legal entities and subject to SCIDpda's will and financial accountability. As the general partner/managing member, SCIDpda has issued bonds and other debt instruments to finance the purchase and renovation of rental housing on behalf of the partnerships/LLCs. SCIDpda also oversees the day-to-day operation of these properties. These partnerships/LLCs are discretely presented in SCIDpda's financial statements. Financial statements for these entities can be obtained from the SCIDpda administrative offices.

The Chinatown International District Preservation and Development Association (CIDPDA) is a legally separate tax-exempt component unit of the SCIDpda (see Note 14). 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.

During 2008, 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, Maintenance, Real Estate Development, Legacy House, Nutrition Services, Marketing/Public Relations, Fund raising, Bush-Annex, Bush Hotel Commercial, New Central Hotel, 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 retained earnings. Inter-departmental receivable and payable balances have also been eliminated in the accompanying balance sheet.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fixed 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 fixed asset additions which exceed $500.

Use of Estimates
The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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 Costs
Certain expenses, totaling $188,278, incurred in association with the December issuance of the 2002 Special Obligation Bonds, were capitalized. These costs are being amortized using the straight-line method over the life of the bonds. Amortization expense for 2008 was $6,276. Certain expenses, totaling $119,960, incurred in association with the issuance of the 2007 Special Obligation Refunding Bonds, were capitalized. These costs are being amortized using the straight-line method over the life of the bonds. Amortization expense for 2008 was $2,458.

Capitalized Interest
The SCIDpda has a policy of capitalizing interest as a component of the cost of buildings constructed for its own use. The amount of interest capitalized is reduced by the amount of interest earned on the temporary investment of funds borrowed for construction. During 2008, total interest incurred by the SCIDpda was $718,136 all of which was charged to operations.

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.

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 generated by service agreements, rental operations and the provision of administrative services to third parties.

Rental Expense Recognition
In accordance with GASB #13, *Accounting for Operating Leases with Scheduled Rent Increases*, rent expense is recognized on a straight-line basis over the lease term rather than in accordance with the lease payment schedules. Differences between the straight-line rents recorded and the amounts actually paid are accounted for as deferred rent payable and included in accrued liabilities. The impact of the straight line adjustment increased rental expense by $82,662 for the year ended December 31, 2008.

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.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 adopted GASB #31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, which requires that investments be carried at fair value. Cash deposits are carried at cost, which approximates fair value.

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

Reclassifications
Certain amounts in the financial statements may have been reclassified to conform to the current financial statement presentation.

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, RESTRICTED CASH AND INVESTMENTS

Cash, cash equivalents and investments held by the SCIDpda at December 31, 2008 were:

| | Cash and Cash Equivalents | Investments | Total |
|---|---|---|---|
| Deposits - unrestricted | $ 1,132,505 | - | 1,132,505 |
| Deposits - restricted | 1,224,346 | - | 1,224,346 |
| Government money market funds - restricted | 2,696,248 | - | 2,696,248 |
| | $ 5,053,099 | - | 5,053,099 |

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.

**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.

**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:

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

**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.

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

Certain fixed income securities, including obligations of the U.S. government or those explicitly guaranteed by the U.S. government, are not considered to have credit risk. SCIDpda did not hold any investments at December 31, 2008.

**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. The SCIDpda does not have a policy for custodial credit risk. At year end, SCIDpda did not have any securities which were held by the counterparty's trust department or agent but not in the SCIDpda's name.

**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 approximately $5,053,099 of bank deposits (checking accounts, savings accounts, and government money market funds) and of that balance $1,250,000 is covered by federal depository insurance. The SCIDpda believes that due to the dollar amounts of cash deposits and the limits of FDIC insurance, it is impractical to insure all deposits. To limit its' risk, the SCIDpda evaluates each financial institution it deposits funds with and assesses the level of risk of each institution; only those institutions with an acceptable estimated risk level are used as depositories

**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. At year end, SCIDpda did not hold any fixed-income securities.

**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 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.

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

### 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, 2008, the carrying amount, which approximates market, and composition of the restricted cash, cash equivalents and investments is as follows:

| | Cash and Equivalents |
|---|---|
| Bond reserve accounts | $ 1,905,994 |
| Operating and capital reserve accounts | 1,925,410 |
| Tenant security deposits | 89,190 |
| | $ 3,920,594 |

## NOTE 5 - 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.

## NOTE 6 - FEDERAL INCOME TAX

The SCIDpda has received a ruling from the Internal Revenue Service stating the SCIDpda 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.

3. The SCIDpda is a wholly-owned instrumentality of the City of Seattle which is a political subdivision of the State of Washington and, accordingly, contributions to the SCIDpda are contributions to an organization as described in Section 170(b)(1)(B) of the Internal Revenue Code of 1954, as amended.

NOTE 7 – CAPITAL ASSETS

The capital assets (buildings, land and equipment) are stated at cost. Depreciation expense for 2008 was $638,495. Capital assets as of December 31, 2008 are as follows:

| | Primary Government | Component Units |
|---|---|---|
| Land | $ 100,089 | 1,173,852 |
| Building and improvements | 23,468,695 | 31,428,737 |
| Furniture and equipment | 475,745 | 222,528 |
| | 24,044,529 | 32,825,117 |
| Less accumulated depreciation | (6,241,294) | (5,832,071) |
| | 17,803,235 | 26,993,046 |
| Construction & acquisition in progress | - | 2,954,940 |
| Land, buildings and equipment, net | $ 17,803,235 | $ 29,947,986 |

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

| | Balance January 1, 2008 | Additions | Dispositions and Transfers | Balance December 31, 2008 |
|---|---|---|---|---|
| Capital assets not being depreciated: | | | | |
| Land | $ 100,089 | - | - | 100,089 |
| Construction in progress | - | - | - | - |
| Depreciable capital assets: | | | | |
| Buildings and improvements | 23,412,395 | 1,256,300 | 1,200,000 | 23,468,695 |
| Furniture and equipment | 450,201 | 25,544 | - | 475,745 |
| | 23,862,596 | 1,281,844 | 1,200,000 | 23,944,440 |
| Less accumulated depreciation | (5,602,799) | (638,495) | - | (6,241,294) |
| Total capital assets being depreciated, net | 18,259,797 | 643,349 | 1,200,000 | 17,703,146 |
| Total capital assets, net | $ 18,359,886 | 643,349 | 1,200,000 | 17,803,235 |

NOTE 8 – LINE OF CREDIT

SCIDpda has established a line of credit with Key Bank NA in the amount of $500,000. At December 31, 2008, SCIDpda had outstanding borrowings of $255,000.

