



KING COUNTY HOUSING AUTHORITY

MEETING OF THE BOARD OF COMMISSIONERS

November 18, 2013

8:30 am

KCHA Administrative Offices
700 Andover Park West
Tukwila, WA

I. Call to Order

II. Roll Call

III. Public Comment

IV. Approval of Minutes 1

October 21, 2013 Board of Commissioners' Meeting

V. Consent Agenda 2

September 2013 Voucher Reports (General & Bond Properties)

VI. Executive Session

Discussion of Pricing and Terms of Potential 3
Acquisition of Gilman Square

VII. Resolutions for Discussions

Resolution No. 5451: Acceptance of Washington State Auditor's 4
Office Report on Financial Statements and Federal Single Audit
(No. 1010609) for the Period Ending December 31, 2012

VIII. Financial Briefings

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KCHA Board of Commissioners Meeting
November 18, 2013
Agenda continued

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XII. Commissioner Comments

XIII. New Business

XIV. Adjournment

Next Meeting (subject to change)

Monday, December 16, 2013, 8:30 am
KCHA Administrative Offices
700 Andover Park West
Tukwila, Washington

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**MINUTES OF THE MEETING OF THE
BOARD OF COMMISSIONERS OF THE
KING COUNTY HOUSING AUTHORITY**

October 21, 2013

I. CALL TO ORDER

The meeting of the Board of Commissioners of the King County Housing Authority was called to order by Chair Doug Barnes at 8:30 am on Monday, October 21, 2013, at the King County Housing Authority's Administrative Offices, 600 & 700 Andover Park West, Tukwila, Washington.

II. ROLL CALL

Present: Commissioner Doug Barnes, Chair; Commissioner Susan Palmer and Commissioner Richard Mitchell

Excused: Commissioner Michael Brown

Staff: Stephen Norman, Dan Watson, Connie Davis, Tim Walter, Tessa Martin, John Eliason, Craig Violante, Gary Leaf, Kristin Winkel, Claude DaCorsi, Sean Heron, Mike Reilly, bill Cook, Rhonda Rosenberg, Steve Jefferis, Megan Hyla and Mike Larson

III. PUBLIC COMMENT

Chair Barnes announced that members of the public in attendance at the meeting would have five minutes to speak before the Board of Commissioners. Chair Barnes noted that a request was made by Cindy Ference to make public comments telephonically. Ms. Ference expressed her concerns about sidewalk safety at Northridge and the funding of capital construction projects at Northridge II and Ballinger Homes.

IV. APPROVAL OF MINUTES

Minutes from the August 19, 2013 Board of Commissioners' Meeting were presented for approval. Commissioner Palmer moved for approval, with Commissioner Mitchell seconding the motion. Commissioner Mitchell abstained from the vote due to his absence from the August 19 meeting. The minutes were unanimously approved.

Minutes from the September 16, 2013 Special Board of Commissioners' Meeting were presented for approval. Commissioner Palmer moved for approval, with Commissioner Mitchell seconding the motion. The minutes were unanimously approved.

Minutes from the September 23, 2013 Board of Commissioners' Meeting were presented for approval. Commissioner Mitchell moved for approval, with Commissioner Palmer seconding the motion. The minutes were unanimously approved.

V. Consent Agenda

August 2013 Voucher Reports

General Properties: Bank Wires/ACH withdrawals for \$7,482,187.20; Accounts Payable checks #235268 - 236074 for \$5,012,964.79; Payroll vouchers, computer checks #823839-82897 for \$67,553.62; Payroll direct deposit for \$1,732,422.73; Section 8 Program vouchers, ACH withdrawals #244397-247608 for \$9,251,400.64, computer run checks #600596-601067 for \$319,904.46; purchase card/ACH withdrawal \$198,604.98. Total for August 2013 for the General Properties was \$24,065,038.42.

Bond Properties: \$1,591,906.54, related to 19 different properties.

There being no requests for removal of items from the Consent Agenda, Commissioner Mitchell moved for approval. Commissioner Palmer seconded the motion and the motion unanimously passed.

VI. RESOLUTIONS FOR DISCUSSION

Resolution No. 5446: A Change in the Salary Schedule for Non-Represented KCHA Employees Authorizing a 1.4% Cost of Living Adjustment (COLA)
Presented by: Connie Davis

Connie Davis reported that Resolution No. 5446 authorizes an increase in salaries for all non-represented employees of 1.4%, which represents 100% of the Consumer Price Index for Clerical Workers (CPI-W) for the Seattle Tacoma area annualized for the first six months of 2013. The percentage increase has traditionally reflected 100% of the CPI-W for the Seattle-Tacoma area based on first half of the calendar year. The CPI-W reported in June 2013 was 1.4%.

Ms. Davis stated that staff has reviewed a snapshot of funding availability for all existing programs for CY 2014 and confidence is high that an increase of 1.4% to the salary base of KCHA employees is sustainable. There are currently 269 non-represented employees. At current rates of pay, the overall annual impact of the proposed COLA on the Authority is \$302.2 thousand and averages \$866 per employee.

The 73 regular maintenance employees covered by a Collective Bargaining Agreement with the Seattle-King County Construction and Building Trades Council are not included in Resolution No. 5446. November 2013 marks the end of the existing contract and negotiations are scheduled. When negotiations are finalized, the terms of any pay increases will be brought to the Board for approval.

Ms. Davis also briefed the Board on the compensation study that KCHA will be undertaking. Questions posed by Commissioners were answered by Ms. Davis.

MOTION: Moved that Resolution No. 2446: A Change in the Salary Schedule for Non-Represented KCHA Employees Authorizing a 1.4% Cost of Living Adjustment (COLA), be approved.

MOVED BY: Commissioner Palmer, seconded by Commissioner Mitchell. Motion unanimously passed.

Resolution No. 5447: Acquisition of Investor Limited Partnership Interests in the Alpine Ridge, Colonial Gardens, Heritage Park and Rural Housing Preservation Limited Partnerships
Presented by: Tim Walter

Tim Walter reported that Resolution No. 5447 authorizes the Executive Director to take all actions necessary for KCHA to acquire the investor limited partners' interest in the KCHA-Alpine Ridge, KCHA-Colonial Gardens, KCHA-Heritage Park and KCHA-Rural Housing Preservation Limited Partnerships. KCHA is the sole general partner in each of these tax credit limited partnerships. These transactions are similar to KCHA's acquisition of the limited partner's interest in the KCHA-Laurelwood Garden's Limited Partnership which the Board approved in March, 2013 (Resolution No. 5425).

Mr. Walter briefed the Board of Commissioners on the structure of the Resolution, noting that similar to Laurelwood Gardens, the investor in the Rural Housing Preservation Limited Partnership is a tax credit investment fund formed by NEF (the "National Equity Fund"- an affiliate of the Local Initiative Support Corporation). The investor in the remaining three limited partnerships is an investment fund owned by US Bank and managed by the tax credit syndicator, PNC Multifamily Capital. The terms of the transactions are consistent with the terms of the original Right of First Refusal agreements and the investor limited partners have agreed that all project reserves will remain with the properties. KCHA anticipates the transfers to occur on or around October 31, 2013.

Following clarifying questions that were answered by Mr. Walter, a motion was made on Resolution No. 5447.

MOTION: Moved that Resolution No. 5447: Acquisition of Investor Limited Partnership Interests in the Alpine Ridge, Colonial Gardens, Heritage Park and Rural Housing Preservation Limited Partnerships, be approved.

MOVED BY: Commissioner Mitchell, seconded by Commissioner Palmer. Motion unanimously passed.

Resolution No. 5448: Approval of Loan to the Manufactured Housing Community Preservationists for the Purpose of Acquiring and Installing Homes at the Wonderland Estates Mobile Home Park
Presented by: Tim Walter

Tim Walter reported that Resolution No. 5448 authorizes the Executive Director to enter into a loan agreement with the Manufactured Housing Community Preservationists ("MHCP") for the purpose of financing the acquisition and installation of mobile and/or manufactured homes at the Wonderland Estates Mobile Home Park. KCHA would provide a revolving loan to MHCP in an amount not to exceed \$300,000. The loan would either be at no interest or at a nominal interest rate in order to minimize MHCP's costs and the resulting sale prices to low income mobile home buyers. MHCP is a qualified 501(c)3 non-profit organization dedicated to the preservation of mobile home communities for low income households. They currently own 7 low-income mobile home parks and have

extensive experience with the acquisition and installation of mobile homes. MHCP also serves as the property manager for Wonderland Estates.

In 2011, in order to qualify the project for New Markets Tax Credit financing, KCHA entered in a 99-year lease of the park to the South King County Affordable Community Group, a non-affiliated 501(c)3 organization which subsequently completed a \$4.5 million renovation of the park's infrastructure systems including the replacement of the water, sewer, storm water and electrical systems as well as installing new street lighting, roads and landscaping. The community building was also renovated as part of the improvement project.

Mr. Walter noted that it is now possible to re-tenant the vacant pad spaces. Unfortunately, most lending institutions which will provide loans to finance the sale of an existing home within a park will not provide financing to acquire a home off-site, transport it and set it up in another location. The resources necessary to cover the out of pocket cost associated with acquiring, moving and setting up a mobile home are more than most low-income persons have available which creates a barrier for low-income households to acquire the homes and move them into the park. MHCP has agreed to enter into an agreement with the South King County Affordable Community Group to allow it to install homes at the park. The loan provided by KCHA would be treated as a revolving loan and is estimated to be sufficient to allow MHCP to acquire and install between 4 – 8 homes at any one time.

KCHA expects the complete re-tenanting of the park to take between 24 – 36 months. Any residual net proceeds from the acquisition, installation and resale of the mobile homes by MHCP, after payment of fees and third party costs, would be returned to KCHA at the completion of the re-occupancy of the park.

MOTION: Moved that Resolution No. 5448: Approval of Loan to the Manufactured Housing Community Preservationists for the Purpose of Acquiring and Installing Homes at the Wonderland Estates Mobile Home Park, be approved.

MOVED BY: Commissioner Palmer, seconded by Commissioner Mitchell. Motion unanimously passed.

Resolution No. 5449: Amendment to Resolution No. 5444
Presented by: Tim Walter

Chair Barnes noted that Resolution No. 5449 is an additional Resolution being brought before the Board for consideration.

Tim Walter noted that the Board of Commissioners recently adopted Resolution No. 5444 authorizing KCHA to enter in to a loan agreement with KeyBank and/or their affiliates for the purpose of providing \$85 million in tax-exempt proceeds to finance and refinance property owned by the Authority. The Resolution authorized KCHA to prepay the loan in full prior to maturity but did not permit the prepayment of a portion of the facility. Subsequent to the passage of Resolution No. 5444, the Bank has agreed to permit KCHA to build into the loan structure the ability for KCHA to prepay portions of the loan prior to maturity. This additional feature does not require KCHA to do so but does give KCHA added flexibility if there are reasons to remove one or more properties from the

bond pool at some point in the future. To effect this change, the words “or in part” are incorporated into Section 6 “Prepayment and Optional Tender of the Note.”

Mr. Walter stated that the original authorizing Resolution provided for a pledge of KCHA’s general revenues for the repayment of the debt but not a priority pledge of the revenues generated by the specific properties in the pool. Resolution No. 5449 further authorizes the Executive Director to specifically pledge the revenue generated from the properties in the pool as a priority lien favor of the Bank. This provides additional assurance to the bank that the revenues generated by these properties will first be used to repay KeyBank before they are available for use by KCHA for other general revenue obligations. Staff recommends these changes be adopted in order to provide additional flexibility with regard to partial repayment of the loan and to assist negotiations with the Bank in order to finalize the proposed financing.

Commissioners asked clarifying questions on the Resolution that were appropriately answered by staff.

MOTION: Moved that Resolution No. 5449: Amendment to Resolution No. 5444, be approved.

MOVED BY: Commissioner Mitchell, seconded by Commissioner Palmer. Motion unanimously passed.

VII. REPORTS

New Bank Accounts

There were no questions from the Commissioners on the New Bank Accounts memorandum contained in the packet.

Procurement Report

Dan Watson briefed the Commissioners on the Third Quarter Procurement Report as contained in the meeting packets.

VIII. NEW BUSINESS

There was no new business to bring before the Board of Commissioners.

IX. EXECUTIVE DIRECTOR’S REPORT

Stephen Norman updated the Board of the status of the 2014 Federal budget and Connie Davis will be briefing the Board on KCHA’s 2014 budget at the November meeting.

Rhonda Rosenberg reminded Commissioners of two ribbon-cutting events that are occurring related to the Greenbridge site.

Tim Walter updated the Board of Commissioners on the status of the Chaussee Properties’ acquisition and a potential property acquisition in Issaquah.

X. ADJOURNMENT

There being no further business, the meeting was officially adjourned at 10:05 am by a motion from Commissioner Mitchell seconded by Commissioner Palmer and unanimously passed.

**THE HOUSING AUTHORITY OF THE
COUNTY OF KING, WASHINGTON**

DOUGLAS J. BARNES, Chair
Board of Commissioners

STEPHEN J. NORMAN
Secretary

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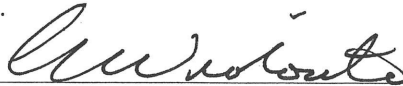
**KING COUNTY HOUSING AUTHORITY
INTEROFFICE MEMORANDUM**

TO: THE BOARD OF COMMISSIONERS, HOUSING AUTHORITY OF
THE COUNTY OF KING, WASHINGTON

FROM: CRAIG VIOLANTE

SUBJECT: VOUCHER CERTIFICATION FOR SEPTEMBER 2013

I, Craig Violante, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, and that the claims represented by the vouchers listed below were just obligations of the Housing Authority of the County of King, and that I am authorized to authenticate and certify said claims.



Craig Violante
Director of Finance
November 4, 2013

Bank Wires / ACH		
Withdrawals		<u>3,565,163.67</u>
	Subtotal	<u>3,565,163.67</u>
Accounts Payable Vouchers		
Checks - #236075-236733		<u>4,029,483.10</u>
	Subtotal	<u>4,029,483.10</u>
Payroll Vouchers		
Checks - #82898-82937		45,025.62
Direct Deposit		<u>1,139,274.70</u>
	Subtotal	<u>1,184,300.32</u>
Section 8 Program Vouchers		
Checks - #601068-601540		318,101.13
ACH - #247609-250796		<u>9,223,420.48</u>
	Subtotal	<u>9,541,521.61</u>
Purchase Card / ACH		
Withdrawal		<u>252,603.09</u>
	Subtotal	<u>252,603.09</u>
	GRAND TOTAL	<u>18,573,071.79</u>

TO: THE BOARD OF COMMISSIONERS, HOUSING AUTHORITY OF
THE COUNTY OF KING, WASHINGTON

FROM: TIM WALTER

SUBJECT: VOUCHER CERTIFICATION FOR SEPTEMBER 2013

I, Tim Walter, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein, and that the claims represented by the checks listed below were just obligations of the Housing Authority of the County of King, and that I am authorized to authenticate and certify said claims.

Tim Walter

Tim Walter
Director, Managed Assets
October 28, 2013

Property Sep-13	CHECK REGISTER Sep-13	PAYROLL Sep-13	MGMNT FEE Sep-13	OTHER Sep-13	Property Total Sep-13
<u>Bellepark East</u>	2025-2065 \$ 22,878.85	\$ 6,919.38 \$ 7,425.69	On Check Register as Check	NA	\$ 37,223.92
<u>Cottonwood</u>	2276-2313 \$ 14,248.20	\$ 6,403.06 \$ 6,682.12	On Check Register as Check	NA	\$ 27,333.38
<u>Cove East</u>	2577-2620 \$ 55,744.10	\$ 15,180.59 \$ 12,984.43	On Check Register as Check	NA	\$ 83,909.12
<u>Landmark</u>	2317-2357 \$ 73,389.10	\$ 14,897.86 \$ 14,854.77	On Check Register as Check	Issuance Com \$ 18,651.76 LOC Int & Com \$ 979.68 Admin & Fee Remarketing	\$ 122,773.17
<u>Newporter</u>	104431-104466 \$ 127,752.68	\$ 6,261.13 \$ 6,041.40	\$ 4,091.00	NA	\$ 144,146.21
<u>Timberwood</u>	3226-3296 \$ 104,641.85	\$ 12,590.53 \$ 13,366.03	On Check Register as Check	NA	\$ 130,598.41
<u>Woodland North</u>	653-689 \$ 31,732.25	\$ 6,836.04 \$ 8,452.74	On Check Register as Check	NA	\$ 47,021.03
<u>Woodside East</u>	2501-2720 \$ 45,552.15 1 transfer	\$ 14,175.36 \$ 14,914.59	On Check Register as Check	NA	\$ 74,642.10
<u>Cascadian</u>	11655-11694 \$ 141,156.52	\$ 11,075.67 \$ 11,008.45	\$ 7,702.00	RR \$ 7,184.60	\$ 178,127.24
<u>Fairwood</u>	12038-12078 \$ 61,458.49	\$ 8,580.85 \$ 9,321.14	\$ 5,693.00	RR \$ 5,085.37	\$ 90,138.85
<u>Woodridge Park</u>	11670-11718 \$ 179,943.84	\$ 9,681.00 \$ 9,636.37	\$ 5,838.00	RR \$ 2,512.50	\$ 207,611.71
<u>Aspen Ridge</u>	102308-102329 \$ 25,996.03	\$ 4,133.28 \$ 4,134.42	\$ 2,486.00	NA	\$ 36,749.73
<u>Laurelwood</u>	10185-10222 \$ 80,958.53	\$ 4,734.00 \$ 5,040.48	\$ 3,519.00	RR \$ 3,495.01	\$ 97,747.02
<u>Meadowbrook</u>	5385-5442 \$ 538,769.01 12 transfers	On Check Register as Check	On Check Register as Check	NA	\$ 538,769.01
<u>Meadows</u>	10400-10434 \$ 22,756.21	\$ 5,476.25 \$ 6,066.91	\$ 2,254.00	NA	\$ 36,553.37
<u>Auburn Square</u>	105037-105067 \$ 429,018.11	\$ 7,717.53 \$ 7,984.01	\$ 4,610.00	NA	\$ 449,329.65
<u>Carriage House</u>	104626-104669 \$ 42,000.67	\$ 10,451.02 \$ 9,108.86	\$ 4,791.00	NA	\$ 66,351.55
<u>Parkwood</u>	14459-14489 \$ 78,568.76	\$ 5,082.51 \$ 4,533.47	\$ 3,059.00	NA	\$ 91,243.74
<u>Walnut Park</u>	15082-15120 \$ 96,777.82	\$ 5,629.79 \$ 5,474.28	\$ 5,924.00	NA	\$ 113,805.89
	\$ 2,173,343.17	\$ 312,856.01	\$ 49,967.00	\$ 37,908.92	\$ 2,574,075.10

Expenditures paid by Check	\$2,173,343.17
Payroll Transfers	\$312,856.01
Management Fee Transfers	\$49,967.00
Other:	\$37,908.92
TOTAL FUNDING:	\$2,574,075.10

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KING COUNTY HOUSING AUTHORITY

TO: Board of Commissioners

FROM: Tim Walter

DATE: November 14, 2013

RE: Pricing and Terms of the Potential Acquisition of Gilman Square Apartments

At the November Board of Commissioners meeting, staff will be discussing with the Board the potential acquisition of the Gilman Square Apartments. Bill Goodwin, KCHA's Real Estate Counsel, will also be attending the meeting to discuss potential litigation in connection with the acquisition. Because public knowledge of these discussions have the likelihood of increasing the acquisition price or of having an adverse legal or financial consequence to KCHA, these matters will be discussed in Executive Session.

The Gilman Square Apartments is a 125 unit apartment complex located in Issaquah at 360 NW Dogwood St. The property was built in 1987 and consists of 124 two bedroom apartment homes and one three bedroom house. All of the units have full size kitchens, separate living and dining rooms and washers and dryers. The two bedroom units range in size from 862 square feet to 980 square feet and the number of bathrooms range between one full bathroom (55 units), one and one-half bath (28 units), one and three quarter bath (13 units) and two full bathrooms (28 units) depending on the unit layout. Each unit comes with a covered carport parking space and there is ample parking throughout the site for an extra vehicle and/or visitors (124 covered and 133 uncovered spaces). The single family home located within the complex is approximately 2,100 square feet and the garage is used as one of the maintenance shops for the on-site maintenance staff.

The parcel is approximately 9 acres and has mature landscaping and numerous amenities for the residents including a community building, walking paths throughout the site and an outdoor picnic area. It is located three blocks from Front Street and is adjacent to Issaquah Valley Elementary School and the Dodd North and Dodd South baseball fields.

The property was originally built in 1987 and the developer utilized tax-exempt bonds issued by the Washington State Housing Finance Commission to finance the property. As a condition of the financing, the ownership was required to restrict 20% of the units to households at or below 50% of the area median income (25 units) for a period of 25 years. This covenant expired January 1,

2013. Since January, management has been increasing rents upon turnover of these units by an average of 22%.

Despite marked increases in the rents over the last few years, the marketing materials for the property project the current average rents to increase another 46% over the next 10 years. If median incomes increase an average of 2% per year over the next 10 years and rents were to increase as projected, there will be no units affordable at Gilman Square to households below 80% of the area median income at that time.

The city of Issaquah has identified affordable housing as a key component in its Comprehensive Plan. The city's website states, "Ensuring affordable housing for Issaquah's residents is a top priority." The ARCH (A Regional Coalition of Housing) further cites the small number of landlords who accept Section 8 in Issaquah and encourages those with Section 8 vouchers to look for housing in neighboring eastside communities if they are not able to find landlords who will rent to them in Issaquah and at rents that are within the Section 8 program limits. There are presently only 117 tenant based Section 8 voucher holders in Issaquah and the total number of voucher holders (project based and tenant based) on a proportional basis is more than 40% fewer voucher holders than are in Bellevue or Redmond as a percentage of the population of these cities.

One primary reason the relatively low number of Section 8 voucher holder in Issaquah is the limited number of apartments with rents within KCHA's Section 8 payment standard. According to Dupre + Scott apartment advisors, as of October, 2013, the average rent in Issaquah (not including a utility allowance) is \$1,484 per month. The current Section 8 two bedroom exception rent payment standard (including a utility allowance) is \$1,330 per month. This lack of affordability coupled with no local prohibition against discrimination based on possession of a Section 8 housing voucher (such as are prohibited in Bellevue and Kirkland), creates a barrier which will continue to erode over time the ability for lower and moderate income households, even those with Section 8 vouchers, to reside in the community. As of 2011, there were 13 Section 8 voucher holders at Gilman Square. As of November, 2013, there are 4 voucher holders at the property.

The acquisition of Gilman Square is a high priority for KCHA in order to ensure a level of affordable housing in the community. The loss of affordable housing in Issaquah means a corresponding loss of access to high quality schools and easy access to local service, retail and other blue collar jobs available in the city.

Attached is the Project Profile which provides greater detail on the development, strategic rationale for KCHA's investment into property as well as information related to the underlying existing financing.

Gilman Square Apartments Project Profile

Built in 1987, the Gilman Square Apartments is comprised of 14 two-story buildings with 124 two-bedroom units (55 units with one bath, 28 units with 1.5 bath, 13 units with 1.75 bath, and 28 two bath units), one three-bedroom single family home and a leasing office/community building. KCHA has completed its pre-acquisition diligence including title and physical condition of the buildings and is satisfied with the existing condition of the property. KCHA has also contracted for and received a market value appraisal for the property. The property is currently encumbered by an underlying loan which dictates the terms and conditions under which the property can be transferred to a new owner. The current loan permits no prepayment and is not terminable prior to 2020.

Purchase Status

KCHA has submitted a letter of intent offering to purchase Gilman Square Apartments. The sellers have indicated their desire to work with KCHA as purchaser of the complex and the parties have commenced negotiation of the terms of a purchase and sale agreement. The seller, as a condition of the sale, has imposed the requirement to assume the underlying loan. The loan, which has an existing balance of about \$9.6 million, is secured by the property and was originally made by Freddie Mac and later assigned as part of a securitized pool of commercial properties to a Real Estate Management Investment Company (REMIC). The loan is currently in a 'lock out' period and cannot be prepaid. The loan may be defeased but the premium associated with a defeasance is estimated to cost in excess of \$2.5 million. The loan documents are currently held by US Bank, as trustee for the investors.

It is unclear at this point whether or not the underlying terms and conditions of the existing financing permit KCHA, as a municipal entity, to acquire the property without triggering an acceleration and default of the loan. Both KCHA's real estate counsel and municipal counsel are reviewing the technical issues associated with the lender conditions.

The proposed terms of a purchase and sale agreement include a significant earnest money deposit that becomes nonrefundable upon KCHA's approval of the title conditions, physical condition of the property and final approval of the purchase by KCHA's Board of Commissioners or KCHA's Executive Director as may be delegated to the Executive Director by the Board. KCHA has completed its physical due diligence under the terms of an early access agreement with the sellers. The due diligence process included title, survey, environmental and physical condition of the property. Based on initial assessments the property overall is in good condition but there are some immediate items needing repairs and/or replacements including the roofs, ventilation and insulation.

The property is currently managed by Madrona Ridge Residential LLC, an affiliate of Security Properties, one of the two principal owners of the property. Madrona has an affordable housing portfolio in addition to the private management sites and has expressed an interest in continuing as property manager after the sale. KCHA is willing to explore the benefits of this option as a component of the sale terms.

Property Description & Building Condition

Gilman Square is a residential development consisting of 14 multi-family buildings, a community clubhouse currently used as a leasing office and one single family home, all located on a

rectangular-shaped, nine acre parcel, located at 360 NW Dogwood Street in Issaquah. The development was built in 1987 with approximately half of the units being renovated since 2008 (*i.e.*, new carpet, countertops, cabinet refacing or refinishing, new hardware and appliances).

The wood frame buildings, totaling 115,690 square feet, are cedar lap sided, two-story, low rise structures with pitched roofs. The property includes open landscaped common area with walking trails, a gated outdoor swimming pool and separate picnic/BBQ area, together with the single family home and a community center with small fitness center. There are 257 parking spaces (1.72 ratio), approximately half of which are carports. The buildings provide secured entrances, common laundry facilities and extra storage for the tenants.

KCHA's Capital Construction and Asset Management Construction staff along with a third party consultant has completed interior inspections of approximately 40% of the residential units. Conditions normal to buildings of this age were observed and exterior observations include exterior paint deterioration, varying moisture levels in discrete locations of the siding and concerns regarding adequacy of insulation and ventilation. Separate analysis of the roofs on the buildings and carports recommend all but one building roof be replaced over the next 3-5 years. Minor presence of mold has been identified in isolated areas and appears to be related to lack of ventilation and tenant behavior.

Windows appear to be in good condition, but Capital Construction recommends partial replacement of wood siding on the south sides of the buildings and full replacement in 15 to 20 years. Interiors range from dirty to very clean. In the units observed to date, many of the countertops have been refinished but only approximately 5 to 10 % of counters have been replaced but none of the cabinetry. Appliances are generally builder-grade appliances varying from "old" to "used" with a range of the appliances in the upgraded units being replaced within the last 5 years. Carpeting is generally in average condition.

Staff anticipates the property will need approximately \$800,000 in improvements over the next twelve months and potentially \$2.3 million in improvement over the next 1 – 6 years to replace roofs, enhance ventilation and insulation, upgrade aging building systems and to continue the remodel the interiors of the apartments.

Unit Configuration

The unit mix includes:

- 55 two-bedroom, one bath units of approximately 862 square feet each,
- 28 two-bedroom, one and one-half bath units of approximately 962 square feet,
- 13 two-bedroom, one and three fourth bath units of approximately 908 square feet,
- 28 two-bedroom, two bath units of approximately 980 square feet,
- 1 three bedroom, three bath house of approximately 2,100 square feet.

Neighborhood Description

Issaquah is a desirable family neighborhood located about 11 miles to the southeast of Bellevue, and adjacent to a number of major employers including Costco, Microsoft, Boeing, Swedish Medical and downtown Bellevue's high-tech corridor. The neighborhood is easily accessed from I-90 off Exit 15 (Highway 900) by traveling south and southeast via NW Maple and Newport Way NW and is located 1.5 miles from the Issaquah Transit Center. The neighborhood is in a quiet area with a combination of apartments, single family homes and condominiums. The development is located in the Issaquah School District (ranked 5th in the State) and immediately adjoins the Issaquah Elementary School, with the Issaquah Middle School located less than a mile away and a new Bellevue College expansion planned for the Issaquah Highlands. Quaint

downtown Issaquah with its library, shopping and commercial services is less than a ten minute walk (one half mile). Nearby parks include the new Confluence Park, a 15.5 acre continuous park system at the confluence of Issaquah Creek and Forks River, with trails, meadows and play areas, located a quarter mile northeast of the property.

Strategic Rationale for Acquisition

Issaquah, like much of the Eastside, is growing quickly with strong rental growth and a low 3% vacancy rate due to lack of new supply. Landlords have been raising rents 4-6% at comparable properties since the beginning of 2013. At Gilman Square, renovated units have received a \$125 - \$200 increase in monthly rent. According to the sellers' marketing and offering summary, Gilman Square's two-bedroom floor plans offer investors a strong condominium exit when the home sale market returns. This outcome for the development would mean the loss of a large number of rental units in this desirable central Issaquah location for existing and future families.

Gilman Square was originally built using tax exempt bond financing provided by the Washington State Housing Finance Commission (WSHFC). Under a regulatory agreement with the WSHFC, the development was required to have twenty percent of its units reserved for occupancy by households with incomes not exceeding 50% of the area median income ("AMI"). This agreement expired in December, 2012 and there are currently no income restrictions on the site.

For the past twenty five years, Gilman Square has reserved 25 units (20% of the apartments) for very-low income families (households with incomes at or below 50% of AMI), and current property demographics indicate that approximately 40% of the residents who currently reside at the property have incomes at or below 60% of the AMI. If KCHA does not acquire the development, the property characteristics and market economics strongly suggest that new private ownership will continue to raise rents significantly, effectively displacing the existing tenants and further diminishing the supply of affordable housing in Issaquah.

The 2012 Central Plan for the City of Issaquah has a stated goal of leveraging private and public resources to create a program to promote affordable housing. KCHA's preservation of Gilman Square would support both the KCHA mission and the goals of the local community. While, KCHA has acquired a number of developments in East King County such as in Bellevue (Bellepark East, Woodside East, Landmark and Cascadian) and in Redmond (the Village at Overlake Station, Timberwood and Parkway) to establish long-term affordable housing resources for these communities, the Housing Authority has not been able to preserve any such housing in Issaquah. The acquisition of the Gilman Square Apartments and the restoration of set-asides for affordable housing previously lost with the termination of the WSHFC low-income covenant at the property is an important step in ensuring the community will maintain a long-term affordable housing resource for low-income households who reside in Issaquah.

The location, size, and cost of Gilman Square make this property an ideal acquisition candidate for KCHA. Considerations that favor acquisition of the property include:

- The lack of affordable housing for families in Issaquah,
- Access to the strong Issaquah school system and major employers,
- Large number of family size units (124 two bedroom units),
- Easy nearby access to transportation, parks and services,
- Current resident demographics (based on available tenant demographic information, KCHA estimates approximately 40% of the units are occupied by households with incomes at or below 60% of the AMI).

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KING COUNTY HOUSING AUTHORITY

TO: Board of Commissioners

FROM: Craig Violante

DATE: October 31, 2013

RE: **Resolution 5451:** Acceptance of Washington State Auditor's Office Report on Financial Statements and Federal Single Audit (No. 1010609) for the Period Ending December 31, 2012

On September 30, 2013 the Washington State Auditor's Office (SAO) issued Financial and Single Audit Report Number 1010609. The report relates to KCHA's fiscal year which ended on December 31, 2012.

Report No. 1010609 covers the Authority's financial statements and related disclosures along with the Federal "Single Audit" for the period January 1, 2012 through December 31, 2012. Within this report are, in addition to KCHA's combined financial statements, separate financial statements for the 1998 Bond Pool. These separate audited financial statements are a requirement of the indentures in support of the bonds' credit ratings.

There were no findings in this year's Financial Statements and Federal Single Audit report, and there were no management letter items.

An exit interview with the SAO was held on September 27, 2013 to review the results of the audit. As the separate Accountability audit has not yet been completed, this was not covered in the exit conference.

Resolution 5451 is a required element to KCHA's audit. Board passage is recommended.

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5451

**ACKNOWLEDGING RECEIPT OF THE POST AUDIT REPORT FOR
THE PERIOD JANUARY 1, 2012 THROUGH DECEMBER 31, 2012**

WHEREAS, the State of Washington, Office of the State Auditor, Division of Audit Services, has conducted Financial Statement and Federal Single Audits of the Housing Authority of the County of King for the period January 1, 2012 through December 31, 2012 and has transmitted same to the Housing Authority; and

WHEREAS, a formal acceptance of the Audit is required by the Board of Commissioners;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING:

Receipt of the official examination, Financial Statements and Federal Single Audit Report No. 1010609 for the period January 1, 2012 through December 31, 2012 prepared and transmitted for filing by the State Auditor's Division of Municipal Corporations pursuant to RCW 43.09.260, is hereby acknowledged and formally accepted by the Board of Commissioners of the Housing Authority of the County of King.

**ADOPTED AT THE REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING
THIS 18th DAY OF NOVEMBER, 2013.**

**THE HOUSING AUTHORITY OF THE
COUNTY OF KING, WASHINGTON**

DOUGLAS J. BARNES, Chair
Board of Commissioners

STEPHEN J. NORMAN
Secretary

Washington State Auditor's Office
Financial Statements and Federal Single Audit Report

**Housing Authority of the County of King
(King County Housing Authority)**

Audit Period
January 1, 2012 through December 31, 2012

Report No. 1010609

Issue Date
September 30, 2013



WASHINGTON
TROY KELLEY
STATE AUDITOR



**Washington State Auditor
Troy Kelley**

September 30, 2013

Board of Commissioners
King County Housing Authority
Tukwila, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on the King County Housing Authority's financial statements and compliance with federal laws and regulations.

