Office of the Washington State Auditor
Pat McCarthy

Financial Statements Audit Report

Seattle Social Housing Developer

For the period January 1, 2024 through December 31, 2025

Published June 29, 2026

Report No. 1040065

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Office of the Washington State Auditor
Pat McCarthy

June 29, 2026

Board of Directors
Seattle Social Housing Developer
Seattle, Washington

Report on Financial Statements

Please find attached our report on the Seattle Social Housing Developer's financial statements.

We are issuing this report in order to provide information on the Authority's financial activities and condition.

Sincerely,

Pat McCarthy, State Auditor

Olympia, WA

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Seattle Social Housing Developer
January 1, 2024 through December 31, 2025

Board of Directors
Seattle Social Housing Developer
Seattle, Washington

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the Seattle Social Housing Developer, as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated June 23, 2026.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

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

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

Our consideration of internal control was for the limited purpose described above and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified.

Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses.

REPORT ON COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

Pat McCarthy

Pat McCarthy, State Auditor

Olympia, WA

June 23, 2026

INDEPENDENT AUDITOR'S REPORT

Report on the Audit of the Financial Statements

Seattle Social Housing Developer
January 1, 2024 through December 31, 2025

Board of Directors
Seattle Social Housing Developer
Seattle, Washington

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Seattle Social Housing Developer, as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the financial section of our report.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Seattle Social Housing Developer, as of December 31, 2025 and 2024, and the respective changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Performing an audit in accordance with GAAS and *Government Auditing Standards* includes the following responsibilities:

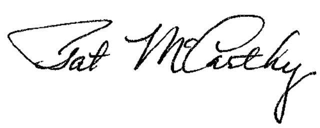
- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements;
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time; and
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2026 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.



Pat McCarthy, State Auditor

Olympia, WA

June 23, 2026

FINANCIAL SECTION

Seattle Social Housing Developer
January 1, 2024 through December 31, 2025

REQUIRED SUPPLEMENTARY INFORMATION

BASIC FINANCIAL STATEMENTS

REQUIRED SUPPLEMENTARY INFORMATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Seattle Social Housing Developer (SSHD) discussion and analysis offers readers of the SSHD's statements a narrative overview and analysis of the SSHD's financial activities for the fiscal years ended December 31, 2025 and 2024. We will also provide other financial discussion and analysis of certain plans, projects and trends necessary for understanding the full context of the financial condition of the SSHD. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements and notes to the financial statements (which immediately follow this discussion.)

The Social Housing Developer was created through the passage of the City of Seattle initiative I35, under the authority of RCW 35.21. The SSHD is a special purpose business-type government.

FINANCIAL HIGHLIGHTS

Of the SSHD's one governmental fund report at December 31, 2025, combined ending net position of $134,199,592, $25,628 is related to prepaid expenses and is non-spendable and the remaining $134,173,964 is unrestricted. At December 31, 2024, of the combined ending net position of $143,405, $28,030 is related to prepaid expenses and is non-spendable and the remaining $115,375 is unrestricted.

The assets of the SSHD exceeded its liabilities at December 31, 2025, by $132,186,503 and at December 31, 2024 by $150,171. All of these amounts may be used to meet the government's ongoing obligations to citizens and creditors.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis provides an introduction and overview to the SSHD's basic financial statements. This information will assist users in interpreting the basic financial statements. We will also provide other financial discussion and analysis of certain plans, projects and trends necessary for understanding the full context of the financial condition of the SSHD.

Basic Financial Statements

The basic financial statements comprised three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements - The government-wide financial statements are designed to provide the reader with a broad overview of the Agency's finances.

The statement of net position presents information on the total of the SSHD's assets and deferred outflows of resources, as well as the total of the SSHD's liabilities and deferred inflows of resources, with the difference between the two totals reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the SSHD is improving or deteriorating.

The statement of activities presents information showing how net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will be related to cash flows in future fiscal periods (e.g. uncollected revenues).

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that are segregated for specific activities or objectives. The SSHD, like other state and local governments, uses fund accounting for compliance with finance-related legal requirements. The single fund of the SSHD is reported as a governmental fund.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike governmentwide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the fund statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

As noted earlier, changes in net position over time may serve as a useful indicator of a government's financial position. The SSHD's net position totaled $132,186,503 at December 31, 2025; all of which is unrestricted in 2025. The net position totaled $150,171 at December 31, 2024; all of which is unrestricted in 2024.

Statement of Net Position
December 31, 2025 and 2024

	December 31, 2025	December 31, 2024
ASSETS		
Current and other assets	$135,062,511	$ 222,175
Total Assets	$135,062,511	$ 222,175
DEFERRED OUTFLOWS OF RESOURCES		
Pension	$ 5,694	$ 6,766
Total Deferred Outflows	$ 5,694	$ 6,766
LIABILITIES		
Other Liabilities	$ 2,881,660	$ 78,770
Total Liabilities	$ 2,881,660	$ 78,770
NET POSITION		
Unrestricted	$132,186,503	$ 150,171
Total Net Position	$132,186,503	$ 150,171

The largest component of "current and other assets" is Due from Other Governments, which is taxes earned but not yet collected, and represents 99% of current assets in 2025. In 2024 the largest component was cash, which represented 87% of current assets.

As presented above, total short-term liabilities represent a working capital loan payable to the City of Seattle, fees charged by the City of Seattle for collecting tax revenue on behalf of SSHD, accounts payable, payroll liabilities and accrued interest on the City of Seattle loan.