## NOTE 9 – LONG-TERM DEBT

Long-term debt as of December 31, 2008, consisted of the following:

| | Current | Long-Term | Total |
|---|---|---|---|
| **Core Services:** | | | |
| 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 |
| 0.0% CDBG loan of $265,000 from the City of Seattle, dated December 27, 2005. The note is due December 28, 2010 and is secured by a deed of trust. | - | 265,000 | 265,000 |
| 7.5% Commerce Bank loan dated December 17, 2008. The note is due December 31, 2015 and is secured by a deed of trust. | - | 2,000,000 | 2,000,000 |
| **ID Village Square Phase 1:** | | | |
| Housing Assistance Program loan from the State of Washington Department of Community, Trade and Economic Development, $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. | 26,085 | 1,231,872 | 1,257,957 |
| $25,000 note payable to the City of Seattle, without interest. Principal is due December 31, 2011 | - | 25,000 | 25,000 |
| 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 |
| Present value of the claim settlement payable to a general contractor. Annual payments of $38,877 through 2026 and a final payment of $653,405 according to the payment terms established in the Settlement Agreement. | - | 471,235 | 471,235 |
| 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. | - | 952,374 | 952,374 |
| **ID Village Square Phase 2:** | | | |
| Note payable to Washington Mutual Bank to finance the office and retail portion of the project. The loan bears interest at 6.6% and requires monthly payments of $5,662 of principal and interest. The note is due in full by January 1, 2018. The note is secured by a deed of trust on the property. | 10,285 | 851,576 | 861,861 |
| **Totals** | $ 36,370 | 7,976,997 | 8,013,367 |

These notes are an integral part of the financial statements.

NOTE 9 - LONG-TERM DEBT – (continued)

**Special Obligation Bonds, Series 2002**

On December 1, 2002, the SCIDpda issued $10,490,000 of Special Obligation Bonds, Series 2002. The bonds were issued in two series: Series A and Series B. The proceeds of the Series A bonds were used to make a loan to the IDVS 2 Family Housing LLC to finance or refinance part of the costs of acquiring and developing a low-income housing complex within the second phase of a mixed-use project known as the International District Village Square 2. The proceeds of the Series B bonds were used by the SCIDpda to pay a portion of the cost of constructing a community center, a parking garage and branch library at the International District Village Square 2.

The Series A bonds were issued in the aggregate principal amount of $7,700,000 and the Series B bonds were issued in the aggregate principal amount of $2,790,000. The Series A bonds mature April 1, 2005 through October 1, 2032, bearing interest at stated rates of 3.0% to 5.5%. The Series A bonds were issued at a premium of $160,972 and the Series B bonds were issued at a discount of $51,206. The Series B bonds mature October 1, 2005 through October 1, 2032, bearing interest at stated rates of 3.0% to 5.125%. Bonds maturing in the years 2005 through 2012, inclusive, are not subject to redemption prior to their stated maturity dates. Bonds maturing on or after October 1, 2013, are subject to redemption at the option of the SCIDpda as a whole, or in part within one or more maturities of such series selected by the SCIDpda at par, plus accrued interest at the date of redemption.

The bonds are obligations of the SCIDpda and secured by an agreement with the City of Seattle. The City has unconditionally obligated itself to levy an ad valorem tax in order to make payments to the Bond Depository if the SCIDpda's revenues for such purposes as provided in the agreement are not sufficient. This obligation constitutes an unconditional general obligation of the City of Seattle.

The bonds were dated December 1, 2002 and bear interest from that date. Interest on the bonds is payable April 1, 2003, and semiannually thereafter on October 1 and April 1 of each year.

**Special Obligation Refunding Bonds, Series 2007**

On August 1, 2007, the SCIDpda issued $7,355,000 of Special Obligation Refunding Bonds, Series 2007. The proceeds of the bonds were used to retire the outstanding amounts of the Special Obligation Bonds, Series 1996. The bonds were issued with a net premium of $134,243 which is being amortized over the life of the bonds. The bonds mature August 1, 2009 through August 1, 2026, bearing interest at stated rates of 4.0% to 5.0%.

The bonds are obligations of the SCIDpda and secured by an agreement with the City of Seattle. The City has unconditionally obligated itself to levy an ad valorem tax in order to make payments to the Bond Depository if the SCIDpda's revenues for such purposes as provided in the agreement are not sufficient. This obligation constitutes an unconditional general obligation of the City of Seattle.

The bonds were dated August 1, 2007 and bear interest from that date. Interest on the bonds is payable February 1, 2008, and semiannually thereafter on August 1 and February 1 of each year.

NOTE 9 - LONG-TERM DEBT – (continued)

**Maturities of Long Term Liabilities**

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

| Years | Notes Payable | Special Obligation Bonds - 2007 | Special Obligation Bonds - 2002 | Total Principal | Total Interest |
|---|---|---|---|---|---|
| 2009 | $ 36,370 | 285,000 | 125,000 | 446,370 | 849,122 |
| 2010 | 302,371 | 295,000 | 135,000 | 732,371 | 831,872 |
| 2011 | 63,425 | 310,000 | 135,000 | 508,425 | 813,443 |
| 2012 | 39,534 | 320,000 | 145,000 | 504,534 | 794,324 |
| 2013 | 40,706 | 335,000 | 145,000 | 520,706 | 774,077 |
| 2014 - 2018 | 2,935,365 | 1,875,000 | 845,000 | 5,655,365 | 3,044,308 |
| 2019 - 2023 | 143,330 | 2,290,000 | 1,080,000 | 3,513,330 | 1,887,312 |
| 2024 - 2028 | 621,912 | 1,645,000 | 1,395,000 | 3,661,912 | 1,146,160 |
| 2029 - 2033 | 158,400 | - | 1,395,000 | 1,553,400 | 222,875 |
| 2034 - 2038 | 2,665,424 | - | - | 2,665,424 | 533,523 |
| 2039 - 2043 | 175,051 | - | - | 175,051 | 15,624 |
| 2044 - 2048 | 198,072 | - | - | 198,072 | 6,653 |
| 2049 - 2053 | - | - | - | - | - |
| 2054 - 2058 | 633,407 | - | - | 633,407 | - |
| | $ 8,013,367 | 7,355,000 | 5,400,000 | 20,768,367 | 10,919,293 |

These amounts are reported in the financial statements in the following line items:

| | |
|---|---|
| Current portion of long-term debt and bonds payable | $ 446,370 |
| Bonds payable, net of current portion | 12,345,000 |
| Long-term debt, net of current portion | 7,976,997 |
| | $ 20,768,367 |

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

| | Balance January 1, 2008 | Proceeds | Assignments and Repayments | Balance December 31, 2008 |
|---|---|---|---|---|
| Notes payable | $ 6,045,180 | 2,000,000 | (31,813) | 8,013,367 |
| Special Obligation Bonds - 2002 | 5,525,000 | - | (125,000) | 5,400,000 |
| Special Obligation Bonds - 2007 | 7,355,000 | - | - | 7,355,000 |
| | $ 21,494,708 | 2,000,000 | (156,813) | 20,768,367 |

These notes are an integral part of the financial statements.