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

Sincerely,

TROY KELLEY
STATE AUDITOR

Table of Contents

King County Housing Authority January 1, 2012 through December 31, 2012

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Federal Summary

King County Housing Authority January 1, 2012 through December 31, 2012

The results of our audit of the King County Housing Authority are summarized below in accordance with U.S. Office of Management and Budget Circular A-133.

FINANCIAL STATEMENTS

An unmodified opinion was issued on the financial statements of the business-type activities and the aggregate discretely presented component units.

Internal Control Over Financial Reporting:

- **Significant Deficiencies:** We reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- **Material Weaknesses:** We identified no deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the Housing Authority.

FEDERAL AWARDS

Internal Control Over Major Programs:

- **Significant Deficiencies:** We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- **Material Weaknesses:** We identified no deficiencies that we consider to be material weaknesses.

We issued an unmodified opinion on the Housing Authority's compliance with requirements applicable to each of its major federal programs.

We reported no findings that are required to be disclosed under section 510(a) of OMB Circular A-133.

Identification of Major Programs:

The following were major programs during the period under audit:

<u>CFDA No.</u>	<u>Program Title</u>
14.866	Demolition and Revitalization of Severely Distressed Public Housing (HOPE VI)
14.881	Move to Work Demonstration Program
93.568	Low Income Home Energy Assistance

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by OMB Circular A-133, was \$3,000,000.

The Housing Authority qualified as a low-risk auditee under OMB Circular A-133.

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

King County Housing Authority January 1, 2012 through December 31, 2012

Board of Commissioners
King County Housing Authority
Tukwila, 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 business-type activities and the aggregate discretely presented component units of the King County Housing Authority, King County, Washington, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements, and have issued our report thereon dated September 26, 2013. Our report includes a reference to other auditors who audited the financial statements of the tax credit partnership as described in our report on the Housing Authority's financial statements. This report includes our consideration of the results of the other auditor's testing of internal control over financial reporting and compliance and other matters that are reported on separately by those other auditors. However, this report, insofar as it relates to the results of the other auditors, is based solely on the reports of the other auditors. The financial statements of the tax credit partnerships identified in Note 9 were not audited in accordance with *Government Auditing Standards*, except for the Rural Housing Preservation LP, which was audited in accordance with *Government Auditing Standards*.

During the year ended December 31, 2012, the Housing Authority implemented Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* and Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

effectiveness of the Housing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing 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 Housing 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 in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we and the other auditors did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

COMPLIANCE AND OTHER MATTERS

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

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

PURPOSE OF THIS REPORT

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Housing 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 Housing 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.



TROY KELLEY
STATE AUDITOR

September 26, 2013

Independent Auditor's Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance in Accordance with OMB Circular A-133

King County Housing Authority January 1, 2012 through December 31, 2012

Board of Commissioners
King County Housing Authority
Tukwila, Washington

REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM

We have audited the compliance of the King County Housing Authority, King County, Washington, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012. The Housing Authority's major federal programs are identified in the accompanying Federal Summary.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Housing Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Housing Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2012.

REPORT ON INTERNAL CONTROL OVER COMPLIANCE

Management of the Housing Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Housing Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program in order to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control over compliance.

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

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

PURPOSE OF THIS REPORT

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report 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.

A handwritten signature in black ink that reads "Troy X. Kelley". The signature is written in a cursive, flowing style.

TROY KELLEY
STATE AUDITOR

September 26, 2013

Independent Auditor's Report on Financial Statements

King County Housing Authority January 1, 2012 through December 31, 2012

Board of Commissioners
King County Housing Authority
Tukwila, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the King County Housing Authority, King County, Washington, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed on page 11.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the tax credit partnerships identified in Note 9, which represents 100 percent of the assets, net positions, revenues and expenses of the aggregate discretely presented component units. Those statements were audited by other auditors, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the tax credit partnerships, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the tax credit partnerships identified in Note 9 were not audited in accordance with *Government Auditing Standards*, except for the Rural Housing Preservation LP which was audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Housing Authority's preparation and fair presentation of

the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, based on our audit and the report of the other auditors, 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 King County Housing Authority, as of December 31, 2012, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Matters of Emphasis

As discussed in Note 1 to the financial statements, in 2012, the Housing Authority adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position* and Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 12 through 19 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We and the other auditors 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The accompanying Financial Data Schedule and HUD forms are supplementary information required by HUD. These schedules are not a

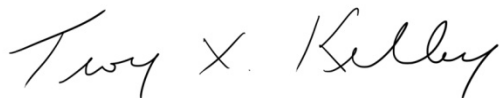
required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The financial statements for The Pooled Housing Refunding Revenue Bonds, Series 1998A are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such supplemental information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Property Listing is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated September 26, 2013 on our consideration of the Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority's internal control over financial reporting and compliance.



TROY KELLEY
STATE AUDITOR

September 26, 2013

Financial Section

King County Housing Authority January 1, 2012 through December 31, 2012

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis – 2012

BASIC FINANCIAL STATEMENTS

Statement of Net Position – 2012

Statement of Revenues, Expenses and Changes in Net Position – 2012

Statement of Cash Flows – 2012

Notes to Financial Statements – 2012

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Expenditures of Federal Awards and Notes – 2012

Federal Data Schedule (FDS) Balance Sheet – 2012

Federal Data Schedule (FDS) Statement of Revenues and Expenses – 2012

Pooled Housing Refunding Revenue Bonds, Series 1998A – A Proprietary Fund of the
Housing Authority of King County – Balance Sheet – 2012

Pooled Housing Refunding Revenue Bonds, Series 1998A – A Proprietary Fund of the
Housing Authority of King County – Statement of Revenues, Expenses and Changes
in Net Assets – 2012

Pooled Housing Refunding Revenue Bonds, Series 1998A – A Proprietary Fund of the
Housing Authority of King County – Statement of Cash Flows – 2012

Pooled Housing Refunding Revenue Bonds, Series 1998A – Notes to the Financial
Statements – 2012

Property Listing – 2012

Actual Modernization Cost Certificate – WA19R002502-11

Actual Modernization Cost Certificate – WA19R002502-10

Actual Modernization Cost Certificate – WA19R002503-06

Actual Modernization Cost Certificate – WA19P002501-05

Actual Modernization Cost Certificate – WA19P002502-06

Actual Modernization Cost Certificate – WA19P002501-06

Actual Modernization Cost Certificate – WA19P002501-07

Actual Modernization Cost Certificate – WA19P002501-09

Actual Modernization Cost Certificate – WA19R002501-04

Actual Modernization Cost Certificate – WA19R002501-05

Actual Modernization Cost Certificate – WA19R002501-06

Actual Modernization Cost Certificate – WA19R002501-07

Actual Modernization Cost Certificate – WA19R002501-08

Actual Modernization Cost Certificate – WA19R002501-09

Actual Modernization Cost Certificate – WA19R002501-10

Actual Modernization Cost Certificate – WA19R002501-11

Actual Modernization Cost Certificate – WA19R002502-09
Actual Modernization Cost Certificate – WA19R002502-03
Actual Modernization Cost Certificate – WA19R002502-08
Actual Development Cost Certificate – WA0200034109F9

HOUSING AUTHORITY OF THE COUNTY OF KING

MANAGEMENT'S DISCUSSION AND ANALYSIS

This first section of the annual financial report presents a discussion and analysis of King County Housing Authority's (KCHA) financial performance during the year ended December 31, 2012. It should be read in conjunction with the Authority's financial statements, which immediately follow this section.

KCHA administers a broad range of federally and locally financed housing programs serving an area of over 2,134 square miles, covering all of King County outside of the cities of Seattle and Renton. The King County Housing Authority owns or manages 8,301 units of housing and provides rental subsidies to over 8,800 additional households. The majority of KCHA's program participants have incomes below 20% of area median income. KCHA's inventory includes 1,970 units of public housing in King County and in the city of Olympia, which lies outside of King County. In addition, KCHA manages two public housing sites with 80 units via contract in the City of Sedro-Woolley. The majority of agency funding is from the US Department of Housing and Urban Development.

The financial performance discussed in the following analyses does not include tax credit partnerships. The tax credit partnerships, with 19 sites and 2,103 units, are owned by separate limited partnerships/corporations with the Authority acting as general partner/managing member. The tax credit properties are fee managed by outside private property management firms with the exception of Harrison House, Valley Park, Birch Creek, and Egis, which are managed by KCHA's Housing Management department. Because of the different corporate structure of the partnerships, their operations are not carried directly on the books of the Authority but are listed as component units on the Statement of Net Position and Statement of Revenues, Expenses and Changes in Net Assets and are detailed in Note 8. With those exceptions, neither these units, nor their financial data, are included in the analysis and financial reports that follow.

2012 FINANCIAL HIGHLIGHTS

- The Authority continues to be a Moving to Work (MTW) Public Housing agency, allowing for certain financial flexibilities and empowering the Authority to waive certain sections of Section 8 and 9 of the Housing Act of 1937.
- Total assets and deferred outflows of resources of the Authority exceeded total liabilities and deferred inflows of resources at December 31, 2012 by \$447 million.
- Total change in net position for 2012 was an increase of \$35.5 million and includes approximately \$5.9 million in capital grant contributions.
- The MTW program continued to serve the low and very-low income populace through an array of innovative programs and the purchase of additional affordable housing.
- Operating expenses were \$176.7 million and include \$105.1 million in housing assistance payments made to landlords, or 60% of operating expenses.
- Ongoing rehabilitation of Seola Gardens (formerly Park Lake Site II) continued with the occupancy of Joseph House and completion of Fairwind expected in 2013. Fairwind will consist of 87 units of public housing.

- Capital projects funded primarily through 18 American Recovery and Reinvestment Act of 2009 (ARRA) grants were completed. These projects brought the Authority into compliance with Americans with Disabilities Act (ADA) requirements and significantly improved the energy efficiency of certain buildings.
- Following approval from HUD, in November 2012 KCHA disposed of 509 units of public housing by entering into a long-term capital lease agreement with Moving King County Residents Forward (MKCRF), a 501(c)(3) non-profit organization. In turn, MKCRF entered into an agreement with the Authority for KCHA to act as Operator of the units which are scattered over 22 sites throughout King County. AS a result of this transaction, the Authority swapped subsidy from the Public Housing program for subsidy from the Section 8 program. The increased Section 8 subsidy will be leveraged to complete \$18 million of capital improvements at all 22 locations. Following the guidelines of GASB statements 14 and 61, MKCRF is presented as a blended component unit in these financial statements.

AUTHORITY-WIDE FINANCIAL STATEMENTS

These Authority-wide financial statements include a *Statement of Net Position*. This statement reports all financial and capital resources for the Authority. The Statement of Net Position is presented in the format where assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, equals net position. Assets and liabilities are presented in order of liquidity, and are classified as “current” (generally, those assets convertible into cash within one year), and “non-current”.

Net position represents the difference between all other elements in a statement of financial position. It is reported in three broad categories:

Net Investment in Capital Assets: This component of net position consists of all capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted: This component of net position consists of restricted assets when constraints are placed on the asset by external forces such as creditors (e.g. debt covenants), grantors, contributors, laws, regulations, etc., net of any offsetting, associated liabilities and/or deferred inflows of resources. Restrictions on assets imposed voluntarily by KCHA do not result in a restricted net position.

Unrestricted: This component of net position consists of assets, deferred outflow of resources, liabilities, and deferred inflows of resources that are not included in the determination of “Net Investment in Capital Assets” or “Restricted”.

The Authority-wide financial statements also include a *Statement of Revenues, Expenses and Changes in Net Position* (similar to an income statement). This statement includes operating revenues, such as rental income, operating expenses such as administrative, utilities, and maintenance, and non-operating revenue and expenses, such as grant revenue, investment income and interest expense. The focus of the Statement of Revenues, Expenses and Changes in Net Position is the “Change in Net Position” which is similar to Net Income or Loss.

Finally, a *Statement of Cash Flows* is included, which discloses net cash provided by, or used for operating activities, non-capital financing activities, capital and related financing activities, and investing activities.

FINANCIAL ANALYSIS OF THE AUTHORITY

Condensed Statement of Net Position:

Table A-1 presents the Authority's *Condensed Statement of Net Position* for 2012 and 2011. The purpose of the statement is to provide a snapshot of the financial condition of the Authority at a certain point in time. Presented are the assets, liabilities, and net position of the Authority at the end of the year. Supplementary information is provided in the accompanying notes that further explain and support the data presented in table A-1.

Table A-1, Condensed Statement of Net Position ⁽¹⁾

	2012	2011
Assets:		
Current and other assets	\$ 450,486,521	\$ 448,701,632
Capital assets	300,742,795	282,294,802
Total Assets	<u>751,229,316</u>	<u>730,996,434</u>
Deferred Outflows of Resources:		
Deferred charge for defeasance of debt	2,023,093	-
	<u>2,023,093</u>	<u>-</u>
Liabilities:		
Current and other liabilities	29,352,427	50,581,494
Long-term debt, net of current	275,572,888	266,820,184
Total Liabilities	<u>304,925,315</u>	<u>317,401,678</u>
Deferred Inflows of Resources:		
Awarded funds for future period	1,288,526	-
	<u>1,288,526</u>	<u>-</u>
Net Position:		
Net Investment in Capital Assets	174,500,986	152,692,500
Restricted	25,327,358	28,011,633
Unrestricted	247,210,224	232,890,623
Total Net Position	<u>\$ 447,038,568</u>	<u>\$ 413,594,756</u>

(1) Component units are not included.

Current and other assets, excluding capital assets, for the year ended December 31, 2012 total \$450.5 million and are comprised of \$120.3 million in cash, cash equivalents, and investments and \$323.3 million in accounts, notes and financing lease receivables. The \$1.7 million increase from the prior year is due to a \$6.7 million decrease in cash, cash equivalents, and investments and an \$8 million increase in accounts, notes, and financing leases receivable. The increase in receivables was primarily attributable to the addition of a lease receivable related to the Joseph House capital project.

Capital assets for the year ended December 31, 2012 are \$300.7 million. Included in this category are land and improvements, buildings and improvements, personal property, and construction-in-progress. Capital asset additions of \$67.1 million include the Central Office Annex as well as construction-in-progress related to the Greenbridge project and ARRA funded capital projects. Capital asset disposals of \$20.6 million include the \$19.3 million of Greenbridge development assets sold to partnerships. More detailed information about the Authority's capital assets is presented in the notes to the financial statements.

Total liabilities, excluding the non-current portion of long-term debt, totaled \$29.4 million at December 31, 2012, a decrease of \$21.2 million from 2011. This decrease is due primarily to the reclassification of several Lines of Credit from current debt to long-term debt.

Total net position increased by \$33.5 million during 2012. Net position represents the Authority's equity, a portion of which is restricted for certain uses. Restricted Net Position decreased \$2.7 million from 2011 primarily due to a \$1.7 million decrease in restricted investments. The \$14.3 million increase in Unrestricted Net Position resulted primarily from a \$10.2 million increase in current receivables combined with the decrease in Restricted Net Position.

Condensed Statement of Revenues, Expenses, and Changes in Net Position:

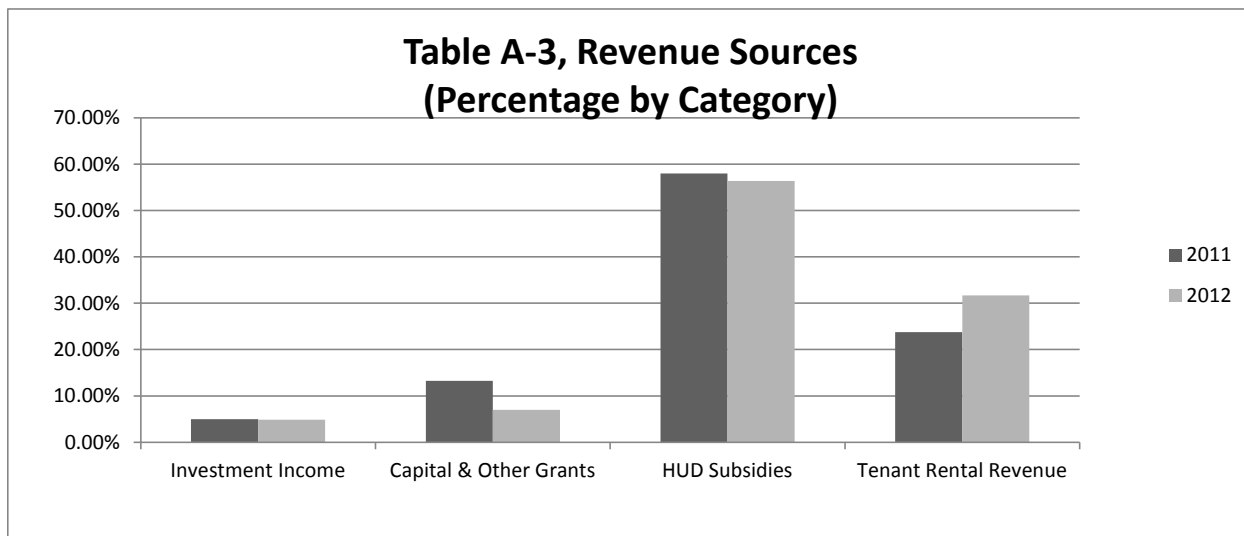
The purpose of the "Condensed Statement of Revenues, Expenses and Changes in Net Position" is to present the revenues earned by the Authority (both operating and non-operating) and the expenses incurred (operating and non-operating), and any other revenues, expenses, gains and losses received or spent by the Authority. Table A-2 represents the Authority's Condensed Statement of Revenues, Expenses, and Changes in Net Position for 2012 and 2011:

Table A-2, Condensed Statement of Revenues, Expense, and Changes in Net Position ⁽¹⁾

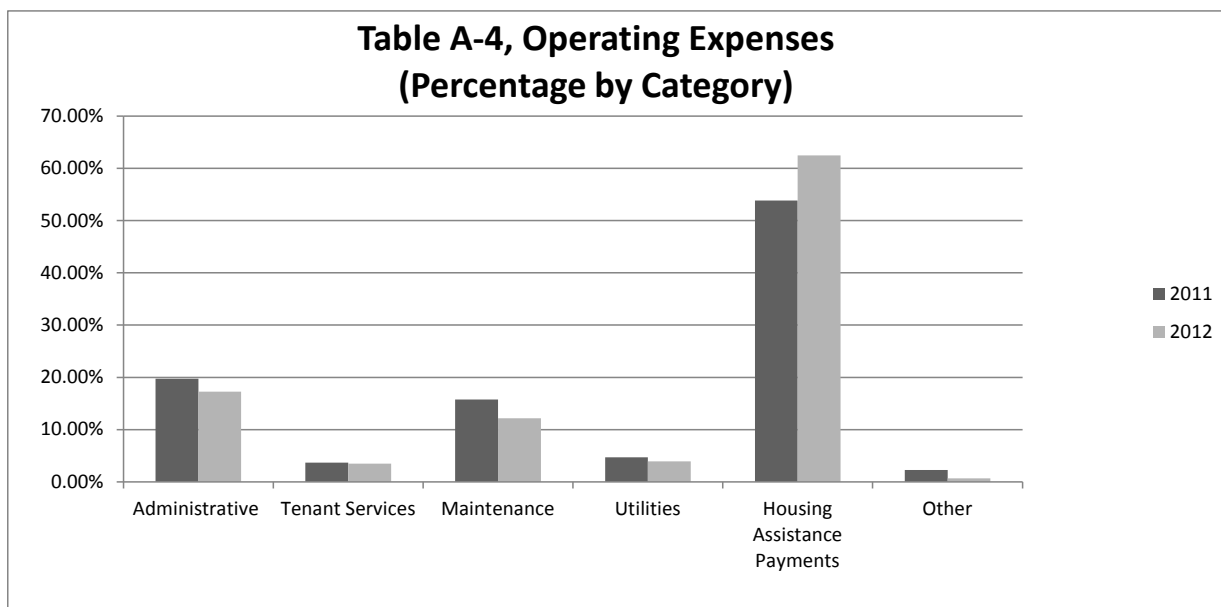
	2012	2011
Operating Revenues	\$ 70,864,888	\$ 44,642,082
Nonoperating revenues	<u>146,701,022</u>	<u>136,010,881</u>
Total Revenues	217,565,910	180,652,963
Operating expenses	176,676,034	149,113,318
Nonoperating expenses	<u>11,336,116</u>	<u>11,494,384</u>
Total Expenses	188,012,150	160,607,702
Excess or deficiency before contributions	29,553,760	20,045,261
Capital grant contributions	<u>5,897,183</u>	<u>12,360,982</u>
Change in Net Position	35,450,943	32,406,243
Beginning Net Position	413,594,756	381,188,513
Prior Period Adjustment	<u>(2,007,131)</u>	<u>-</u>
Ending Net Position	<u>\$ 447,038,568</u>	<u>\$ 413,594,756</u>

(1) Component units are not included.

Revenues are classified as operating, non-operating or capital grant contributions. Table A-3 shows the sources of revenues for 2012 and 2011 as a percentage of all revenues. The overall contribution for each revenue type remained relatively constant from 2011 to 2012. However, capital grant revenues decreased in 2012 as the Authority expended MTW funds in lieu of Capital Fund Project grant funds while at the same time projects funded by the American Recovery and Reinvestment Act of 2009 were completed by midyear.



Operating expenses are amounts paid for providing housing services to the Authority's tenants and administering the various programs. Total operating expenses for 2012 were \$168.3 million (excluding depreciation), a \$27 million increase compared to 2011. The increase is primarily the result of a new HUD reporting requirement (HUD Accounting Brief #18) which requires revenues and expenses related to Section 8 portability vouchers to be reported on separate lines of the income statement whereas past practice was to combine the revenue and expense on the same income statement line producing a net result. The Authority's Section 8 portability expense in 2012 was approximately \$25.4 million.



CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION

During 2012, net capital assets increased by \$18.4 million. The net increase in capital assets from 2011 is primarily attributable to \$47.3 million in capital asset additions (net of accumulated depreciation) offset by \$20.6 million of disposals (net of accumulated depreciation.) Capital asset additions include \$27.1 million related to construction in process related to the Greenbridge project and \$20 million resulting from building upgrades at various properties. Capital asset disposals include \$19.3 million representing the sale of completed Greenbridge Construction-In Process sold to Providence Joseph House, LLLP. Information about the Authority's capital assets is further presented in the financial statements Note 5 – Capital Assets.

Table A-5, Capital Assets, net of Accumulated Depreciation

	2012	2011
Land	75,422,662	75,422,661
Buildings and Improvements	254,415,512	234,590,828
Furniture, Equipment & Machinery	5,216,007	5,161,448
Construction in Progress	92,537,687	85,667,510
	<u>427,591,868</u>	<u>400,842,447</u>
Total accumulated depreciation	<u>(126,849,073)</u>	<u>(118,547,645)</u>
Net Capital Assets	<u>\$ 300,742,795</u>	<u>\$ 282,294,802</u>

LONG TERM DEBT & OTHER NONCURRENT LIABILITIES

The Authority has issued various forms of debt for the purpose of acquiring and rehabilitating projects located throughout King County. At year-end, the Authority had \$275.6 million in net long-term bonds and notes outstanding (as shown in table A-6) which represents an \$8.8 million increase over the prior year-end balance. Included in the other noncurrent liabilities category are payments in lieu of taxes, contract retentions, and the fair value of interest rate swaps. For more information on the Authority's long-term debt, please see Note 6.

Table A-6, Long Term Debt & Other Noncurrent Liabilities

	2012	2011
Long-term, net of current portion	\$ 275,572,888	\$ 266,820,184
Other noncurrent liabilities	9,214,189	7,368,392
Total long-term debt & other noncurrent liabilities	<u>\$ 284,787,077</u>	<u>\$ 274,188,576</u>

ECONOMIC FACTORS AFFECTING THE AUTHORITY'S FUTURE

The Authority receives the bulk of its operational funding from the United States Department of Housing and Urban Development which, like all federal agencies, continues to experience budget constraints. Although KCHA's Moving to Work authority gives it substantial financial flexibility, future funding depends upon Congressional appropriations.

In 2013, the inability of Congress to pass a Federal budget and the implementation of the resulting sequestration cuts will result in decreased revenues for the Authority. It is estimated that this shortfall could exceed \$6 million. In assembling its financial plan for 2013, KCHA's primary objective is to maintain and strengthen existing programs and services while operating within a challenging economic environment.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Housing Authority's finances and to demonstrate KCHA's accountability for its resources. Any questions about this report, or requests for additional information, should be directed to the Director of Finance of the King County Housing Authority.

HOUSING AUTHORITY OF THE COUNTY OF KING
STATEMENT OF NET POSITION
As of December 31, 2012

	AUTHORITY	COMPONENT UNITS
ASSETS:		
<i>Current Assets</i>		
Cash and cash equivalents	\$ 42,246,105	\$ 6,384,999
Restricted cash and cash equivalents	18,452,044	13,530,352
Receivables, net	29,272,933	150,568
Investments	54,103,456	1,093,411
Restricted investments	5,549,445	1,089,434
Other current assets	1,216,760	410,537
Total Current Assets	150,840,743	22,659,301
<i>Noncurrent Assets</i>		
Restricted cash and cash equivalents	2,721,463	-
Land, buildings and equipment, net	300,742,795	365,050,060
Noncurrent receivables	293,995,507	-
Other noncurrent assets	2,928,808	3,589,519
Total Noncurrent Assets	600,388,573	368,639,579
Total Assets	751,229,316	391,298,881
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge for defeasance of debt	2,023,093	-
Total Deferred Outflows	2,023,093	-
LIABILITIES:		
<i>Current Liabilities</i>		
Current portion of long-term debt	7,024,288	1,208,123
Other current liabilities	13,113,950	16,269,923
Total Current Liabilities	20,138,238	17,478,046
<i>Noncurrent Liabilities</i>		
Interest rate swaps - Fair Value	5,494,195	987,589
Long-term debt, net of current	275,572,888	252,051,994
Other noncurrent liabilities	3,719,994	1,771,435
Total Long-Term Liabilities	284,787,077	254,811,018
Total Liabilities	304,925,315	272,289,064
DEFERRED INFLOWS OF RESOURCES		
Awarded funds for future period	1,288,526	-
Total Deferred Inflows	1,288,526	-
NET POSITION:		
Net investment in capital assets	174,500,986	112,842,014
Restricted	25,327,358	13,692,612
Unrestricted	247,210,224	(7,524,809)
Total Net Position	\$ 447,038,568	\$ 119,009,817

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

HOUSING AUTHORITY OF THE COUNTY OF KING
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the 12 Month Period Ended December 31, 2012

	AUTHORITY	COMPONENT UNITS
OPERATING REVENUES		
Tenant revenue	\$ 40,187,013	\$ 25,203,166
Other revenue	30,677,875	637,229
Total Operating Revenues	70,864,888	25,840,395
OPERATING EXPENSES		
Administrative	29,072,684	5,423,010
Tenant services	5,828,720	4,403
Maintenance	20,480,712	5,384,760
Utilities	6,617,594	3,350,121
Housing assistance payments	105,132,510	-
Depreciation	8,424,327	12,796,520
Other expenses	1,119,487	1,499,249
Total Operating Expenses	176,676,034	28,458,063
Operating Income (Loss)	(105,811,146)	(2,617,668)
NONOPERATING REVENUE (EXPENSE)		
HUD subsidies and grant revenue	126,016,204	-
Other government grants	9,780,146	-
Investment income	10,904,672	133,964
Interest expense	(11,298,805)	(8,607,924)
Net gain (loss) on disposal of capital assets	(37,311)	-
Net Nonoperating Revenues (Expenses)	135,364,906	(8,473,960)
INCOME (LOSS) before contributions	29,553,760	(11,091,628)
Capital grant contributions	5,897,183	-
Partner contributions (disbursements)	-	5,199,358
CHANGE IN NET POSITION	\$ 35,450,943	\$ (5,892,270)
Beginning Net Position	413,594,756	124,902,087
Deduct: Prior Period Adjustment	(2,007,131)	-
Ending Net Position	\$ 447,038,568	\$ 119,009,817

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

HOUSING AUTHORITY OF THE COUNTY OF KING
STATEMENT OF CASH FLOWS
For the 12 Month Period Ended December 31, 2012

	AUTHORITY
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from tenants	\$ 39,436,775
Payments to employees	(21,037,691)
Payments to suppliers of goods and services	(39,042,724)
Payments to landlords	(99,625,180)
Payments received from (made to) other housing authorities	(4,034,837)
Other receipts (payments)	28,403,876
Net cash provided by (used in) operating activities	(95,899,781)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Receipts from HUD	125,805,881
Receipts from other governments	9,504,645
Net cash provided by noncapital financing activities	135,310,526
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Capital grant contributions	5,897,183
Purchase of capital assets	(24,813,237)
Net proceeds from capital asset disposal	(37,311)
Principal payments on capital debt	(13,695,788)
Interest paid on capital debt	(11,340,515)
Other receipts (payments)	1,581,169
Net cash used in capital and related financing activities	(42,966,102)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Net sale (purchase) of investments	(24,834,743)
Investment in notes and financing leases	(36,258,514)
Net increase in notes and financing leases	-
Payments received on notes and financing leases	26,609,673
Investment income -- notes and financing leases	5,183,436
Investment income -- other	3,242,347
Other receipts (payments)	(1,459,730)
Net cash provided by investing activities	(27,517,531)
Net Increase in Cash and Cash Equivalents	(31,072,888)
Cash and cash equivalents -- beginning of the year	94,492,500
Cash and cash equivalents -- end of the year	\$ 63,419,612
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	(105,811,146)
Adjustment to reconcile operating income to net cash:	
Depreciation expense	8,424,327
Change in assets and liabilities:	
Receivables and other assets	123,327
Accounts and other payables	1,363,712
Net cash provided by (used in) operating activities	\$ (95,899,781)

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

HOUSING AUTHORITY OF THE COUNTY OF KING
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

The following notes are an integral part of the financial statements of the Housing Authority of the County of King.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Authority have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies are described below.

a) THE AUTHORITY

The Housing Authority of the County of King (the "Authority") was created in 1939 as a municipal corporation under the provisions of the State Housing Authorities Law (RCW 35.82) and the Housing Cooperation Law (RCW 35.83) in response to the Federal Housing Act of 1937. The Act created the United States Housing Authority, empowering it to make loans and annual contributions to local public housing agencies to assist in the development, acquisition and administration of low rent projects. The programs authorized under the Act, as amended, are now administered by the Department of Housing and Urban Development (HUD). The Authority is not a component unit of King County.

The Authority operates in all of King County, except within the cities of Seattle and Renton, and in the city of Olympia. The Authority also serves as the management agent for the Housing Authority of the City of Sedro-Woolley in Skagit County. Of the State's 39 counties, King County ranks eleventh in geographical size and first in population. The County is the financial, economic and industrial center of the entire Pacific Northwest region. The Authority's jurisdiction encompasses an area of over 2,100 square miles and a population estimated at 1.7 million representing almost 30% of the state's total population. The Authority has its central office in Tukwila. A five-member Board of Commissioners appointed for five-year terms by the Metropolitan-King County Council governs the Authority. The Authority's commissioners serve without pay.

The Authority has been granted a broad range of powers to provide housing assistance to low-income households. The nationally recognized definition of a low-income family is a household earning less than 80 percent of the area's median income, adjusted for family size. The Authority administers federally and locally financed housing programs that serve a variety of housing needs including the following:

FEDERALLY ASSISTED HOUSING PROGRAMS

Low Rent Public Housing –The Authority owns, operates or maintains 56 housing projects consisting of 1,970 units of public housing of which 982 units are for the low-income elderly and disabled. The properties were acquired through bonds and notes guaranteed by HUD and through grants from HUD. Revenues consist of rents and other fees collected from tenants and an operating subsidy received from HUD. Typically residents pay 30% of their adjusted income in rents. Two thirds of public housing residents earn less than 20% of the area median income, with almost 80% having some form of entitlement payment as their main source of income. The Authority's subsidy is received under an Annual Contributions Contract to offset the cost of operating the units. HUD also provides funds to maintain and improve the public housing projects under the Capital Fund Program. Historically, all additions to land, structures and equipment of public housing are accomplished through these capital grant funds.

Tenant Based Housing Choice Vouchers–The Authority provides rental assistance payments to approximately 8,803 households who live in private rental housing. Funded by HUD pursuant to Section 8 of the U.S. Housing Act, this program allows participating families and individuals to choose their own housing with the use of a housing voucher. Generally the participant pays no more than 30% of income towards rent and the Authority pays the remainder. The Authority targets this program to the elderly, disabled households and families that are homeless or at the risk of homelessness. Program participants average 15% of area median income.

Project-Based Section 8 Housing – Using its MTW authority, KCHA has project-based 391 Section 8 vouchers over 12 separate sites. In addition, during 2013 KCHA will opt out of multifamily HUD contracts at Burien Park and Northwood and will project-base an additional 136 vouchers at these two sites. The Authority also owns Parkway Apartments which is under a multifamily subsidy contract with HUD that supplies 41 additional project-based units. Finally, in 2012, 509 units were disposed from the public housing program and transferred to the project-based Section 8 program through a capital lease with Moving King County Residents Forward.

UNASSISTED LOCALLY-FINANCED HOUSING PROGRAMS

KCHA has a variety of non-Federally funded housing types and programs in its Local portfolio, including properties that are:

- Financed with Tax-Exempt Debt
- Part of the Manufactured-Housing Homeownership Program
- Owned by Low Income Housing Tax Credit (LIHTC) Partnerships
- Leased to Non-profit Partner Agencies

Financed with Tax-Exempt Debt - These properties receive no operating subsidy from the Federal government or any other State or local source. The Authority acquired the properties in order to place selected housing developments within the public domain so that rents could be maintained as low as possible over time. Typically these units have a broad mix of residents with the majority having income below 80% of area median.

Homeownership - The Authority owns two mobile home parks located in South King County comprising 195 manufactured home sites. Under this program, the residents own their manufactured homes and pay rent to the Authority for the land on which the home sits. In 2011, the Authority disposed of two previously owned sites, Wonderland Estates and Tall Cedars, through a New Market Tax Credit transaction.

Low Income Housing Tax Credit Ownership - In 1994, the Authority began partnering with limited partnerships and limited liability corporations (hereafter referred to as “partnerships”) to acquire and develop additional affordable housing (see Note 7).