Statement of Activities

Key elements in the changes in net position are discussed below. The full statement is a tabular depiction of the relationship of revenues and expenses for the SSHD.

Statement of Activities (changes in net position)
Years Ended December 31, 2025 and 2024

	2025	2024
REVENUES		
Tax Revenue	$ 133,350,132	$ -
Grants and other	450,208	585,000
Total revenue	$ 133,800,340	$ 585,000
EXPENSES		
Natural and Economic Environment	$ 1,776,188	$ 434,829
Total operational expenditures	$ 1,776,188	$ 434,829
Change in net position	$ 132,024,152	$ 150,171
Net Position beginning of the year	$ 150,171	$ -
Prior Period Adjustment	$ 12,180	
Net position beginning of year - restated	$ 162,351	
Net Position end of the year	$ 132,186,503	$ 150,171

See Note 6 for a discussion on the prior period adjustment.

In 2025, the City of Seattle provided $445,500 of direct funding. 2025 also marked the first year that SSHD was entitled to collect the tax revenues that were approved by voters. These tax revenues, which amounted to $133,350,132, were earned in 2025 and collected by the City of Seattle on behalf of SSHD in early 2026. The taxes, net of the repayment of a working capital loan and related interest and the costs of collecting the tax, were remitted to SSHD in March 2026. The City of Seattle provided SSHD with startup funds in 2024 in the form of a pass-through grant from the Washington State Department of Commerce in the amount of $180,000. Additionally, the City of Seattle funded $405,000 of direct funding to SSHD.

SSHD was very much in startup mode during both 2025 and 2024. Expenses, which consisted primarily of salaries, professional fees and the costs passed through by the City of Seattle for collecting the tax revenue, increased year over year as the agency ramped up its operations in preparation for collecting the first year of tax revenues and purchasing its first properties in 2026.

FINANCIAL ANALYSIS OF THE DEVELOPER'S FUND STATEMENT

The SSHD's general fund balance was $134,199,592 at year end 2025 and $143,405 at year end 2024.

In 2025 the revenues were primarily related to taxes accrued and collected on behalf of SSHD by the City of Seattle. The SSHD's Revenues consist primarily of grant revenue for 2024. These start up grant revenues continued in 2025 but paled in comparison to the tax revenue. The table below shows the trend data for grant and tax revenue for 2025 and 2024.

Operating Revenues

	2025	2024
Tax Revenue	$ 133,350,132	$ -
Operating Grants and other	$ 450,208	$ 585,000
Total	$ 133,800,340	$ 585,000
Total	$ 133,800,340	$ 585,000

Expenditure increases occurred as 2024 was the first year of reporting and SSHD was very much still in startup phase into 2025. The largest category of expenses for both years is professional services, which represents 57% in 2025 and 71% of total expenses in 2024. Professional services related to startup included attorney fees, communications, accounting services and human resources support services.

Unassigned fund balance on December 31, 2025, is $134,173,964 or 99,9% of total fund balance. The unassigned fund balance on December 31, 2024 is $115,375, or 80.5% of the total fund balance.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The SSHD is dependent upon a payroll tax on employers with highly compensated employees within the City of Seattle limits. These revenues are dedicated to develop, own, lease and maintain mixed-income housing that is permanently affordable, owned as a public asset forever and designed for people priced out of market-rate housing in the Seattle area.

BUDGETARY COMPARISON

The Required Supplemental Information later in this report contains a Budgetary Comparison Schedule for 2025 and 2024.

For 2025, revenues exceeded budget by $83,350,132 as a result of the tax revenues exceeding original estimates. Operating expenses exceeded plan by $201,087 due to higher spending on professional services associated with startup activities and legal expenses and the costs the City of Seattle charged for collecting the tax on behalf of SSHD which were inadvertently not budgeted, offset by lower spending on payroll as a result of hiring at a rate slower than planned. Overall, the fund balance increased by $83,141,769 more than planned.

For 2024, revenues were $450,000 less than budget because SSHD chose not to draw certain funds committed by the City of Seattle until 2025, as spending had been occurring at a slower rate than planned. Operating expenses were less than budget by $298,490 due to delays in hiring employees, lower spending on professional services and less spending on other administrative expenses. Overall, the fund balance increased by $151,510 less than planned.

Also included in the Required Supplemental Information are each of the budgets that were passed for 2025 and 2024.

The original budget for 2025 that was approved on December 19, 2024 did not include budgets for tax revenue or the loan provided by the city of Seattle in 2025. At the time the budget was originally approved, Proposition 1A had not been passed (it passed in February 2025). When the revised budget for 2025 was approved on July 17, 2025, it included the tax revenue, the loan from the city, plus significantly increased levels of spending on salaries and professional fees reflecting a clearer understanding of the costs of ramping up the operation.

For 2024, the budget was originally approved on July 20, 2023. A revised budget was approved on April 18, 2024. It reflected small changes in grant revenues and professional services expenses. All other budget categories remained the same.

Requests for Information

The financial report is designed to provide a general overview of Seattle Social Housing Developer's finances for all those with an interest in the entity's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Seattle Social Housing Developer, 419 Occidental Avenue Seattle, WA 98104.