## NOTE 10 - UNUSED FINANCING COMMITMENTS

The SCIDpda periodically has unused financing commitments, with varying interest rates, with various financial institutions and governmental entities which may be drawn as specified in the commitment. Unused operating financing commitments at December 31, 2008, are as follows:

| Lender | Financing Commitment | Outstanding as of 12/31/2008 | Available as of 12/31/2008 |
|---|---|---|---|
| Key Bank NA – SCIDpda | 500,000 | 255,000 | 245,000 |

## NOTE 11 - SECURITY DEPOSITS AND TRUST FUNDS

Security deposits and trust funds at December 31, 2008 consist of Residential and Commercial Lease Deposits for the Bush-Annex, Legacy House, New Central Building, Bush Hotel Commercial Condominium, ID Village Square 1 and the ID Village Square 2.

## NOTE 12 - 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, 2008, the SCIDpda has entered into numerous separate lease agreements with terms ranging from $350 per month to $46,723 per month over periods ranging from one to ten years.

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

| | BH Commercial | IDVS1 | IDVS2 Com | IDVS2LP | NCC | Annex | Total |
|---|---|---|---|---|---|---|---|
| 2009 | $ 67,224 | 579,648 | 87,412 | 79,602 | 170,772 | 13,200 | 997,858 |
| 2010 | 67,224 | 596,468 | 88,947 | 80,796 | 125,942 | 13,200 | 972,577 |
| 2011 | 67,224 | 613,793 | 79,670 | 82,008 | 90,528 | - | 933,223 |
| 2012 | 49,714 | 631,638 | 82,346 | 83,238 | 79,068 | - | 926,004 |
| 2013 | 25,200 | 848,073 | 85,122 | 84,487 | 58,768 | - | 1,101,650 |
| Thereafter | 105,000 | 7,451,260 | 131,975 | 2,098,451 | 92,616 | - | 9,879,302 |
| | $ 381,586 | 10,720,880 | 555,472 | 2,508,582 | 617,694 | 26,400 | 14,810,614 |

NOTE 12 - COMMITMENTS AND CONTINGENCIES, Continued

**Lease Commitments**

Bush-Annex

A nonrenewable ground lease for the T & C Garage expires in December 2010. The SCIDpda is liable for all real estate taxes on the property. The minimum rental commitment on the lease was renegotiated at $1,823 per month for the next seven years with a 7% increase each year.

New Central Commercial

SCIDpda New Central Commercial, Inc., a corporation wholly owned by SCIDpda, has entered into a "net lease" sublease agreement for the commercial space with New Central Hotel Master Tenant, LLC.

New Central Residential

SCIDpda New Central Residential, Inc., a corporation wholly owned by SCIDpda has entered into a "net lease" sublease agreement for the residential space with, New Central Hotel Master Tenant, LLC.

Bush Hotel Commercial

SCIDPDA Bush Hotel Commercial, Inc., a corporation wholly owned by SCIDpda has entered into a "net lease" sublease agreement for the commercial space with SCIDPDA Bush Hotel Master Tenant, LLC.

The future minimum lease payments as of December 31, 2008, for the years ending December 31 are:

| Year | Bush Hotel Commercial | New Central Commercial | New Central Residential | Bush Annex | Total |
|---|---|---|---|---|---|
| 2009 | $ 130,000 | 192,500 | 157,500 | 32,832 | 512,832 |
| 2010 | 214,000 | 196,350 | 160,650 | 32,832 | 603,832 |
| 2011 | 336,000 | 200,200 | 163,800 | - | 700,000 |
| 2012 | 338,000 | 204,600 | 167,400 | - | 710,000 |
| 2013 | 340,000 | 208,450 | 170,550 | - | 719,000 |
| Thereafter | 2,224,000 | 2,155,200 | 1,760,400 | - | 6,139,600 |
| | $ 3,582,000 | 3,157,300 | 2,580,300 | 65,664 | 9,385,264 |

Rent expense for 2008 for the above leases was $417,495.

**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.

NOTE 12 - COMMITMENTS AND CONTINGENCIES (continued)

**Other Commitments and Contingencies, Continued**

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.

3. Legacy House and ID Village Square

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.

4. ID Village Square 1

On February 17, 2000, the SCIDpda entered into a Settlement Agreement. Under the terms of the agreement, the SCIDpda agreed to pay (1) once each year for the term of the International District Village Square Debt Service Subaccount an amount equal to all interest accrued, at the rate of 5.95%, from such fund beginning January 1, 2001 that is transferred to the Revenue Fund of the project. The annual payment is currently estimated to be $38,877; and (2) whenever the reserve requirement is reduced in accordance with the Bond Resolution or by prepayment or refunding, an amount equal to the difference between the previous reserve requirement and the new reserve requirement. The SCIDpda has estimated the present value of the future estimated cash flows to approximate $471,235. Long-term debt includes the present value of the estimated future minimum payments required under the Settlement Agreement.

The present value of the estimated minimum payments required under the Settlement Agreement as of December 31, 2008 for the years ending December 31 are as follows:

| Year | |
|---|---|
| 2009 | $ 38,877 |
| 2010 | 38,877 |
| 2011 | 38,877 |
| 2012 | 38,877 |
| 2013 | 38,877 |
| Thereafter | 1,213,898 |
| Total estimated payments | 1,408,283 |
| Less: amount representing interest | (937,048) |
| Present value of estimated minimum payments | $ 471,235 |

5. ID Village Square 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 IDVS 2 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 LLC.

NOTE 12 - COMMITMENTS AND CONTINGENCIES (continued)

**Other Commitments and Contingencies, continued**

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.