Leased to Non-profit Partner Agencies - The Authority has an inventory of housing developments that are generally leased to non-profit service providers for the benefit of the economically disadvantaged, developmentally disabled, transitional, homeless and other groups who have traditionally experienced barriers in finding housing.

OTHER PROGRAMS

Housing Repair and Weatherization. - The Authority receives federal and state money to provide housing rehabilitation loans and weatherization grants to low-income homeowners and renters. The Authority has been administering these types of programs since 1975. In 2012, the Authority assisted 672 homes with structural upgrades, air quality improvements and energy efficiencies.

Human Service Programs -- The Authority serves a wide variety of people with special needs such as the elderly, the physically and developmentally disabled, the homeless and the mentally ill. The Authority provides resident focused programs in its developments by working in partnership with nearly 20 different agencies that provide human services programs including job/education training and self-sufficiency programs. For example, Head Start classrooms operate at two sites, Boys and Girls Club programs operate at six sites, and three career/computer centers are located in the Authority’s developments. Counseling, educational, recreational, nutrition and transportation services are provided by community-based organizations like the YWCA, Senior Services, and Hopelink. These contracted services are partially funded using federal grants, which the Authority receives in a competitive process for periods of one to three years.

DEVELOPMENT

HOPE VI Redevelopment Projects – The Authority was awarded a \$35 million HOPE VI grant in November 2001 to revitalize Park Lake Homes Site I public housing development in the unincorporated King County neighborhood of White Center. The project, named Greenbridge to symbolize the vision and character of the new community, provides quality rental housing and homeownership opportunities for a diverse mixture of residents and newcomers. This quality new housing includes a range of housing types to suit seniors, adults with disabilities, large families, low- to moderate-income renters, and first-time and other homebuyers. The housing includes 180 public housing units, 120 project based Section 8 units, 148 work-force units, and 457 for-sale-lots. All of the rental housing is fully operational, which was accomplished through project completions and occupancy of Seola Crossing, Salmon Creek, and Eastbridge family housing, and Nia elderly and younger disabled housing.

An additional 24-unit family public housing project, Sixth Place Apartments was added to the redevelopment site, although it is not part of the HOPE VI Redevelopment Project. This project, funded with an ARRA Capital Fund Recovery Competition Grant, completed construction and was fully occupied in the summer of 2011.

The Authority was awarded a \$20 million HOPE VI grant in September 2008 to revitalize Park Lake Homes Site II public housing development in the unincorporated King County neighborhood of White Center, four blocks south of the Greenbridge HOPE VI site. The redevelopment has been named Seola Gardens. Continuing the quality housing initiative of Greenbridge, Seola Gardens will provide the same mix of housing opportunities. For rental households, the redevelopment includes 112 public housing units, 10 project based Section 8 units, and 55 HUD Section 202 elderly units. There will be an additional 108 lots available to provide homeownership opportunities. The first rental housing phase, 25 units of family housing in the Zephyr Apartments project, completed construction and was fully occupied in the summer of 2011. For the last rental phase, the Fairwind Apartments, 87 units of family housing began construction in the spring of 2012 for occupancy in the second half of 2013.

Vantage Point – The Authority has set aside \$2 million of MTW funds to develop approximately 77 units of senior housing in Renton on KCHA-owned land. This project is currently in its initial planning stage.

b) BASIS OF ACCOUNTING

Accounting records are maintained according to the proprietary fund model that is similar to private business enterprises. The Authority applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

c) ACCOUNTS ORGANIZED BY FUNDS

The accounts of the Authority are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. Each fund is, with limited exceptions, an independent fund and is restricted by contract or regulation from assisting or being assisted financially by any other fund. A list of developments is provided in Appendix A. The Authority administers the Housing Authority of the City of Sedro-Woolley. Its financial statements are audited separately and are not combined with the Authority's statements.

d) USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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 income and expenses during the reporting period. Actual results could differ from those estimates.

e) COMPONENT UNITS

The Authority serves as general partner in several partnerships (see Note 9). These partnerships constitute component units of the Authority as defined by GASB Statement 14, *The Financial Reporting Entity*, because they are separate legal entities and subject to the Authority's will and financial accountability. As the general partner/managing member, the Authority has issued bonds and other debt instruments to finance the purchase and renovation of rental housing on behalf of the partnerships. The Authority also oversees the day-to-day operation of these properties.

In accordance with GASB Statement 39, *Determining Whether Certain Organizations are Component Units*, and GASB Statement 14; the tax credit partnerships are presented discreetly in the financial statements as component units of the Authority (the primary government) because the partnerships are legally separate from the primary government, the primary government does not appoint the boards of directors of the tax credit partnerships, services provided by the partnerships benefit the citizenry and not the primary government exclusively, and it would be misleading to exclude the tax credit partnerships as the primary government has a significant relationship to the tax credit partnerships as the general partner.

For Federal tax purposes, all of the partnerships have a calendar year-end. Each partnership is audited separately. Copies of the audited statements can be obtained by contacting the Authority.

Moving King County Resident's Forward is a non-profit organization that is presented in the financial statements as a blended component unit due to the fact that the governing body of the organization is identical to the governing body of KCHA and the management of KCHA has operational responsibility for the organization.

More information about the Authority's component units can be found in Note 9 – Component Units.

f) REVENUES AND EXPENSES

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are tenant revenues. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The basis for recognition of revenues and expenses is the accrual basis of accounting. Revenues are recorded when earned. Expenses are recorded when incurred. Revenue from operating subsidies and grants is classified as non-operating revenue. Revenue from capital grants is classified as capital grant contributions.

g) CASH, CASH EQUIVALENTS AND INVESTMENTS

The Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. Investments are assets held primarily to generate income or profit with an original maturity of more than three months. Investments are reported at fair value which is based on statements from U.S. Bank, the Authority's safe-keeping entity.

Most assets held by trustees are restricted for specific uses including capital additions and improvements and debt service. Restricted accounts at December 31, 2012 include the following:

	RESTRICTED		
	Cash & Cash Equivalents	Investments	Total
Replacement Reserves	\$ 4,413,396	\$ -	\$ 4,413,396
Debt service	1,586,075	4,972,657	6,558,732
Tenant security deposits	1,395,547	-	1,395,547
Collateral Reserve	9,507,769	-	9,507,769
Other	4,270,720	576,788	4,847,508
	<u>\$ 21,173,507</u>	<u>\$ 5,549,445</u>	<u>\$ 26,722,952</u>

h) RECEIVABLES

Receivables consist primarily of rents due from tenants, cost reimbursements due from grantors, and loans and accrued interest due from the tax credit properties. Annually, tenant receivables are analyzed and the allowance for doubtful accounts adjusted. Other receivable allowances are established for uncertain collectibles. No allowances existed at December 31 other than the allowance for tenant accounts receivable.

i) INVENTORIES

Inventory consists of supplies purchased primarily for use in maintenance of the rental units. The perpetual method is used to account for inventory. As such, purchases are recorded into the inventory account and, as items are used, the inventory account is reduced and the expense account is charged. Periodically throughout the year, physical counts are taken of all supplies on hand and the inventory records are adjusted. The weighted average method is used to value the inventory.

j) CAPITAL ASSETS

Capital assets are recorded at historical cost in the land, structures, and equipment accounts and at appraised fair market value at date of receipt if contributed. The Authority defines capital assets as tangible items with an initial individual cost of at least \$5,000 if the item is equipment and \$100,000 if the item is real property or a capital improvement. Capital assets are depreciated using the straight-line method with depreciation commencing in the acquisition year and ceasing in the disposal year. Capital project costs clearly associated with the acquisition, development, and construction of a real estate project, including indirect costs and interest, are capitalized as a cost of that project. See Note 5 for the capital asset components and balances at December 31, 2012 and fiscal year activity.

Depreciable lives for the capital asset categories follow:

Land	no depreciation
Buildings and land improvements	12-60 years
Personal property	3-10 years
Construction-in-progress	no depreciation

Maintenance and repairs are charged to expense when incurred. Management reviews land, structures, and equipment for possible impairment whenever events or circumstances indicate the carrying amount of an asset may not be recoverable. If there is an indication of impairment, management prepares an estimate of future cash flows expected to result from the use of the asset and its eventual disposition. If these cash flows are less than the carrying amount of the asset, an impairment loss is recognized to write down the asset to its estimated fair value. Preparation of estimated expected future cash flows is inherently subjective and is based on management's best estimate of assumptions concerning expected future conditions.

k) TAX LIABILITY

The Authority is by law exempt from all federal, state, and local taxes and assessments. Several developments make a Payment in Lieu of Taxes (PILOT) based on contracts with local jurisdictions.

l) COMPENSATED ABSENCES

It is the Authority's policy to pay 100% of accumulated annual leave when an employee terminates employment from the Authority. As such, the value of annual leave earned but not used at year-end is accrued. Sick leave does not vest and is only paid to those separating from the Authority as retirees as defined by the state pension system.

m) INTERFUND ACCOUNTS

The Authority maintains a master paying and receiving account. All cash receipts and disbursements flow through this master account, except for disbursements to landlords under the Section 8 Voucher program, which flows through a separate checking account (Section 8 Fund). Interfund payables and receivables (due to/from relationships) are created and used to account for ownership of the funds.

n) DERIVATIVE FINANCIAL INSTRUMENTS

The fair value of interest rate swap agreements (See Note 7) is determined by dealer quote. These values represent the estimated amount the Authority would receive or pay to terminate the agreements taking into consideration current interest rates.

o) COMMITMENTS

The Authority has entered into various long-term contracts for the development of the Greenbridge and other housing projects. As of December 31, 2012, the Authority was obligated under these contracts to purchase approximately \$20.8 million of goods and services.

NOTE 2 - CASH DEPOSITS AND INVESTMENTS

The Authority is restricted in its cash deposits and investments to those allowed by RCW 35.82.070(6). In general, deposits must be made with qualified financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC).

Insurance and Collateralization

Deposits that are in excess of the \$250,000 insured amount must be continuously and fully (100%) secured. Collateral, comprised of identifiable U.S. Government securities as prescribed by HUD, are pledged or set aside to secure these deposits. The Public Deposit Protection Act in effect in the State of Washington set up a multiple financial institution collateral pool to insure public deposits. This protection is in the form of securities pledged as collateral to the Public Deposit Protection Commission (PDPC) by all qualified depositories. In 1994, the Authority received a waiver from HUD that enabled it to make deposits in excess of \$250,000 in a qualified public depository because HUD determined that there were "adequate safeguards against the loss of Public Housing Authority funds."

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits the maximum maturity of an investment to not greater than three years. Exceptions to this policy are detailed below:

- 1) 50% of the portfolio may be in "step" investments which increase interest payments at pre-determined amounts and times with maturities up to five years, primarily to provide a hedge against future interest rates.

- 2) An additional 5% of the portfolio may be in investments without step features and with maturities up to five years.
- 3) KCHA may collateralize repurchase agreements using longer-dated investments not exceeding 30 years. Reserve funds may be invested in securities exceeding 30 years if the maturities of such investments are made to coincide as nearly as practical with the expected use of the funds.
- 4) Investments matched against anticipated cash flow needs may be invested beyond three years and are not included in the limits set forth in exceptions 1 and 2.

Exceptions 1 and 2 above apply to the time when investments are made. It is not a violation of the KCHA investment policy if the limits in these two exceptions are exceeded due to subsequent investments maturing or being called.

Credit Risk

The Department of Housing and Urban Development (HUD), Washington State law, and the Authority's investment policy all limit the instruments in which the Authority may invest. Not all Authority funds have the same restrictions. Following are some of the instruments in which any Authority funds, including Federal funds, may be invested:

- 1) Direct obligations of the Federal government backed by the full faith and credit of the United States
 - a) U.S. Treasury Bills.
 - b) U.S. Treasury Notes and Bonds.
- 2) Obligations of Federal government agencies, such as:
 - a) Government National Mortgage Association (GNMA) mortgage-backed securities.
 - b) GNMA participation securities.
 - c) Maritime Administration Bonds.
 - d) Small Business Administration Bonds.
- 3) Securities of Government Sponsored Agencies, such as:
 - a) Federal Home Loan Mortgage Corporation (FHLMC) notes and bonds.
 - b) Federal National Mortgage Association (FNMA) notes and bonds.
 - c) Federal Home Loan Bank (FHLB) notes and bonds.
 - d) Federal Farm Credit Bank (FFCB) notes and bonds.
 - e) Student Loan Marketing Association (SLMA) notes and bonds.
- 4) Demand and savings accounts.
- 5) Money Market Deposit accounts.
- 6) Certain mutual funds.

In addition to the above, non-federal funds and federal funds subject to the Authority's Moving To Work Agreement with HUD may be invested in the following which are allowed by the State of Washington:

- 7) Banker's acceptances purchased on the secondary market.
- 8) Commercial paper.
- 9) Bonds of the State of Washington or any local government of the State of Washington that have one of the three highest credit ratings of a nationally recognized rating agency.
- 10) General obligation bonds of a state other than the State of Washington and general obligation bonds of a local government of a state other than the State of Washington that have one of the three highest credit ratings of a nationally recognized rating agency.
- 11) Utility revenues bonds or warrants of any city or town in the State of Washington.
- 12) Bonds or warrants of a local improvement district that is within the protection of the local improvement guaranty fund law.

Concentration of Credit Risk

The Authority diversifies its investments by security type and institution. The investment policy states: "With the exception of U.S. Treasury securities, investment agreements for trustee held funds, and authorized pools, no more than 15% of the Authority's total investment portfolio will be invested in a single security type or with a single financial institution. There is no custodial credit risk for cash and investments.

Other Information:

The Authority has established arrangements with US Bank for safekeeping of investments.

Valuation and Classification

Cash equivalents include deposits and investments that are readily convertible to cash. Instruments with an original maturity date of over 3 months are classified as investments. Cash and investments legally or contractually restricted as to use are classified as restricted.

Cash equivalents include an investment in a Local Government Investment Pool (the Pool). The Pool is not registered with the Securities and Exchange Commission (SEC), but adheres to SEC Rule 2(a)(7) of the Investment Company Act of 1940 that requires portfolio diversification, divestiture considerations and action if the market value of the portfolio deviates more than .5 percent from the amortized costs. Government pools that adhere to the SEC rule can report their investments at amortized costs if the remaining maturities of the debt securities are 90 days or less. As of December 31, 2012, the pool had an average days-to-maturity of 50 days and therefore is reported at cost. Government securities are reported at fair value.

A summary of cash and investments at December 31, 2012 follows:

	UNRESTRICTED	RESTRICTED	TOTAL
CASH and CASH EQUIVALENTS:			
Cash on hand	\$ 7,500	\$ -	\$ 7,500
Depository accounts	7,297,157	2,621,316	9,918,473
Washington State Investment Pool	34,941,448	1,643,523	36,584,971
U.S. Treasury money market		7,400,899	7,400,899
Bank of America municipal reserves		9,507,769	9,507,769
TOTAL CASH AND CASH EQUIVALENTS	\$ 42,246,105	\$ 21,173,507	\$ 63,419,612
INVESTMENTS:			
Federal agency bond investments	\$ 54,103,456	\$ -	\$ 54,103,456
Certificates of deposit		815,285	815,285
Investment Agreements:			
Societe Generale Investment Agreement		821,332	821,332
JP Morgan Chase Investment Agreement, 6.92% , 7/1/2024		686,696	686,696
Private Debt Obligations:			
Westdeutsche Landesbank Gironzentrale, 5.42% , 7/1/2028		2,209,431	2,209,431
Bank of America 6.1% 7/1/2028		1,016,701	1,016,701
TOTAL INVESTMENTS	\$ 54,103,456	\$ 5,549,445	\$ 59,652,901
TOTAL	\$ 96,349,561	\$ 26,722,952	\$ 123,072,513

Credit Ratings: The Washington State Pool is unrated. All other investments are rated AAA.

NOTE 3-PRIOR PERIOD ADJUSTMENT

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, requires that debt issuance costs be expensed in the period they are incurred. As a result, the Authority reported a Prior Period Adjustment in order to expense \$2,006,237 of debt issuance costs incurred in prior periods that had been previously amortized and reported on the Statement of Net Position.

Moving King County Residents Forward (MKCRF), a legally separate, non-profit organization is reported as a blended component unit of KCHA for 2012. Beginning equity for KCHA was adjusted by \$894 in order to reflect the beginning equity belonging to MKCRF.

It was the judgment of the Authority that these adjustments did not possess the materiality warranted to make restating the 2011 Annual Financial Statements practical.

NOTE 4-NOTE AND FINANCING LEASE RECEIVABLES

The notes and financing leases held by the Authority are primarily the result of the Authority's transactions with the tax credit partnerships. At December 31, 2012, all of the financing leases and developer fee notes, and \$193.7 million of the other notes were receivable from tax credit partnerships. The notes are received for fees earned by the Authority from developing the rental properties and for funds advanced to the partnerships to purchase and rehabilitate the properties. The notes earn interest at varying rates up to 8.5% per annum. The Authority acquires financing leases when it purchases or develops rental properties then transfers substantially all of the risks and benefits of ownership to the partnerships under financing lease. See Note 7 - Tax Credit Partnerships, for further discussion of the Authority's financial relationship with the partnerships.

A summary of the notes and direct financing leases receivable at December 31, 2012 follows.

	Beginning Balance	Additions	Payments	Ending Balance	Current Portion
Developer fee notes	\$ 3,418,770	\$ -	\$ (1,822,207)	1,596,563	\$ 535,406
Other Notes					
Real Estate:					
<i>Residential</i>	1,217,272	-	(839,739)	377,533	-
<i>Multifamily</i>	157,201,058	18,499,347	(643,207)	175,057,198	851,567
<i>Construction</i>	7,014,123	-	(7,014,123)	-	-
Other	20,857,411	-	-	20,857,411	-
Total Notes	189,708,634	18,499,347	(10,319,276)	197,888,705	1,386,973
Financing Leases, net					
Real Estate: Multifamily	105,537,447	17,759,168	(16,290,397)	107,006,218	19,651,862
Notes & Financing Leases Receivable	\$ 295,246,081	\$ 36,258,515	\$ (26,609,673)	\$ 304,894,923	\$ 21,038,835

Continued construction of the Seola Gardens (Joseph House) project under a Low Income Housing Tax Credit transaction resulted in a \$17.8 million addition to the Financing Leases receivable. Additions to Real Estate: Multifamily notes are primarily related to notes issued for the purpose of payment of \$14.3 million of Greenbridge development financing leases. See Note 7 for further information on the tax credit properties.

The maturity schedule for notes receivable follows:

FISCAL YEAR	PRINCIPAL	INTEREST **	TOTAL
2013	1,386,973	2,278,478	3,665,451
2014	62,087,605	2,311,387	64,398,992
2015	1,306,443	2,294,296	3,600,739
2016	1,625,817	2,283,268	3,909,085
2017	1,796,953	2,287,763	4,084,716
2018-2022	9,420,587	11,219,334	20,639,921
2023-2027	13,400,209	10,222,116	23,622,325
2028-2032	12,312,649	8,202,903	20,515,552
2033-2037	19,488,682	6,677,543	26,166,225
2038-2042	14,621,871	5,086,430	19,708,301
2043-2047	10,750,671	1,212,345	11,963,016
2048-2052	8,079,447	437,306	8,516,753
2053-2057	20,784,541	5,404,812	26,189,353
2058-2062	20,826,255	950,352	21,776,607
NOTE RECEIVABLE BALANCE	<u>\$ 197,888,704</u>	<u>\$ 60,868,333</u>	<u>\$ 258,757,037</u>

** On amortizing notes.

The maturity schedule for financing leases receivable follows:

FISCAL YEAR	PRINCIPAL	INTEREST **	TOTAL
2013	19,651,862	3,265,570	22,917,432
2014	4,988,561	2,124,039	7,112,600
2015	1,463,081	2,024,262	3,487,343
2016	1,537,798	1,787,643	3,325,441
2017	1,607,725	1,731,870	3,339,595
2018-2022	8,646,374	7,120,953	15,767,327
2023-2027	26,436,589	4,333,881	30,770,470
2028-2032	7,289,229	1,308,469	8,597,698
2033-2037	860,000	380,955	1,240,955
2038-2042	23,040,000	120,718	23,160,718
2043-2047	3,000,000	-	3,000,000
2048-2052	955,000	-	955,000
2053-2057	-	-	-
2058-2062	7,530,000	-	7,530,000
FINANCING LEASE RECEIVABLE	<u>\$ 107,006,219</u>	<u>\$ 24,198,359</u>	<u>\$ 131,204,577</u>

** Unearned interest.

NOTE 5 – CAPITAL ASSETS

The components and fiscal year activity of land, structures and equipment follow.

	Beginning Balances	Additions	Disposals	Reclassification	Ending Balances
NONDEPRECIABLE:					
Land	\$ 55,159,883	\$ -	\$ -	\$ -	\$ 55,159,883
Land Improvements	2,774,972	-	-	-	2,774,972
Construction-in-progress					
Greenbridge Project	66,892,163	27,185,983	(20,172,383)	-	73,905,763
Other	18,775,347	19,960,415	(279,154)	(19,824,684)	18,631,924
Total Nondepreciable	<u>143,602,366</u>	<u>47,146,398</u>	<u>(20,451,537)</u>	<u>(19,824,684)</u>	<u>150,472,543</u>
DEPRECIABLE:					
Land Improvements	17,487,806	-	-	-	17,487,806
Buildings	234,590,828	-	-	19,824,684	254,415,511
Equipment	<u>5,161,447</u>	<u>207,347</u>	<u>(152,787)</u>	<u>-</u>	<u>5,216,008</u>
Total Depreciable	<u>257,240,081</u>	<u>207,347</u>	<u>(152,787)</u>	<u>19,824,684</u>	<u>277,119,325</u>
TOTAL CAPITAL ASSETS	400,842,447	47,353,745	(20,604,324)	-	427,591,868
Accumulated Depreciation	<u>(118,547,645)</u>	<u>(8,454,215)</u>	<u>152,787</u>	<u>-</u>	<u>(126,849,073)</u>
NET CAPITAL ASSETS	<u>\$ 282,294,802</u>	<u>\$ 38,899,530</u>	<u>\$ (20,451,537)</u>	<u>\$ -</u>	<u>\$ 300,742,795</u>

Capital asset activity resulted primarily from transactions associated with the Greenbridge redevelopment project and the capitalization of various building upgrades.

Of the \$47.3 million of additions to the capital assets, \$27.1 million was attributable to the Greenbridge project construction in process. Another \$20 million of additions was the result of building upgrades started at various properties along with the construction/refurbishment of several community buildings.

Of the \$20.6 million net capital asset dispositions, approximately \$19.3 million of disposals from the Greenbridge construction in progress represented capital assets sold to the Providence Joseph House, LLLP.

\$19.8 million of reclassified construction-in-progress represent various capitalized building upgrades as well as the \$4.7 million capitalization of the completed Central Office Annex building.

NOTE 6 - LONG TERM DEBT OBLIGATIONS

The Authority has issued various forms of debt for the purpose of acquiring and rehabilitating projects located throughout King County. The debt is secured by revenue pledges and deeds of trust on property and equipment. Compliance with all indentures has been met. The components of outstanding debt at December 31, 2012 and the fiscal year activity are stated below.

In 2012, the Authority placed \$7,632,173 in an irrevocable trust in order to defease the remaining \$6,420,000 of bonds related to the Egis development. This transaction resulted in a deferred charge of \$1,212,596 to be amortized over the remaining life of the bonds.

Another advanced refunding of debt in September of 1998 resulted in a deferred charge of \$1,827,791. A deferred charge of \$810,496 at December 31, 2012 is reported on the Statement of Net Position as a deferred outflow of resources. Amortization of the deferred charge for the period was \$56,506 and is included with interest expense.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Payments</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Revenue Bonds	\$ 141,911,496	\$ -	\$ (10,796,249)	\$ 131,115,247	\$ 4,872,379
Demand Bonds	85,930,000	-	\$ (1,885,000)	84,045,000	1,665,000
Mortgage Notes	2,627,652	-	\$ (1,508,662)	1,118,990	43,614
Financing Lease	1,797,751	-	\$ (861,642)	936,109	166,837
Lines of Credit	54,833,860	6,648,196	\$ (6,947,664)	54,534,390	251,962
Notes Payable	8,381,712	2,475,000	\$ (9,272)	10,847,440	24,495
	<u>\$ 295,482,471</u>	<u>\$ 9,123,196</u>	<u>\$ (22,008,489)</u>	<u>\$ 282,597,176</u>	<u>\$ 7,024,288</u>

Details of each issuance of long-term obligations follow:

	Fiscal Year Issued	Amount Issued	Interest Rates	Fiscal Year Maturity	Amount Outstanding	Current Portion
<u>Revenue Bonds:</u>						
<i>Tax Credit:</i>						
Cascadian	1994	\$ 8,385,000	4.00-6.50%	2025	\$ 4,800,000	\$ 210,000
Fairwood	1995	5,260,000	3.80-5.60%	2026	3,360,168	175,000
Rural Housing	1997	2,230,000	4.50-5.75%	2028	1,587,009	65,000
Laurelwood	1997	2,500,000	4.40-6.00%	2028	1,729,464	75,000
Heritage Park	1998	4,950,000	4.15-5.60%	2030	3,620,015	135,000
Windsor Heights	1998	10,650,000	4.00-5.40%	2029	7,500,548	310,000
Alpine Ridge	1999	2,875,000	4.25-6.40%	2031	2,185,423	75,000
Colonial Gardens	1999	4,950,000	3.75-6.20%	2031	3,865,000	120,000
Somerset	1999	3,605,000	4.80-6.80%	2014	3,605,000	-
Somerset (Kv)	1999	2,535,000	4.80-6.80%	2031	1,989,355	60,000
Eastwood Square	2001	4,000,000	5.35-5.45%	2041	3,580,000	55,000
Somerset	2001	3,895,000	5.00%	2033	3,195,000	90,000
Southwood Square	2001	5,000,000	2.25-6.00%	2032	3,956,514	120,000
Greenbridge - Nia	2006	3,000,000	5.41-5.87%	2037	2,905,000	35,000
Seola Crossing 1	2006	1,650,000	6.38%	2047	1,619,216	7,388
Seola Crossing 2	2006	5,050,000	6.38%	2047	4,955,784	22,612
Soosette Creek	2008	37,500,000	0.00-0.65%	2058	32,905,000	1,895,000
Total tax credit		<u>\$ 108,035,000</u>			<u>\$ 87,358,496</u>	<u>\$ 3,450,000</u>
<i>Other:</i>						
Woodridge Park	1995	4,860,000	4.50-6.35%	2026	3,110,650	165,000
1998 Pool	1998	32,955,000	4.35-5.65%	2029	23,549,946	1,023,165
Central Office Building	2000	2,000,000	5.32%	2015	536,158	169,214
Greenbridge - Eastbridge Apts.	2008	7,060,000	5.65%	2029	7,060,000	65,000
Green River Homes II	2011	9,500,000	.75 -2%	2024	9,500,000	-
Total other		<u>\$ 56,375,000</u>			<u>\$ 43,756,755</u>	<u>\$ 1,422,379</u>
Total revenue bonds		<u><u>\$ 164,410,000</u></u>			<u><u>\$ 131,115,251</u></u>	<u><u>\$ 4,872,379</u></u>
<u>Demand Bonds:</u>						
<i>Tax Credit:</i>						
Overlake	2000	\$ 23,725,000	0.28-2.61%	2043	\$ 23,315,000	\$ 95,000
Total tax credit		<u>\$ 23,725,000</u>			<u>\$ 23,315,000</u>	<u>\$ 95,000</u>
<i>Other:</i>						
Landmark	2002	\$ 18,500,000	0.28-2.56%	2043	\$ 16,450,000	\$ 500,000
2005 Pool	2005	46,290,000	0.33%	2035	40,125,000	1,020,000
Salmon Creek	2008	4,155,000	1.10-2.61%	2048	4,155,000	50,000
Total other		<u>\$ 68,945,000</u>			<u>\$ 60,730,000</u>	<u>\$ 1,570,000</u>
Total demand bonds		<u><u>\$ 92,670,000</u></u>			<u><u>\$ 84,045,000</u></u>	<u><u>\$ 1,665,000</u></u>
<u>Mortgage Notes:</u>						
<i>Tax Credit:</i>						
Rural Housing	1998	\$ 1,350,949	7.25%	2033	\$ 1,103,415	\$ 28,039
Total tax credit		<u>\$ 1,350,949</u>			<u>\$ 1,103,415</u>	<u>\$ 28,039</u>
<i>Other:</i>						
Westminster	2010	165,994	7.00%	2013	\$ 15,575	15,575
Total other		<u>\$ 165,994</u>			<u>\$ 15,575</u>	<u>\$ 15,575</u>
Total mortgage notes		<u><u>\$ 1,516,943</u></u>			<u><u>\$ 1,118,990</u></u>	<u><u>\$ 43,614</u></u>

Details of each issuance of long-term obligations follow– continued.:

	Fiscal Year Issued	Amount Issued	Interest Rates	Fiscal Year Maturity	Amount Outstanding	Current Portion
<u>Financing Lease:</u>						
ESCO	2005	\$ 3,900,000	3.90%	2018	\$ 936,109	\$ 166,837
Total financing leases		<u>\$ 3,900,000</u>			<u>\$ 936,109</u>	<u>\$ 166,837</u>
<u>Lines of Credit:</u>						
<i>Tax Credit:</i>						
New Market Tax Credit	2011	11,500,000	2.25%	2014	7,721,183	-
Total tax credit		<u>\$ 11,500,000</u>			<u>\$ 7,721,183</u>	<u>\$ -</u>
<i>Other:</i>						
Burien Park	2010	1,214,764	1.62%	2013	251,962	251,962
Seola Gardens	2010	20,000,000	1.38% -1.51%	2014	17,896,419	-
Bank of America Line of Credit:	2010	10,000,000	1.27%	2015	7,077,199	-
Central Office Annex					6,312,765	-
Island Crest					764,434	-
Island Crest	2011	2,800,000	1.37% - 1.68%	2014	2,800,000	-
Meadowbrook Apts.	2011	15,000,000	2.05%	2015	12,139,428	-
Fairwind	2012	16,500,000	1.45%	2014	6,648,196	-
Total		<u>\$ 65,514,764</u>			<u>\$ 46,813,205</u>	<u>\$ 251,962</u>
Total lines of credit		<u>\$ 77,014,764</u>			<u>\$ 54,534,388</u>	<u>\$ 251,962</u>
<u>Notes Payable:</u>						
<i>Tax Credit:</i>						
Somerset - Bellevue	2000	\$ 700,000	1.00%	2030	\$ 700,000	\$ -
Somerset	2000	400,000	1.00%	2032	362,362	3,344
Eastwood Square	2001	600,000	6.95%	2041	552,078	6,375
Overlake - 2, 3	2001	1,456,000	3.42%	2042	750,000	5,745
Overlake - 4	2001	1,500,000	1.00%	2050	1,500,000	-
Overlake - 5	2001	500,000	1.00%	2050	500,000	-
Southwood Square	2001	380,000	1.00%	2053	380,000	-
Greenbridge - Nia	2007	328,000	0.00%	2022	328,000	-
Seola Crossing II	2007	250,000	6.38%	2058	250,000	-
Soosette Creek	2010	1,950,000	0.65%	2060	1,950,000	-
Fariwind	2012	2,475,000	1.00%	2062	2,475,000	-
Total tax credit		<u>\$ 10,539,000</u>			<u>\$ 9,747,440</u>	<u>\$ 15,464</u>
<i>Other:</i>						
Hidden Village - Bellevue	1992	\$ 200,000	5.00%	2042	\$ 200,000	\$ 3,010
Spiritwood - Bellevue	1992	400,000	5.00%	2042	400,000	6,021
Spiritwood - State	1992	207,843	5.00%	2043	207,843	-
Hidden Village - State	1992	292,157	5.00%	2044	292,157	-
Total other		<u>\$ 1,100,000</u>			<u>\$ 1,100,000</u>	<u>\$ 9,031</u>
Total notes payable		<u>\$ 11,639,000</u>			<u>\$ 10,847,440</u>	<u>\$ 24,495</u>
TOTAL LONG-TERM OBLIGATIONS		<u>\$ 351,150,707</u>			<u>\$ 282,597,176</u>	<u>\$ 7,024,288</u>

The schedule of principal payments follows:

Debt Service - Principal	Revenue Bonds	Demand Bonds	Mortgage Notes	Financing Lease	Lines of Credit	Notes	Total
2013	4,872,379	1,665,000	43,614	166,837	251,962	24,495	7,024,288
2014	10,653,960	1,231,728	30,141	173,462	54,282,424	25,477	66,397,191
2015	6,363,377	1,297,324	32,400	180,349	-	23,902	7,897,352
2016	6,528,845	1,350,288	34,829	187,810	-	68,589	8,170,360
2017-2021	32,803,407	8,411,759	217,447	227,652	-	387,978	42,048,244
2022-2026	29,935,506	11,125,979	312,111	-	-	814,080	42,187,676
2027-2031	22,772,777	14,224,388	369,940	-	-	822,505	38,189,609
2032-2036	8,220,000	14,253,534	78,508	-	-	403,849	22,955,891
2037-2041	6,775,000	6,335,000	-	-	-	523,880	13,633,880
2042-2046	2,190,000	23,720,000	-	-	-	884,086	26,794,086
2047-2051	-	430,000	-	-	-	2,039,732	2,469,732
2052-2056	-	-	-	-	-	153,867	153,867
2057-2061	-	-	-	-	-	4,675,000	4,675,000
Total	\$ 131,115,251	\$ 84,045,000	\$ 1,118,990	\$ 936,109	\$ 54,534,386	\$ 10,847,440	\$ 282,597,176

The schedule of interest payments follows:

Debt Service - Interest	Revenue Bonds	Demand Bonds	Mortgage Notes	Financing Lease	Lines of Credit	Notes	Total
2013	6,770,891	1,296,436	79,257	33,556	-	122,074	8,302,215
2014	6,529,013	1,295,124	76,974	26,932	-	104,871	8,032,913
2015	6,038,335	1,293,749	74,714	20,045	-	107,424	7,534,268
2016	5,760,658	1,292,374	72,286	12,884	-	107,254	7,245,456
2017-2021	24,358,965	6,439,054	318,127	5,601	-	526,222	31,647,970
2022-2026	16,327,351	6,394,177	223,462	-	-	544,520	23,489,509
2027-2031	8,057,611	6,338,423	98,528	-	-	623,919	15,118,481
2032-2036	4,039,501	6,116,074	2,924	-	-	505,589	10,664,088
2037-2041	1,374,096	5,420,093	-	-	-	462,324	7,256,513
2042-2046	419,178	2,194,308	-	-	-	453,485	3,066,971
2047-2051	-	5,941	-	-	-	573,362	579,303
2052-2056	-	-	-	-	-	733,255	733,255
2057-2061	-	-	-	-	-	350,022	350,022
Total	\$ 79,675,599	\$ 38,085,752	\$ 946,272	\$ 99,019	\$ -	\$ 5,214,321	\$ 124,020,963

The schedule of debt service payments follows:

Debt Service - Total	Revenue Bonds	Demand Bonds	Mortgage Notes	Financing Lease	Lines of Credit	Notes	Total
2013	11,643,270	2,961,436	122,872	200,394	251,962	146,569	15,326,503
2014	17,182,973	2,526,852	107,115	200,394	54,282,424	130,347	74,430,105
2015	12,401,713	2,591,073	107,114	200,394	-	131,326	15,431,620
2016	12,289,503	2,642,661	107,115	200,694	-	175,843	15,415,816
2017-2021	57,162,372	14,850,814	535,574	233,253	-	914,200	73,696,214
2022-2026	46,262,857	17,520,156	535,573	-	-	1,358,600	65,677,185
2027-2031	30,830,387	20,562,811	468,468	-	-	1,446,424	53,308,090
2032-2036	12,259,501	20,369,608	81,432	-	-	909,438	33,619,979
2037-2041	8,149,096	11,755,093	-	-	-	986,204	20,890,393
2042-2046	2,609,178	25,914,308	-	-	-	1,337,571	29,861,057
2047-2051	-	435,941	-	-	-	2,613,094	3,049,035
2052-2056	-	-	-	-	-	887,122	887,122
2057-2061	-	-	-	-	-	5,025,022	5,025,022
Total	\$ 210,790,850	\$ 122,130,752	\$ 2,065,262	\$ 1,035,128	\$ 54,534,386	\$ 16,061,761	\$ 406,618,139

NOTE 7-DEMAND BONDS

The Authority had \$84.045 million in outstanding variable rate demand bonds on three projects and one 8-project bond pool. The Landmark Apartments (Landmark) had \$16.45 million, the Village at Overlake Station (Overlake) had \$23.315 million, Salmon Creek Apartments had \$4.155 million and the 2005 bond pool (comprised of the Carriage House, Cottonwood, Newporter, Timberwood, Cove East, Woodside East, Aspen Ridge and Bellepark East projects) had \$40.125 million outstanding, respectively, at December 31, 2012. The bonds for each have the following common characteristics:

- Credit enhancements have been obtained for each of the bond issuances. For Overlake the credit enhancement is in the form of a Letter of Credit (LOC) and is equal to the outstanding bond balance plus one interest payment, priced at 0.20% of the facility. For the 2005 Pool, the credit enhancement is in the form of a direct pay credit enhancement agreement issued by the Federal Home Loan Mortgage Corporation priced at 0.30% of the facility.
- The credit enhancements are intended to not only provide security to bondholders, but also to pay periodic interest payments for which the Authority regularly reimburses the credit enhancement providers.
- The Banc of America Securities LLC acts as remarketing agent, reselling at market rates any bonds sold by bondholders. It has committed to repurchasing bonds for its own portfolio if the bonds cannot be resold on the open market.
- Interest rates are recalculated weekly, based on the rate at which bonds can be remarketed.
- The bonds are subject to an annual remarketing fee of 0.05% of the outstanding amount of the bonds or \$5,000 whichever is greater.
- Underlying source of repayment for the bonds is the revenues produced by the respective properties.
- In conjunction with the sale of these bonds, the Authority entered into interest rate swap agreements as a cash flow hedge to reduce the volatility related to variable rate interest debt.
- Bonds are convertible to fixed rate at the Authority's option.