Seattle Social Housing Developer
Statement of Net Position
As of December 31, 2025 and 2024

	December 31, 2025		December 31, 2024	
ASSETS				
Cash, cash equivilents and pooled investments	$	1,656,753	$	194,145
Due from Other Government	$	133,350,132		
Prepaid Expenses	$	25,628	$	28,030
Pension Asset	$	29,999	$	-
Total Assets	$	135,062,511	$	222,175
DEFERRED OUTFLOWS OF RESOURCES				
Pension	$	5,694	$	6,766
Total Deferred Outflows of Resources	$	5,694	$	6,766
LIABILITIES				
Accounts Payable	$	404,021	$	60,125
Payroll Payable	$	45,592	$	18,645
Interest Payable	$	18,741	$	-
Due to Other Government	$	413,307	$	-
Loan Payable to Other Government	$	1,999,999	$	-
Total Liabilities	$	2,881,660	$	78,770
NET POSITION				
Unrestricted	$	132,186,503	$	150,171
Total Net Position	$	132,186,503	$	150,171

The notes to the financial statements are an integral part of this statement.

Seattle Social Housing Developer
Statement of Activities - Government Activities
For the Year ended December 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Natural and Economic Environment	$ 1,776,188	$ -	$ 445,500	$ 4,708	$ (1,325,980)
Total Government Activities	$ 1,776,188	$ -	$ 445,500	$ 4,708	$ (1,325,980)
General Revenues and transfers:					
Tax Revenues					$ 133,350,132
Total General Revenues and Transfers					$ 133,350,132
			Change in net position		$ 132,024,152
			Net position, beginning		$ 150,171
			Prior Period Adjustment		$ 12,180
			Net position beginning of year - r		$ 162,351
			Net position, ending		$ 132,186,503

Seattle Social Housing Developer
Statement of Activities - Government Activities
For the Year ended December 31, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Natural and Economic Environment	$ 434,829	$ -	$ 585,000	$ -	$ 150,171
Total Government Activities	$ 434,829	$ -	$ 585,000	$ -	$ 150,171
			Net position, beginning		$ -
			Net position, ending		$ 150,171

See Note 6 for a discussion on the prior period adjustment. The notes to the financial statements are an integral part of this statement.

Seattle Social Housing Developer
Balance Sheet
Governmental Funds
As of December 31, 2025 and 2024

	December 31, 2025	December 31, 2024
ASSETS		
Cash, cash equivilents and pooled investments	$ 1,656,753	$ 194,145
Due from Other Government	$ 133,350,132	$ -
Prepaid Expenses	$ 25,628	$ 28,030
Pension Asset	$ 29,999	$ -
Total Assets	$ 135,062,511	$ 222,175
LIABILITIES		
Accounts Payable	$ 404,021	$ 60,125
Payroll Payable	$ 45,592	$ 18,645
Due to Other Government	$ 413,307	$ -
Total Liabilities	$ 862,920	$ 78,770
FUND BALANCE		
Nonspendable	$ 25,628	$ 28,030
Unassigned	$ 134,173,964	$ 115,375
Total Fund Balance	$ 134,199,592	$ 143,405
Total Liabilities and Fund Balance	$ 135,062,511	$ 222,175

The notes to the financial statements are an integral part of this statement.

Seattle Social Housing Developer
Reconciliation of the Balance Sheets to the Statement of Net Position Governmental Funds
As of December 31, 2025 and 2024

	December 31, 2025	December 31, 2024
Fund Balance	$ 134,199,592	$ 143,405
Amounts reported for government actiities in the statement of net position are different because:		
Other items related to Pension activity that are not financial resources therefore, not reported in the funds	$ 5,536	$ 6,766
Interest expense paid more than 60 days after year-end	(18,626)	
Revenue from loan proceeds recorded as an increase to fund balance	(1,999,999)	
Net position of government activities	$ 132,186,503	$ 150,171

The notes to the financial statements are an integral part of this statement.

Seattle Social Housing Developer
Statement of Revenues, Expenditures, and Changes in Fund
Balance Governmental Funds - General Fund
For the Year Ending December 31, 2025 and 2024

Revenues		**2025**		**2024**
Local Grants	$	445,500	$	585,000
Tax Revenue	$	133,350,132	$	-
Proceeds from Loan	$	1,999,999		
Other	$	4,708	$	-
Total Operating Revenue	$	135,800,339	$	585,000
Expenditures				
Payroll, Salaries and Taxes	$	254,530	$	81,242
Board Stipends	$	34,400	$	27,600
Professional Services	$	1,018,221	$	316,234
Rent	$	-	$	990
City of Seattle Administrative Costs	$	413,307	$	-
Other administrative	$	35,874	$	15,529
Interest	$	-	$	-
Total Operating Expenses	$	1,756,332	$	441,595
Net Change in Fund Balance	$	134,044,007	$	143,405
Fund Balance - Beginning of Year (Current)	$	143,405	$	-
Prior Period Adjustment - Pension accounting	$	12,180	$	-
Fund Balance - as Restated	$	155,585	$	-
Fund Balance - End of Year (Current)	$	134,199,592	$	143,405

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Government Funds to the Statement of Activities				
Net change in fund balance for government funds	$	134,044,007	$	143,405
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in government funds	$	(19,856)	$	6,766
Revenue from loan proceeds not reported as revenue on statement of activities	$	(1,999,999)		
Changes in Net Position	$	132,024,152	$	150,171

The notes to the financial statements are an integral part of this statement.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Seattle Social Housing Developer conform to generally accepted accounting principles as applied to local governmental units. The more significant accounting policies are described below.