6. Bush Hotel Commercial Condominium

As part of the financing for the Bush Hotel Commercial Condominium renovations, the City of Seattle made a loan to the investment fund, Renaissance Finance VII Investment Fund LLC, in the amount of $1,667,000. The loan was guaranteed by HUD. Related to this loan, the City of Seattle made a grant to SCIDpda in the amount of $333,400. In the grant agreement, SCIDpda agreed to pay all the costs of the loan to the investment fund, including a loan fee of $33,400. In addition, SCIDpda agreed to deposit by July 1 of each year $46,857 into a loan repayment reserve account., starting 2009 and ending July 1, 2015..

7. Guarantees for Component Units

The SCIDpda has entered into agreements with the Bush Hotel Limited Partnership, SCIDpda Bush Hotel QALICB LLC, IDVS 2 Family Housing LLC, and the New Central Hotel, LLC 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.

NOTE 13 - 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 14 – DISCRETELY PRESENTED COMPONENT UNITS

1. 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 2008, SCIDpda recorded $221,749 in support from the CIDPDA.

2. Bush Hotel Limited Partnership

The SCIDpda is the general partner and has a 1% ownership interest in the Bush Hotel Limited Partnership, a low-income housing tax credit project. The SCIDpda is entitled to an annual Property Management Fee which was $62,521 for the year ended December 31, 2008. The SCIDpda is entitled to an annual Partnership Management Fee of $35,000, payable subject to certain Partnership cash flow provisions which limited the 2008 Partnership Management Fee to $0. The inclusion of the SCIDpda's equity interest in the BHLP resulted in an increase in net assets of $968,447.

NOTE 14 – DISCRETELY PRESENTED COMPONENT UNITS, Continued

The SCIDpda loaned funds to the Partnership to finance rehabilitation and construction work performed on the property. The balance due to the SCIDpda under the promissory note is $349,483 as of December 31, 2008. The promissory note is due on January 1, 2014 and accrues interest at the rate of 6%.

The SCIDpda loaned funds to the Partnership to finance earthquake repair work performed on the property. The balance due to the SCIDpda under the promissory note is $1,236,784 as of December 31, 2008. The promissory note is due on December 31, 2034 and does not bear interest, except in the case of default, in which case it bears interest at the rate of 6% per year.

The Partnership agreement provides for various obligations of SCIDpda, including its obligation to provide funds for any operating deficits and reduced tax benefits.

Purchase Option and Right of First Refusal
Bush Hotel Limited Partnership has granted to SCIDpda an option to either a) purchase the real estate, fixtures and personal property comprising the project or b) purchase the Limited Partner's interest in the Partnership after the close of the fifteen year compliance period for the low income housing tax credit.

3. IDVS 2 Family Housing LLC

During August 2002, the SCIDpda formed the limited liability company, IDVS 2 Family Housing LLC. The LLC was formed in order to increase the tax credit equity for the planned construction of the IDVS Phase 2 Housing Facility as a low-income residential housing project. An equity interest in the LLC was sold to an investor who can utilize the low-income housing tax credits which were allocated to the project by the Washington State Housing Finance Commission. The SCIDpda is the managing member of the IDVS 2 Family Housing LLC and has a 0.01 percent interest in the LLC. The inclusion of the SCIDpda's equity interest in the IDVS 2 Family Housing LLC resulted in an decrease in net assets of $13. The SCIDpda is entitled to an annual Property Management Fee which was $62,049 for the year ended December 31, 2008.

The SCIDpda loaned the proceeds of the Special Obligation Bonds (Housing Facilities) 2002 Series A bonds to the IDV2 Family Housing LLC. At December 31, 2008 the outstanding balance of this note receivable is $2,818,750. The note bears interest ranging from 3% to 5.5% over the life of the note. The note requires semi-annual payments which coincide with the payments required under the terms of the bonds issues by the SCIDpda. The note is due in full on October 1, 2032.

During 2005 the SCIDpda received a grant from the City of Seattle Office of Housing for $800,000. The SCIDpda loaned the proceeds of this grant to the IDV2 Family Housing LLC. Under the terms of the note receivable, the note bears interest at 1% with annual payments, subject to available cash flow as defined in the note, due on June 30 of each year. The note is due in full in 2054.

The SCIDpda entered into a loan agreement the IDV2 Family Housing LLC. Under the terms of the note receivable, the note bears interest at 1% with annual payments, subject to available cash flow as defined in the note, due on June 30 of each year. The note is due in full on December 12, 2042 and has an outstanding balance of $269,626 as of December 31, 2008.

The LLC agreement provides for various obligations of the SCIDpda, including its obligation to provide funds for any operating deficits and reduced tax benefits.

Purchase Option and Right of First Refusal
IDVS 2 Family Housing LLC has granted to the SCIDpda an option to either a) purchase the real estate, fixtures and personal property comprising the project or b) purchase the Investor Member's membership interest in the LLC after the close of the fifteen year compliance period for the low income housing tax credit. The LLC will not sell the project without first providing the SCIDpda a right of first refusal. The price for the purchase of the project is as follows: under the project option, the price would be the greater of the fair market value of the project or the sum of debt, taxes and credit adjusters; under the membership interest option, the purchase price would be the greater of the fair market value plus investor member loan balances or debt, taxes and credit adjusters.

NOTE 14 – DISCRETELY PRESENTED COMPONENT UNITS, Continued

4. New Central Hotel, LLC

In 2007 SCIDpda completed the financing for the $8 million renovation of the New Central Hotel. As part of the New Central Hotel redevelopment project, the SCIDpda established several new entities. SCIDPDA New Central Manager, Inc. is a wholly owned subsidiary of the SCIDpda. SCIDPDA New Central Manager, Inc. owns 51% of New Central Hotel, LLC and is the manager of that LLC. Through SCIDPDA New Central Manager, Inc., the SCIDpda assigned the building and related assets and liabilities to the New Central Hotel, LLC as a contribution of equity.

New Central Hotel Master Tenant, LLC was established as part of the New Market Tax Credit (NMTC) and Historic Tax Credit (HTC) financing. SCIDPDA New Central Manager, Inc. is the non-member manager of New Central Master Tenant, LLC. New Central Master Tenant, LLC has executed a lease agreement for the New Central Hotel from New Central Hotel, LLC.

The SCIDpda established two new wholly owned subsidiaries, SCIDPDA New Central Apartments, Inc. and SCIDPDA New Central Commercial, Inc. These entities executed sub-lease agreements with New Central Hotel Master Tenant, LLC to lease the residential and commercial space, respectively.