The Landmark bond matures in 2042. At December 31, 2012 the variable rate on the bonds was 0.15%. The Landmark 2002 variable rate demand note bonds have a year-end principal balance of \$16,450,000, after a December 1, 2011 principal payment of \$775,000. An Irrevocable Letter of Credit, issued by Bank of America, was extended from an expiration of July 10, 2011 to July 10, 2013. The LOC guarantees payment of the variable rate bonds. There is currently no swap agreement in place. Negotiations are currently underway to obtain a new Letter of Credit.

The Overlake bonds mature in 2040. At December 31, 2012 the variable rates on the bonds was 0.15%. The Letter of Credit was extended in 2010 for an additional two years and supports the variable rate bonds only. Under the swap contract terms, the Authority pays a fixed rate of 4.11% and receives a variable rate equal to 70% of the 1 Month USD-LIBOR-BBA on the declining notional amount. As of December 31, 2012, the notional amount was \$22,050,000 and the fair market value of the swap contract was (\$75,198).

Salmon Creek Apartments bond matures in 2047. At December 31, 2012 the variable rate on the bond was 0.15%. The Salmon Creek variable rate demand bond had a year-end principle balance of \$4,155,000. This bond has a swap agreement in place, but not held by the Authority. The interest the Authority pays through the swap agreement is 3.988%.

The 2005 bond pool bonds mature in 2035. At December 31, 2012 the variable rate on the bonds was 0.12%. The credit enhancement agreement is for a fixed term of 15 years and, upon maturity of the credit facility, the Authority will either refinance the bond issue or obtain another credit enhancement. The Authority has entered into three swap contracts with respect to the bonds. Under the swap contract terms, the Authority pays a fixed rate of 3.87%; 3.459%; and 3.609% and receives a variable rate equal to the weekly weighted average of SIFMA resets for the respective period on the applicable notional amounts. As of December 31, 2012, the notional amounts were \$21,735,000, \$9,508,175, and \$8,694,000 respectively and the aggregate fair market value of the swaps was (\$5,418,997).

NOTE 8 - DERIVATIVE INSTRUMENTS

a) *Summary of Derivative Instruments*

At December 31, 2012, the Authority had the following derivative instruments outstanding:

	Changes in Fair Value		Fair Value at December 31, 2012		Notional
	Classification	Amount	Classification	Amount	
Governmental Activities					
Investment derivatives:					
Pay-fixed interest rate swaps					
B of A, Overlake Swap	Investment Income	\$ 835,468	Investment	\$ (75,198)	\$ 22,050,000
Wachovia, 2005 Pool A	Investment Income	(465,206)	Investment	(3,934,380)	\$ 21,735,000
B of A, 2005 Pool B	Investment Income	169,515	Investment	(718,280)	\$ 8,694,000
B of A, 2005 Pool C	Investment Income	175,471	Investment	(766,337)	\$ 9,508,175
		<u>\$ 715,248</u>		<u>\$ (5,494,195)</u>	

1. Fair Value of derivatives is recorded in "Interest Rate Swaps - Fair Value" on Statement of Net Position
2. Changes in Fair Value of derivatives are recorded in "Investment Income" in Statement of Revenues, Expenses, and Changes in Net Position

b) *Investment Derivative Risks*

- The credit ratings of the swap counterparties are as follows: Bank of America, N.A. (A/A3/A) and Wells Fargo Bank, N.A. (AA-/Aa3/AA-)
- There is no potential loss if the counterparties fail to fulfill their obligations.
- The swap providers' obligations under the swap are supported by contractual obligations of Bank of America, N.A. and Wells Fargo Bank, N.A., as successor in interest to Wachovia Bank, N.A.
- Significant concentration of credit risk exists with Bank of America as it holds three of the four swap contracts.

NOTE 9 –COMPONENT UNITS

Moving King County Residents Forward

Moving King County Residents Forward (MKCRF) is a legally separate, 501(c)(3), non-profit organization. During 2012, KCHA leased property to MKCRF through a 30-year capital lease with payments of one dollar per year. As a result of this transaction, the Authority swapped subsidy from the Public Housing program for subsidy from the Section 8 program. The increased Section 8 subsidy will be leveraged to complete \$18 million of capital improvements at all 22 housing locations.

Due to the fact that the governing body of MKCRF is identical to the governing body of KCHA and the management of KCHA has operational responsibility for MKCRF, MKCRF's balances and transactions are "blended" with those of KCHA pursuant to GASB Statement 14, *The Financial Reporting Entity* and GASB Statement 61 *The Financial Reporting Entity: Omnibus*.

When combining MKCRF and KCHA financial data, the capital lease was eliminated, as well as other payables to KCHA, in order to prevent overstatement of debt and receivables.

Following are the condensed financial statements of MKCRF:

Moving King County Residents Forward Condensed Statement of Net Position

	2012	2011
Assets:		
Current and other assets	\$ (1,176)	\$ (894)
Capital assets	20,303,424	-
Total Assets	<u>20,302,248</u>	<u>(894)</u>
Liabilities:		
Current and other liabilities	1,501,481	-
Long-term debt, net of current	29	-
Total Liabilities	<u>1,501,510</u>	<u>-</u>
Net Position:		
Net Investment in Capital Assets	20,315,477	-
Restricted	-	-
Unrestricted	(1,514,739)	(894)
Total Net Position	<u>\$ 18,800,738</u>	<u>\$ (894)</u>

Condensed Statement of Revenues, Expense, and Changes in Net Position

	2012	2011
Operating revenues	\$ -	\$ -
Nonoperating revenues	-	-
Total Revenues	-	-
Operating expenses	125,365	10
Nonoperating expenses	-	-
Total Expenses	125,365	10
Excess or deficiency before contributions	(125,365)	(10)
Capital contributions	18,926,997	-
Change in Net Position	18,801,632	(10)
Beginning Net Position	(894)	(884)
Ending Net Position	\$ 18,800,738	\$ (894)

Condensed Statement of Cash Flows

	2012	2011
Net cash provided by (used in):		
Operating activities	\$ (282)	\$ (10)
Capital and related financing activities	-	-
Investing activities	-	-
Net Increase in cash and cash Equivalents	(282)	(10)
Cash and cash equivalents - beginning of the year	(894)	(884)
Cash and cash equivalents - end of the year	\$ (1,176)	\$ (894)

Low Income Housing Tax Credit (LIHTC)

The tax credit program is the result of Federal legislation, which allows investors certain tax incentives for investing in low-income housing. Investors also are allowed to deduct any losses passed through to them from the partnerships. Under terms of the tax code, the buildings must continue to serve the targeted population for 15 years. The Authority has the option to purchase them at the expiration of this compliance period.

The Authority currently is a general partner in the following tax credit partnerships: Laurelwood Gardens (Federal Way), the Rural Preservation projects (Enumclaw and North Bend), Seatac (Sea Tac), Heritage Park (Bothell), Colonial Gardens (Shoreline), Alpine Ridge (Bothell), Kona Village (Bellevue), Overlake Station (Redmond), Southwood Square (Kent), Cones (White Center), Harrison House (Kent), Green River (aka Valley Park) (Auburn), Seola Crossing (White Center), Nia (White Center), Egis (scattered sites), Soosette Creek (Kent), Eastbridge (Seattle), Salmon Creek (White Center), Sixth Place (White Center), and Zephyr (Seattle).

Typically, at the time of closing, the Authority will earn a developer's fee for its role in bringing the project to fruition. Developer fees are paid primarily from available cash flows and development proceeds. Under the various partnership agreements, any outstanding developer fees are generally required to be paid within 10 to 15 years of the project's placed-in-service date and may accrue interest on unpaid balances. Certain tax credit projects also incur a management fee and sometimes a construction management fee owed to the general partner. These incurred fees and interest are reflected in the Authority's operating income and totaled \$342,500 in 2012.

The financing for the tax credit partnerships was structured as direct financing leases from the Authority to the partnerships. Upon issuance of the bonds, the Authority purchases the projects. The Authority retains ownership of the buildings, and leases them to the partnerships under terms of a long term financing lease, which is treated as a sale for tax purposes. Payments from the partnerships are sufficient to pay the outstanding bonds, but the Authority remains contingently liable for their payment. The debt interest expense and an offsetting amount of interest income are reflected on the Authority's books and total \$2,536,215 for the year.

Although the bonds are the primary source of funds for the purchase of the developments, other funding is usually required. Lines of credit, both taxable and non-taxable, are secured by the Authority to pay some of the acquisition costs and most of the rehabilitation costs. These lines are retired primarily using proceeds from the sale of Low Income Housing Tax Credits to the limited partners usually within two to three years of the partnership's inception. The Authority also may receive grant funds or other loans to assist in purchasing the properties and in preserving affordability within the projects. Because of limitations posed by the Internal Revenue Service, all such funds are lent to the partnerships. These advances are accounted for as part of the financing lease if the proceeds are used for purchasing the property and are accounted for as notes receivable from the partnerships if the proceeds are used for rehabilitating the property. A summary of the Authority's long-term debt is reflected in Note 6. A summary of notes receivable and investments in direct financing leases with the partnerships is reflected in Note 4.

Partnership Name	Alpine Ridge	Colonial Gardens	Cones	Eastbridge	Egis	Green River Homes	Harrison House Apts.
Fiscal Year Acquired / Sold	1999	1999	2003	2010	2007	2004	2004
ASSETS, LIABILITIES AND NET ASSETS:							
ASSETS							
Cash and investments	\$ 526,087	\$ 1,027,236	\$ 654,376	\$ 820,734	\$ 1,152,755	\$ 493,542	\$ 684,067
Receivables and other	51,408	83,211	10,737	255,781	803,832	63,420	101,962
Capital assets, net	2,884,306	4,956,917	8,525,896	20,486,183	62,971,076	6,889,580	6,520,709
Total Assets	<u>\$3,461,801</u>	<u>\$6,067,364</u>	<u>\$ 9,191,009</u>	<u>\$ 21,562,698</u>	<u>\$64,927,663</u>	<u>\$ 7,446,542</u>	<u>\$ 7,306,738</u>
LIABILITIES & NET ASSETS							
LIABILITIES							
Current liabilities	\$ 371,517	\$ 464,226	\$ 288,320	\$ 316,881	\$ 3,267,199	\$ 837,083	\$ 1,175,456
Long-term liabilities	2,194,629	3,745,000	5,112,115	10,243,270	49,796,619	4,072,641	5,071,716
NET ASSETS	<u>895,655</u>	<u>1,858,138</u>	<u>3,790,574</u>	<u>11,002,547</u>	<u>11,863,845</u>	<u>2,536,818</u>	<u>1,059,566</u>
Total Liabilities & Net Assets	<u>\$3,461,801</u>	<u>\$6,067,364</u>	<u>\$ 9,191,009</u>	<u>\$ 21,562,698</u>	<u>\$64,927,663</u>	<u>\$ 7,446,542</u>	<u>\$ 7,306,738</u>
REVENUE, EXPENSES AND CHANGE IN NET ASSETS:							
OPERATING REVENUES							
Tenant revenue	\$ 504,673	\$ 866,119	\$ 773,227	\$ 1,162,597	\$ 2,320,830	\$ 595,123	\$ 630,447
Other Revenue	5,357	16,484	78,573	-	34,991	8,136	16,031
Total Operating Revenue	<u>510,030</u>	<u>882,603</u>	<u>851,800</u>	<u>1,162,597</u>	<u>2,355,821</u>	<u>603,259</u>	<u>646,478</u>
OPERATING EXPENSES							
Administrative	112,737	110,109	228,956	203,146	853,610	180,161	138,914
Operating and maintenance	174,941	311,312	417,812	353,072	1,120,030	279,447	261,616
Depreciation	91,181	165,149	274,662	1,127,599	1,818,156	343,802	318,295
Total Operating Expense	<u>378,859</u>	<u>586,570</u>	<u>921,430</u>	<u>1,683,817</u>	<u>3,791,795</u>	<u>803,410</u>	<u>718,825</u>
Total Operating Income	131,171	296,033	(69,630)	(521,220)	(1,435,974)	(200,151)	(72,347)
NONOPERATING REVENUES (EXPENSES)							
Investment income	16,326	19,632	781	317	-	-	-
Interest expense	(144,205)	(239,047)	(185,744)	(597,670)	(903,993)	(184,204)	(243,195)
Total nonoperating revenues (expenses)	<u>(127,879)</u>	<u>(219,415)</u>	<u>(184,963)</u>	<u>(597,353)</u>	<u>(903,993)</u>	<u>(184,204)</u>	<u>(243,195)</u>
Total Net Income (Loss)	3,292	76,618	(254,593)	(1,118,573)	(2,339,967)	(384,355)	(315,542)
Contributions (distributions)	<u>163,759</u>	<u>-</u>	<u>(6,149)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET ASSETS	167,051	76,618	(260,742)	(1,118,573)	(2,339,967)	(384,355)	(315,542)
Beginning Net Assets	<u>728,604</u>	<u>1,781,520</u>	<u>4,051,316</u>	<u>12,121,120</u>	<u>14,203,812</u>	<u>2,921,173</u>	<u>1,375,108</u>
Total Ending Net Assets	<u>\$ 895,655</u>	<u>\$1,858,138</u>	<u>\$ 3,790,574</u>	<u>\$ 11,002,547</u>	<u>\$11,863,845</u>	<u>\$ 2,536,818</u>	<u>\$ 1,059,566</u>

	Heritage Park	Kona Village	Laurelwood Gardens	Nia	Overlake TOD Housing	Rural Housing	Salmon Creek
Partnership Name	1999	1999	1997	2008	2000	1999	2009
Fiscal Year Acquired / Sold							
ASSETS, LIABILITIES AND NET ASSETS:							
ASSETS							
Cash and investments	\$ 883,150	\$ 1,651,379	\$ 964,595	\$ 362,562	\$ 2,803,976	\$ 626,694	\$ 384,075
Receivables and other	99,589	140,814	55,750	248,102	267,897	100,715	234,997
Capital assets, net	5,220,260	13,745,482	3,087,700	17,335,302	30,077,707	3,611,750	19,862,565
Total Assets	<u>\$ 6,202,999</u>	<u>\$ 15,537,675</u>	<u>\$ 4,108,046</u>	<u>\$ 17,945,966</u>	<u>\$ 33,149,580</u>	<u>\$ 4,339,159</u>	<u>\$ 20,481,637</u>
LIABILITIES & NET ASSETS							
LIABILITIES							
Current liabilities	\$ 551,426	\$ 472,853	\$ 411,370	\$ 882,011	\$ 740,776	\$ 249,693	\$ 1,625,020
Long-term liabilities	3,491,751	10,448,250	2,527,852	7,683,000	26,956,103	3,384,664	7,730,595
NET ASSETS	2,159,822	4,616,572	1,168,824	9,380,955	5,452,702	704,803	11,126,022
Total Liabilities & Net Assets	<u>\$ 6,202,999</u>	<u>\$ 15,537,675</u>	<u>\$ 4,108,046</u>	<u>\$ 17,945,966</u>	<u>\$ 33,149,580</u>	<u>\$ 4,339,159</u>	<u>\$ 20,481,637</u>
REVENUE, EXPENSES AND CHANGE IN NET ASSETS:							
OPERATING REVENUES							
Tenant revenue	\$ 896,859	\$ 1,773,285	\$ 837,829	\$ 606,496	\$ 3,276,824	\$ 821,104	\$ 707,178
Other Revenue	24,125	94,262	-	4,856	80,922	18,453	10,616
Total Operating Revenue	920,984	1,867,547	837,829	611,352	3,357,746	839,557	717,794
OPERATING EXPENSES							
Administrative	228,165	282,568	166,552	189,453	478,504	232,047	206,599
Operating and maintenance	323,956	787,368	464,048	249,261	926,964	364,304	434,032
Depreciation	184,247	382,644	182,880	793,622	1,074,096	219,905	638,024
Total Operating Expense	736,368	1,452,580	813,480	1,232,336	2,479,564	816,256	1,278,655
Total Operating Income	184,616	414,967	24,349	(620,984)	878,182	23,301	(560,861)
NONOPERATING REVENUES (EXPENSES)							
Investment income	523	13,187	10,038	204	3,815	7,028	395
Interest expense	(206,198)	(536,021)	(141,097)	(337,201)	(1,227,374)	(126,859)	(394,848)
Total nonoperating revenues (expenses)	(205,675)	(522,834)	(131,058)	(336,997)	(1,223,559)	(119,831)	(394,453)
Total Net Income (Loss)	(21,059)	(107,867)	(106,709)	(957,981)	(345,377)	(96,530)	(955,314)
Contributions (distributions)	-	-	-	-	-	-	-
CHANGE IN NET ASSETS	(21,059)	(107,867)	(106,709)	(957,981)	(345,377)	(96,530)	(955,314)
Beginning Net Assets	2,180,881	4,724,439	1,275,533	10,338,936	5,798,079	801,333	12,081,336
Total Ending Net Assets	<u>\$ 2,159,822</u>	<u>\$ 4,616,572</u>	<u>\$ 1,168,824</u>	<u>\$ 9,380,955</u>	<u>\$ 5,452,702</u>	<u>\$ 704,803</u>	<u>\$ 11,126,022</u>

Partnership Name	Seatac	Seola Crossing	South-wood Square	Soosette Creek	Sixth Place	Zephyr	GRAND TOTAL
Fiscal Year Acquired / Sold	1998	2007	2001	2008	2010	2010	
ASSETS, LIABILITIES AND NET ASSETS:							
ASSETS							
Cash and investments	\$ 3,038,145	\$ 961,620	\$ 1,039,193	\$ 3,577,195	\$ 298,999	\$ 147,816	\$ 22,098,197
Receivables and other	84,630	396,653	87,083	924,875	53,048	86,121	4,150,624
Capital assets, net	13,496,187	33,911,301	6,935,461	88,172,101	9,139,547	7,220,030	365,050,060
Total Assets	<u>\$16,618,962</u>	<u>\$ 35,269,574</u>	<u>\$ 8,061,737</u>	<u>\$ 92,674,171</u>	<u>\$9,491,594</u>	<u>\$ 7,453,966</u>	<u>\$391,298,881</u>
LIABILITIES & NET ASSETS							
LIABILITIES							
Current liabilities	\$ 945,267	\$ 139,674	\$ 951,198	\$ 3,725,809	\$ 12,786	\$ 49,482	\$ 17,478,046
Long-term liabilities	9,903,766	19,745,262	4,807,136	65,028,996	6,792,654	6,075,000	254,811,018
NET ASSETS	<u>5,769,929</u>	<u>15,384,638</u>	<u>2,303,403</u>	<u>23,919,366</u>	<u>2,686,154</u>	<u>1,329,484</u>	<u>119,009,817</u>
Total Liabilities & Net Assets	<u>\$16,618,962</u>	<u>\$ 35,269,574</u>	<u>\$ 8,061,737</u>	<u>\$ 92,674,171</u>	<u>\$9,491,594</u>	<u>\$ 7,453,966</u>	<u>\$391,298,881</u>
REVENUE, EXPENSES AND CHANGE IN NET ASSETS:							
OPERATING REVENUES							
Tenant revenue	\$ 2,472,538	\$ 1,756,606	\$ 1,055,823	\$ 3,773,634	\$ 185,791	\$ 186,183	\$ 25,203,166
Other Revenue	192,108	-	8,572	27,721	14,521	1,501	637,229
Total Operating Revenue	<u>2,664,646</u>	<u>1,756,606</u>	<u>1,064,395</u>	<u>3,801,355</u>	<u>200,312</u>	<u>187,684</u>	<u>25,840,395</u>
OPERATING EXPENSES							
Administrative	383,777	351,861	189,429	765,217	41,023	80,182	5,423,010
Operating and maintenance	1,308,835	754,529	403,925	1,090,122	102,175	110,783	10,238,533
Depreciation	452,060	1,284,322	219,165	2,617,879	364,927	243,905	12,796,520
Total Operating Expense	<u>2,144,672</u>	<u>2,390,712</u>	<u>812,519</u>	<u>4,473,219</u>	<u>508,125</u>	<u>434,870</u>	<u>28,458,063</u>
Total Operating Income	519,974	(634,106)	251,876	(671,864)	(307,813)	(247,186)	(2,617,668)
NONOPERATING REVENUES (EXPENSES)							
Investment income	42,708	625	17,772	588	-	25	133,964
Interest expense	(482,268)	(975,185)	(288,746)	(1,346,867)	(18,954)	(28,249)	(8,607,924)
Total nonoperating revenues (expenses)	<u>(439,560)</u>	<u>(974,560)</u>	<u>(270,974)</u>	<u>(1,346,278)</u>	<u>(18,954)</u>	<u>(28,224)</u>	<u>(8,473,959)</u>
Total Net Income (Loss)	80,414	(1,608,666)	(19,098)	(2,018,142)	(326,767)	(275,410)	(11,091,628)
Contributions (distributions)	-	-	(6,333)		3,210,662	1,837,419	5,199,358
CHANGE IN NET ASSETS	80,414	(1,608,666)	(25,431)	(2,018,142)	2,883,895	1,562,009	(5,892,270)
Beginning Net Assets	5,689,515	16,993,304	2,328,834	25,937,508	(197,741)	(232,523)	124,902,087
Total Ending Net Assets	<u>\$ 5,769,929</u>	<u>\$ 15,384,638</u>	<u>\$ 2,303,403</u>	<u>\$ 23,919,366</u>	<u>\$2,686,154</u>	<u>\$ 1,329,486</u>	<u>\$119,009,817</u>

NOTE 10 – SUPPLEMENTAL FINANCIAL INFORMATION

Following are details of selected financial statement line items.

Other Revenue:

Portability administrative fee from other authorities	\$	1,505,376	
Other portability income		25,443,370	
Non-dwell rent		184,451	
Property Management Fees		921,484	
Developer fees		342,500	
Unit upgrade		2,274,693	
Other		6,001	\$ 30,677,875

Net Gain (Loss) on Disposal of Capital Assets:

Equipment sold at auction	\$	(37,311)	\$ (37,311)
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Current Receivables:

Grants: HUD, Section 8 program	\$	126,394	
Grants: HUD, CFCF		1,073,063	
Grants: HUD, EDI Special Projects		415,696	
Grants: HUD, other programs		28,682	
Grants: HHS		287,428	
Grants: State of Washington Matchmaker		384,594	
Grants: Bellevue CDBG		72,962	
Grants: Puget Sound Energy		517,041	
Grants: New Futures		222,767	
Grants: BPA		76,999	
Grants: Other		53,148	
Notes and financing leases		21,038,835	
Interest: Notes and financing lease		3,827,560	
Tenants		237,117	
Tax Credit Partnerships		229,224	
Other		681,423	\$ 29,272,933

Other Current Assets:

Prepaid insurance and other	\$	585,136	
Materials & mobile home inventory		631,624	\$ 1,216,760

Noncurrent Receivables:

Notes and financing leases	\$	283,856,088	
Noncurrent interest		10,090,625	
Other		48,794	\$ 293,995,507

Other Noncurrent Assets:

Investment in tax credit properties	\$	2,803,051	
Other		125,757	\$ 2,928,808

Other Current Liabilities:

Accounts payable	\$	5,005,226	
Interest payable		2,191,725	
Accrued compensated absences		1,999,201	
Tenant security deposits		1,395,594	
Accrued wages and benefits		1,369,733	
Family Self Sufficiency escrow		610,881	
Other		541,590	\$ 13,113,950

Other Noncurrent Liabilities:

Contract Retentions	\$	2,905,330	
Prepaid Rents		528,879	
Noncurrent interest		285,785	\$ 3,719,994

NOTE 11 - PENSION PLAN

Substantially all the Authority's full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to: Department of Retirement Systems, Communications Unit, P.O. Box 48380, Olympia, WA 98504-8380; or it may be downloaded from the DRS website at www.drs.wa.gov. The following disclosures are made pursuant to GASB Statements No. 27, *Accounting for Pensions by State and Local Government Employers* and No. 50, *Pension Disclosures, an Amendment of GASB Statements No. 25 and No. 27*.

Public Employees' Retirement System (PERS) Plans 1, 2, and 3

Plan Description

PERS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a defined benefit plan with a defined contribution component.

Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior courts (other than judges currently in a judicial retirement system); employees of legislative committees; community and technical colleges, college and university employees not participating in national higher education retirement programs; judges of district and municipal courts; and employees of local governments.

PERS members who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 and by either, February 28, 2002 for state and higher education employees, or August 31, 2002 for local government employees, are Plan 2 members unless they exercise an option to transfer their membership to Plan 3. PERS members joining the system on or after March 1, 2002 for state and higher education employees, or September 1, 2002 for local government employees have the irrevocable option of choosing membership in either PERS Plan 2 or PERS Plan 3. The option must be exercised within 90 days of employment. An employee is reported in Plan 2 until a choice is made. Employees who fail to choose within 90 days default to PERS Plan 3. Notwithstanding, PERS Plan 2 and Plan 3 members may opt out of plan membership if terminally ill, with less than five years to live.

PERS Plan 1 and Plan 2 defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. PERS retirement benefit provisions are established in Chapters 41.34 and 41.40 RCW and may be amended only by the State Legislature.

PERS Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. The monthly benefit is 2 percent of the average final compensation (AFC) per year of service. (AFC is the monthly average of the 24 consecutive highest-paid service credit months.) The retirement benefit may not exceed 60 percent of AFC. The monthly benefit is subject to a minimum for PERS Plan 1 retirees who have 25 years of service and have been retired 20 years, or who have 20 years of service and have been retired 25 years. Plan 1 members retiring from inactive status prior to the age of 65 may receive actuarially reduced benefits. If a survivor option is chosen, the benefit is further reduced. A cost-of living allowance (COLA) is granted at age 66 based upon years of service times the COLA amount, which is increased 3 percent annually. Plan 1 members may also elect to receive an optional COLA that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 provides duty and non-duty disability benefits. Duty disability retirement benefits for disablement prior to the age of 60 consist of a temporary life annuity payable to the age of 60. The allowance amount is \$350 a month, or two-thirds of the monthly AFC, whichever is less. The benefit is reduced by any workers' compensation benefit and is payable as long as the member remains disabled or until the member attains the age of 60. A member with five years of covered employment is eligible for non-duty disability retirement. Prior to the age of 55, the allowance amount is 2 percent of the AFC for each year of service reduced by 2 percent for each year that the member's age is less than 55. The total benefit is limited to 60 percent of the AFC and is actuarially reduced to reflect the choice of a survivor option. A cost-of living allowance is granted at age 66 based upon years of service times the COLA amount (based on the consumer Price Index), capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced. PERS Plan 1 members can receive credit for military service while actively serving in the military, if such credit makes them eligible to retire. Members can also purchase up to 24 months of service credit lost because of an on-the-job injury.

PERS Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members are eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is 2 percent of the AFC per year of service. (AFC is the monthly average of the 60 consecutive highest-paid service months.) PERS Plan 2 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 reduced benefit. The benefit is reduced by an early retirement factor (ERF) that varies according to age, for each year before age 65.

PERS Plan 2 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by 3 percent for each year before age 65.
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2 retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3 percent annually.

The surviving spouse or eligible child or children of a PERS Plan 2 member who dies after leaving eligible employment having earned ten years of service credit may request a refund of the member's accumulated contributions. Effective July 22, 2007, said refund (adjusted as needed for specified legal reductions) is increased from 100 percent to 200 percent of the accumulated contributions if the member's death occurs in the uniformed service to the United States while participating in *Operation Enduring Freedom* or *Persian Gulf*, *Operation Iraqi Freedom*.

PERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component and member contributions finance a defined contribution component. The defined benefit portion provides a monthly benefit that is 1 percent of the AFC per year of service. (AFC is the monthly average of the 60 consecutive highest-paid service months.)

Effective June 7, 2006, PERS 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 twelve months of that service are earned after age 44; or after five service credit years earned in PERS Plan 2 prior to June 1, 2003. Plan 3 members are immediately vested in the defined contribution portion of their plan.

Vested Plan 3 members are eligible for normal retirement at age 65, or they may retire early with the following conditions and benefits:

- If they have at least ten service credit years and are 55 years old, the benefit is reduced by an ERF that varies with age, for each year before age 65.
- If they have 30 service credit years and are at least 55 years old, they have the choice of a benefit that is reduced by 3 percent for each year before age 65; or a benefit with a smaller (or no) reduction factor (depending on age) that imposes stricter return-to-work rules.

PERS Plan 3 defined benefit retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option. There is no cap on years of service credit and Plan 3 provides the same cost-of-living allowance as Plan 2.

PERS Plan 3 defined contribution retirement benefits are solely dependent upon the results of investment activities.

The defined contribution portion can be distributed in accordance with an option selected by the member, either as a lump sum or pursuant to other options authorized by the Director of the Department of Retirement Systems.

PERS Plan 2 and Plan 3 provide disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 monthly benefit amount is 2 percent of the AFC per year of service. For Plan 3, the monthly benefit amount is 1 percent of the AFC per year of service.

These disability benefit amounts are actuarially reduced for each year that the member's age is less than 65, and to reflect the choice of a survivor option. There is no cap on years of service credit, and a cost-of-living allowance is granted (based on the Consumer Price Index) capped at 3 percent annually.

PERS Plan 2 and Plan 3 members may have up to ten years of interruptive military service credit; five years at no cost and five years that may be purchased by paying the required contributions. Effective July 24, 2005, a member who becomes totally incapacitated for continued employment while serving the uniformed services, or a surviving spouse or eligible children, may apply for interruptive military service credit. Additionally, PERS Plan 2 and Plan 3 members can also purchase up to 24 months of service credit lost because of an on-the-job injury.

PERS members may also purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement and can be used only to provide the member with a monthly annuity that is paid in addition to the member's retirement benefit.

Beneficiaries of a PERS Plan 2 or Plan 3 member with ten years of service who is killed in the course of employment receive retirement benefits without actuarial reduction, if the member was not at normal retirement age at death. This provision applies to any member killed in the course of employment, on or after June 10, 2004, if found eligible by the Department of Labor and Industries.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a PERS member who dies in the line of service as a result of injuries sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of said member's covered employment, if found eligible by the Department of Labor and Industries.