A. The Reporting Entity

In 2023, the Seattle Social Housing Developer (SSHD) was created through the passage of the City of Seattle Initiative 135, under the authority of RCW 35.21. The Developer's mission is to develop, own, lease and maintain mixed-income housing that is permanently affordable, owned as a public asset forever and designed for people priced out of market-rate housing in the Seattle area.

The SSHD Board of Director's is comprised of thirteen members appointed by: the Seattle City Council (2) and Mayor (1), Seattle Renters Commission (7) and commission (1), the Board of Directors (1) and labor (1). There are no component units that should be included.

B. Basis of Presentation – Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all activities of the primary government.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. SSHD's policy is to allocate indirect costs to a specific function. During the first year of formation (2024), the program revenues consist of operating grants only. In 2025 tax revenue was accrued for the first time, in addition to an operating grant received.

Separate fund financial statements are provided for governmental funds.

The accounting records of the SSHD are maintained in accordance with methods prescribed by the State Auditor under the authority of Chapter 43.09 RCW. The SSHD uses the Budgeting, Accounting and Reporting System for GAAP for Cities, Counties and Special Purpose Districts in the State of Washington.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Capital asset purchases are capitalized and long-term liabilities are presented.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Tax revenues are considered earned when they are owed by the taxpayers. Grant revenues are considered to be available when they are billed. Expenditures are recorded when a liability is incurred, as under accrual accounting. The general (or current expense) fund is the operating fund of the SSHD.

C. Budgets and Budgetary Accounting

The Developer budgets on the full accrual basis. Each year the Chief Financial Officer and Board Treasurer present to the Board a proposed budget for operation of the Developer for the next calendar year. The budget is prepared in accordance with the Developer's budget timetable. The annual budget is adopted by the thirteen-member Board. The budget is prepared for managerial control and can be amended only by Board approval.

D. Assets, Liabilities and Net Position or Equity

1. Cash, Cash Equivalents and Pooled Investments

It is the Developer's policy to invest all temporary cash surpluses into an investment program that is within the legal requirements of the State of Washington. Investments are stated at fair value. For the purpose of the statement of cash flows, the Developer considers cash and cash equivalents to include cash and deposits, as well as pooled investments with original maturities of three months or less from the date of acquisition.

2. Receivables

Receivables will consist of amounts owed from private entities, or grants earned, taxes earned or amounts associated with leases.

3. Prepaid expense

Prepaid expense includes payment for insurance and similar services extending to future accounting periods.

4. Capital Assets

SSHD has established a policy for recognizing and reporting capital assets in accordance with the Generally Acceptable Accounting Principals. Although SSHD had no capital assets as of December 31, 2025 or 2024, it has adopted the following policies for future acquisitions and reporting of capital assets:

Capital assets will be recorded at historical cost or, if donated, at their estimated fair value at the date of donation. A capitalization threshold will be established to determine which assets are recorded in the financial statements. This threshold will be applied consistently across all asset categories. Capital assets will be assigned estimated useful lives based on industry standards, historical data, and government-specific considerations. The useful lives will be periodically reviewed and updated as necessary.

Depreciation will be calculated using the Straight-Line method over the estimated useful lives of the respective assets. Should SSHD have any right to use assets, the right to use assets will be amortized over the shorter period of the useful life of the underlying asset category or the agreement term.

5. Deferred Outflows of Resources and Deferred Inflows of Resources

A Deferred Outflows of Resources is a consumption of net position that is applicable to future periods. Deferred Inflows of Resources are acquisitions of net position in one period that are applicable to future periods. These are distinguished from assets and liabilities in the statement of net position. The Developer recognizes Deferred Outflows related to pensions. The Developer recognizes Deferred inflows related to pensions.

6. Accrued Liabilities

These accounts consist of accrued wages, accrued employee benefits and accrued interest.

7. Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation leave. The Developer records unpaid leave for compensated absences as an expense and liability when incurred.

A minimum of 24 days of paid time off are awarded annually to full-time employees and a maximum of 20 days can be carried over from one year to the next. The amount of paid time off increases with years of service up to a maximum of 35 days. Part-time employees accrue a pro rata share of what full time employees accrue.

8. Pensions

For purposes of measuring the net pension assets, net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans' fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of calculating the restricted net position related to the net pension asset, the Developer includes the net pension asset only.

9. Fund Balance Classification and Details

The SSHD fund balance is classified according to the relative strength of the spending constraints placed on the purpose for which resources can be used.

Nonspendable fund balance includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Management has classified prepaid expenditures as being nonspendable as this item is not expected to be converted to cash.

Restricted fund balance has constraints placed upon the use of the resources either by an external party or imposed by law through a constitutional provision or enabling legislation.

Committed fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the SSHD's Board of Directors, which is the SSHD's highest level of decision-making authority. These amounts cannot be used for any other purpose unless the Board of Director's removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The SSHD reports no committed fund balances.