The SCIDpda has entered into a development services agreement with New Central Hotel, LLC to perform project planning, project management and construction management of the Project. The total fees under this agreement total $654,047, and are payable under various terms as specified in the agreement. As of December 31, 2008 $262,623 is outstanding and recorded as a receivable by SCIDpda.

As part of the NMTC and HTC financing, SCIDpda loaned $1,058,062 to the New Central Investment Fund LLC. This loan charges 0.5% interest annually and matures in 30 years. The balance of $1,058,062 is recorded as a Note Receivable as of December 31, 2008. Also as part of the NMTC/HTC financing, SCIDpda made several guarantees including guaranteeing the construction and permanent loan made to New Central Hotel, LLC (total $4,287,815), delivery of tax credits and timely completion of the renovations. SCIDpda has agreed to operate the property in accordance with NMTC and HTC regulations during the compliance period.

5. SCIDpda Bush Hotel QALICB LLC

During 2008 SCIDpda completed the financing for the renovation of the commercial condominium of the Bush Hotel. As part of the Bush Hotel commercial redevelopment project, the SCIDpda established several new entities. SCIDpda sold its interest in the Bush Hotel commercial condominium to SCIDpda Bush Hotel QALICB LLC for $1,450,000 cash and a 57% ownership interest in the SCIDpda Bush Hotel QALICB LLC. SCIDpda recognized a $250,000 gain on the sale. SCIDpda's ownership interest in SCIDPDA Bush Hotel QALICB LLC is held by SCIDPDA Bush Hotel Manager, Inc., a wholly owned subsidiary of SCIDpda.

SCIDpda Bush Hotel Master Tenant, LLC was established as part of the New Market Tax Credit (NMTC) financing. SCIDpda Bush Hotel Manager, Inc. is the non-member manager of SCIDpda Bush Hotel Master Tenant, LLC. SCIDpda Bush Hotel Master Tenant, LLC has executed a lease agreement for the commercial condominium of the Bush Hotel from SCIDpda Bush Hotel QALICB LLC.

The SCIDpda established a new wholly owned subsidiary, SCIDpda Bush Hotel Commercial, Inc. This entity executed a sub-lease agreement with SCIDpda Bush Hotel Master Tenant, LLC to lease the commercial space.

The SCIDpda has entered into a development services agreement with SCIDpda Bush Hotel QALICB LLC to perform project planning, project management and construction management of the Project. The total fees under this agreement total $1,239,000, and are payable under various terms as specified in the agreement. As of December 31, 2008, $706,322 of the fee has been earned and was paid to SCIDpda.

As part of the NMTC and HTC financing, SCIDpda loaned $3,621,500 to the Renaissance Finance MM I, LLC. This loan charges 3.357% interest annually and matures December 17, 2043. The balance of $3,615,179 is recorded as a Note Receivable as of December 31, 2008. Also as part of the NMTC/HTC financing, SCIDpda made several guarantees including guaranteeing the loans made to SCIDpda Bush Hotel QALICB LLC (total of $4,417,000), delivery of tax credits and timely completion of the renovations. SCIDpda has agreed to operate the property in accordance with NMTC and HTC regulations during the compliance period.

NOTE 14 – DISCRETELY PRESENTED COMPONENT UNITS, Continued

Summarized discretely presented component unit balance sheet information for the year ended December 31, 2008:

| | Bush Hotel Limited Partnership | IDVS2 Family Housing LLC | New Central Hotel LLC | SCIDpda Bush Hotel QALICB LLC | CIDPDA | Total |
|---|---|---|---|---|---|---|
| Current assets: | | | | | | |
| Cash and cash equivalents | $ 74,118 | 530,603 | 127,446 | 1,448,239 | 43,652 | $ 2,224,058 |
| Property management receivables | 2,114 | 147 | - | - | - | 2,261 |
| Prepaid expenses and deposits | 8,422 | 26,377 | 11,509 | - | 2,671 | 48,979 |
| Total current assets | 84,654 | 557,127 | 138,955 | 1,448,239 | 46,323 | 2,275,298 |
| Noncurrent assets: | | | | | | |
| Restricted cash and investments | 866,619 | 270,272 | 190,515 | 105,034 | - | 1,432,440 |
| Capital assets, net | 7,018,152 | 12,397,504 | 7,536,963 | 2,994,281 | 1,086 | 29,947,986 |
| Capitalized costs, net | 11,842 | 204,414 | 109,450 | - | - | 325,706 |
| Other noncurrent assets | - | - | 274,357 | - | - | 274,357 |
| Total noncurrent assets | 7,896,613 | 12,872,190 | 8,111,285 | 3,099,315 | 1,086 | 31,980,489 |
| Total assets | $ 7,981,267 | 13,429,317 | 8,250,240 | 4,547,554 | 47,409 | $ 34,255,787 |
| Current liabilities: | | | | | | |
| Current portion of long-term debt and bonds payable | $ 39,146 | 89,271 | - | - | - | $ 128,417 |
| Accounts payable | 188,689 | 26,717 | - | 73,844 | 16,308 | 305,558 |
| Accrued liabilities | 22,319 | 6,000 | 118,147 | 4,528 | 70,027 | 221,021 |
| Deposits and trust funds | 28,605 | 22,046 | - | - | - | 50,651 |
| Deferred revenue | 1,745 | 120 | - | - | - | 1,865 |
| Total current liabilities | 280,504 | 144,154 | 118,147 | 78,372 | 86,335 | 707,512 |
| Long-term liabilities: | | | | | | |
| Accrued liabilities | 234,909 | 254,210 | 904,121 | 2,764 | - | 1,396,004 |
| Long-term debt, net of current portion | 5,832,470 | 9,422,249 | 4,287,815 | 3,267,000 | - | 22,809,534 |
| Total long-term liabilities | 6,067,379 | 9,676,459 | 5,191,936 | 3,269,764 | - | 24,205,538 |
| Total liabilities | 6,347,883 | 9,820,613 | 5,310,083 | 3,348,136 | 86,335 | 24,913,050 |
| Net assets: | | | | | | |
| Invested in capital assets, net of debt | 923,469 | 2,836,188 | 2,454,477 | - | 1,086 | 6,215,220 |
| Restricted | 866,619 | 270,272 | 190,515 | 105,034 | - | 1,432,440 |
| Unrestricted | (156,704) | 502,244 | 295,165 | 1,094,384 | (40,012) | 1,695,077 |
| Total net assets | 1,633,384 | 3,608,704 | 2,940,157 | 1,199,418 | (38,926) | 9,342,737 |
| Total liabilities and net assets | $ 7,981,267 | 13,429,317 | 8,250,240 | 4,547,554 | 47,409 | $ 34,255,787 |

These notes are an integral part of the financial statements.