There are 1,184 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2011:

Retirees and Beneficiaries Receiving Benefits	79,363
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	29,925
Active Plan Members Vested	105,578
Active Plan Members Non-vested	46,839
Total	261,705

Funding Policy

Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute at 6 percent for state agencies and local government unit employees, and at 7.5 percent for state government elected officials. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. All employers are required to contribute at the level established by the Legislature. Under PERS Plan 3, employer contributions finance the defined benefit portion of the plan and member contributions finance the defined contribution portion. The Director of the Department of Retirement Systems sets Plan 3 employee contribution rates. Six rate options are available ranging from 5 percent to 15 percent; two of the options are graduated rates dependent on the employee's age. As a result of the implementation of the Judicial Benefit Multiplier Program in January 2007, a second tier of employer and employee rates was developed to fund, along with investment earnings, the increased retirement benefits of those justices and judges that participate in the program. The methods used to determine the contribution requirements are established under state statute in accordance with Chapters 41.40 and 41.45 RCW.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2011, are as follows:

	<i>PERS Plan 1</i>	<i>PERS Plan 2</i>	<i>PERS Plan 3</i>
Employer*	7.21%**	7.21%**	7.21%***
Employee	6.00%****	4.64%****	*****

* The employer rates include the employer administrative expense fee currently set at 0.16%.

** The employer rate for state elected officials is 10.74% for Plan 1 and 7.21% for Plan 2 and Plan 3.

*** Plan 3 defined benefit portion only.

**** The employee rate for state elected officials is 7.50% for Plan 1 and 4.64% for Plan 2.

***** Variable from 5.0% minimum to 15.0% maximum based on rate selected by the PERS 3 member.

Both the Authority and the employees made the required contributions. The Authority's required contributions for the years ended December 31 were as follows:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
2012	\$ 67,080	\$ 1,182,664	\$ 201,423
2011	\$ 60,503	\$ 1,002,941	\$ 172,803
2010	\$ 51,061	\$ 825,346	\$ 143,608

NOTE 12 - CONDUIT DEBT OBLIGATIONS

The Authority has issued debt instruments for the purpose of providing capital financing for specific non-governmental corporations that are not part of the Authority's financial reporting entity. In general, the Authority issues such conduit debt, but the Authority is not responsible for the payment of the original debt. That debt is secured solely by payments received by the Authority from the various non-governmental corporations, and by the Deeds of Trust to the underlying properties. Owners of the debt have no recourse to any other revenues of the Authority.

Non-governmental Corporation	Project Description	Date of Issue	Dec 31 Balance
Auburn North Associates Limited Partnership	Purchase of land and construction of a 296-unit complex for elderly or disabled, low-income persons in Auburn Washington, known as Auburn Court Apartments.	December 1, 1997	\$11,445,000
Manufactured Housing Community Preservationists	Acquisition and rehabilitation of a 93-unit mobile home park in the city of Redmond, Washington, known as Avon Villa Mobile Home Park.	December 2, 1997	\$1,734,900
Seaview Apartments Limited Partnership	Acquisition and rehabilitation of a 72-unit multifamily development in Des Moines, Washington.	December 1, 1998	\$1,925,000
St. Andrews Housing Group	Acquisition of a 59-unit apartment complex located on Mercer Island, Washington, known as Ellsworth House.	October 20, 1999	\$2,512,827
Vashon Island Community Care	Construction of a 40-unit assisted living and 30-bed skilled nursing facility on Vashon Island to be known as Vashon Community Care Center.	September 1, 2001	\$6,465,000
Evergreen Court Associates Ltd	Acquisition and rehabilitation of 111-unit Washington Court assisted living in Bellevue to be rehabilitated into a 82-unit complex known as Evergreen Court	September 7, 2001	\$5,857,316
Angle Lake Apartments	Construction of an 80-unit independent living, senior housing facility located in SeaTac.	November 14, 2002	\$3,567,519
Radcliffe Place, LLC	Construction of a 135 unit senior housing facility located in Kent known as Radcliffe Place Senior Apartments	December 22, 2004	\$9,607,421
Wild Garden Housing LLC-DASH	Refinancing of three affordable housing projects owned by DASH that comprise a total of 136 apartment units in Bellevue known as Glendale, Wildwood Court and Garden Grove.	August 1, 2005	\$6,995,726
Summerfield	Acquisition of an existing 52 unit affordable apartment complex in the City of Bellevue known as Summerfield Apartments	September 1, 2005	\$3,070,000
Eernisse Apartments	Construction of a 26 unit affordable rental townhouse project on Vashon Island known as Eernisse Apartments.	December 20, 2005	\$1,569,349
Young Women's Association of Seattle, King and Snohomish County (YWCA)	Acquisition, rehabilitation, or construction of housing for persons of low income to be located on multiple sites within King County, Snohomish County, and the City of Seattle	June 27, 2007	\$15,040,000
280 Clark Limited Partnership	To finance or refinance a portion of the costs of acquiring, constructing and rehabilitating the 280 Clark Apartments to provide housing for low-income persons in King County	November 1, 2007	\$2,624,971
Young Women's Association of Seattle, King and Snohomish County (YWCA)	Construction of 98 rental dwelling units as part of the YWCA Family Village in Issaquah	December 23, 2009	\$14,450,000

NOTE 14 - RISK MANAGEMENT

The King County Housing Authority (KCHA) has the responsibility to systematically and continuously identify potential exposure to losses in terms of frequency and severity probability, and to apply sound risk control and financing techniques to minimize the impact of those potential losses. KCHA Risk Management has implemented programs to protect the Housing Authority against accidental and criminal losses that would significantly affect personnel, property, or budget by using a combination of loss control programs, purchased commercial insurance, voluntary self-insurance, participation in a risk-sharing pool or group, and contractual risk transfer via indemnification agreements.

For Public Housing, KCHA secures third-party liability insurance primarily through the Housing Authority Risk Retention Pool (HAARP), a public entity risk-sharing pool. The General Liability limit, including Washington Stop-Gap or Employer's Liability, is \$2,000,000 per occurrence on an occurrence basis with a \$1,000 deductible. Contractor's Pollution Liability and Errors & Omissions limit is \$1,000,000 on a claims-made basis with a \$5,000 per claim deductible provided through Crum & Forster Specialty Insurance Company. Automobile Liability insurance is \$5,000,000 in total limits provided through a combination of Philadelphia Insurance Company with \$1,000,000 liability limit and excess liability of \$4,000,000 provided by Liberty Mutual Fire Insurance Company. Property insurance including Rental Income coverage through HARRP has a standard limit of \$3,000,000 replacement cost basis, with higher limits available upon request. Property deductible is \$25,000 per loss. The Authority has secured Fidelity coverage through HARRP for \$100,000 per occurrence for all employees, and \$500,000 for employees with greater exposure.

Bond Financed Projects are covered for property insurance through HARRP. The general liability is covered through the Housing Authority Risk Retention Group (HARRG) with \$2,000,000 per occurrence limit. Additionally, liability sub-limits are provided for fire damage liability and athletic sports liability, at \$50,000 and \$250,000, respectively. Excess Liability limit of \$3,000,000 is provided by Lexington Insurance Company.

Tax Credit Partnership properties are covered for general liability with total limits of \$5,000,000 per occurrence basis provided by Great American Specialty Insurance (\$1,000,000 each occurrence, \$2,000,000 general aggregate, per designated location) on the primary level, and \$4,000,000 aggregate limit excess of the primary, with a \$10,000 self-insured retention. Lexington Landmark provides property insurance for buildings and Contents values on replacement cost basis, with Business Income including Extra Expense covered according to reported values, all subject to a \$10,000 deductible, except as respects Flood at noted locations, for a deductible of \$250,000 which are covered under National Flood Insurance Policies, subject to \$1,000 deductibles.

Excess Liability limit of \$10,000,000 is provided over all of the above liability coverage except the Contractors Pollution, which brings total liability coverage to a limit of \$15,000,000. This coverage is placed with Lexington Insurance Company.

Public Officials Errors and Omissions and Employment Practices Liability is provided on all properties with a \$5,000,000 limit and a \$75,000 Self-Insured Retention from Illinois Union Insurance Company. No active claims are anticipated to exceed the applicable limits of insurance secured from any of the listed providers.

NOTE 15 – CONSTRUCTION COMMITMENTS

At December 31, 2012 the Authority had the following contractual obligations on construction projects:

Ballinger/Casa Juanita	\$ 467,038
Boulevard Manor	469,760
Briarwood	1,501,680
Burndale Homes	33,623
Cascade Homes	2,199,488
Central Office Annex	63,579
Community Buildings	451,995
Eastside Terrace	1,431,385
Forest Glen	1,659,459
Green River Homes	116,458
Greenbridge	68,714
Juanita Court	74,577
Juanita Trace	9,622
Kirkwood Terrace	355,946
Pacific Court	359,607
Seola Gardens - Fairwind	8,193,354
Seola Gardens - Joseph House	575,366
Spiritwood & Hidden Village	1,650,635
Valli Kee Homes	1,833
Vista Heights	1,024,189
Westminster Manor	89,782
Woodridge Park	38,022
Young's Lake	1,000
Total	\$ 20,837,113

NOTE 16 –**SUBSEQUENT EVENTS**

On July 19, 2013, the Board of Commissioners authorized KCHA to borrow \$18 million from the Federal Home Loan Bank in order to loan the proceeds to Moving King County Residents Forward (MKCRF), a 501(c)(3) organization that purchased 509 units of public housing from the authority November, 2012. These funds were formally drawn from the FHLB on September 3, and were subsequently loaned to MKCRF.

On September 16th, the Board of Commissioners authorized the purchase of a portfolio of nine properties known as the “Chaussee” properties. The authorization is subject to successful final negotiations with the seller regarding price and other terms.

HOUSING AUTHORITY OF THE COUNTY OF KING
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2012

GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	OTHER ID NUMBER	PASS THROUGH ENTITY	CURRENT YEAR EXPENDITURES	DEBT LIABILITY BALANCE
DIRECT ASSISTANCE					
U.S. DEPARTMENT OF AGRICULTURE					
RURAL RENTAL HOUSING LOANS:					
RAINIER I	10.415	LOAN		-	397,229
RAINIER II	10.415	LOAN		-	551,708
SI VIEW	10.415	LOAN		-	154,478
		TOTAL 10.415		-	1,103,415
TOTAL - U.S. DEPARTMENT OF AGRICULTURE				-	1,103,415
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)					
LOWER INCOME HOUSING ASSISTANCE PROGRAM - SECTION 8 NEW CONSTRUCTION / SUBSTANTIAL REHABILITATION					
BURIEN PARK	14.182	WA19-8023-007		612,418	-
NORTHWOOD	14.182	WA19-8023-006		225,442	-
		TOTAL 14.182		837,860	-
MULTIFAMILY HOUSING SERVICE COORDINATORS:					
SENIOR HOUSING (2004)	14.191	WA19HS02005		98,440	-
SENIOR HOUSING (2010) - Westminster	14.191	WA19HS10003		87,015	-
		TOTAL 14.191		185,454	-
SECTION 8 HAP PROGRAM - PROJECT-BASED SECTION 8					
PARKWAY	14.195	WA19M000203		388,347	-
		TOTAL 14.195		388,347	-
ARRA -SECTION 8 HAP PROGRAM SPECIAL ALLOCATIONS:					
WESTMINSTER MANOR	14.317	WA19M000148		182,202	15,575
		TOTAL 14.317		182,202	15,575
ECONOMIC DEVELOPMENT INITIATIVE: SPECIAL PROJECT, NEIGHBORHOOD INITIATIVE, AND MISCELLANEOUS GRANTS					
HUD EDI Special projects grant	14.251	B10-SP-WA-0234		664,034	-
		TOTAL 14.251		664,034	-
LOWER INCOME HOUSING ASSISTANCE PROGRAM-SECTION 8 MODERATE REHABILITATION:					
TITUSVILLE	14.856	WA002MR0002		98,802	-
		TOTAL 14.856		98,802	-
DEMOLITION AND REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING:					
HOPE VI	14.866	WA19URD0021108		10,707,390	-
		TOTAL 14.866		10,707,390	-
SECTION 8 HOUSING CHOICE VOUCHERS:					
SECTION 8 HOUSING CHOICE VOUCHERS	14.871	WA002		10,301,030	-
		TOTAL 14.871		10,301,030	-
PUBLIC HOUSING FAMILY SELF SUFFICIENCY UNDER RESIDENT OPPORTUNITY AND SUPPORT SERVICES					
PUBLIC HOUSING FSS- 2010	14.877	WA002RFS236A010		38,418	-
PUBLIC HOUSING FSS- 2011	14.877	WA002RFS006A011		41,118	-
		TOTAL 14.877		79,536	-
MAINSTREAM VOUCHERS					
SECTION 8 MAINSTREAM	14.879	WA002DV0022		2,557,086	-
		TOTAL 14.879		2,557,086	-
MOVING TO WORK DEMONSTRATION PROGRAM:					
SECTION 8 HOUSING CHOICE VOUCHERS	14.881	WA002		92,516,138	-
OPERATING SUBSIDY	14.881	WA002		7,498,323	-
CAPITAL FUND PROGRAM					
CFP-2010	14.881	WA19P002501-10		585,000	-
CFP-2011 (CFPP Debt Service)	14.881	WA19P002501-11		642,380	-
CFP-2011	14.881	WA19P002501-12		405,013	-
RHF - 2012	14.881	WA19R002501-12		346,419	-
RHF - 2012	14.881	WA19R002502-12		195,582	-
		TOTAL 14.881		102,188,855	-
ARRA- PUBLIC HOUSING CAPITAL FUND COMPETITIVE:					
Ballinger	14.884	WA00200010109E		3,901	-
Northridge II	14.884	WA00200015309E		28,535	-
Forest Glen	14.884	WA00200020109R		347,123	-
Casa Juanita	14.884	WA00200025109E		35,391	-
Greenbridge Phase V	14.884	WA00200034109F		209,805	-
Yardley Arms	14.884	WA00200035209E		101,630	-
Riverton Terrace	14.884	WA00200035409E		34,034	-
Valli Kee	14.884	WA00200040109E		16,842	-
Cascade Homes	14.884	WA00200040309E		5,626	-
Eastridge House	14.884	WA00200045109E		24,527	-
Wayland Arms	14.884	WA00200055009E		33,316	-
Southridge	14.884	WA00200055209E		43,769	-
		TOTAL 14.884		884,499	-
CAPITAL FUND EDUCATION AND TRAINING COMMUNITY FACILITIES PROGRAM:					
Capital Fund Community Facilities Grant (CFCF) - Valli Kee	14.890	WA19C002502-10		1,065,349	-
Capital Fund Community Facilities Grant (CFCF) - Firwood	14.890	WA19C002501-10		755,238	-
Capital Fund Community Facilities Grant (CFCF) - Burndale	14.890	WA19C002503-10		960,751	-
		TOTAL 14.890		2,781,338	-
ARRA-HEALTHY HOMES DEMONSTRATION GRANT:					
HEALTHY HOMES GRANT	14.908	WALHH018608		56,952	-
		TOTAL 14.908		56,952	-
TOTAL - U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)				131,913,386	15,575
SUBTOTAL DIRECT ASSISTANCE				131,913,386	1,118,990

HOUSING AUTHORITY OF THE COUNTY OF KING
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2012

GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	OTHER ID NUMBER	PASS THROUGH ENTITY	CURRENT YEAR EXPENDITURES	DEBT LIABILITY BALANCE
<u>PASS-THROUGH ASSISTANCE</u>					
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)					
COMMUNITY DEVELOPMENT BLOCK GRANT/ENTITLEMENT GRANTS:					
BELLEVUE HOUSING REPAIR (2011)	14.218	CDBG-251	1	106,037	-
BELLEVUE HOUSING REPAIR (2012)	14.218	CDBG-251	1	79,844	-
KING COUNTY HOUSING REPAIR (2003)	14.218	C03461	2	818	-
		TOTAL 14.218		186,699	-
ECONOMIC DEVELOPMENT INITIATIVE: SPECIAL PROJECT, NEIGHBORHOOD INITIATIVE, AND MISCELLANEOUS GRANTS					
New Futures	14.251	B-10-SP-WA-0271	5	429,617	-
Bellevue Boys & Girls Club	14.251	B-10-SP-WA-0039	6	73,944	-
		TOTAL 14.251		503,561	-
TOTAL - U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)				690,260	-
U.S. DEPARTMENT OF ENERGY					
WEATHERIZATION ASSISTANCE FOR LOW INCOME PERSONS:					
2009	81.042	F09-43103-413 DOE	3	162,713	-
2009 ARRA Funded	81.042	F09-431AR-413 DOE	3	20,272	-
DOE ARRA SERC	81.042	F10-431SE-413 DOE	3	562,931	-
2011	81.042	F11-43104-413 BPA	3	115,747	-
		TOTAL 81.042		861,662	-
TOTAL - U.S. DEPARTMENT OF ENERGY				861,662	-
U.S. DEPARTMENT OF HUMAN AND HEALTH SERVICES					
LOW-INCOME HOME ENERGY ASSISTANCE:					
2011	93.568	F11-43101-413 HHS	3	1,134,810	-
2012	93.568	F12-43101-413 HHS	3	289,701	-
		TOTAL 93.568		1,424,512	-
TOTAL U.S. DEPARTMENT OF HUMAN AND HEALTH SERVICES				1,424,512	-
AMERICORPS					
AMERICORPS - (2011-2012)	94.006	ESD K1798	4	29,798	-
		TOTAL 94.006		29,798	-
TOTAL - AMERICORPS				29,798	-
SUBTOTAL PASS-THROUGH ASSISTANCE				3,006,232	-
TOTAL ASSISTANCE				134,919,618	1,118,990

Pass Through Entity:

1	City of Bellevue, WA	4	Washington State Employment Security Department
2	King County, Washington	5	New Futures
3	Washington State Department of Commerce	6	Bellevue Boys and Girls Club

NOTE 1 - BASIS OF ACCOUNTING

The Schedule of Financial Assistance is prepared on the same basis of accounting as the King County Housing Authority's financial statements. (See Note 1 in the Notes to the Financial Statements.)

NOTE 2 - PROGRAM COSTS

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

HOUSING AUTHORITY OF THE COUNTY OF KING
Federal Data Schedule (FDS)
Balance Sheet
As of December 31, 2012

		Section 8 - New Construction	Multifamily Housing Service coordinators	Section 8 - Special Allocation	Section 8 - HAP Program Additional Support	Section 8 - Moderate Rehabilitation	Hope VI	Resident Opportunity and Self-Sufficiency
		14,182	14,191	14,195	14,317	14,856	14,866	14,870
111	Cash:							
113	Cash - unrestricted	\$ 313,807	\$ (0)	\$ 87,757	\$ -	\$ 65,216	\$ -	\$ (0)
114	Cash - other restricted	436,477	-	1,047,515	-	-	-	-
114	Cash - tenant security deposits	30,061	-	11,620	-	-	-	-
100	Total cash	780,346	(0)	1,146,892	-	65,216	-	(0)
	Accounts and notes receivables:							
121	AR - PHA projects	-	-	-	-	-	-	-
122	AR - HUD other projects	-	66,087	-	-	3,653	22,724	-
124	Accounts receivable - other government	-	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-	-	-	-
126	Accounts receivable- tenants	5,131	-	6,401	-	-	-	-
126	Allowance for doubtful accounts - tenants	-	-	(1,000)	-	-	-	-
128	Fraud recovery	-	-	-	-	-	-	-
128	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-
120	Total receivables, net of allowances	5,131	66,087	5,401	-	3,653	22,724	-
	Current investments:							
131	Investments - unrestricted	-	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	20,103	242	3,383	-	6	-	-
143	Inventories	5	-	-	-	-	-	-
150	TOTAL CURRENT ASSETS	805,583	66,328	1,155,676	-	68,875	22,724	(0)
	NONCURRENT ASSETS:							
	Fixed assets:							
161	Land	831,273	-	521,854	-	-	-	-
162	Buildings	8,090,034	-	1,573,157	-	-	-	-
163	Furniture, equipment & machinery - dwellings	-	-	-	-	-	-	-
164	Furniture, equipment & machinery - administration	15,088	-	-	-	-	-	-
165	Leasehold improvements	538,339	-	10,600	-	-	-	-
166	Accumulated depreciation	(3,856,416)	-	(1,571,622)	-	-	-	-
167	Work in progress	228	-	-	-	-	47,047,780	-
160	Net fixed assets	5,618,547	-	533,989	-	-	47,047,780	-
	Other non-current assets:							
171	Notes and mortgages receivable - non-current	-	-	-	-	-	-	-
174	Other assets	-	-	-	-	-	-	-
180	TOTAL NONCURRENT ASSETS	5,618,547	-	533,989	-	-	47,047,780	-
190	TOTAL ASSETS	\$ 6,424,130	\$ 66,328	\$ 1,689,665	\$ -	\$ 68,875	\$ 47,070,504	\$ (0)
	LIABILITIES AND EQUITY:							
	LIABILITIES:							
	Current liabilities:							
312	Accounts payable < 90 days	13,176	6,139	97,840	-	24	-	-
321	Accrued wage/payroll taxes payable	20,969	2,318	9,068	-	358	-	-
322	Accrued compensated absences	21,074	-	7,319	-	17	-	-
325	Accrued interest payable	291	-	-	-	-	-	-
341	Tenant security deposits	30,061	-	11,620	-	-	-	-
342	Deferred revenue	1,168	-	1,126	-	-	-	-
343	Current portion of L-T debt - capital projects	251,962	-	-	-	-	-	-
345	Other current liabilities	-	34,894	-	-	-	-	-
346	Accrued liabilities - other	-	-	-	-	-	-	-
310	TOTAL CURRENT LIABILITIES	338,700	43,351	126,972	-	400	-	-
	Noncurrent liabilities:							
351	Long-term debt, net of current - capital projects	-	-	-	-	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-
353	Non-current liabilities- other	7,029	-	1,394,927	-	-	-	-
350	TOTAL NONCURRENT LIABILITIES	7,029	-	1,394,927	-	-	-	-
300	TOTAL LIABILITIES	345,729	43,351	1,521,899	-	400	-	-
	EQUITY:							
508	Invested in capital assets, net of related debt	5,366,585	-	533,989	-	-	47,047,780	-
511	Restricted net assets	436,477	-	1,047,515	-	-	-	-
512	Unrestricted net assets	275,338	22,977	(1,413,739)	-	68,476	22,724	-
513	TOTAL EQUITY	6,078,401	22,977	167,765	-	68,476	47,070,504	-
600	TOTAL LIABILITIES AND EQUITY	\$ 6,424,130	\$ 66,328	\$ 1,689,664	\$ -	\$ 68,875	\$ 47,070,504	\$ -

HOUSING AUTHORITY OF THE COUNTY OF KING
Federal Data Schedule (FDS)
Balance Sheet
As of December 31, 2012

		Section 8 Housing Choice Vouchers	Public Housing Family Self-Sufficiency Under Resident Opportunity and Support Services	Mainstream Vouchers	Moving-To-Work Demonstration Program	Competitive Capital Fund Stimulus Grant	State/Local Programs	Business Activities
		14,871	14,877	14,879	14,881	14,884		
111	Cash:							
113	Cash - unrestricted	\$ 3,977,443	\$ (0)	\$ -	\$ 8,577,622	\$ -	\$ 0	\$ 16,896,162
114	Cash - other restricted	545,625	-	-	9,507,769	-	-	7,604,538
100	Cash - tenant security deposits	-	-	-	-	-	-	1,203,833
	Total cash	4,523,069	(0)	-	18,085,391	-	0	25,704,553
	Accounts and notes receivables:							
121	AR - PHA projects	108,592	-	-	-	-	-	-
122	AR - HUD other projects	29,486	5,958	21,170	8,594	-	-	223,824
124	Accounts receivable - other government	-	-	-	-	-	1,339,024	49,120
125	Accounts receivable - miscellaneous	3,042	-	-	14,801	-	(0)	25,954,148
126	Accounts receivable- tenants	-	-	-	-	-	-	216,164
126	Allowance for doubtful accounts - tenants	-	-	-	-	-	-	(5,000)
128	Fraud recovery	-	-	-	-	-	-	-
128	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-
120	Total receivables, net of allowances	141,119	5,958	21,170	23,395	-	1,339,024	26,438,256
	Current investments:							
131	Investments - unrestricted	1,501,998	-	-	11,020,901	-	-	14,565,355
132	Investments - restricted	-	-	-	-	-	-	5,549,445
142	Prepaid expenses and other assets	22,185	134	131	4,109	-	8,102	344,120
143	Inventories	-	-	-	-	-	-	544,336
150	TOTAL CURRENT ASSETS	6,188,370	6,092	21,301	29,133,797	-	1,347,127	73,146,064
	NONCURRENT ASSETS:							
	Fixed assets:							
161	Land	710,375	-	-	-	-	-	46,483,046
162	Buildings	1,527,609	-	-	-	-	-	145,332,437
163	Furniture, equipment & machinery - dwellings	-	-	-	-	-	-	35,400
164	Furniture, equipment & machinery - administration	197,111	-	-	-	-	15,260	500,629
165	Leasehold improvements	-	-	-	-	-	-	6,749,097
166	Accumulated depreciation	(444,327)	-	-	-	-	(15,260)	(78,588,467)
167	Work in progress	-	-	-	306	-	-	22,814,672
160	Net fixed assets	1,990,769	-	-	306	-	-	143,326,814
	Other non-current assets:							
171	Notes and mortgages receivable - non-current	-	-	-	-	-	209,641	186,320,710
174	Other assets	-	-	-	18,725,173	-	-	4,207,943
180	TOTAL NONCURRENT ASSETS	1,990,769	-	-	18,725,479	-	209,641	333,855,466
190	TOTAL ASSETS	\$ 8,179,139	\$ 6,092	\$ 21,301	\$ 47,859,276	\$ -	\$ 1,556,768	\$ 407,001,530
	LIABILITIES AND EQUITY:							
	LIABILITIES:							
	Current liabilities:							
312	Accounts payable < 90 days	93,630	-	1,099	284,879	-	124,914	2,736,661
321	Accrued wage/payroll taxes payable	235,099	1,285	2,760	104,028	-	14,974	213,504
322	Accrued compensated absences	339,952	-	3,911	131,008	-	60	278,779
325	Accrued interest payable	-	-	-	-	-	-	2,008,098
341	Tenant security deposits	-	-	-	-	-	-	1,203,853
342	Deferred revenue	-	-	-	-	-	-	1,236,978
343	Current portion of L-T debt - capital projects	-	-	-	-	-	-	6,256,276
345	Other current liabilities	545,625	4,874	-	-	-	593,202	1,639,466
346	Accrued liabilities - other	-	-	-	166,200	-	-	183,869
310	TOTAL CURRENT LIABILITIES	1,214,305	6,159	7,770	686,115	-	733,149	15,757,483
	Noncurrent liabilities:							
351	Long-term debt, net of current - capital projects	-	-	-	-	-	-	90,673,597
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	156,355,396
353	Non-current liabilities- other	-	-	-	-	-	-	26,211,758
350	TOTAL NONCURRENT LIABILITIES	-	-	-	-	-	-	273,240,752
300	TOTAL LIABILITIES	1,214,305	6,159	7,770	686,115	-	733,149	288,998,235
	EQUITY:							
508	Invested in capital assets, net of related debt	1,990,769	-	-	306	-	-	46,396,941
511	Restricted net assets	545,625	-	-	9,507,769	-	-	13,153,983
512	Unrestricted net assets	4,428,440	(67)	13,531	37,665,085	-	823,619	58,452,371
513	TOTAL EQUITY	6,964,834	(67)	13,531	47,173,161	-	823,619	118,003,295
600	TOTAL LIABILITIES AND EQUITY	\$ 8,179,139	\$ 6,092	\$ 21,301	\$ 47,859,276	\$ -	\$ 1,556,768	\$ 407,001,530

HOUSING AUTHORITY OF THE COUNTY OF KING
Federal Data Schedule (FDS)
Balance Sheet
As of December 31, 2012

		Americorp	Other Federal Programs	Other Federal Programs	Other Federal Programs	COCC	AMP 101	AMP 105
		94,006	14,251	14,890	14,908			
111	Cash:							
	Cash - unrestricted	\$ 0	\$ -	\$ -	\$ -	\$ 6,289,509	\$ 566,891	\$ 37,432
113	Cash - other restricted	-	-	-	-	558,694	3,743	87
114	Cash - tenant security deposits	-	-	-	-	-	22,242	4,275
100	Total cash	0	-	-	-	6,848,203	592,876	41,794
	Accounts and notes receivables:							
121	AR - PHA projects	-	-	-	-	-	-	-
122	AR - HUD other projects	-	551,852	1,147,231	-	-	-	-
124	Accounts receivable - other government	377	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-	676,710	-	-
126	Accounts receivable- tenants	-	-	-	-	350	2,381	1,007
126	Allowance for doubtful accounts - tenants	-	-	-	-	-	(623)	-
128	Fraud recovery	-	-	-	-	-	-	-
128	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-
120	Total receivables, net of allowances	377	551,852	1,147,231	-	677,059	1,758	1,007
	Current investments:							
131	Investments - unrestricted	-	-	-	-	26,977,337	-	-
132	Investments - restricted	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	130	-	-	-	62,627	14,657	1,708
143	Inventories	-	-	-	-	87,283	-	-
150	TOTAL CURRENT ASSETS	507	551,852	1,147,231	-	34,652,509	609,292	44,510
	NONCURRENT ASSETS:							
	Fixed assets:							
161	Land	-	-	-	-	4,346,094	1,960,510	541,000
162	Buildings	-	-	-	-	10,993,703	8,488,375	1,185,000
163	Furniture, equipment & machinery - dwellings	-	-	-	-	-	-	-
164	Furniture, equipment & machinery - administration	-	-	-	-	3,844,937	94,446	-
165	Leasehold improvements	-	-	-	-	34,438	2,029,068	-
166	Accumulated depreciation	-	-	-	-	(4,532,953)	(5,468,911)	(97,274)
167	Work in progress	-	3,232,795	2,781,338	-	11,573	14,704	31,151
160	Net fixed assets	-	3,232,795	2,781,338	-	14,697,792	7,118,192	1,659,877
	Other non-current assets:							
171	Notes and mortgages receivable - non-current	-	-	-	-	2,800,000	-	-
174	Other assets	-	-	-	-	1,360,144	-	-
180	TOTAL NONCURRENT ASSETS	-	3,232,795	2,781,338	-	18,857,936	7,118,192	1,659,877
190	TOTAL ASSETS	\$ 507	\$ 3,784,647	\$ 3,928,570	\$ -	\$ 53,510,445	\$ 7,727,484	\$ 1,704,387
	LIABILITIES AND EQUITY:							
	LIABILITIES:							
	Current liabilities:							
312	Accounts payable < 90 days	251	-	-	-	436,186	41,997	728
321	Accrued wage/payroll taxes payable	1,578	-	-	-	576,775	20,711	1,457
322	Accrued compensated absences	-	-	-	-	941,872	18,896	723
325	Accrued interest payable	-	-	-	-	-	-	-
341	Tenant security deposits	-	-	-	-	-	22,242	4,275
342	Deferred revenue	-	-	-	-	-	13,016	542
343	Current portion of L-T debt - capital projects	-	-	-	-	169,214	24,819	-
345	Other current liabilities	13,958	-	-	-	-	3,743	87
346	Accrued liabilities - other	-	-	-	-	6,944	-	-
310	TOTAL CURRENT LIABILITIES	15,787	-	-	-	2,130,990	145,424	7,812
	Noncurrent liabilities:							
351	Long-term debt, net of current - capital projects	-	-	-	-	6,679,709	114,040	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-
353	Non-current liabilities- other	-	-	0	-	574,497	7,326	592
350	TOTAL NONCURRENT LIABILITIES	-	-	0	-	7,254,206	121,366	592
300	TOTAL LIABILITIES	15,787	-	0	-	9,385,196	266,790	8,404
	EQUITY:							
508	Invested in capital assets, net of related debt	-	3,232,795	2,781,338	-	7,848,868	6,979,333	1,659,877
511	Restricted net assets	-	-	-	-	558,694	3,743	87
512	Unrestricted net assets	(15,279)	551,851	1,147,231	-	35,717,686	477,619	36,019
513	TOTAL EQUITY	(15,279)	3,784,647	3,928,570	-	44,125,249	7,460,695	1,695,983
600	TOTAL LIABILITIES AND EQUITY	\$ 508	\$ 3,784,647	\$ 3,928,570	\$ -	\$ 53,510,445	\$ 7,727,484	\$ 1,704,388

HOUSING AUTHORITY OF THE COUNTY OF KING
Federal Data Schedule (FDS)
Balance Sheet
As of December 31, 2012