Unassigned fund balance is the residual fund balance for the general fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

The SSHD's policy reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

2. DEPOSITS AND INVESTMENTS

SSHD is authorized to invest all money held by SSHD that in the judgment of the Chief Financial Officer is in excess of current SSHD needs in the following investments currently authorized or required by chapters 39.58, 39.59, and 43.250 RCW:

- Bonds of the State of Washington and any local government in the State of Washington;
- General obligation bonds of a state and general obligation bonds of a local government of a state, which bonds have at the time of investment one of the three highest credit ratings of a nationally recognized rating agency;
- Subject to compliance with RCW 39.56.030, registered warrants of a local government in King County;
- Certificates, notes, or bonds of the United States, or other obligations of the United States or its agencies, or of any corporation wholly owned by the government of the United States; or United States dollar denominated bonds, notes, or other obligations that are issued or guaranteed by supranational institutions, provided that, at the time of investment, the institution has the United States government as its largest shareholder;
- Federal Home Loan Bank notes and bonds, Federal Land Bank bonds and Federal National Mortgage Association (Fannie Mae) notes, debentures and guaranteed certificates of participation, or the obligations of any other government sponsored corporation whose obligations are or may become eligible as collateral for advances to member banks as determined by the Board of Governors of the Federal Reserve System;
- Bankers' acceptances purchased on the secondary market;
- Commercial paper purchased in the secondary market, provided that SSHD must adhere to the investment policies and procedures adopted by the State Investment Board;
- Corporate notes purchased on the secondary market, provided that SSHD must adhere to the investment policies and procedures adopted by the State Investment Board; and
- The Local Government Investment Pool managed by the State Treasurer.
- Non-negotiable certificates of deposit, time deposits, and savings accounts of any financial institution that is a public depositary subject to regulation by the Public Deposit Protection Commission under chapter 39.58 RCW.

<u>Classification</u>
Cash and cash equivalents held as long-term operating reserves or for the future payment of long-term liabilities are classified as non-current assets. Cash and cash equivalents legally or contractually restricted as to their use are classified as restricted.

At December 31, 2025, the Developer held $1,656,753 in unrestricted cash deposits. At December 31, 2024, the Developer held $194,145 in unrestricted cash deposits.

<u>Custodial Credit Risk of Bank Deposits</u>
Custodial credit risk is the risk that in the event of a bank failure, the Developer's deposits may not be returned to it. The Developer does not have a deposit policy for custodial credit risk. At December 31, 2025, the Developer had $1,656,753 of bank deposits and at December 31, 2024, it had $194,145 of bank deposits (checking accounts and savings accounts). All deposits in excess of NCUA and FDIC insurance limits ($250,000) are covered by the Public Deposit Protection Commission (PDPC) of the State of Washington established under Chapter 39.58 of the Revised Code of Washington.

3. PENSION PLAN

State Sponsored Pension Plans

On September 19, 2024, Seattle Social Housing Developer, became a participant in the statewide retirement systems administered by the Washington State Department of Retirement Systems, under costsharing, multiple-employer public employee defined benefit and defined contribution retirement plans. The state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available annual comprehensive financial report (ACFR) that includes financial statements and required supplementary information for each plan.

The DRS ACFR may be downloaded from the DRS website at www.drs.wa.gov.

Public Employees' Retirement System (PERS)

PERS members include elected officials; state employees; employees of local governments; and higher education employees not participating in higher education retirement programs.

PERS is composed of and reported as three separate plans for accounting purposes: Plan 1, Plan 2/3 and Plan 3. Plan 1 accounts for the defined benefits of Plan 1 members. Plan 2/3 accounts for the defined benefits of Plan 2 members and the defined benefit portion of benefits for Plan 3 members. Plan 3 accounts for the defined contribution portion of benefits for Plan 3 members. Although employees can be a member of only Plan 2 or Plan 3, the defined benefits of Plan 2 and Plan 3 are accounted for in the same pension trust fund. All assets of Plan 2/3 may legally be used to pay the defined benefits of any Plan 2 or Plan 3 members or beneficiaries.

PERS Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. PERS Plan 1 retirement benefits are actuarially reduced if a survivor benefit is chosen. Members retiring from active status prior to the age of 65 may also receive actuarially reduced benefits. Other benefits include an optional cost-of-living adjustment (COLA). PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

PERS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits are determined as 2% of the member's AFC times the member's years of service for Plan 2 and 1% of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 retirement benefits are actuarially reduced if a survivor benefit is chosen. Other PERS Plan 2/3 benefits include a COLA based on the CPI, capped at 3% annually. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

PERS Plan 3 defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. Members are eligible to withdraw their defined contributions upon separation. Members have multiple withdrawal options, including purchase of an annuity. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

Contributions

The PERS Plan 1 member contribution rate is established by State statute at 6 percent. The PERS 1 and PERS 2/3 employer contribution rates are developed by the Office of the State Actuary, adopted by the Pension Funding Council and is subject to change by the legislature. The PERS Plan 2/3 employer rate includes a component to address the PERS Plan 1 Unfunded Actuarial Liability (UAAL).

As established by Chapter 41.34 RCW, Plan 3 defined contribution rates are set at a minimum of 5% and a maximum of 15%. PERS Plan 3 members choose their contribution rate from six options when joining membership and can change rates only when changing employers. Employers do not contribute to the defined contribution benefits

The PERS Plan defined benefit required contribution rates (expressed as a percentage of covered payroll) for fiscal year were as follows:

Employer Contribution Rates				
Time Frame	*Contribution Rate*	*PERS 1 UAAL*	*Administrative Fee*	*Employer*
January – June	6.36%	2.55%	0.20%	9.11%
July – December	5.38%	0.00%	0.20%	5.58%

Employee Contribution Rates	
PERS 1	6.00%
PERS 2	6.36% January – June and 5.38% July - December
PERS 3	Varies: 5% to 15%

The Developer's actual PERS plan contributions were $2,156 to PERS Plan 1 (including the UAAL contributions) and $5,389 to PERS Plan 2/3 for the year ended December 31, 2024 and were $2,454 to PERS Plan 1 (including the UAAL contributions) and $11,816 to PERS Plan 2/3 for the year ended December 31, 2025.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined by an actuarial valuation completed as of June 30, 2024 with the results rolled forward to June 30, 2025. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) 2013-2018 Demographic Experience Study and the 2023 Economic Experience Study.