NOTE 14 – DISCRETELY PRESENTED COMPONENT UNITS, Continued

Summarized discretely presented component unit income statement information for the year ended December 31, 2008:

| | Bush Hotel Limited Partnership | IDVS2 Family Housing LLC | New Central Hotel, LLC | SCIDpda Bush Hotel QALICB LLC | CIDPDA | Total |
|---|---|---|---|---|---|---|
| Operating revenues: | | | | | | |
| Service agreements | $ - | - | - | - | - | $ - |
| Rental income | 690,959 | 686,135 | 405,814 | - | - | 1,782,908 |
| Reimbursed expenses | 91,314 | - | - | - | - | 91,314 |
| Other | 13,076 | 7,388 | - | - | - | 20,464 |
| Total operating revenues | 795,349 | 693,523 | 405,814 | - | - | 1,894,686 |
| Operating expenses: | | | | | | |
| Rental operations | 351,630 | 254,457 | 83,767 | - | - | 689,854 |
| General administration | 145,468 | 128,868 | 572 | 616 | - | 275,524 |
| Depreciation and amortization | 299,678 | 339,948 | 179,595 | - | 1,628 | 820,849 |
| Total operating expenses | 796,776 | 723,273 | 263,934 | 616 | 1,628 | 1,786,227 |
| Operating income (loss) | (1,427) | (29,750) | 141,880 | (616) | (1,628) | 108,459 |
| Nonoperating revenues (expenses): | | | | | | |
| Contributions and grants - operational support | - | - | - | - | 133,074 | 133,074 |
| Interest income | 1,576 | 5,696 | 1,343 | 34 | 468 | 9,117 |
| Interest expense | (103,949) | (216,092) | (198,165) | - | - | (518,206) |
| Other | (354,999) | - | (650,284) | - | (138,213) | (1,143,496) |
| Total nonoperating revenues (expenses), net | (457,372) | (210,396) | (847,106) | 34 | (4,671) | (1,519,511) |
| Contributions: | | | | | | |
| Contributions - capital projects | - | - | - | - | - | - |
| Partner and member capital contributions | 300,000 | - | 300,000 | 1,200,000 | - | 1,800,000 |
| Total contributions | 300,000 | - | 300,000 | 1,200,000 | - | 1,800,000 |
| Change in net assets | (158,799) | (240,146) | (405,226) | 1,199,418 | (6,299) | 388,948 |
| Net assets, beginning of year | 1,792,183 | 3,848,850 | 3,345,383 | - | (32,627) | 8,953,789 |
| Net assets, end of year | $ 1,633,384 | 3,608,704 | 2,940,157 | 1,199,418 | (38,926) | $ 9,342,737 |

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 2008. Pursuant to GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, since the SCIDpda is not the owner of these assets, the plan assets and liabilities are not reported as part of the SCIDpda

SCIDpda

# 2008 Report to the Community

"WORDS CANNOT EXPRESS THE DEEP GRATITUDE THAT I FEEL FOR ALL THAT YOU HAVE DONE FOR MY FAMILY."

*—Family member of Legacy House client*

The value of kinship and caring for others runs deep in the Seattle Chinatown International District community. Which is why community members formed SCIDpda over 30 years ago to serve as an advocate for our neighborhood's residents, workers, and extended community. We provide culturally-responsive services and resources so the Chinatown ID continues to be a welcoming place for immigrants, refugees, and future generations. We honor our neighborhood's heritage by preserving the historic buildings that neighborhood pioneers built and first settled in so they continue to provide a place for community members to live and gather.

As a neighborhood-based organization, we see the daily challenges in our community and work to solve them . Unfortunately, there is not one easy solution to reversing poverty and revitalizing a community. A truly sustainable community is attainable only when people of all ages, incomes, and cultural backgrounds have access to all basic needs from housing to health care to food to child development resources.

Because we work within the neighborhood, we have the reward of experiencing community successes first-hand. We see the proud smiles of families when they move into our Domingo Viernes Apartments knowing they finally have a decent place in which to raise their kids. Our hearts are warmed by the youth who teach seniors English in our International District Village Square's community center. When we see an elder first enter Legacy House struggling to walk and then dancing with friends just two weeks later, we are inspired to work even harder to create a better life in our community.

Thank you for your support!

Paul Mar

Paul Mar, Acting Executive Director
Seattle Chinatown International District
Preservation and Development Authority

For over 30 years, SCIDpda has led the effort "to preserve, promote, and develop the Chinatown International District." We create and increase access to the resources and services our community needs to be healthy, vibrant, and sustainable.

## Our balanced approach to neighborhood revitalization includes four focus areas:

**Programs and Services**
We annually provide over 800 low-income seniors with affordable, culturally-responsive services conveniently located in the Chinatown ID. Our programs include assisted living and adult day services hosted at Legacy House and Nutrition Services, a weekday lunch program.

**Development/Management of Affordable Housing and Commercial/Retail Space**
We provide over 700 low-income individuals, including families and seniors, with affordable housing located within walking distance of transit lines, neighborhood amenities, and city center jobs. We maintain commercial/retail space at a cost that is affordable for small, neighborhood businesses and non-profit service providers.

**Community Development**
Our model of community development is reflected in our award-winning International District Village Square which includes the neighborhood's first community center with a gym and public library, a health clinic, a childcare center, our affordable family-size housing and senior assisted-living facility, and access to ESL classes, job training, and more.

**Neighborhood Involvement**
SCIDpda staff and Council members have contributed to the success of numerous landmark neighborhood projects as volunteers, board members, mentors, and more.

## Programs and Services

**Legacy House:**
75 assisted-living residents
133 adult day service clients

**Nutrition Services**
**Weekday Lunch Program:**
Congregate Meal Program
Home Meal Delivery Service

2008 marks Legacy House's
10th year serving community seniors

Caring for our elders is important to our community. We provide compassionate care in a multi-cultural environment that meets the health, social, and nutritional needs of over 800 low-income elders annually. Many of our clients are the very pioneers who helped build our neighborhood. Most are first-generation immigrants who speak limited English and are unable to access traditional health care due to language and cultural barriers. Most have also experienced feelings of extreme loneliness and isolation before coming to Legacy House.

Nearly all of our seniors live below the poverty level. In fact, 75 percent of the neighborhood's elderly residents live on less than $6,000 a year. That's why it's important that we provide clients with even the most limited incomes a dignified environment in which to grow older.