		AMP 150	AMP 152	AMP 153	AMP 201	AMP 203	AMP 206	AMP 207
111	Cash:							
113	Cash - unrestricted	\$ -	\$ 336,197	\$ 335,521	\$ 268,613	\$ 820,330	\$ 3,797	\$ 1,723
114	Cash - other restricted	-	-	-	-	2,102	-	-
120	Cash - tenant security deposits	-	10,950	12,500	3,100	15,362	-	-
	Total cash	-	347,147	348,021	271,713	837,794	3,797	1,723
121	Accounts and notes receivables:							
122	AR - PHA projects	-	-	-	-	-	-	-
124	AR - HUD other projects	-	-	-	-	-	-	-
125	Accounts receivable - other government	-	-	-	-	-	-	-
126	Accounts receivable - miscellaneous	-	-	-	-	-	-	-
128	Accounts receivable- tenants	-	3,959	3,408	2,645	3,847	3,136	541
128	Allowance for doubtful accounts - tenants	-	(312)	(50)	(1,099)	(3,551)	(335)	(1,049)
128	Fraud recovery	-	-	-	-	3,497	-	-
120	Allowance for doubtful accounts - fraud	-	-	-	-	(100)	-	-
	Total receivables, net of allowances	-	3,646	3,358	1,545	3,692	2,801	(508)
131	Current investments:							
132	Investments - unrestricted	-	-	-	-	-	-	-
142	Investments - restricted	-	-	-	-	-	-	-
143	Prepaid expenses and other assets	39	9,619	11,243	2,611	9,503	134	358
150	Inventories	-	-	-	-	-	-	-
	TOTAL CURRENT ASSETS	39	360,412	362,622	275,869	850,990	6,733	1,573
	NONCURRENT ASSETS:							
161	Fixed assets:							
162	Land	-	246,728	224,064	32,191	901,525	-	-
163	Buildings	-	8,961,117	6,726,563	2,744,006	6,430,872	-	-
164	Furniture, equipment & machinery - dwellings	-	-	-	-	-	-	-
165	Furniture, equipment & machinery - administration	-	25,363	62,389	6,467	78,249	-	19,905
166	Leasehold improvements	-	143,913	149,697	132,157	2,473,313	-	-
167	Accumulated depreciation	-	(3,153,880)	(2,793,368)	(905,533)	(4,256,675)	(291)	(5,972)
160	Work in progress	-	-	41,088	27	890,755	-	-
	Net fixed assets	-	6,223,240	4,410,433	2,009,315	6,518,040	(291)	13,933
171	Other non-current assets:							
174	Notes and mortgages receivable - non-current	2,728,174	-	-	-	-	-	-
180	Other assets	-	-	-	-	-	-	-
190	TOTAL NONCURRENT ASSETS	2,728,174	6,223,240	4,410,433	2,009,315	6,518,040	(291)	13,933
	TOTAL ASSETS	\$ 2,728,213	\$ 6,583,653	\$ 4,773,056	\$ 2,285,184	\$ 7,369,030	\$ 6,442	\$ 15,506
	LIABILITIES AND EQUITY:							
	LIABILITIES:							
312	Current liabilities:							
321	Accounts payable < 90 days	5	26,094	30,040	8,425	20,032	3,317	347
322	Accrued wage/payroll taxes payable	307	15,236	18,372	8,117	18,161	251	685
325	Accrued compensated absences	117	11,872	5,367	5,138	7,257	-	-
341	Accrued interest payable	-	-	-	-	-	-	-
342	Tenant security deposits	-	10,950	12,500	3,100	15,362	-	-
343	Deferred revenue	-	1,192	2,647	2,232	6,977	-	-
345	Current portion of L-T debt - capital projects	-	9,996	12,409	6,377	23,612	-	-
346	Other current liabilities	-	-	-	(0)	2,102	-	-
310	Accrued liabilities - other	-	-	-	-	191,582	-	-
	TOTAL CURRENT LIABILITIES	429	75,342	81,336	33,389	285,084	3,567	1,032
351	Noncurrent liabilities:							
352	Long-term debt, net of current - capital projects	-	45,980	57,252	29,752	108,907	-	-
353	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-
350	Non-current liabilities- other	25,551	69,215	3,198	14,702	269,491	16,365	9,520
300	TOTAL NONCURRENT LIABILITIES	25,551	115,194	60,450	44,454	378,397	16,365	9,520
	TOTAL LIABILITIES	25,980	190,536	141,786	77,843	663,482	19,932	10,552
	EQUITY:							
508	Invested in capital assets, net of related debt	-	6,167,264	4,340,773	1,973,185	6,385,521	(291)	13,933
511	Restricted net assets	-	-	-	-	2,102	-	-
512	Unrestricted net assets	2,702,233	225,852	290,497	234,155	317,925	(13,199)	(8,979)
513	TOTAL EQUITY	2,702,233	6,393,117	4,631,270	2,207,340	6,705,549	(13,490)	4,955
600	TOTAL LIABILITIES AND EQUITY	\$ 2,728,213	\$ 6,583,653	\$ 4,773,055	\$ 2,285,183	\$ 7,369,030	\$ 6,442	\$ 15,506

HOUSING AUTHORITY OF THE COUNTY OF KING
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		AMP 210	AMP 251	AMP 301	AMP 302	AMP 340	AMP 341	AMP 343
111	Cash:							
	Cash - unrestricted	\$ -	\$ 267,456	\$ 0	\$ 39,389	\$ 15,557	\$ 48,789	\$ 100,065
113	Cash - other restricted	-	-	-	-	-	-	-
114	Cash - tenant security deposits	-	5,975	-	-	-	-	-
100	Total cash	-	273,431	0	39,389	15,557	48,789	100,065
	Accounts and notes receivables:							
121	AR - PHA projects	-	-	-	-	-	-	-
122	AR - HUD other projects	-	-	-	-	-	-	-
124	Accounts receivable - other government	-	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-	186,034	209,159	50,000
126	Accounts receivable- tenants	-	2,868	-	-	-	-	-
126	Allowance for doubtful accounts - tenants	-	(359)	-	0	-	-	-
128	Fraud recovery	-	-	-	-	-	-	-
128	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-
120	Total receivables, net of allowances	-	2,509	-	0	186,034	209,159	50,000
	Current investments:							
131	Investments - unrestricted	-	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	-	5,228	-	297	4,900	101	99
143	Inventories	-	-	-	-	-	-	-
150	TOTAL CURRENT ASSETS	-	281,168	0	39,686	206,491	258,049	150,165
	NONCURRENT ASSETS:							
	Fixed assets:							
161	Land	-	62,146	-	-	-	-	-
162	Buildings	-	3,698,283	-	-	-	-	-
163	Furniture, equipment & machinery - dwellings	-	-	-	-	-	-	-
164	Furniture, equipment & machinery - administration	-	-	-	-	-	-	-
165	Leasehold improvements	-	583,879	-	-	-	-	-
166	Accumulated depreciation	-	(1,926,301)	-	-	-	-	-
167	Work in progress	-	22,705	-	-	-	-	-
160	Net fixed assets	-	2,440,713	-	-	-	-	-
	Other non-current assets:							
171	Notes and mortgages receivable - non-current	-	-	-	-	16,399,785	10,406,661	8,340,497
174	Other assets	-	-	-	-	200	100	-
180	TOTAL NONCURRENT ASSETS	-	2,440,713	-	-	16,399,985	10,406,761	8,340,497
190	TOTAL ASSETS	\$ -	\$ 2,721,880	\$ 0	\$ 39,686	\$ 16,606,476	\$ 10,664,810	\$ 8,490,662
	LIABILITIES AND EQUITY:							
	LIABILITIES:							
	Current liabilities:							
312	Accounts payable < 90 days	-	18,135	-	989	16,166	7,618	7,785
321	Accrued wage/payroll taxes payable	-	11,339	0	5	6,052	4,658	4,419
322	Accrued compensated absences	-	9,456	-	-	9,733	38	60
325	Accrued interest payable	-	-	-	-	-	32,129	82,851
341	Tenant security deposits	-	5,975	-	-	-	-	-
342	Deferred revenue	-	720	-	-	424	-	-
343	Current portion of L-T debt - capital projects	-	22,406	-	-	30,000	65,000	50,000
345	Other current liabilities	-	-	-	-	-	-	10,000
346	Accrued liabilities - other	-	-	-	-	-	-	-
310	TOTAL CURRENT LIABILITIES	-	68,030	0	994	62,375	109,443	155,114
	Noncurrent liabilities:							
351	Long-term debt, net of current - capital projects	-	103,142	-	-	6,795,000	6,995,000	4,105,000
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-
353	Non-current liabilities- other	-	1,816	-	-	100	-	-
350	TOTAL NONCURRENT LIABILITIES	-	104,958	-	-	6,795,100	6,995,000	4,105,000
300	TOTAL LIABILITIES	-	172,988	0	994	6,857,475	7,104,443	4,260,114
	EQUITY:							
508	Invested in capital assets, net of related debt	-	2,315,165	-	-	(6,825,000)	(7,060,000)	(4,155,000)
511	Restricted net assets	-	-	-	-	-	-	-
512	Unrestricted net assets	-	233,728	-	38,693	16,574,000	10,620,367	8,385,547
513	TOTAL EQUITY	-	2,548,892	-	38,693	9,749,000	3,560,367	4,230,547
600	TOTAL LIABILITIES AND EQUITY	\$ -	\$ 2,721,880	\$ 0	\$ 39,687	\$ 16,606,475	\$ 10,664,810	\$ 8,490,662

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		AMP 344	AMP 345	AMP 346	AMP 350	AMP 352	AMP 354	AMP 355
111	Cash:							
113	Cash - unrestricted	\$ 6,865	\$ 2,710		\$ 787,473	\$ 147,125	\$ 338,503	\$ 52,707
114	Cash - other restricted	-	-		-	75	37,586	-
114	Cash - tenant security deposits	-	-		5,775	5,650	3,000	-
100	Total cash	6,865	2,710		793,248	152,850	379,090	52,707
121	Accounts and notes receivables:							
122	AR - PHA projects	-	-		-	-	-	-
124	AR - HUD other projects	-	-		-	-	-	-
125	Accounts receivable - other government	-	-		-	-	-	-
125	Accounts receivable - miscellaneous	2,076	-		-	-	101,967	103,356
126	Accounts receivable- tenants	-	-		2,176	520	1,152	-
126	Allowance for doubtful accounts - tenants	-	-		(81)	(312)	(979)	-
128	Fraud recovery	-	-		-	-	-	-
128	Allowance for doubtful accounts - fraud	-	-		-	-	-	-
120	Total receivables, net of allowances	2,076	-		2,095	208	102,139	103,356
131	Current investments:							
132	Investments - unrestricted	-	-		-	-	37,866	-
142	Investments - restricted	-	-		-	-	0	-
143	Prepaid expenses and other assets	11	17		5,118	5,247	2,929	70
150	Inventories	-	-		-	-	-	-
	TOTAL CURRENT ASSETS	8,952	2,727		800,461	158,305	522,024	156,133
	NONCURRENT ASSETS:							
161	Fixed assets:							
162	Land	-	-		72,003	227,040	463,210	-
163	Buildings	-	-		5,322,651	4,451,037	3,486,661	-
164	Furniture, equipment & machinery - dwellings	-	-		-	-	-	-
165	Furniture, equipment & machinery - administration	-	-		62,240	-	-	-
166	Leasehold improvements	-	-		60,123	160,031	-	-
167	Accumulated depreciation	-	-		(1,771,840)	(2,037,438)	(465,666)	-
167	Work in progress	-	6,685,013		586,708	793	-	-
160	Net fixed assets	-	6,685,013		4,331,885	2,801,463	3,484,204	-
171	Other non-current assets:							
174	Notes and mortgages receivable - non-current	5,589,375	6,794,924		-	2,460,167	35,174,140	7,115,619
180	Other assets	100	-		-	-	1,212,596	-
190	TOTAL NONCURRENT ASSETS	5,589,475	13,479,937		4,331,885	5,261,630	39,870,940	7,115,619
	TOTAL ASSETS	\$ 5,598,427	\$ 13,482,664		\$ 5,132,347	\$ 5,419,934	\$ 40,392,964	\$ 7,271,752
	LIABILITIES AND EQUITY:							
	LIABILITIES:							
312	Current liabilities:							
321	Accounts payable < 90 days	1	1,952		5,246	13,782	19,317	337
322	Accrued wage/payroll taxes payable	541	457		12,428	11,145	15,131	1,814
325	Accrued compensated absences	2,906	374		9,148	9,204	62,371	2,641
341	Accrued interest payable	-	-		-	-	-	68,356
342	Tenant security deposits	-	-		5,775	5,650	3,000	-
343	Deferred revenue	-	-		1,000	91	1,589	-
344	Current portion of L-T debt - capital projects	-	-		4,998	4,654	-	35,000
345	Other current liabilities	-	-		-	-	-	6,000
346	Accrued liabilities - other	-	-		363,983	-	-	-
310	TOTAL CURRENT LIABILITIES	3,447	2,783		402,577	44,525	101,408	114,147
351	Noncurrent liabilities:							
352	Long-term debt, net of current - capital projects	1,943	-		22,990	21,908	-	3,198,000
353	Long-term debt, net of current - operating borrowings	-	-		-	-	-	-
350	Non-current liabilities- other	-	-		54,422	35,898	33,773	-
300	TOTAL NONCURRENT LIABILITIES	1,943	-		77,412	57,806	33,773	3,198,000
	TOTAL LIABILITIES	5,390	2,783		479,989	102,331	135,181	3,312,147
	EQUITY:							
508	Invested in capital assets, net of related debt	(1,943)	6,685,013		4,303,897	2,774,901	3,484,204	(3,233,000)
511	Restricted net assets	-	-		-	75	37,586	-
512	Unrestricted net assets	5,594,980	6,794,868		348,460	2,542,627	36,735,993	7,192,605
513	TOTAL EQUITY	5,593,038	13,479,881		4,652,357	5,317,603	40,257,784	3,959,605
600	TOTAL LIABILITIES AND EQUITY	\$ 5,598,428	\$ 13,482,664		\$ 5,132,346	\$ 5,419,934	\$ 40,392,965	\$ 7,271,751

HOUSING AUTHORITY OF THE COUNTY OF KING
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		AMP 401	AMP 402	AMP 403	AMP 404	AMP 408	AMP 450	AMP 451
111	Cash:							
	Cash - unrestricted	\$ 406,213	\$ 27,723	\$ 550,563	\$ 5,746	\$ 683	\$ -	\$ 8,456
113	Cash - other restricted	54	-	-	-	-	-	-
114	Cash - tenant security deposits	18,130	-	16,425	-	-	-	-
100	Total cash	424,397	27,723	566,988	5,746	683	-	8,456
	Accounts and notes receivables:							
121	AR - PHA projects	-	-	-	-	-	-	-
122	AR - HUD other projects	-	-	-	-	-	-	-
124	Accounts receivable - other government	275,501	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-	-	-	-
126	Accounts receivable - tenants	4,001	-	13,320	-	2,318	-	-
126	Allowance for doubtful accounts - tenants	(4,521)	-	(132)	(1,945)	(272)	-	(73)
128	Fraud recovery	-	-	-	-	-	-	-
128	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-
120	Total receivables, net of allowances	274,981	-	13,188	(1,945)	2,047	-	(73)
	Current investments:							
131	Investments - unrestricted	-	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	9,579	1,558	10,789	-	13	25	47
143	Inventories	-	-	-	-	-	-	-
150	TOTAL CURRENT ASSETS	708,957	29,280	590,964	3,801	2,742	25	8,430
	NONCURRENT ASSETS:							
	Fixed assets:							
161	Land	160,827	-	1,909,523	-	-	-	-
162	Buildings	8,225,798	3,070,388	6,174,333	-	-	-	-
163	Furniture, equipment & machinery - dwellings	-	-	-	-	-	-	-
164	Furniture, equipment & machinery - administration	107,484	-	55,349	-	-	-	-
165	Leasehold improvements	1,005,952	-	352,940	-	-	-	-
166	Accumulated depreciation	(3,435,800)	(697,816)	(3,062,693)	-	-	-	-
167	Work in progress	1,781,789	-	6,024,140	-	-	-	-
160	Net fixed assets	7,846,050	2,372,573	11,453,593	-	-	-	-
	Other non-current assets:							
171	Notes and mortgages receivable - non-current	-	-	-	-	-	2,511,707	-
174	Other assets	-	-	-	-	-	-	-
180	TOTAL NONCURRENT ASSETS	7,846,050	2,372,573	11,453,593	-	-	2,511,707	-
190	TOTAL ASSETS	\$ 8,555,007	\$ 2,401,853	\$ 12,044,557	\$ 3,801	\$ 2,742	\$ 2,511,732	\$ 8,430
	LIABILITIES AND EQUITY:							
	LIABILITIES:							
	Current liabilities:							
312	Accounts payable < 90 days	3,854	2,678	9,585	3,644	-	4	1,003
321	Accrued wage/payroll taxes payable	26,466	1,008	21,766	157	184	270	843
322	Accrued compensated absences	22,680	-	20,206	-	240	102	-
325	Accrued interest payable	-	-	-	-	-	-	-
341	Tenant security deposits	18,130	-	16,425	-	-	-	-
342	Deferred revenue	3,894	-	4,660	-	-	-	-
343	Current portion of L-T debt - capital projects	-	-	22,923	-	-	-	-
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-	-
345	Other current liabilities	204	-	0	-	-	-	-
346	Accrued liabilities - other	196,009	-	120,937	-	-	-	-
310	TOTAL CURRENT LIABILITIES	271,237	3,686	216,503	3,801	424	376	1,846
	Noncurrent liabilities:							
351	Long-term debt, net of current - capital projects	-	-	105,605	-	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-
353	Non-current liabilities- other	372,777	-	181,599	871	495	50,640	-
350	TOTAL NONCURRENT LIABILITIES	372,777	-	287,204	871	495	50,640	-
300	TOTAL LIABILITIES	644,014	3,686	503,707	4,672	919	51,017	1,846
	EQUITY:							
508	Invested in capital assets, net of related debt	7,846,050	2,372,573	11,325,065	-	-	-	-
511	Restricted net assets	54	-	-	-	-	-	-
512	Unrestricted net assets	64,890	25,594	215,786	(871)	1,823	2,460,715	6,584
513	TOTAL EQUITY	7,910,994	2,398,167	11,540,851	(871)	1,823	2,460,715	6,584
600	TOTAL LIABILITIES AND EQUITY	\$ 8,555,007	\$ 2,401,853	\$ 12,044,557	\$ 3,801	\$ 2,742	\$ 2,511,732	\$ 8,429

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		AMP 502	AMP 503	AMP 504	AMP 505	AMP 550	AMP 551	AMP 552
111	Cash:							
113	Cash - unrestricted	\$ 9,795	\$ 99,767	\$ 230,723	\$ 115,416	\$ 141,529	\$ -	\$ 264,830
114	Cash - other restricted	-	24,732	8,915	-	-	-	-
100	Cash - tenant security deposits	-	8,325	7,500	-	4,900	-	5,950
	Total cash	9,795	132,824	247,138	115,416	146,429	-	270,780
	Accounts and notes receivables:							
121	AR - PHA projects	-	-	-	-	-	-	-
122	AR - HUD other projects	-	-	-	-	-	-	-
124	Accounts receivable - other government	-	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-	-	-	-
126	Accounts receivable- tenants	-	1,573	3,527	-	6,954	-	246
126	Allowance for doubtful accounts - tenants	(56)	(12)	(451)	(359)	(279)	-	(85)
128	Fraud recovery	-	-	-	-	-	-	-
128	Allowance for doubtful accounts - fraud	-	-	-	-	-	-	-
120	Total receivables, net of allowances	(56)	1,560	3,075	(359)	6,675	-	161
	Current investments:							
131	Investments - unrestricted	-	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	-	4,913	5,395	269	4,965	50	6,627
143	Inventories	-	-	-	-	-	-	-
150	TOTAL CURRENT ASSETS	9,739	139,298	255,608	115,326	158,069	50	277,568
	NONCURRENT ASSETS:							
	Fixed assets:							
161	Land	-	113,808	154,682	-	70,350	-	66,167
162	Buildings	-	3,969,900	3,359,161	-	2,959,210	-	7,645,219
163	Furniture, equipment & machinery - dwellings	-	-	-	-	-	-	-
164	Furniture, equipment & machinery - administration	-	50,589	45,101	-	-	-	-
165	Leasehold improvements	-	322,380	303,723	-	127,940	-	146,656
166	Accumulated depreciation	-	(1,907,948)	(1,821,913)	-	(1,555,312)	-	(2,475,399)
167	Work in progress	-	265,368	264,230	-	40,523	-	-
160	Net fixed assets	-	2,814,096	2,304,983	-	1,642,711	-	5,382,643
	Other non-current assets:							
171	Notes and mortgages receivable - non-current	-	-	-	-	1,436,243	2,724,738	-
174	Other assets	-	-	-	-	-	-	-
180	TOTAL NONCURRENT ASSETS	-	2,814,096	2,304,983	-	3,078,954	2,724,738	5,382,643
190	TOTAL ASSETS	\$ 9,739	\$ 2,953,394	\$ 2,560,592	\$ 115,326	\$ 3,237,023	\$ 2,724,788	\$ 5,660,210
	LIABILITIES AND EQUITY:							
	LIABILITIES:							
	Current liabilities:							
312	Accounts payable < 90 days	9,739	1,278	25,105	989	5,589	5	17,375
321	Accrued wage/payroll taxes payable	-	10,552	12,507	342	9,575	312	11,775
322	Accrued compensated absences	-	12,431	17,234	-	14,182	123	27,836
325	Accrued interest payable	-	-	-	-	-	-	-
341	Tenant security deposits	-	8,325	7,500	-	4,900	-	5,950
342	Deferred revenue	-	7,532	2,125	-	222	-	391
343	Current portion of L-T debt - capital projects	-	10,858	11,203	-	6,722	-	5,860
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-	-
345	Other current liabilities	-	59,466	8,915	-	-	-	-
346	Accrued liabilities - other	-	-	-	-	-	-	-
310	TOTAL CURRENT LIABILITIES	9,739	110,442	84,589	1,331	41,189	439	69,186
	Noncurrent liabilities:							
351	Long-term debt, net of current - capital projects	-	49,816	51,736	-	31,380	-	26,765
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-	-
353	Non-current liabilities- other	-	112,344	109,825	1,024	24,084	30,384	5,799
350	TOTAL NONCURRENT LIABILITIES	-	162,161	161,561	1,024	55,464	30,384	32,564
300	TOTAL LIABILITIES	9,739	272,603	246,150	2,355	96,653	30,823	101,750
	EQUITY:							
508	Invested in capital assets, net of related debt	-	2,753,421	2,242,044	-	1,604,610	-	5,350,018
511	Restricted net assets	-	24,732	8,915	-	-	-	-
512	Unrestricted net assets	0	(97,363)	63,483	112,971	1,535,760	2,693,965	208,443
513	TOTAL EQUITY	0	2,680,791	2,314,442	112,971	3,140,370	2,693,965	5,558,460
600	TOTAL LIABILITIES AND EQUITY	\$ 9,740	\$ 2,953,394	\$ 2,560,592	\$ 115,326	\$ 3,237,023	\$ 2,724,788	\$ 5,660,210

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		AMP 553	Subtotal	Elimination	Total Authority	COMPONENT UNITS
	Cash:					
111	Cash - unrestricted	\$ -	\$ 42,246,104		\$ 42,246,104	\$ 6,384,999
113	Cash - other restricted	-	19,777,914		19,777,914	12,603,178
114	Cash - tenant security deposits	-	1,395,593		1,395,593	927,174
100	Total cash	-	63,419,611	-	63,419,611	19,915,352
	Accounts and notes receivables:					
121	AR - PHA projects	-	108,592		108,592	-
122	AR - HUD other projects	-	2,080,577		2,080,577	-
124	Accounts receivable - other government	-	1,664,021		1,664,021	-
125	Accounts receivable - miscellaneous	-	27,301,293	(2,147,918)	25,153,375	94,314
126	Accounts receivable - tenants	-	287,622		287,622	56,254
126	Allowance for doubtful accounts - tenants	-	(22,937)		(22,937)	-
128	Fraud recovery	-	3,497		3,497	-
128	Allowance for doubtful accounts - fraud	-	(100)		(100)	-
120	Total receivables, net of allowances	-	31,422,566	(2,147,918)	29,274,648	150,568
	Current investments:					
131	Investments - unrestricted	-	54,103,456		54,103,456	1,093,411
132	Investments - restricted	-	5,549,445		5,549,445	1,089,434
142	Prepaid expenses and other assets	26	583,420		583,420	410,537
143	Inventories	-	631,624		631,624	-
150	TOTAL CURRENT ASSETS	26	155,710,122	(2,147,918)	153,562,204	22,659,302
	NONCURRENT ASSETS:					
	Fixed assets:					
161	Land	-	60,098,415		60,098,415	44,317,589
162	Buildings	-	254,415,512		254,415,512	389,790,644
163	Furniture, equipment & machinery - dwellings	-	35,400		35,400	901,446
164	Furniture, equipment & machinery - administration	-	5,180,607		5,180,607	15,252,854
165	Leasehold improvements	-	15,324,245		15,324,245	-
166	Accumulated depreciation	-	(126,849,073)		(126,849,073)	(85,236,455)
167	Work in progress	-	92,537,689		92,537,689	23,982
160	Net fixed assets	-	300,742,795		300,742,795	365,050,060
	Other non-current assets:					
171	Notes and mortgages receivable - non-current	2,934,333	293,946,714		293,946,714	-
174	Other assets	-	25,506,256	(20,505,561)	5,000,695	3,589,519
180	TOTAL NONCURRENT ASSETS	2,934,333	620,195,765	(20,505,561)	599,690,204	368,639,578
190	TOTAL ASSETS	\$ 2,934,359	\$ 775,905,888	\$ (22,653,479)	\$ 753,252,411	\$ 391,298,881
	LIABILITIES AND EQUITY:					
	LIABILITIES:					
	Current liabilities:					
312	Accounts payable < 90 days	5	4,097,961		4,097,961	656,551
321	Accrued wage/payroll taxes payable	249	1,430,006		1,430,006	-
322	Accrued compensated absences	175	1,994,499		1,994,499	-
325	Accrued interest payable	-	2,191,725		2,191,725	11,744,955
341	Tenant security deposits	-	1,395,593		1,395,593	768,089
342	Deferred revenue	-	1,288,526		1,288,526	41,738
343	Current portion of L-T debt - capital projects	-	7,024,289	(1)	7,024,288	1,196,052
344	Current portion of L-T debt - operating borrowings	-	0		0	12,072
345	Other current liabilities	-	2,922,536	(2,147,917)	774,619	341,790
346	Accrued liabilities - other	-	1,229,524		1,229,524	2,716,800
310	TOTAL CURRENT LIABILITIES	429	23,574,659	(2,147,918)	21,426,741	17,478,046
	Noncurrent liabilities:					
351	Long-term debt, net of current - capital projects	-	119,217,521	(29)	119,217,492	251,011,994
352	Long-term debt, net of current - operating borrowings	-	156,355,396		156,355,396	1,040,000
353	Non-current liabilities - other	99,722	29,719,743	(20,505,532)	9,214,212	2,759,024
350	TOTAL NONCURRENT LIABILITIES	99,722	305,292,661	(20,505,561)	284,787,100	254,811,018
300	TOTAL LIABILITIES	100,150	328,867,320	(22,653,479)	306,213,841	272,289,064
	EQUITY:					
508	Invested in capital assets, net of related debt	-	174,500,985		174,500,986	112,842,014
511	Restricted net assets	-	25,327,359		25,327,358	13,692,612
512	Unrestricted net assets	2,834,209	247,210,224		247,210,224	(7,524,809)
513	TOTAL EQUITY	2,834,209	447,038,568	-	447,038,568	119,009,816
600	TOTAL LIABILITIES AND EQUITY	\$ 2,934,359	\$ 775,905,887	\$ (22,653,479)	\$ 753,252,412	\$ 391,298,881

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	Capital Fund Program	Section 8 Housing Choice Voucher	Low Rent Public Housing	Section 8 - New Construction	Multifamily Housing Service coordinators	Section 8 - Special Allocation	Section 8 - HAP Program Additional Support	Section 8 - Moderate Rehabilitation
	14.CFP	14.HCV	14.OPS	14.182	14.191	14.195	14.317	14.856
REVENUE:								
70300	Net tenant rental revenue			\$ 363,098	\$ -	\$ 170,252	\$ -	\$ -
70400	Tenant revenue - other			10,760	-	7,346	-	-
70500	Total tenant revenue			373,858	-	177,598	-	-
70600	HUD PHA Operating Grants	647,763	92,516,138	7,498,323	837,860	185,454	388,347	182,202
70610	Capital Grants	1,526,631						98,802
70710	Management Fee							-
70720	Asset Management Fee							-
70730	Book-keeping Fee							-
70750	Other Fees							-
70700	Total Fee Revenue							-
70800	Other Government Grants							-
71100	Investment Income - unrestricted							-
71300	Proceeds from disposition of assets held for sale							-
71310	Cost of Sale of Assets							-
71500	Other Revenue			3,804	-	664	-	1
71600	Gain (loss) on the sale of capital assets							-
72000	Investment income - restricted			500		896		156
70000	TOTAL REVENUE	2,174,394	92,516,138	7,498,323	1,216,082	185,454	567,504	182,202
EXPENSES:								
<i>Administrative</i>								
91100	Administrative salaries			85,674	-	64,811	-	2,305
91200	Auditing fees							42
91300	Management fees			60,384	-	29,259	-	2,160
91310	Book-keeping Fee							1,350
91400	Advertising and Marketing					1,329	-	-
91500	Employee benefit contributions - administrative			103,452	39,023	41,514	-	779
91600	Office Expenses			4,160	653	1,092	-	370
91700	Legal expense			107	-	981	-	14
91800	Travel			6,319	3,149	2,940	-	63
91900	Other			32,873	870	7,928	-	342
91000	Total Operating - Administrative			292,970	43,696	149,853	-	7,326
92000	Asset Management Fee							-
<i>Tenant services</i>								
92100	Tenant services - salaries			25,597	107,334	-	-	-
92200	Relocation costs					1,847	-	-
92300	Employee benefits						-	-
92400	Tenant services - other			15,839	22,119	17,594	-	4
92500	Total Tenant Services			41,436	129,453	19,441	-	4
<i>Utilities</i>								
93100	Water			36,344	-	12,729	-	4
93200	Electricity			22,875	-	4,054	-	18
93300	Gas			5,890	-	-	-	-
93400	Fuel						-	-
93600	Sewer			27,145	-	14,460	-	1
93800	Other utilities expense			15,854	-	12,891	-	2
93000	Total Utilities			108,108	-	44,134	-	24
<i>Ordinary maintenance & operation</i>								
94100	Ordinary maintenance and operations - labor			126,053	-	35,574	-	-
94200	Ordinary maintenance and operations - material and other			93,527	-	139,524	-	8
94300	Ordinary maintenance and operations - contracts			71,079	-	47,010	-	28
94500	Employee benefit contributions - ordinary maintenance						-	-
94000	Total Maintenance			290,658	-	222,109	-	36
<i>General expenses</i>								
96110	Property Insurance			10,068	-	2,250	-	8
96120	Liability Insurance			8,756	353	2,770	-	37
96140	All other insurance					4,507	-	-
96100	Total Insurance Premiums			18,824	353	9,526	-	45
96200	Other General Expenses					(0)	-	-
96210	Compensated Absences			23,429	-	9,004	-	17
96300	Payments in lieu of taxes			723	-	-	-	-
96000	Total Other General Expenses			24,152	-	9,004	-	17
96710	Interest on mortgages (or bonds) payable					87,345	-	-
96720	Interest on notes payable (short and long term)			7,190		29,241	-	-
96730	Amortization of bond issue costs						-	-
96700	Total interest expense and amortization cost			7,190		116,586	-	-
96900	TOTAL OPERATING EXPENSES			783,339	173,501	570,653	-	7,451
EXCESS OPERATING REVENUE OVER OPERATING EXPENSES								
97000		2,174,394	92,516,138	7,498,323	432,743	11,954	(3,149)	182,202
97100	Extraordinary maintenance				89,596	26,145	6,573	-
97200	Casualty losses - non-capitalized							-
97300	Housing assistance payments							83,480
97350	HAP Portability-In							-
97400	Depreciation expense				250,029		24,270	-
90000	TOTAL EXPENSES				1,122,964	199,646	601,496	90,931
OTHER FINANCING SOURCES (USES)								
10010	Operating transfers in				14,192			-
10020	Operating transfers out	(2,174,394)	(92,516,138)	(7,498,323)		(1,594)	(182,202)	
10100	TOTAL OTHER FINANCING SOURCES	(2,174,394)	(92,516,138)	(7,498,323)		12,598	(182,202)	
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES								
	\$ -	\$ -	\$ -	\$ 93,118	\$ (1,594)	\$ (33,992)	\$ -	\$ 8,028
MEMO ACCT INFORMATION								
11020	Required annual debt principal payments							
11030	Beginning of year equity			5,985,283	24,571	201,757	-	60,448
11040	Prior period adjustments, equity transfers							-
11170	Administrative Fee Equity							-
11180	Housing Assistance Fee Equity							-
11190	Unit Months Available			1,632		492		180
11210	Number of unit months leased			1,624		486		164
11620	Building Purchases							-
13510	CFFP debt service payments							-
13901	Replacement housing factor funds							-