Additional assumptions for subsequent events and law changes are current as of the 2024 actuarial valuation report.

- **Inflation:** 2.75% total economic inflation; 3.25% salary inflation

- **Salary increases**: In addition to the base 3.25% salary inflation assumption, salaries are also expected to grow by service-based salary increases.
- **Investment rate of return:** 7.00%

Mortality rates were developed using the Society of Actuaries' Pub. H-2010 mortality rates, which vary by member status (e.g. active, retiree, or survivor), as the base table. OSA applied age offsets for each system, as appropriate, to better tailor the mortality rates to the demographics of each plan. OSA applied the long-term MP-2017 generational improvement scale, also developed by the Society of Actuaries, to project mortality rates for every year after the 2010 base table. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout their lifetime.

Change in Assumptions and Methods: OSA improved their modeling of benefits paid to retirees and beneficiaries in their month of death to better match current administrations.

Long-Term Expected Rate of Return

OSA selected a 7% long-term expected rate of return on pension plan investments. In selecting this assumption, OSA reviewed the historical experience data, considered the historical conditions that produced past annual investment returns, and considered Capital Market Assumptions (CMAs) and simulated expected investment returns provided by the Washington State Investment Board (WSIB). The WSIB uses the CMA's and their target asset allocation to simulate future investment returns at various future times.

Estimated Rates of Return by Asset Class

The table below summarizes the best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2025. The inflation component used to create the table is 2.5% and represents the WSIB's most recent long-term estimate of broad economic inflation..

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	19%	2.10%
Tangible Assets	8%	4.50%
Real Estate	18%	4.80%
Global Equity	30%	5.60%
Private Equity	25%	8.60%
	100%	

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7%. To determine that rate, an asset sufficiency test was completed to test whether each pension plan's fiduciary net position was sufficient to make all projected future benefit payments for current plan members. Based on OSA's assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7% was used to determine the total liability.

Sensitivity of the Net Pension Liability/(Asset)

The table below presents the (city/county/district's) proportionate share* of the net pension liability calculated using the discount rate of 7%, as well as what the Developer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6%) or 1-percentage point higher (8%) than the current rate.

Discount Rate Sensitivity For the Fiscal Year Ended June 30, 2025			
	1% Decrease	**Current Discount**	**1% Inrease**
Plan	**6.00%**	**Rate (7.00%)**	**8.00%**
PERS 1	$ 15,836	$ 9,385	$ 3,727
PERS 2/3	$ 63,909	$ (39,383)	$ (124,214)

At June 30, the Developer's proportionate share of the collective net pension liabilities was as follows:

Plan	Proportionate Share 6/30/2024	Proportionate Share 6/30/2025	Change in Proportion
PERS 1	None reported	0.000796%	0.000796%
PERS 2/3	None reported	0.001032%	0.001032%

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30, 2025 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the Schedules of Employer and Nonemployer Allocations for all plans. Because the state PEFI showed no contributions at the end of June 2024 for the Developer, no proportionate share of the net pension liability was recognized at December 31, 2024.

Pension Expense

For the year ended December 31, 2025, the Developer recognized pension expense (income) as follows:

Plan	Pension Expense (Income)
PERS 1	$ (867)
PERS 2/3	$ (2,278)
Total	$ (3,144)

Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2024, the Developer reported deferred outflows of resources - contributions subsequent to the measurement date for PERS 1 and PERS Plan 2/3 respectively, of $1,933 and $4,833. At June 30, 2025, the Developer reported deferred outflows of resources - contributions subsequent to the measurement date for PERS 1 and PERS Plan 2/3 respectively, of $0 and $5,695.

4. **RISK MANAGEMENT**

The Developer is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by commercial insurance purchased from independent third parties.

5. **RELATED PARTY TRANSACTIONS**

Initiative I35 required the City of Seattle to provide limited in-kind assistance as necessary for the first 18 months of startup, including but not limited to office space, staffing, supplies, insurance and bonding and legal services. Additionally, the City of Seattle provided SSHD with startup funds in the form of a pass-through grant from the Washington State Department of Commerce in the amount of $180,000. Additionally, the City of Seattle provided 445,500 of direct funding to SSHD through June 30, 2025 and $405,000 in 2024.

In mid-2025, the City of Seattle agreed to provide up to $2 million of working capital financing in the form of a loan, of which~~,~~ $1,999,999 was drawn as of December 31, 2025. The loan was repaid in full with interest in March 2026. Interest expense in the amount of $18,741 was accrued on this loan in 2025.

The City of Seattle is also the agent for collecting the payroll tax that funds the operations of SSHD. An Interlocal Agreement is in place to govern the arrangement. The city is obligated to forward collected taxes to SSHD on a quarterly basis within 30 days of collection. The amount of these taxes accrued in 2025 and remitted by the City in 2026 was $133,350,132. During 2025 SSHD accrued expenses payable to the City of Seattle in the amount of $413,307 as compensation to the city for collecting the taxes.