Our culturally-responsive services are hosted in the Chinatown ID so elders can remain in our community and still access the services they need to maintain their health and independence. From our programs, clients can walk to neighborhood shops and other amenities like the International District Health Clinic, the community center, and public library.

## Affordable Housing and Commercial/Retail

Nearly 60 percent of neighborhood residents live below the poverty level. Maintaining a decent quality of life is a struggle for most of our neighborhood's 3,000 residents and 5,000 workers. Many forgo meals and medical care in order to make rent.

People need the security of a stable living environment in order to thrive. Our goal is to create a neighborhood where all community members have a safe, quality, affordable place to live near day-to-day services, amenities, and jobs.

Currently, we own and/or manage affordable housing for over 700 individuals, families, and seniors. Our buildings include over 200,000 sq ft of commercial/retail space that we rent at affordable prices for small neighborhood businesses and non-profits. We develop new projects as well as rehabilitate historic buildings to meet the needs of our community.

**Completed in May, our newly rehabilitated historic New Central Building is home to 28 low-income elders**

**SCIDpda Owned and Managed Buildings:**
Bush Hotel and Bush Asia Center
Bush Annex
New Central Building
International District Village Square Phase I including Legacy House
International District Village Square Phase II including Domingo Viernes Apartments

**SCIDpda Managed Buildings:**
NP Hotel
Jackson Apartments
Eastern Hotel
Nihonmachi Terrace

**SCIDpda Non-Profit Tenants:**
Asian Counseling and Referral Service
Denise Louie Education Center
International District Housing Alliance
Asian Community Leadership Forum
Wing Luke Asian Museum
Washington Asian Pacific Islander Families Against Substance Abuse
International Community Health Services
CID Business Improvement Area
Korean Women's Association
Tzu-Chi Foundation
Asian and Pacific Islander Women and Family Safety Center

## Community Development

As a community developer, SCIDpda's projects meet the basic needs of our community, honor our neighborhood's heritage, and serve as catalysts for economic vitality.

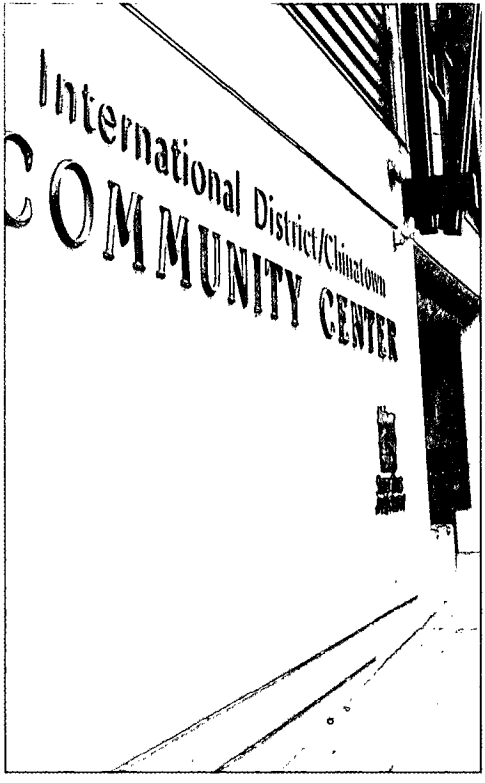
Our model for community development is reflected in our award-winning International District Village Square. We transformed an abandoned bus barn that was a neighborhood eyesore into a convenient one-stop service hub that now serves over 170,000 individuals annually. The Village Square includes the neighborhood's first community center with a gym and public library, a health clinic, a childcare center, access to ESL classes and job training, and our affordable family-size housing (Domingo Viernes Apartments) and senior assisted-living facility (Legacy House).

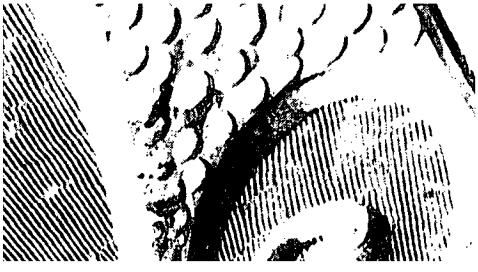
**ID 2030 Design and Resource Center scheduled to open fall 2008**

In fall 2008, we will open our new ID 2030 Design and Resource Center to bring together residents, business and property owners, planners, and architects to collaborate on ways to encourage economic revitalization. The center will be a resource for community stakeholders to develop strategies for rehabilitating vacant and deteriorating buildings and other neighborhood improvements.

## Neighborhood Involvement

**Awarded the 2007 "Community Service Award" by The Asian Bar Association of Washington**



SCIDpda embraces the community's tradition and spirit of collaboration as a means to overcome challenges. We work with partnering organizations to empower and involve community members in neighborhood improvement and development projects. Our staff has contributed to numerous landmark projects as volunteers, board members, mentors, and partners.

Below are just a few of the projects and organizations SCIDpda staff and council members provide support to:

Chinatown ID Business Improvement Area
Chinatown ID Night Market
Housing Development Consortium
ID/Chinatown Community Center
Impact Capital
International District Housing Alliance
National Coalition for Asian Pacific American Community Development
Vietnamese Economic Development Association
Wing Luke Asian Museum
Yesler Terrace Citizens Review Committee
ID Rotary
Merchant's Parking
Alaskan Way Viaduct Stakeholders Committee
Seattle King County Housing Development Consortium

**2007 Consolidated Sources of Income**

| | |
|---|---|
| Property Management | $3,006,000 |
| Service Contracts | $1,999,000 |
| Fundraising | $864,000 |
| Investment Income | $332,000 |
| Other | $96,000 |
| Total | $6,297,000 |

## SCIDpda 2008 Council

Albert Shen, Chair
Shen Consulting

Rod Fujita, Vice Chair
Bader Martin, P.S.