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		Hope VI	Resident Opportunity and Self-Sufficiency	Section 8 Housing Choice Vouchers	Mainstream Vouchers	Moving-To-Work Demonstration Program	Competitive Capital Fund Stimulus Grant	State/Local Programs	Business Activities	Americorp
		14,866	14,870	14,871	14,879	14,881	14,884			94,006
REVENUE:										
70300	Net tenant rental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 33,283,460	\$ -
70400	Tenant revenue - other	-	-	0	2,343	(0)	-	-	869,700	-
70500	Total tenant revenue	-	-	0	2,343	(0)	-	-	34,153,160	-
70600	HUD PHA Operating Grants	10,707,390	-	10,301,030	2,557,086	-	92,153	-	-	-
70610	Capital Grants	-	-	-	-	-	792,346	-	-	-
70710	Management Fee	-	-	-	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-	-	-	-
70800	Other Government Grants	-	-	59,158	-	-	-	3,539,064	5,802,307	30,174
71100	Investment Income - unrestricted	-	-	1,998	-	(0)	-	-	5,438,075	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	509,877	-
71310	Cost of Sale of Assets	-	-	-	-	-	-	-	(304,296)	-
71500	Other Revenue	-	-	25,501,784	105	1,598,251	-	284,728	-	1,500
71600	Gain (loss) on the sale of capital assets	-	-	-	-	-	-	-	(0)	-
72000	Investment income - restricted	-	-	8,556	1,348	136,992	-	-	1,811,279	-
70000	TOTAL REVENUE	10,707,390	-	35,872,526	2,560,883	1,735,243	884,499	3,823,792	47,349,397	31,674
EXPENSES:										
Administrative										
91100	Administrative salaries	-	-	2,043,185	42,340	1,588,200	-	628,835	2,007,840	-
91200	Auditing fees	-	-	-	770	20,006	-	833	4,608	-
91300	Management fees	-	-	95,052	50,532	1,422,816	67,472	-	1,435,564	-
91310	Book-keeping Fee	-	-	59,123	31,583	889,267	-	-	478,915	-
91400	Advertising and Marketing	-	-	310	-	1,189	-	9,382	201,825	-
91500	Employee benefit contributions - administrative	42,628	-	933,835	14,697	590,673	-	241,970	1,476,389	22,386
91600	Office Expenses	1,091	-	82,623	5,227	154,077	-	12,108	10,704	1,459
91700	Legal expense	-	-	47,013	267	9,870	-	6,757	81,620	-
91800	Travel	959	-	9,611	1,174	40,337	-	25,282	37,299	5,037
91900	Other	14,859	-	430,177	7,896	223,620	-	52,415	749,520	1,199
91000	Total Operating - Administrative	59,537	-	3,700,928	154,486	4,940,055	67,472	977,583	6,504,283	30,081
92000	Asset Management Fee	-	-	-	-	-	-	-	864,015	-
Tenant services										
92100	Tenant services - salaries	123,831	-	143,325	-	308,835	-	-	188,930	63,790
92200	Relocation costs	2,053	-	10,063	-	10,502	-	-	36,106	-
92300	Employee benefits	-	-	-	-	-	-	-	-	-
92400	Tenant services - other	38,914	-	190,371	78	1,875,856	-	155	761,368	16,800
92500	Total Tenant Services	164,797	-	343,759	78	2,195,193	-	155	986,404	80,590
Utilities										
93100	Water	-	-	2,199	1,149	552	-	315	1,179,995	-
93200	Electricity	1,231	-	10,792	3,830	4,510	-	1,517	482,222	-
93300	Gas	-	-	1,755	-	13	-	-	39,603	-
93400	Fuel	-	-	-	-	-	-	-	10,236	-
93600	Sewer	-	-	591	297	69	-	68	1,577,317	-
93800	Other utilities expense	-	-	2,885	486	382	-	142	810,526	-
93000	Total Utilities	1,231	-	18,222	5,761	5,527	-	2,042	4,099,899	-
Ordinary maintenance & operation										
94100	Ordinary maintenance and operations - labor	-	-	0	-	813	24,603	-	2,071,223	-
94200	Ordinary maintenance and operations - material and other	2,469	-	1,862	3,299	2,547	21,583	1,867,703	4,941,076	-
94300	Ordinary maintenance and operations - contracts	421	-	23,420	8,355	5,915	2,800	464,676	1,865,987	-
94500	Employee benefit contributions - ordinary maintenance	-	-	-	-	-	-	-	-	-
94000	Total Maintenance	2,890	-	25,282	11,654	9,275	48,986	2,332,379	8,878,287	-
General expenses										
96110	Property Insurance	-	-	754	111	2,871	-	42	214,969	-
96120	Liability Insurance	741	-	20,059	556	15,923	-	12,847	238,473	238
96140	All other insurance	-	-	-	-	-	-	-	140	-
96100	Total Insurance Premiums	741	-	20,813	666	18,794	-	12,889	453,582	238
96200	Other General Expenses	-	-	-	-	205	-	-	0	-
96210	Compensated Absences	-	-	247,237	3,911	34,991	-	73,736	184,613	-
96300	Payments in lieu of taxes	-	-	-	-	-	-	-	15,262	-
96000	Total Other General Expenses	-	-	247,237	3,911	35,196	-	73,736	199,875	-
96710	Interest on mortgage (or bonds) payable	-	-	-	-	-	-	-	6,451,849	-
96720	Interest on notes payable (short and long term)	-	-	-	-	3,887	-	-	3,109,916	-
96730	Amortization of bond issue costs	-	-	-	-	-	-	-	-	-
96700	Total interest expense and amortization cost	-	-	-	-	3,887	-	-	9,561,765	-
96000	TOTAL OPERATING EXPENSES	229,196	-	4,356,241	176,556	7,207,925	116,458	3,398,784	31,548,109	110,909
EXCESS OPERATING REVENUE OVER OPERATING EXPENSES										
97000		10,478,194	-	31,516,285	2,384,326	(5,472,683)	768,042	425,008	15,801,288	(79,235)
97100	Extraordinary maintenance	-	-	-	-	-	0	-	1,574,588	-
97200	Casualty losses - non-capitalized	-	-	-	-	-	-	-	259,242	-
97300	Housing assistance payments	-	-	12,873,469	2,199,673	64,532,518	-	-	-	-
97350	HAP Portability-In	-	-	25,443,370	-	-	-	-	-	-
97400	Depreciation expense	-	-	74,112	-	-	-	-	3,842,366	-
90000	TOTAL EXPENSES	229,196	-	42,747,192	2,376,229	71,740,443	116,458	3,398,784	37,224,306	110,909
OTHER FINANCING SOURCES (USES)										
10010	Operating transfers in	0	-	10,047,875	-	115,552,983	-	603,467	28,373,917	63,935
10020	Operating transfers out	(222,635)	-	(0)	(159,880)	(41,787,473)	-	(1,186,019)	(16,301,789)	(25,457)
10100	TOTAL OTHER FINANCING SOURCES	(222,635)	-	10,047,875	(159,880)	73,765,510	-	(582,551)	12,072,128	38,478
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES										
		\$ 10,255,559	\$ -	\$ 3,173,209	\$ 24,803	\$ 3,760,310	\$ 768,041	\$ (157,543)	\$ 22,197,220	\$ (40,757)
MEMO ACCT INFORMATION										
11020	Required annual debt principal payments	-	-	-	-	-	-	-	-	-
11030	Beginning of year equity	36,814,945	79,853	3,791,625	(11,272)	43,412,851	-	981,162	97,809,265	25,478
11040	Prior period adjustments, equity transfers	-	(79,853)	-	-	-	(768,041)	-	(2,003,190)	-
11170	Administrative Fee Equity	-	\$ 6,419,209	-	-	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	\$ 545,625	-	-	-	-	-	-	-
11190	Unit Months Available	-	-	13,008	4,200	88,248	-	-	34,044	-
11210	Number of unit months leased	-	-	8,374	4,200	88,248	-	-	33,567	-
11620	Building Purchases	-	-	-	-	-	-	-	-	-
13510	CFFP debt service payments	-	-	-	-	-	-	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-	-	-	-	-

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	Other Federal Programs	Other Federal Programs	Other Federal Programs	COCC		AMP 101		AMP 105	
				Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program
	14.251	14.890	14.908						
REVENUE:									
70300 Net tenant rental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 523,396	\$ -	\$ 72,149	\$ -
70400 Tenant revenue - other	-	-	-	-	-	11,704	-	0	-
70500 Total tenant revenue	-	-	-	-	-	535,101	-	72,150	-
70600 HUD PHA Operating Grants	664,034	2,781,338	56,952	-	-	-	-	-	-
70610 Capital Grants	-	-	-	-	-	-	-	-	-
70710 Management Fee	-	-	-	4,843,494	-	-	-	-	-
70720 Asset Management Fee	-	-	-	1,155,555	-	-	-	-	-
70730 Book-keeping Fee	-	-	-	1,707,415	-	-	-	-	-
70750 Other Fees	-	-	-	137,227	-	-	-	-	-
70700 Total Fee Revenue	-	-	-	7,843,691	-	-	-	-	-
70800 Other Government Grants	-	-	-	-	-	-	-	-	-
71100 Investment Income - unrestricted	-	-	-	30,724	-	-	-	-	-
71300 Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-	-	-	-	-	-
71500 Other Revenue	-	-	-	2,249,997	-	8,521	-	-	-
71600 Gain (loss) on the sale of capital assets	-	-	-	7,769	-	5,277	-	-	-
72000 Investment income - restricted	-	-	-	232,433	-	485	-	119	-
70000 TOTAL REVENUE	664,034	2,781,338	56,952	10,364,614	-	549,383	-	72,269	-
EXPENSES:									
Administrative									
91100 Administrative salaries	-	-	6,544	5,778,489	-	85,225	-	4,127	-
91200 Auditing fees	-	-	-	19,985	-	3,217	-	541	-
91300 Management fees	-	-	-	-	-	112,926	43,336	12,435	7,290
91310 Book-keeping Fee	-	-	-	-	-	12,473	-	2,018	-
91400 Advertising and Marketing	-	-	-	8,953	-	55	-	9	-
91500 Employee benefit contributions - administrative	-	-	2,318	2,316,847	-	92,734	-	6,738	-
91600 Office Expenses	-	-	-	387,431	-	5,849	-	914	-
91700 Legal expense	-	-	-	163,171	-	1,065	-	1,279	-
91800 Travel	-	-	27	230,837	-	6,615	-	1,295	-
91900 Other	-	-	21,662	0	-	22,966	-	2,330	-
91000 Total Operating - Administrative	-	-	30,551	8,905,713	-	343,126	43,336	31,686	7,290
92000 Asset Management Fee	-	-	-	-	-	16,600	-	2,640	-
Tenant services									
92100 Tenant services - salaries	-	-	-	47,889	-	28,652	-	3,602	-
92200 Relocation costs	-	-	-	107,741	-	1,558	-	2,086	-
92300 Employee benefits	-	-	-	-	-	-	-	-	-
92400 Tenant services - other	-	-	-	44	-	48,326	-	462	-
92500 Total Tenant Services	-	-	-	155,674	-	78,536	-	6,150	-
Utilities									
93100 Water	-	-	-	11,090	-	77,839	-	3,029	-
93200 Electricity	-	-	-	58,218	-	14,802	-	2,040	-
93300 Gas	-	-	-	224	-	-	-	-	-
93400 Fuel	-	-	-	-	-	-	-	-	-
93600 Sewer	-	-	-	3,450	-	58,828	-	2,152	-
93800 Other utilities expense	-	-	-	20,255	-	50,726	-	4,297	-
93000 Total Utilities	-	-	-	93,236	-	202,195	-	11,519	-
Ordinary maintenance & operation									
94100 Ordinary maintenance and operations - labor	-	-	-	1,721,118	-	152,834	-	14,964	-
94200 Ordinary maintenance and operations - material and other	-	-	-	532,009	-	68,326	-	6,744	-
94300 Ordinary maintenance and operations - contracts	-	-	26,401	48,364	-	42,446	-	8,990	-
94500 Employee benefit contributions - ordinary maintenance	-	-	-	-	-	-	-	-	-
94000 Total Maintenance	-	-	26,401	2,301,490	-	263,606	-	30,698	-
General expenses									
96110 Property Insurance	-	-	-	11,654	-	7,625	-	1,259	-
96120 Liability Insurance	-	-	-	86,468	-	9,448	-	1,253	-
96140 All other insurance	-	-	-	-	-	-	-	-	-
96100 Total Insurance Premiums	-	-	-	98,122	-	17,072	-	2,512	-
96200 Other General Expenses	-	-	-	141,197	-	-	-	-	-
96210 Compensated Absences	-	-	-	-	-	17,437	-	142	-
96300 Payments in lieu of taxes	-	-	-	-	-	-	-	-	-
96000 Total Other General Expenses	-	-	-	141,197	-	17,437	-	142	-
96710 Interest on mortgage (or bonds) payable	-	-	-	-	-	-	-	-	-
96720 Interest on notes payable (short and long term)	-	-	-	113,200	-	4,278	-	-	-
96730 Amortization of bond issue costs	-	-	-	-	-	-	-	-	-
96700 Total interest expense and amortization cost	-	-	-	113,200	-	4,278	-	-	-
96900 TOTAL OPERATING EXPENSES	-	-	56,952	11,808,632	-	942,851	43,336	85,347	7,290
EXCESS OPERATING REVENUE	664,034	2,781,338	-	(1,444,018)	-	(393,468)	(43,336)	(13,078)	(7,290)
OVER OPERATING EXPENSES	-	-	-	(0)	-	344,133	-	4,368	-
97100 Extraordinary maintenance	-	-	-	9,782	-	-	-	-	-
97200 Casualty losses - non-capitalized	-	-	-	-	-	-	-	-	-
97300 Housing assistance payments	-	-	-	-	-	-	-	-	-
97350 HAP Portability-In	-	-	-	-	-	-	-	-	-
97400 Depreciation expense	-	-	-	1,041,744	-	294,096	-	43,078	-
90000 TOTAL EXPENSES	-	-	56,952	12,860,158	-	1,581,080	43,336	132,793	7,290
OTHER FINANCING SOURCES (USES)									
10010 Operating transfers in	284,773	898,917	-	6,775,162	-	1,163,449	43,336	60,418	7,290
10020 Operating transfers out	134,589	55,760	(30,117)	(1,469,307)	-	(335,282)	-	(34,176)	-
10100 TOTAL OTHER FINANCING SOURCES	419,363	954,677	(30,117)	5,305,855	-	828,167	43,336	26,242	7,290
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES	\$ 1,083,397	\$ 3,736,016	\$ (30,117)	\$ 2,810,311	\$ -	\$ (203,530)	\$ -	\$ (34,283)	\$ -
MEMO ACCT INFORMATION									
11020 Required annual debt principal payments	-	-	-	-	-	18,340	-	-	-
11030 Beginning of year equity	2,701,250	192,554	30,117	41,314,938	-	7,662,362	-	1,730,266	-
11040 Prior period adjustments, equity transfers	-	-	-	-	-	1,862	(0)	-	-
11170 Administrative Fee Equity	-	-	-	-	-	-	-	-	-
11180 Housing Assistance Fee Equity	-	-	-	-	-	-	-	-	-
11190 Unit Months Available	-	-	-	-	-	1,614	-	222	-
11210 Number of unit months leased	-	-	-	-	-	1,589	-	229	-
11620 Building Purchases	-	-	-	-	-	-	(0)	-	-
13510 CFFP debt service payments	-	-	-	-	-	-	-	-	-
13901 Replacement housing factor funds	-	-	-	-	-	-	-	-	-

HOUSING AUTHORITY OF THE COUNTY OF KING
Financial Data Schedule (FDS)
Statement of Revenues and Expenses
For the 12 Month Period Ending December 31, 2012

	AMP 150		AMP 152		AMP 153		AMP 201		AMP 203	
	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program
REVENUE:										
70300	Net tenant rental revenue	\$ -	\$ -	\$ 316,864	\$ -	\$ 337,111	\$ -	\$ 194,415	\$ -	\$ 390,171
70400	Tenant revenue - other	-	-	7,985	-	9,225	-	2,435	-	0
70500	Total tenant revenue	-	-	324,850	-	346,336	-	196,850	-	390,172
70600	HUD PHA Operating Grants	-	-	-	-	-	-	-	-	-
70610	Capital Grants	-	-	-	-	-	-	-	-	-
70710	Management Fee	-	-	5,657	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-	-	-	-
70800	Other Government Grants	-	-	-	-	-	-	-	73,944	-
71100	Investment Income - unrestricted	135,736	-	-	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-	-	-	-	-
71500	Other Revenue	-	-	2,854	-	3,339	-	1,927	-	4,397
71600	Gain (loss) on the sale of capital assets	-	-	4,234	-	-	-	0	-	-
72000	Investment income - restricted	-	-	639	-	488	-	243	-	1,374
70000	TOTAL REVENUE	135,736	-	332,576	-	350,162	-	199,020	-	469,886
EXPENSES:										
<i>Administrative</i>										
91100	Administrative salaries	0	-	73,061	-	70,062	-	35,518	-	44,439
91200	Auditing fees	-	-	3,211	-	3,211	-	1,779	-	2,992
91300	Management fees	-	-	160,808	43,741	88,241	43,741	48,360	12,555	315,807
91310	Book-keeping Fee	6,300	-	13,335	-	12,578	-	6,885	-	11,535
91400	Advertising and Marketing	-	-	55	-	55	-	33	-	53
91500	Employee benefit contributions - administrative	5,959	-	71,448	-	79,096	-	70,031	-	106,748
91600	Office Expenses	35	-	5,657	-	5,885	-	2,334	-	6,706
91700	Legal expense	-	-	1,307	-	1,745	-	359	-	2,415
91800	Travel	333	-	4,650	-	7,799	-	6,948	-	12,671
91900	Other	200,237	-	18,531	-	20,432	40	10,477	-	29,562
91000	Total Operating - Administrative	212,865	-	352,063	43,741	289,104	43,781	182,724	12,555	532,929
92000	Asset Management Fee	8,400	-	16,700	-	16,700	-	9,300	-	15,120
<i>Tenant services</i>										
92100	Tenant services - salaries	16,814	-	47,408	-	60,732	-	16,613	-	14,274
92200	Relocation costs	-	-	2,933	-	6,611	-	5,414	-	33,918
92300	Employee benefits	-	-	-	-	-	-	-	-	-
92400	Tenant services - other	2,168	-	3,657	-	5,993	-	2,828	-	10,728
92500	Total Tenant Services	18,982	-	53,998	-	73,336	-	24,855	-	58,921
<i>Utilities</i>										
93100	Water	-	-	29,559	-	34,030	-	30,515	-	65,637
93200	Electricity	-	-	21,653	-	22,031	-	10,451	-	20,805
93300	Gas	-	-	-	-	5,857	-	-	-	-
93400	Fuel	-	-	-	-	-	-	-	-	-
93600	Sewer	-	-	47,141	-	37,042	-	27,433	-	64,334
93800	Other utilities expense	-	-	17,746	-	21,477	-	27,476	-	50,088
93000	Total Utilities	-	-	116,099	-	120,437	-	95,875	-	200,865
<i>Ordinary maintenance & operation</i>										
94100	Ordinary maintenance and operations - labor	-	-	36,891	-	92,340	-	109,953	-	145,475
94200	Ordinary maintenance and operations - material and other	-	-	44,847	-	37,004	11	29,478	-	71,691
94300	Ordinary maintenance and operations - contracts	-	-	35,992	-	69,441	-	33,004	-	87,942
94500	Employee benefit contributions - ordinary maintenance	-	-	-	-	-	-	-	-	-
94000	Total Maintenance	-	-	117,729	-	198,786	11	172,435	-	305,108
<i>General expenses</i>										
96110	Property Insurance	963	-	5,611	-	8,199	-	2,671	-	6,122
96120	Liability Insurance	1,290	-	9,223	-	8,697	-	4,847	-	9,710
96140	All other insurance	-	-	-	-	-	-	-	-	-
96100	Total Insurance Premiums	2,253	-	14,834	-	16,896	-	7,518	-	15,832
96200	Other General Expenses	-	-	-	-	-	-	-	-	2,797
96210	Compensated Absences	117	-	8,148	-	10,114	-	13,709	-	41,102
96300	Payments in lieu of taxes	-	-	-	-	-	-	-	-	-
96000	Total Other General Expenses	117	-	8,148	-	10,114	-	13,709	-	43,899
96710	Interest on mortgage (or bonds) payable	-	-	-	-	-	-	-	-	-
96720	Interest on notes payable (short and long term)	1,146	-	4,216	-	2,527	-	2,545	-	4,592
96730	Amortization of bond issue costs	-	-	-	-	-	-	-	-	-
96700	Total interest expense and amortization cost	1,146	-	4,216	-	2,527	-	2,545	-	4,592
96900	TOTAL OPERATING EXPENSES	243,763	-	683,785	43,741	727,900	43,792	508,962	12,555	1,177,266
97000	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	(108,028)	-	(351,209)	(43,741)	(377,737)	(43,792)	(309,941)	(12,555)	(707,380)
97100	Extraordinary maintenance	-	-	94,834	-	32,755	-	196,621	-	433,006
97200	Casualty losses - non-capitalized	-	-	-	-	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	-	-	-	-	-
97350	HAP Portability-In	-	-	-	-	-	-	-	-	-
97400	Depreciation expense	-	-	206,778	-	201,788	-	131,908	-	223,722
90000	TOTAL EXPENSES	243,763	-	985,398	43,741	962,443	43,792	837,491	12,555	1,833,994
OTHER FINANCING SOURCES (USES)										
10010	Operating transfers in	248,206	-	1,307,223	43,741	625,565	43,792	962,589	12,555	3,593,063
10020	Operating transfers out	(9,993)	-	(191,840)	-	(206,001)	-	(2,057,981)	-	(3,022,035)
10100	TOTAL OTHER FINANCING SOURCES	239,113	-	1,115,383	43,741	419,564	43,792	(1,095,392)	12,555	571,028
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES										
		\$ 131,085	\$ -	\$ 462,562	\$ -	\$ (192,716)	\$ -	\$ (1,733,862)	\$ -	\$ (793,080)
MEMO ACCT INFORMATION										
11020	Required annual debt principal payments	-	-	9,850	-	9,573	-	9,068	-	21,748
11030	Beginning of year equity	2,571,148	-	4,392,956	1,535,737	4,808,104	3,404	3,514,063	-	6,395,883
11040	Prior period adjustments, equity transfers	-	-	1,862	-	12,477	-	427,139	0	(139,704)
11170	Administrative Fee Equity	-	-	-	-	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-	-	-	-	-
11190	Unit Months Available	840	-	1,680	-	1,680	-	864	-	1,534
11210	Number of unit months leased	826	-	1,671	-	1,669	-	858	-	1,441
11620	Building Purchases	-	\$ -	-	\$ -	-	\$ 10,566	\$ 426,012	\$ -	-
13510	CFPP debt service payments	-	-	-	-	-	-	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-	-	-	-	-

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Financial Data Schedule (FDS)
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		AMP 206		AMP 207		AMP 210		AMP 251		AMP 301	
		Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program
REVENUE:											
70300	Net tenant rental revenue	\$ 158,938	\$ -	\$ 215,728	\$ -	\$ -	\$ -	\$ 209,322	\$ -	\$ -	\$ -
70400	Tenant revenue - other	0	-	6,367	-	-	-	2,177	-	-	-
70500	<i>Total tenant revenue</i>	<u>158,939</u>	<u>-</u>	<u>222,095</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>211,499</u>	<u>-</u>	<u>-</u>	<u>-</u>
70600	HUD PHA Operating Grants	-	-	-	-	-	-	-	-	-	-
70610	Capital Grants	-	-	-	-	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-	-	-	-	-
70700	<i>Total Fee Revenue</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
70800	Other Government Grants	-	-	-	-	-	-	-	-	-	-
71100	Investment Income - unrestricted	-	-	-	-	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-	-	-	-	-	-
71500	Other Revenue	207	-	80,552	-	-	-	3,507	-	-	-
71600	Gain (loss) on the sale of capital assets	1,498	-	1,153	-	-	-	-	-	-	-
72000	Investment income - restricted	253	-	956	-	-	-	321	-	-	-
70000	TOTAL REVENUE	<u>160,897</u>	<u>-</u>	<u>304,757</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>215,328</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENSES:											
<i>Administrative</i>											
91100	Administrative salaries	31,617	-	34,466	-	-	-	63,614	-	-	-
91200	Auditing fees	1,070	-	1,794	-	-	-	1,838	-	-	-
91300	Management fees	58,292	-	57,189	-	-	-	58,425	24,706	-	-
91310	Book-keeping Fee	4,275	-	7,020	-	-	-	7,155	-	-	-
91400	Advertising and Marketing	22	-	37	-	-	-	31	-	-	-
91500	Employee benefit contributions - administrative	36,384	-	73,798	-	-	-	49,737	-	-	-
91600	Office Expenses	2,055	-	2,536	-	-	-	3,087	-	-	-
91700	Legal expense	571	-	8,720	-	-	-	1,523	-	-	-
91800	Travel	3,738	-	8,549	-	-	-	4,185	-	-	-
91900	Other	18,402	-	14,881	-	-	-	12,147	-	-	-
91000	<i>Total Operating - Administrative</i>	<u>156,421</u>	<u>-</u>	<u>208,990</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>201,742</u>	<u>24,706</u>	<u>-</u>	<u>-</u>
92000	Asset Management Fee	5,700	-	9,200	-	-	-	9,480	-	-	-
<i>Tenant services</i>											
92100	Tenant services - salaries	9,293	-	14,786	-	-	-	18,247	-	-	-
92200	Relocation costs	-	-	-	-	-	-	4,565	-	-	-
92300	Employee benefits	-	-	-	-	-	-	-	-	-	-
92400	Tenant services - other	9,687	-	1,713	-	-	-	3,126	-	-	-
92500	<i>Total Tenant Services</i>	<u>18,980</u>	<u>-</u>	<u>16,498</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,938</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Utilities</i>											
93100	Water	20,686	-	43,756	-	-	-	25,576	-	-	-
93200	Electricity	3,967	-	5,062	-	-	-	35,199	-	-	-
93300	Gas	-	-	395	-	-	-	18,826	-	-	-
93400	Fuel	-	-	1,202	-	-	-	-	-	-	-
93600	Sewer	22,718	-	38,459	-	-	-	39,298	-	-	-
93800	Other utilities expense	19,143	-	29,596	-	-	-	10,381	-	-	-
93000	<i>Total Utilities</i>	<u>66,514</u>	<u>-</u>	<u>118,471</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>129,280</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>Ordinary maintenance & operation</i>											
94100	Ordinary maintenance and operations - labor	48,151	-	102,907	-	-	-	113,864	-	-	-
94200	Ordinary maintenance and operations - material and other	17,997	-	32,467	-	-	-	39,030	-	-	-
94300	Ordinary maintenance and operations - contracts	5,611	-	15,472	-	-	-	30,933	-	-	-
94500	Employee benefit contributions - ordinary maintenance	-	-	-	-	-	-	-	-	-	-
94000	<i>Total Maintenance</i>	<u>71,759</u>	<u>-</u>	<u>150,846</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>183,827</u>	<u>-</u>	<u>-</u>	<u>-</u>
<i>General expenses</i>											
96110	Property Insurance	2,724	-	4,044	-	-	-	2,882	-	-	-
96120	Liability Insurance	3,170	-	5,403	-	-	-	5,006	-	-	-
96140	All other insurance	-	-	-	-	-	-	-	-	-	-
96100	<i>Total Insurance Premiums</i>	<u>5,894</u>	<u>-</u>	<u>9,447</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,888</u>	<u>-</u>	<u>-</u>	<u>-</u>
96200	Other General Expenses	-	-	0	-	-	-	-	-	-	-
96210	Compensated Absences	5,511	-	9,423	-	-	-	6,321	-	-	-
96300	Payments in lieu of taxes	2,333	-	-	-	-	-	-	-	-	-
96000	<i>Total Other General Expenses</i>	<u>7,844</u>	<u>-</u>	<u>9,423</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,321</u>	<u>-</u>	<u>-</u>	<u>-</u>
96710	Interest on mortgage (or bonds) payable	-	-	-	-	-	-	-	-	-	-
96720	Interest on notes payable (short and long term)	1,331	-	1,490	-	-	-	3,358	-	-	-
96730	Amortization of bond issue costs	-	-	-	-	-	-	-	-	-	-
96700	<i>Total interest expense and amortization cost</i>	<u>1,331</u>	<u>-</u>	<u>1,490</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,358</u>	<u>-</u>	<u>-</u>	<u>-</u>
96900	TOTAL OPERATING EXPENSES	<u>334,442</u>	<u>-</u>	<u>524,366</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>567,834</u>	<u>24,706</u>	<u>-</u>	<u>-</u>
EXCESS OPERATING REVENUE OVER OPERATING EXPENSES											
97000		(173,546)	-	(219,609)	-	-	-	(352,506)	(24,706)	-	-
97100	Extraordinary maintenance	75,490	-	133,890	-	-	-	28,474	-	-	-
97200	Casualty losses - non-capitalized	-	-	-	-	-	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	-	-	-	-	-	-
97350	HAP Portability-In	-	-	-	-	-	-	-	-	-	-
97400	Depreciation expense	20,134	-	24,118	-	-	-	112,678	-	-	-
90000	TOTAL EXPENSES	<u>430,066</u>	<u>-</u>	<u>682,373</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>708,985</u>	<u>24,706</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)											
10010	Operating transfers in	539,273	-	436,249	-	-	-	555,951	24,706	-	-
10020	Operating transfers out	(1,230,252)	-	(1,578,811)	-	-	-	(26,451)	-	-	-
10100	TOTAL OTHER FINANCING SOURCES	<u>(690,979)</u>	<u>-</u>	<u>(1,142,562)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>529,501</u>	<u>24,706</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES											
		<u>\$ (960,148)</u>	<u>\$ -</u>	<u>\$ (1,520,178)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,843</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
MEMO ACCT INFORMATION											
11020	Required annual debt principal payments	8,284	-	14,523	-	-	-	16,064	-	-	-
11030	Beginning of year equity	930,692	69,076	1,542,173	-	-	-	2,591,681	-	-	-
11040	Prior period adjustments, equity transfers	(53,110)	-	(17,040)	-	-	-	(78,632)	0	-	-
11170	Administrative Fee Equity	-	-	-	-	-	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-	-	-	-	-	-
11190	Unit Months Available	507	-	835	-	-	-	960	-	-	-
11210	Number of unit months leased	506	-	834	-	-	-	942	-	-	-
11620	Building Purchases	-	\$ -	-	\$ -	-	-	-	\$ 6,436	\$ -	-
13510	CFFP debt service payments	-	-	-	-	-	-	-	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-	-	-	-	-	-

HOUSING AUTHORITY OF THE COUNTY OF KING
Financial Data Schedule (FDS)
Statement of Revenues and Expenses
For the 12 Month Period Ending December 31, 2012

	AMP 302		AMP 340		AMP 341		AMP 343		AMP 344	
	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program
REVENUE:										
70300 Net tenant rental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70400 Tenant revenue - other	(0)	-	-	-	-	-	-	-	-	-
70500 Total tenant revenue	(0)	-	-	-	-	-	-	-	-	-
70600 HUD PHA Operating Grants	-	-	-	-	-	-	-	-	-	-
70610 Capital Grants	-	-	-	-	-	-	-	-	-	-
70710 Management Fee	-	-	-	-	-	-	-	-	-	-
70720 Asset Management Fee	-	-	-	-	-	-	-	-	-	-
70730 Book-keeping Fee	-	-	-	-	-	-	-	-	-	-
70750 Other Fees	-	-	-	-	-	-	-	-	-	-
70700 Total Fee Revenue	-	-	-	-	-	-	-	-	-	-
70800 Other Government Grants	-	-	-	-	-	-	-	-	-	-
71100 Investment Income - unrestricted	-	-	927,482	-	593,864	-	391,919	-	-	-
71300 Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-	-	-	-	-	-	-
71500 Other Revenue	-	-	7,947	-	-	-	21,218	-	-	-
71600 Gain (loss) on the sale of capital assets	-	-	-	-	-	-	-	-	-	-
72000 Investment income - restricted	1,159	-	0	-	50	-	149	-	12,222	-
70000 TOTAL REVENUE	1,159	-	935,429	-	593,915	-	413,286	-	12,222	-
EXPENSES:										
Administrative										
91100 Administrative salaries	774	-	16,549	-	8,286	-	8,245	-	0	-
91200 Auditing fees	-	-	-	-	-	-	-	-	-	-
91300 Management fees	-	-	-	-	-	-	-	-	-	-
91310 Book-keeping Fee	-	-	16,740	-	8,100	-	7,830	-	2,063	-
91400 Advertising and Marketing	-	-	-	-	-	-	-	-	-	-
91500 Employee benefit contributions - administrative	136	-	26,632	-	10,785	-	10,486	-	2,966	-
91600 Office Expenses	-	-	1,739	-	841	-	821	-	26	-
91700 Legal expense	-	-	-	-	651	-	2,923	-	-	-
91800 Travel	-	-	537	-	257	-	253	-	135	-
91900 Other	3,080	-	208,654	-	57,991	-	167,299	-	99,432	-
91000 Total Operating - Administrative	3,960	-	270,851	-	86,912	-	197,856	-	104,621	-
92000 Asset Management Fee	-	-	11,160	-	5,400	-	5,220	-	3,000	-
Tenant services										
92100 Tenant services - salaries	-	-	57,057	-	21,695	-	21,237	-	5,280	-
92200 Relocation costs	-	-	1,097	-	3,098	-	2,412	-	-	-
92300 Employee benefits	-	-	-	-	-	-	-	-	-	-
92400 Tenant services - other	-	-	141,335	-	66,927	-	66,728	-	15	-
92500 Total Tenant Services	-	-	199,488	-	91,720	-	90,377	-	5,295	-
Utilities										
93100 Water	-	-	-	-	-	-	258	-	-	-
93200 Electricity	19	-	-	-	-	-	-	-	-	-
93300 Gas	-	-	-	-	-	-	-	-	-	-
93400 Fuel	-	-	-	-	-	-	-	-	-	-
93600 Sewer	-	-	-	-	-	-	-	-	-	-
93800 Other utilities expense	950	-	-	-	-	-	-	-	-	-
93000 Total Utilities	968	-	-	-	-	-	258	-	-	-
Ordinary maintenance & operation										
94100 Ordinary maintenance and operations - labor	-	-	-	-	456	-	-	-	-	-
94200 Ordinary maintenance and operations - material and other	681	-	-	-	-	-	-	-	-	-
94300 Ordinary maintenance and operations - contracts	2,989	-	385	-	185	-	181	-	-	-
94500 Employee benefit contributions - ordinary maintenance	-	-	-	-	-	-	-	-	-	-
94000 Total Maintenance	3,669	-	385	-	641	-	181	-	-	-
General expenses										
96110 Property Insurance	-	-	1,238	-	1,252	-	1,210	-	344	-
96120 Liability Insurance	(0)	-	1,000	-	1,813	-	1,755	-	479	-
96140 All other insurance	-	-	-	-	-	-	-	-	-	-
96100 Total Insurance Premiums	(0)	-	2,238	-	3,065	-	2,966	-	823	-
96200 Other General Expenses	-	-	-	-	-	-	-	-	0	-
96210 Compensated Absences	-	-	56	-	38	-	60	-	500	-
96300 Payments in lieu of taxes	-	-	-	-	-	-	-	-	-	-
96000 Total Other General Expenses	-	-	56	-	38	-	60	-	500	-
96710 Interest on mortgage (or bonds) payable	-	-	421,069	-	387,479	-	165,701	-	-	-
96720 Interest on notes payable (short and long term)	-	-	-	-	-	-	-	-	-	-
96730 Amortization of bond issue costs	-	-	-	-	-	-	-	-	-	-
96700 Total interest expense and amortization cost	-	-	421,069	-	387,479	-	165,701	-	-	-
96900 TOTAL OPERATING EXPENSES	8,598	-	905,247	-	575,255	-	462,619	-	114,239	-
EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	(7,439)	-	30,182	-	18,660	-	(49,333)	-	(102,017)	-
Extraordinary maintenance	-	-	-	-	-	-	-	-	-	-
Casualty losses - non-capitalized	-	-	-	-	-	-	-	-	-	-
Housing assistance payments	-	-	-	-	-	-	-	-	-	-
HAP Portability-In	-	-	-	-	-	-	-	-	-	-
Depreciation expense	-	-	-	-	-	-	-	-	-	-
90000 TOTAL EXPENSES	8,598	-	905,247	-	575,255	-	462,619	-	114,239	-
OTHER FINANCING SOURCES (USES)										
10010 Operating transfers in	484,783	-	461,908	-	211,617	-	274,703	-	3,488,915	-
10020 Operating transfers out	(207,016)	-	(139,380)	-	(362,613)	-	(7,801)	-	(4,706,333)	-
10100 TOTAL OTHER FINANCING SOURCES	277,767	-	322,528	-	(150,996)	-	266,902	-	(1,217,418)	-
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES	\$ 270,329	\$ -	\$ 352,710	\$ -	\$ (132,336)	\$ -	\$ 217,569	\$ -	\$ (1,319,435)	\$ -
MEMO ACCT INFORMATION										
11020 Required annual debt principal payments	34,982	-	30,000	-	60,000	-	50,000	-	-	-
11030 Beginning of year equity	(231,636)	-	9,634,172	-	3,718,031	-	4,012,978	-	6,912,473	-
11040 Prior period adjustments, equity transfers	-	-	(237,882)	-	(25,328)	-	-	-	-	-
11170 Administrative Fee Equity	-	-	-	-	-	-	-	-	-	-
11180 Housing Assistance Fee Equity	-	-	-	-	-	-	-	-	-	-
11190 Unit Months Available	-	-	2,052	-	152	-	600	-	300	-
11210 Number of unit months leased	-	-	919	-	150	-	597	-	300	-
11620 Building Purchases	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13510 CFFP debt service payments	-	-	-	-	-	-	-	-	-	-
13901 Replacement housing factor funds	-	-	-	-	-	-	-	-	-	-