6. **PRIOR PERIOD ADJUSTMENT**

Since SSHD was not a participant in the Washington State Public Employees Retirement System as of June 30, 2024, no pension asset or liability was recorded at December 31, 2024. As described fully in Note 3, SSHD did record a net pension asset on December 31, 2025. The cumulative impact of recording the net pension asset for the first time required a prior period adjustment to the Fund Balance during 2025 in the amount of $12,180.

7. **SUBSEQUENT EVENTS**

As discussed more fully elsewhere in the footnotes to the financial statements, the Developer learned of the full amount of the first-year taxes collected and the related costs of collecting those taxes subsequent to year-end 2025. The Interlocal Agreement with the City of Seattle that governs the collection and remittance of the tax was approved by the SSHD board and the Seattle City Council subsequent to year-end. Amounts recorded in the financial statements for taxes collected and the costs paid to the City of Seattle for collecting the taxes were adjusted as of December 31, 2025 to reflect the actual amounts collected or paid subsequent to year-end.

The following actions occurred after year-end 2025 and do not affect the amounts reported in these financial statements:

On January 15, 2026, the Board of SSHD voted to terminate and replace its Chief Executive Officer with an interim Chief Executive Officer. SSHD also began significantly ramping up staffing, with the addition of several key employees, including a Chief Financial Officer, in early 2026.

The SSHD board approved revisions to the SSHD Charter in early 2026. These revisions, among other things, will allow for SSHD to pledge properties as collateral and assign revenues to creditors when required to support future borrowing.

On May 21, 2026, the SSHD board approved the purchase of its first apartment building in Seattle. The purchase price of $60 million, plus acquisition-related costs, will be paid in cash.

REQUIRED SUPPLEMENTAL INFORMATION – BUDGET COMPARISON

Seattle Social Housing Developer
Budgetary Comparison
Governmental Funds - General Fund
For the Year Ending December 31, 2025 and 2024

	2025			2024		
Revenues	**Budget**	**Actual**	**Variance**	**Budget**	**Actual**	**Variance**
Local Grants	$ 445,500	$ 445,500	$ -	$ 1,035,000	$ 585,000	(450,000)
Tax Revenue	$ 50,000,000	$ 133,350,132	$ 83,350,132	$ -	$ -	-
Proceeds from Loan	$ 1,999,999	$ 1,999,999	$ -	$ -		-
Other	$ 11,985	$ 4,708	$ (7,277)	$ -	$ -	-
Total Operating Revenue	$ 52,457,484	$ 135,800,339	$ 83,342,855	$ 1,035,000	$ 585,000	$ (450,000)
Expenditures						
Payroll, Salaries and Taxes	$ 628,946	$ 254,530	$ (374,416)	$ 292,833	$ 81,242	(211,591)
Board Stipends	$ 46,250	$ 34,400	$ (11,850)	$ 26,400	$ 27,600	1,200
Professional Services	$ 819,548	$ 1,018,221	$ 198,674	$ 362,833	$ 316,234	(46,599)
Rent	$ -	$ -	$ -		$ 990	990
City of Seattle Administrative Costs	$ -	$ 413,307	$ 413,307	$ -	$ -	-
Other administrative	$ 60,502	$ 35,874	$ (24,628)	$ 58,018	$ 15,529	(42,489)
Total Operating Expenses	$ 1,555,246	$ 1,756,332	$ 201,087	$ 740,085	$ 441,595	$ (298,490)
Net Change in Fund Balance	$ 50,902,238	$ 134,044,007	$ 83,141,769	$ 294,915	$ 143,405	$ (151,510)

Seattle Social Housing Developer
Budgets Approved
Governmental Funds - General Fund
For the Year Ending December 31, 2025 and 2024

	2025		2024	
Revenues	*Approved 12/19/24*	*Approved 7/17/25*	*Approved 7/20/23*	*Approved 4/18/24*
Local Grants	$ 445,500	$ 445,500	$ 1,016,089	$ 1,035,000
Tax Revenue	$ -	$ 50,000,000	$ -	$ -
Proceeds from Loan	$ -	$ 1,999,999	$ -	$ -
Other	$ -	$ 11,985	$ -	$ -
Total Operating Revenue	$ 445,500	$ 52,457,484	$ 1,016,089	$ 1,035,000
Expenditures				
Payroll, Salaries and Taxes	$ 283,250	$ 628,946	$ 292,833	$ 292,833
Board Stipends	$ 21,600	$ 46,250	$ 26,400	$ 26,400
Professional Services	$ 340,616	$ 819,548	$ 347,833	$ 362,833
Rent	$ -	$ -		
City of Seattle Administrative Costs	$ -	$ -	$ -	$ -
Other administrative	$ 71,133	$ 60,502	$ 58,018	$ 58,018
Total Operating Expenses	$ 716,599	$ 1,555,246	$ 725,085	$ 740,085
Net Change in Fund Balance	$ (271,099)	$ 50,902,238	$ 291,004	$ 294,915

REQUIRED SUPPLEMENTAL INFORMATION – PENSION PLANS

Seattle Social Housing Developer
Schedule of Proportionate Share of the Net Pension Liability (Asset)
Public Employees Retirement System - PERS 1
As of June 30
Last 10 Fiscal Years