Joyce Pisnanont, Secretary
International District Housing Alliance

Barry Mar, Executive Committee
Atlas Apartment Buildings

Gemma Valdez Daggatt,
Executive Committee
Community Supporter

Jerry Meyer
Aegis Living

Tyler Moriguchi
Community Supporter

Josephine Tamayo Murray
Catholic Community Services

Mike Omura
Mithun

Arry Shin
KPMG

Mark Williams
Heritage House at the Market

Michael Wu
Greater Seattle Chamber of Commerce

Timberlan

**$50,000+**
WaMu

**$25,000–$50,000**
Fannie Mae Foundation
Seattle Foundation

**$10,000–$24,999**
Housing Development Corporation of Washington
Key Community Development Banking

**$5,000–$9,999**
Chinatrust
Joseph Kelley
State Farm Insurance
Union Station Associates
Wells Fargo

**$2,500–$4,999**
Bratrud Middleton Insurance
Columbia Bank
Rod Fujita
Kantor Taylor McCarthy P.C.
Ken Kido
Jerry Meyer & Nina Zingale
McKinstry
Nitze-Stagen
Seattle Mariners
Shen Consulting
Stewart Title Co.
Vulcan Inc.
Michael Wu

**$1,000–$2,499**
Tony Au
BECU
Building Envelope Technology & Research
Raymond & Ling Chinn
Alan Cornell
Darigold
Patricia Denny
Finney Neill & Company, P.S.
Flack + Kurtz Inc
K&L Gates
Kovalenko Hale Architects
Barry Mar
Paul Mar
Marpac, Inc.
Tyler Moriguchi
Mithun
National Specialty Underwriters Inc.
Mike Omura
Pacific Continental Bank
Pacific Northwest Title
Pioneer Masonry Restoration Co. Inc.
Public Health Seattle and King County
Seattle Bituin Lions Club
SMR Architects
Sue Taoka & Richard Mar
Urban Influence
Gemma Valdez-Daggatt

**$1–$999**
AA Pacific Herb
AAA Pacific Herb
Alderwood Pest Control
Patricia Allen
Negin Almassi in honor of Yuki Tanaka
Jo Anderson & Matt Cavinta
Ron Angeles
Anonymous
Bernie & Wendy Aquino
Suzanne Aria & Trent Tiedeman
Asia Pacific Education and Culture Foundation
Mauricia Asuncion
Susan Asuncion
Back & Neck Pain Centers
Aileen Balahadia
Teresita Batayola
Maria Bautista
Bill & Melinda Gates Foundation
Patti Bingham
Bob Johnson's Pharmacy
Bolima Drafting and Design
Meyer Brothers
Patty Buckingham & Jack Eng
Ruena Bumagat
Catherine Burks
Joanne Burt-Watson
Allen & Donna Butts
Rosalina Candido
Wei Chang Cao & Min Huang
Capital Campaign Consulting
Julie Carino
Cascade Medical Supply
Nori Catabay
Catherine & Roland Funtanilla
Central Area Development Association
Central Texas College Students
Aldo Chan
Regina Chang
Paul Chan
Robert Chan
Jane Chao in honor of Ben & May Liu
Nancy Chartlon
Chenh Chau
Emily Chen
Ginny Cheng
June Cheng
Irene Chen
Mark & Elizabeth Chen
George Cheung
Jerry Chihara
Raymond & Mui Ling Ching
Kay Chinn
Raymond Chinn
Joesph Choi
Suj'n Chon
Chiao Chou
Kai Chu Choy &Yuk-PoCheung
Kit Wah Chu
Lin Mong Ciong
Anne Xuan Clark
Ying Crumley
Mai Thi Dang
Douglas Davies
Janice Deguchi
Jay & Norilyn de la Pena
Aniceta & Melchor Delfinado
Elisa del Rosario & Michael Flor
Pedro Dequit
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Erin Devoto
Jennifer Dice
Jan Donohue
Lang Duc
Tam Duong
Joan Earl
Karen Eckhart
James Edwards
Shann Emerald
Lai Wai Eng
Linda Eng
Wah Lai Eng
Wu Pei En
Masao Everett
First Hill Lions Club
Lannhi Fischl
Vicki Fletcher
Lorenza Florencio
Beau Fong
Lee Yuet Foon
Michael & Christine Friedman
Rolando Fuentes
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Francis Fung
Andrea Gallagher
GGLO
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Bet Gouras
John Green
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Millie Ha
Brenda Handley
Nancy Hansen
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Inter*im
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Duc Lang
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Yuet Foon Lee
Khoang Lenh
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Senior Services of America
Service Paper Company
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Liang Shen
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Sonja Olsen Salon
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Pei Pei Sung
Megan Swan
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Julie Walker
Mei Ying Wang & Tong Rong Deng
An Chi Angel Wang
Lilly Wang
Nan-Ping Wang in honor of Chao Sing Wang & Yaming Wang
Serena Wang in memory of Elizabeth Wang
Yi Wang
Barbara Warren
Josie Watanabe
Wendy Watanabe
Heyward Watson
Mark Williams
Melinda Williams
Robert Williams
Maiko WinklerChin
Cuu Wong
Jon & Duk Soon Wong
Kim Wong
Lai Kwan Wong
Ling Wong
Teri Wong
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Michael Woo & Marie Kurose Woo
Amy Woo
Liana Woo in memory of Marguerite Chinn
Mary Woo
Rachel & May Woo
Ruth Woo
Teresa Woo
Pete Wright
Angela Wu
Zhen Kun Wu
Hua Yu Xu
Ya Hua Xu
Linda Yamaguchi Zee
Yicheng Yang
Scott Yasui
Michael Yee
Su Han Yuan
Mei Kam Yueng
Sammy Yu
Miao Zhao
Jun Yuan Zhen
Shi Gui Zhen
Shu Yu Zhen
Yin Gui Zhen
Chunyan Zhou & Jackelin Tran

**In-Kind**

ACT Theatre
Aegis Living
Bellevue Arts Museum
Bozc Salon
Maxine Chan
Kenny Che
Desiree Chinn
Charlotte Claude
Columbia Tower Club
Crowne Plaza Hotel
Sally Ding
Edgewater Hotel—Six Seven Restaurant
El Gaucho
Experience Music Project
FareStart
David Foltz
Frontier Room
Garage Billiards and Bowl
Higo
Gil Hirabayashi
Grand Hyatt
Richard Huie
Hsiao Fen Hung
Intiman Theatre
Jazz Alley
Chris Kim
Kimpton Hotels
Marilynn Kreft
McCormick's Fish House & Bar
Midori Inc
New Star Restaurant
Assunta Ng
Northwest Outdoor Center
Colin Palmer
Panama Hotel
Perche'No Pasta and Vino
Emily Pernsteiner
Holly Perzynski
Phnom Phenh
Queen City Grill
REI
Salish Lodge & Spa
Salon Divas
Salty's
Seattle Aquarium
Seattle Seahawks
Seattle Underground Tour
Seven Salon
Sorrento Hotel
James Sun
Sunset Bowl
Tacoma Art Museum
Simon Tam
Gerry Tsutakawa
Greg Tuai
Tutta Bella
Yuuki Terada
Wing Luke Asian Museum
Ricky Wong

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