	2025
Employer's proportion of the net pension liability (asset)	0.000796%
Employer's proportionate share of the net pension liability (asset)	$ 9,385
Covered payroll	$ 0
Employer's proportionate share of the net pension liability as a percentage of covered payroll	0.00%
Plan fiduciary net position as a percentage of the total pension liability	89.07%

Notes to Schedule:
These plans are administered by the state Department of Retirement Systems (DRS). The actuarial methods and significant assumptions used in these valuations are available in the publicly available actuary reports for these pension plans. See the DRS Annual Comprehensive Financial Report's (ACFR) and the Participating Employer Financial Information (PEFI) for information on factors that significantly affect trends in the amounts reported in this schedule. The DRS ACFR and PEFI are available on DRS's website at: https://www.drs.wa.gov/employer/ch15/.
Until a full 10-year trend is compiled, only information for those years available is presented. The first year that an employee participated in the plan was the year ended June 30, 2025.

Seattle Social Housing Developer
Schedule of Proportionate Share of the Net Pension Liability (Asset)
Public Employees Retirement System - PERS 2
As of June 30
Last 10 Fiscal Years

	2025
Employer's proportion of the net pension liability (asset)	0.001032%
Employer's proportionate share of the net pension liability (asset)	$ (39,383)
Covered payroll	$ 180,990
Employer's proportionate share of the net pension liability as a percentage of covered payroll	-21.76%
Plan fiduciary net position as a percentage of the total pension liability	105.53%

Notes to Schedule:
These plans are administered by the state Department of Retirement Systems (DRS). The actuarial methods and significant assumptions used in these valuations are available in the publicly available actuary reports for these pension plans. See the DRS Annual Comprehensive Financial Report's (ACFR) and the Participating Employer Financial Information (PEFI) for information on factors that significantly affect trends in the amounts reported in this schedule. The DRS ACFR and PEFI are available on DRS's website at: https://www.drs.wa.gov/employer/ch15/.
Until a full 10-year trend is compiled, only information for those years available is presented. The first year that an employee participated in the plan was the year ended June 30, 2025.

Seattle Social Housing Developer
Schedule of Employer Contributions
Public Employees Retirement System - PERS 1
For the year ended June 30
Last 10 Fiscal Years

	2025
Statutorily or contractually required contributions	$ 4,387
Contributions in relation to the statutorily or contractually required contributions	4,387
Contribution deficiency (excess)	0
Covered payroll	$ -
Contributions as a percentage of covered payroll	0.00%

Notes to Schedule:
These plans are administered by the state Department of Retirement Systems (DRS). The actuarial methods and significant assumptions used in these valuations are available in the publicly available actuary reports for these pension plans. See the DRS Annual Comprehensive Financial Report's (ACFR) and the Participating Employer Financial Information (PEFI) for information on factors that significantly affect trends in the amounts reported in this schedule. The DRS ACFR and PEFI are available on DRS's website at: https://www.drs.wa.gov/employer/ch15/.
Until a full 10-year trend is compiled, only information for those years available is presented. The first year that an employee participated in the plan was the year ended June 30, 2025.

Seattle Social Housing Developer
Schedule of Employer Contributions
Public Employees Retirement System - PERS 2
For the year ended June 30
Last 10 Fiscal Years

	2025
Statutorily or contractually required contributions	$ 10,954
Contributions in relation to the statutorily or contractually required contributions	10,954
Contribution deficiency (excess)	0
Covered payroll	$ 180,990
Contributions as a percentage of covered payroll	6.05%

Notes to Schedule:
These plans are administered by the state Department of Retirement Systems (DRS). The actuarial methods and significant assumptions used in these valuations are available in the publicly available actuary reports for these pension plans. See the DRS Annual Comprehensive Financial Report's (ACFR) and the Participating Employer Financial Information (PEFI) for information on factors that significantly affect trends in the amounts reported in this schedule. The DRS ACFR and PEFI are available on DRS's website at: https://www.drs.wa.gov/employer/ch15/.
Until a full 10-year trend is compiled, only information for those years available is presented. The first year that an employee participated in the plan was the year ended June 30, 2025.

ABOUT THE STATE AUDITOR'S OFFICE

The State Auditor's Office is established in the Washington State Constitution and is part of the executive branch of state government. The State Auditor is elected by the people of Washington and serves four-year terms.

We work with state agencies, local governments and the public to achieve our vision of increasing trust in government by helping governments work better and deliver higher value.

In fulfilling our mission to provide citizens with independent and transparent examinations of how state and local governments use public funds, we hold ourselves to those same standards by continually improving our audit quality and operational efficiency, and by developing highly engaged and committed employees.

As an agency, the State Auditor's Office has the independence necessary to objectively perform audits, attestation engagements and investigations. Our work is designed to comply with professional standards as well as to satisfy the requirements of federal, state and local laws. The Office also has an extensive quality control program and undergoes regular external peer review to ensure our work meets the highest possible standards of accuracy, objectivity and clarity.

Our audits look at financial information and compliance with federal, state and local laws for all local governments, including schools, and all state agencies, including institutions of higher education. In addition, we conduct performance audits and cybersecurity audits of state agencies and local governments, as well as state whistleblower, fraud and citizen hotline investigations.

The results of our work are available to everyone through the more than 2,000 reports we publish each year on our website, www.sao.wa.gov. Additionally, we share regular news and other information via an email subscription service and social media channels.

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