HOUSING AUTHORITY OF THE COUNTY OF KING
Financial Data Schedule (FDS)
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For the 12 Month Period Ending December 31, 2012

		AMP 345		AMP 350		AMP 352		AMP 354		AMP 355	
		Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program
REVENUE:											
70300	Net tenant rental revenue	\$ -	\$ -	\$ 163,958	\$ -	\$ 155,099	\$ -	\$ 287,916	\$ -	\$ -	\$ -
70400	Tenant revenue - other	-	-	3,614	-	4,930	-	11,952	-	-	-
70500	<i>Total tenant revenue</i>	-	-	167,571	-	160,029	-	299,868	-	-	-
70600	HUD PHA Operating Grants	-	-	-	-	-	-	-	-	-	-
70610	Capital Grants	-	-	-	-	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-	-	-	-	-
70700	<i>Total Fee Revenue</i>	-	-	-	-	-	-	-	-	-	-
70800	Other Government Grants	-	-	-	-	-	-	-	-	-	-
71100	Investment Income - unrestricted	2,271	-	-	-	122,401	-	200,652	-	324,709	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-	-	-	-	-	-
71500	Other Revenue	-	-	1,154	-	1,510	-	1,185	-	10,609	-
71600	Gain (loss) on the sale of capital assets	-	-	-	-	-	-	(0)	-	-	-
72000	Investment income - restricted	150	-	(0)	-	199	-	45,210	-	96	-
70000	TOTAL REVENUE	2,421	-	168,725	-	284,139	-	546,914	-	335,414	-
EXPENSES:											
<i>Administrative</i>											
91100	Administrative salaries	(0)	-	39,449	-	35,106	-	22,323	-	7,444	-
91200	Auditing fees	-	-	1,588	-	1,547	-	2,164	-	-	-
91300	Management fees	-	-	110,729	21,871	46,742	20,656	63,462	10,125	-	-
91310	Book-keeping Fee	2,160	-	6,263	-	11,408	-	14,835	-	7,290	-
91400	Advertising and Marketing	-	-	337	-	26	-	42	-	-	-
91500	Employee benefit contributions - administrative	2,063	-	47,690	-	45,344	-	80,620	-	6,359	-
91600	Office Expenses	50	-	5,456	-	2,085	-	4,018	-	644	-
91700	Legal expense	-	-	1,227	-	352	-	9,942	-	-	-
91800	Travel	59	-	9,269	-	5,127	-	6,452	-	74	-
91900	Other	111,943	-	17,120	-	189,726	-	236,753	-	106,446	-
91000	<i>Total Operating - Administrative</i>	116,275	-	239,127	21,871	337,464	20,656	440,611	10,125	128,257	-
92000	Asset Management Fee	1,440	-	8,400	-	15,220	-	20,020	-	4,860	-
<i>Tenant services</i>											
92100	Tenant services - salaries	5,296	-	16,882	-	17,930	-	50,821	-	12,844	-
92200	Relocation costs	-	-	-	-	-	-	6,269	-	990	-
92300	Employee benefits	-	-	-	-	-	-	-	-	-	-
92400	Tenant services - other	16,826	-	14,799	-	10,890	-	20,059	-	11,936	-
92500	<i>Total Tenant Services</i>	22,122	-	31,681	-	28,821	-	77,149	-	25,770	-
<i>Utilities</i>											
93100	Water	-	-	16,965	-	20,541	-	37,119	-	-	-
93200	Electricity	-	-	9,313	-	18,357	-	10,379	-	-	-
93300	Gas	-	-	138	-	6,458	-	212	-	-	-
93400	Fuel	-	-	-	-	-	-	-	-	-	-
93600	Sewer	-	-	32,049	-	5,727	-	40,649	-	-	-
93800	Other utilities expense	-	-	7,623	-	8,266	-	31,141	-	-	-
93000	<i>Total Utilities</i>	-	-	66,087	-	59,350	-	119,500	-	-	-
<i>Ordinary maintenance & operation</i>											
94100	Ordinary maintenance and operations - labor	-	-	54,445	-	53,582	-	91,362	-	-	-
94200	Ordinary maintenance and operations - material and other	-	-	11,872	-	21,372	-	42,931	-	-	-
94300	Ordinary maintenance and operations - contracts	50	-	15,355	-	14,157	-	111,805	-	-	-
94500	Employee benefit contributions - ordinary maintenance	-	-	-	-	-	-	-	-	-	-
94000	<i>Total Maintenance</i>	50	-	81,672	-	89,111	-	246,098	-	-	-
<i>General expenses</i>											
96110	Property Insurance	330	-	2,953	-	3,987	-	6,422	-	1,155	-
96120	Liability Insurance	467	-	4,824	-	5,245	-	9,077	-	1,617	-
96140	All other insurance	-	-	-	-	-	-	-	-	-	-
96100	<i>Total Insurance Premiums</i>	797	-	7,778	-	9,232	-	15,499	-	2,772	-
96200	Other General Expenses	-	-	-	-	-	-	-	-	-	-
96210	Compensated Absences	374	-	9,148	-	13,227	-	14,413	-	1,743	-
96300	Payments in lieu of taxes	-	-	-	-	-	-	-	-	-	-
96000	<i>Total Other General Expenses</i>	374	-	9,148	-	13,227	-	14,413	-	1,743	-
96710	Interest on mortgage (or bonds) payable	-	-	-	-	-	-	-	318,130	136,713	-
96720	Interest on notes payable (short and long term)	-	-	2,108	-	3,112	-	3,115	-	-	-
96730	Amortization of bond issue costs	-	-	-	-	-	-	-	-	-	-
96700	<i>Total interest expense and amortization cost</i>	-	-	2,108	-	3,112	-	3,115	318,130	136,713	-
96900	TOTAL OPERATING EXPENSES	141,057	-	446,000	21,871	555,535	20,656	936,405	328,255	300,115	-
EXCESS OPERATING REVENUE OVER OPERATING EXPENSES											
97000		(138,637)	-	(277,275)	(21,871)	(271,395)	(20,656)	(389,491)	(328,255)	35,298	-
97100	Extraordinary maintenance	-	-	97,699	-	77,971	-	97,430	-	-	-
97200	Casualty losses - non-capitalized	-	-	-	-	-	-	7,500	-	-	-
97300	Housing assistance payments	-	-	-	-	-	-	-	-	-	-
97350	HAP Portability-In	-	-	-	-	-	-	-	-	-	-
97400	Depreciation expense	-	-	106,021	-	120,235	-	279,105	-	-	-
90000	TOTAL EXPENSES	141,057	-	649,720	21,871	753,741	20,656	1,320,440	328,255	300,115	-
OTHER FINANCING SOURCES (USES)											
10010	Operating transfers in	816,402	-	1,635,640	21,871	629,166	20,656	8,599,075	652,505	136,149	-
10020	Operating transfers out	(3,292,997)	-	(435,118)	-	(69,813)	-	(3,984,179)	-	(16,644)	-
10100	TOTAL OTHER FINANCING SOURCES	(2,476,595)	-	1,200,522	21,871	559,353	20,656	4,614,896	652,505	119,505	-
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES											
		\$ (2,615,232)	\$ -	\$ 719,527	\$ -	\$ 89,752	\$ -	\$ 3,841,370	\$ 324,250	\$ 154,804	\$ -
MEMO ACCT INFORMATION											
11020	Required annual debt principal payments	-	-	4,925	-	4,673	-	309,245	-	35,000	-
11030	Beginning of year equity	8,852,974	6,469,324	2,611,318	1,320,581	5,012,077	140,335	36,071,461	-	3,804,801	-
11040	Prior period adjustments, equity transfers	772,815	0	931	-	75,438	0	20,702	0	-	-
11170	Administrative Fee Equity	-	-	-	-	-	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-	-	-	-	-	-
11190	Unit Months Available	288	-	840	-	1,524	-	1,911	-	984	-
11210	Number of unit months leased	288	-	830	-	1,503	-	1,860	-	479	-
11620	Building Purchases	-	\$ 209,805	\$ -	-	\$ 74,556	-	\$ 343,531	\$ -	\$ -	-
13510	CFPP debt service payments	-	-	-	-	-	-	\$ 642,380	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-	-	-	-	-	-

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	AMP 401		AMP 402		AMP 403		AMP 404		AMP 408	
	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program
REVENUE:										
70300	Net tenant rental revenue	\$ 571,888	\$ -	\$ -	\$ -	\$ 420,043	\$ -	\$ 68,768	\$ -	\$ 115,692
70400	Tenant revenue - other	6,194	-	-	-	25,507	-	884	-	0
70500	<i>Total tenant revenue</i>	<i>578,082</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>445,550</i>	<i>-</i>	<i>69,652</i>	<i>-</i>	<i>115,692</i>
70600	HUD PHA Operating Grants	-	-	-	-	-	-	-	-	-
70610	Capital Grants	-	-	-	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-	-	-	-
70700	<i>Total Fee Revenue</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
70800	Other Government Grants	275,501	-	-	-	-	-	-	-	-
71100	Investment Income - unrestricted	-	-	-	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-	-	-	-	-
71500	Other Revenue	1,036	-	-	-	3,660	-	291	-	-
71600	Gain (loss) on the sale of capital assets	(0)	-	-	-	(0)	-	0	-	0
72000	Investment income - restricted	0	-	-	-	1,347	-	94	-	166
70000	TOTAL REVENUE	854,619	-	-	-	450,556	-	70,037	-	115,859
EXPENSES:										
<i>Administrative</i>										
91100	Administrative salaries	74,159	-	4,989	-	64,250	-	11,763	-	10,703
91200	Auditing fees	3,216	-	-	-	2,676	-	552	-	518
91300	Management fees	210,718	36,046	-	-	88,652	33,616	15,289	-	46,825
91310	Book-keeping Fee	12,413	-	-	-	10,358	-	2,235	-	2,055
91400	Advertising and Marketing	57	-	-	-	46	-	11	-	11
91500	Employee benefit contributions - administrative	114,744	-	22,950	-	103,266	-	19,813	-	14,748
91600	Office Expenses	5,192	-	-	-	4,927	-	758	-	468
91700	Legal expense	3,375	-	-	-	8,164	-	1,475	-	196
91800	Travel	7,077	-	-	-	7,248	-	2,469	-	1,083
91900	Other	22,104	-	63	-	23,549	-	4,384	-	5,257
91000	<i>Total Operating - Administrative</i>	<i>453,055</i>	<i>36,046</i>	<i>28,002</i>	<i>-</i>	<i>313,136</i>	<i>33,616</i>	<i>58,749</i>	<i>-</i>	<i>81,863</i>
92000	Asset Management Fee	16,740	-	-	-	13,920	-	2,900	-	2,700
<i>Tenant services</i>										
92100	Tenant services - salaries	24,821	-	-	-	18,283	-	2,602	-	4,381
92200	Relocation costs	4,633	-	-	-	-	-	-	-	-
92300	Employee benefits	-	-	-	-	-	-	-	-	-
92400	Tenant services - other	96,322	-	-	-	91,070	-	336	-	315
92500	<i>Total Tenant Services</i>	<i>125,776</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>109,353</i>	<i>-</i>	<i>2,939</i>	<i>-</i>	<i>4,696</i>
<i>Utilities</i>										
93100	Water	78,174	-	3,959	-	44,207	-	24,268	-	11,211
93200	Electricity	9,206	-	8,811	-	15,682	-	3,843	-	919
93300	Gas	22,919	-	3,373	-	283	-	-	-	381
93400	Fuel	-	-	-	-	-	-	-	-	-
93600	Sewer	88,569	-	687	-	75,719	-	15,420	-	15,627
93800	Other utilities expense	36,859	-	-	-	25,888	-	12,522	-	2,914
93000	<i>Total Utilities</i>	<i>235,727</i>	<i>-</i>	<i>16,830</i>	<i>-</i>	<i>161,778</i>	<i>-</i>	<i>56,053</i>	<i>-</i>	<i>31,053</i>
<i>Ordinary maintenance & operation</i>										
94100	Ordinary maintenance and operations - labor	147,191	-	42,675	-	151,028	-	34,003	-	14,617
94200	Ordinary maintenance and operations - material and other	77,676	-	1,163	-	24,999	-	5,397	-	19,218
94300	Ordinary maintenance and operations - contracts	96,491	-	31,647	-	40,788	-	18,885	-	17,236
94500	Employee benefit contributions - ordinary maintenance	-	-	-	-	-	-	-	-	-
94000	<i>Total Maintenance</i>	<i>321,358</i>	<i>-</i>	<i>75,485</i>	<i>-</i>	<i>216,815</i>	<i>-</i>	<i>58,285</i>	<i>-</i>	<i>51,072</i>
<i>General expenses</i>										
96110	Property Insurance	7,392	-	383	-	8,133	-	13,379	-	1,351
96120	Liability Insurance	10,795	-	1,548	-	8,794	-	2,153	-	1,330
96140	All other insurance	-	-	-	-	-	-	-	-	-
96100	<i>Total Insurance Premiums</i>	<i>18,187</i>	<i>-</i>	<i>1,931</i>	<i>-</i>	<i>16,927</i>	<i>-</i>	<i>15,531</i>	<i>-</i>	<i>2,681</i>
96200	Other General Expenses	(0)	-	-	-	-	-	-	-	(0)
96210	Compensated Absences	18,274	-	-	-	44,479	-	7,150	-	4,931
96300	Payments in lieu of taxes	13,442	-	-	-	13,837	-	-	-	-
96000	<i>Total Other General Expenses</i>	<i>31,716</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>58,316</i>	<i>-</i>	<i>7,150</i>	<i>-</i>	<i>4,931</i>
96710	Interest on mortgage (or bonds) payable	-	-	-	-	-	-	-	-	-
96720	Interest on notes payable (short and long term)	7,897	-	-	-	4,362	-	705	-	637
96730	Amortization of bond issue costs	-	-	-	-	-	-	-	-	-
96700	<i>Total interest expense and amortization cost</i>	<i>7,897</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>4,362</i>	<i>-</i>	<i>705</i>	<i>-</i>	<i>637</i>
96900	TOTAL OPERATING EXPENSES	1,210,456	36,046	122,248	-	894,608	33,616	202,312	-	179,633
EXCESS OPERATING REVENUE OVER OPERATING EXPENSES										
97000		(355,837)	(36,046)	(122,248)	-	(444,052)	(33,616)	(132,275)	-	(63,774)
97100	Extraordinary maintenance	52,859	-	-	-	145,882	-	282	-	556
97200	Casualty losses - non-capitalized	-	-	-	-	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	-	-	-	-	-
97350	HAP Portability-In	-	-	-	-	-	-	-	-	-
97400	Depreciation expense	341,936	-	111,650	-	195,029	-	66,899	-	54,063
90000	TOTAL EXPENSES	1,605,251	36,046	233,898	-	1,235,519	33,616	269,493	-	234,251
OTHER FINANCING SOURCES (USES)										
10010	Operating transfers in	2,325,735	36,046	122,089	-	868,935	33,616	150,155	-	450,789
10020	Operating transfers out	(2,092,706)	-	(384)	-	(501,423)	-	(1,787,853)	-	(2,916,601)
10100	TOTAL OTHER FINANCING SOURCES	233,028	36,046	121,705	-	367,512	33,616	(1,637,697)	-	(2,465,812)
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES										
		\$ (517,604)	\$ 0	\$ (112,193)	\$ -	\$ (417,451)	\$ -	\$ (1,837,153)	\$ -	\$ (2,584,205)
MEMO ACCT INFORMATION										
11020	Required annual debt principal payments	4,926	-	19,170	-	19,170	-	4,673	-	4,142
11030	Beginning of year equity	8,252,669	164,041	2,510,360	-	9,998,364	1,948,868	1,835,890	-	2,582,637
11040	Prior period adjustments, equity transfers	11,888	-	-	-	11,070	(0)	392	-	368
11170	Administrative Fee Equity	-	-	-	-	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-	-	-	-	-
11190	Unit Months Available	1,628	-	-	-	1,375	-	266	-	241
11210	Number of unit months leased	1,594	-	-	-	1,351	-	266	-	241
11620	Building Purchases	\$ -	\$ 0	\$ -	\$ 560,001	\$ -	\$ (0)	\$ -	\$ -	\$ -
13510	CFPP debt service payments	-	-	-	-	-	-	-	-	-
13901	Replacement housing factor funds	-	-	\$ 560,001	-	-	-	-	-	-

HOUSING AUTHORITY OF THE COUNTY OF KING
Financial Data Schedule (FDS)
Statement of Revenues and Expenses
For the 12 Month Period Ending December 31, 2012

		AMP 450		AMP 451		AMP 502		AMP 503		AMP 504	
		Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program
REVENUE:											
70300	Net tenant rental revenue	\$ -	\$ -	\$ 77,891	\$ -	\$ 0	\$ -	\$ 209,268	\$ -	\$ 228,874	\$ -
70400	Tenant revenue - other	-	-	8,787	-	(0)	-	(0)	-	7,228	-
70500	Total tenant revenue	-	-	86,678	-	0	-	209,268	-	236,102	-
70600	HUD PHA Operating Grants	-	-	-	-	-	-	-	-	-	-
70610	Capital Grants	-	-	-	-	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-	-	-	-	-
70800	Other Government Grants	-	-	-	-	-	-	-	-	-	-
71100	Investment Income - unrestricted	124,966	-	-	-	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-	-	-	-	-	-
71500	Other Revenue	-	-	613	-	-	1,880	-	1,725	-	-
71600	Gain (loss) on the sale of capital assets	-	-	(0)	-	-	-	-	-	-	-
72000	Investment income - restricted	-	-	102	-	230	-	100	-	15	-
70000	TOTAL REVENUE	124,966	-	87,393	-	230	-	211,248	-	237,842	-
EXPENSES:											
Administrative											
91100	Administrative salaries	0	-	21,898	-	(0)	-	40,143	-	45,893	-
91200	Auditing fees	-	-	759	-	-	-	1,130	-	1,130	-
91300	Management fees	-	-	19,869	-	11	-	25,462	15,390	30,217	15,390
91310	Book-keeping Fee	5,490	-	2,993	-	-	-	4,500	-	4,493	-
91400	Advertising and Marketing	-	-	16	-	-	-	267	-	19	-
91500	Employee benefit contributions - administrative	4,512	-	35,413	-	2,107	-	42,346	-	60,799	-
91600	Office Expenses	25	-	1,229	-	80	-	2,147	-	2,211	-
91700	Legal expense	-	-	639	-	-	-	298	-	56	-
91800	Travel	806	-	3,958	-	1,402	-	6,080	-	2,036	-
91900	Other	174,956	-	7,191	-	1,544	-	27,034	-	15,961	-
91000	Total Operating - Administrative	185,789	-	93,965	-	5,144	-	149,407	15,390	162,815	15,390
92000	Asset Management Fee	7,320	-	4,000	-	-	-	6,000	-	6,000	-
Tenant services											
92100	Tenant services - salaries	8,660	-	7,798	-	142	-	19,962	-	21,928	-
92200	Relocation costs	-	-	1,980	-	-	-	990	-	-	-
92300	Employee benefits	-	-	-	-	-	-	-	-	-	-
92400	Tenant services - other	1,480	-	4,097	-	(0)	-	33,083	-	54,839	-
92500	Total Tenant Services	10,140	-	13,874	-	142	-	54,036	-	76,767	-
Utilities											
93100	Water	-	-	7,574	-	-	-	21,502	-	19,794	-
93200	Electricity	-	-	11,616	-	(0)	-	4,026	-	8,049	-
93300	Gas	-	-	-	-	-	-	23,725	-	29,045	-
93400	Fuel	-	-	-	-	-	-	-	-	-	-
93600	Sewer	-	-	7,039	-	-	-	31,205	-	25,471	-
93800	Other utilities expense	-	-	9,604	-	2,272	-	18,955	-	15,238	-
93000	Total Utilities	-	-	35,833	-	2,272	-	99,413	-	97,597	-
Ordinary maintenance & operation											
94100	Ordinary maintenance and operations - labor	-	-	47,714	-	7,047	-	58,985	-	63,254	-
94200	Ordinary maintenance and operations - material and other	-	-	11,383	-	2	-	17,470	-	16,325	-
94300	Ordinary maintenance and operations - contracts	-	-	15,803	-	10,033	-	40,595	-	55,989	-
94500	Employee benefit contributions - ordinary maintenance	-	-	-	-	-	-	-	-	-	-
94000	Total Maintenance	-	-	74,900	-	17,082	-	117,051	-	135,568	-
General expenses											
96110	Property Insurance	825	-	1,619	-	1	-	2,270	-	4,376	-
96120	Liability Insurance	1,102	-	2,304	-	688	-	4,134	-	4,017	-
96140	All other insurance	-	-	-	-	-	-	-	-	-	-
96100	Total Insurance Premiums	1,927	-	3,922	-	689	-	6,403	-	8,392	-
96200	Other General Expenses	-	-	-	-	-	-	-	-	-	-
96210	Compensated Absences	100	-	10,232	-	1,258	-	15,523	-	10,783	-
96300	Payments in lieu of taxes	-	-	-	-	-	-	5,748	-	5,661	-
96000	Total Other General Expenses	100	-	10,232	-	1,258	-	21,271	-	16,444	-
96710	Interest on mortgage (or bonds) payable	-	-	-	-	-	-	-	-	-	-
96720	Interest on notes payable (short and long term)	2,159	-	944	-	399	-	1,902	-	1,922	-
96730	Amortization of bond issue costs	-	-	-	-	-	-	-	-	-	-
96700	Total interest expense and amortization cost	2,159	-	944	-	399	-	1,902	-	1,922	-
96900	TOTAL OPERATING EXPENSES	207,435	-	237,671	-	26,986	-	455,483	15,390	505,504	15,390
97000	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	(82,469)	-	(150,279)	-	(26,756)	-	(244,235)	(15,390)	(267,662)	(15,390)
97100	Extraordinary maintenance	-	-	13,131	-	-	-	-	-	-	-
97200	Casualty losses - non-capitalized	-	-	-	-	-	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	-	-	-	-	-	-
97350	HAP Portability-In	-	-	-	-	-	-	-	-	-	-
97400	Depreciation expense	-	-	41,652	-	-	-	129,684	-	101,801	-
90000	TOTAL EXPENSES	207,435	-	292,455	-	26,986	-	585,167	15,390	607,305	15,390
OTHER FINANCING SOURCES (USES)											
10010	Operating transfers in	215,962	-	169,702	-	12,173	-	182,578	15,390	911,764	15,390
10020	Operating transfers out	-	-	(1,135,679)	-	(76,879)	-	(206,635)	-	(734,078)	-
10100	TOTAL OTHER FINANCING SOURCES	215,962	-	(965,977)	-	(64,706)	-	(24,057)	15,390	177,686	15,390
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES											
		\$ 133,493	\$ -	\$ (1,171,039)	\$ -	\$ (91,462)	\$ -	\$ (397,977)	\$ -	\$ (191,778)	\$ -
MEMO ACCT INFORMATION											
11020	Required annual debt principal payments	-	-	2,854	-	19,601	-	8,033	-	8,285	-
11030	Beginning of year equity	2,327,222	-	1,177,084	-	73,668	14,610	2,934,249	141,857	2,353,844	149,714
11040	Prior period adjustments, equity transfers	-	-	539	-	17,794	(14,610)	2,662	-	2,662	-
11170	Administrative Fee Equity	-	-	-	-	-	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-	-	-	-	-	-
11190	Unit Months Available	732	-	396	-	-	-	600	-	591	-
11210	Number of unit months leased	722	-	395	-	-	-	595	-	587	-
11620	Building Purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13510	CFPP debt service payments	-	-	-	-	-	-	-	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-	-	-	-	-	-

HOUSING AUTHORITY OF THE COUNTY OF KING
Financial Data Schedule (FDS)
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For the 12 Month Period Ending December 31, 2012

	AMP 505		AMP 550		AMP 551		AMP 552		AMP 553	
	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program	Operating Fund Program	Capital Fund Program
REVENUE:										
70300 Net tenant rental revenue	\$ 199,976	\$ -	\$ 155,186	\$ -	\$ -	\$ -	\$ 170,570	\$ -	\$ -	\$ -
70400 Tenant revenue - other	2,476	-	4,614	-	-	-	4,101	-	-	-
70500 <i>Total tenant revenue</i>	<u>202,452</u>	-	<u>159,800</u>	-	-	-	<u>174,671</u>	-	-	-
70600 HUD PHA Operating Grants	-	-	-	-	-	-	-	-	-	-
70610 Capital Grants	-	-	-	-	-	-	-	-	-	-
70710 Management Fee	-	-	-	-	-	-	-	-	-	-
70720 Asset Management Fee	-	-	-	-	-	-	-	-	-	-
70730 Book-keeping Fee	-	-	-	-	-	-	-	-	-	-
70750 Other Fees	-	-	-	-	-	-	-	-	-	-
70700 <i>Total Fee Revenue</i>	<u>-</u>	-	<u>-</u>	-	<u>-</u>	-	<u>-</u>	-	<u>-</u>	-
70800 Other Government Grants	-	-	-	-	-	-	-	-	-	-
71100 Investment Income - unrestricted	-	-	71,458	-	135,565	-	-	-	145,993	-
71300 Proceeds from disposition of assets held for sale	-	-	-	-	-	-	-	-	-	-
71310 Cost of Sale of Assets	-	-	-	-	-	-	-	-	-	-
71500 Other Revenue	538	-	1,620	-	-	-	13,481	-	-	-
71600 Gain (loss) on the sale of capital assets	3,764	-	-	-	-	-	-	-	-	-
72000 Investment income - restricted	413	-	846	-	-	-	196	-	-	-
70000 TOTAL REVENUE	<u>207,167</u>	-	<u>233,724</u>	-	<u>135,565</u>	-	<u>188,348</u>	-	<u>145,993</u>	-
EXPENSES:										
<i>Administrative</i>										
91100 Administrative salaries	(0)	-	26,962	-	351	-	17,881	-	(0)	-
91200 Auditing fees	1,208	-	1,547	-	-	-	1,838	-	-	-
91300 Management fees	39,606	-	54,013	20,656	-	-	63,787	24,706	-	-
91310 Book-keeping Fee	4,665	-	9,120	-	6,300	-	7,140	-	6,300	-
91400 Advertising and Marketing	960	-	26	-	-	-	31	-	56	-
91500 Employee benefit contributions - administrative	40,472	-	53,331	-	7,858	-	44,410	-	4,349	-
91600 Office Expenses	2,715	-	1,517	-	25	-	3,262	-	18	-
91700 Legal expense	798	-	407	-	-	-	182	-	-	-
91800 Travel	5,750	-	4,539	-	502	-	7,743	-	772	-
91900 Other	(592)	-	113,006	-	200,499	-	17,218	-	167,733	-
91000 <i>Total Operating - Administrative</i>	<u>95,581</u>	-	<u>264,468</u>	20,656	215,534	-	<u>163,493</u>	24,706	<u>179,228</u>	-
92000 Asset Management Fee	6,300	-	12,240	-	8,400	-	2,460	-	8,400	-
<i>Tenant services</i>										
92100 Tenant services - salaries	10,000	-	50,034	-	24,238	-	22,680	-	9,935	-
92200 Relocation costs	1,140	-	1,150	-	-	-	-	-	-	-
92300 Employee benefits	-	-	-	-	-	-	-	-	-	-
92400 Tenant services - other	18,961	-	2,491	-	823	-	1,263	-	459	-
92500 <i>Total Tenant Services</i>	<u>30,101</u>	-	<u>53,675</u>	-	<u>25,061</u>	-	<u>23,943</u>	-	<u>10,395</u>	-
<i>Utilities</i>										
93100 Water	14,940	-	7,820	-	-	-	11,237	-	-	-
93200 Electricity	5,759	-	10,994	-	-	-	26,208	-	-	-
93300 Gas	124	-	16,115	-	-	-	23,830	-	-	-
93400 Fuel	-	-	-	-	-	-	-	-	-	-
93600 Sewer	15,656	-	14,935	-	-	-	17,305	-	-	-
93800 Other utilities expense	15,188	-	7,907	-	-	-	7,418	-	-	-
93000 <i>Total Utilities</i>	<u>51,667</u>	-	<u>57,771</u>	-	-	-	<u>85,998</u>	-	-	-
<i>Ordinary maintenance & operation</i>										
94100 Ordinary maintenance and operations - labor	1,868	-	52,496	-	-	-	65,492	-	-	-
94200 Ordinary maintenance and operations - material and other	15,681	-	15,249	-	-	-	16,500	-	-	-
94300 Ordinary maintenance and operations - contracts	19,955	-	51,816	-	-	-	16,546	-	-	-
94500 Employee benefit contributions - ordinary maintenance	-	-	-	-	-	-	-	-	-	-
94000 <i>Total Maintenance</i>	<u>37,504</u>	-	<u>119,561</u>	-	-	-	<u>98,538</u>	-	-	-
<i>General expenses</i>										
96110 Property Insurance	2,261	-	3,848	-	963	-	4,062	-	963	-
96120 Liability Insurance	4,277	-	4,483	-	1,296	-	5,996	-	1,283	-
96140 All other insurance	-	-	-	-	-	-	-	-	-	-
96100 <i>Total Insurance Premiums</i>	<u>6,538</u>	-	<u>8,331</u>	-	<u>2,259</u>	-	<u>10,058</u>	-	<u>2,246</u>	-
96200 Other General Expenses	0	-	-	-	-	-	-	-	-	-
96210 Compensated Absences	5,212	-	8,521	-	125	-	17,083	-	175	-
96300 Payments in lieu of taxes	-	-	5,923	-	-	-	-	-	-	-
96000 <i>Total Other General Expenses</i>	<u>5,212</u>	-	<u>14,443</u>	-	<u>125</u>	-	<u>17,083</u>	-	<u>175</u>	-
96710 Interest on mortgage (or bonds) payable	-	-	-	-	-	-	-	-	-	-
96720 Interest on notes payable (short and long term)	1,490	-	2,880	-	1,295	-	2,422	-	4,252	-
96730 Amortization of bond issue costs	-	-	-	-	-	-	-	-	-	-
96700 <i>Total interest expense and amortization cost</i>	<u>1,490</u>	-	<u>2,880</u>	-	<u>1,295</u>	-	<u>2,422</u>	-	<u>4,252</u>	-
96900 TOTAL OPERATING EXPENSES	<u>234,393</u>	-	<u>533,369</u>	20,656	<u>252,674</u>	-	<u>403,995</u>	24,706	<u>204,695</u>	-
EXCESS OPERATING REVENUE OVER OPERATING EXPENSES										
97000	(27,226)	-	(299,645)	(20,656)	(117,109)	-	(215,647)	(24,706)	(58,702)	-
97100 Extraordinary maintenance	107,589	-	140,847	-	-	-	178,591	-	-	-
97200 Casualty losses - non-capitalized	-	-	-	-	-	-	-	-	-	-
97300 Housing assistance payments	-	-	-	-	-	-	-	-	-	-
97350 HAP Portability-In	-	-	-	-	-	-	-	-	-	-
97400 Depreciation expense	88,834	-	72,938	-	-	-	223,658	-	-	-
90000 TOTAL EXPENSES	<u>430,817</u>	-	<u>747,153</u>	20,656	<u>252,674</u>	-	<u>806,244</u>	24,706	<u>204,695</u>	-
OTHER FINANCING SOURCES (USES)										
10010 Operating transfers in	382,595	-	689,576	20,656	257,718	-	683,202	24,706	221,498	-
10020 Operating transfers out	(2,648,175)	-	(35,198)	-	-	-	(123,059)	-	-	-
10100 TOTAL OTHER FINANCING SOURCES	<u>(2,265,579)</u>	-	<u>654,379</u>	20,656	<u>257,718</u>	-	<u>560,143</u>	24,706	<u>221,498</u>	-
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES										
	<u>\$ (2,489,229)</u>	<u>\$ -</u>	<u>\$ 140,949</u>	<u>\$ -</u>	<u>\$ 140,608</u>	<u>\$ -</u>	<u>\$ (57,752)</u>	<u>\$ -</u>	<u>\$ 162,796</u>	<u>\$ -</u>
MEMO ACCT INFORMATION										
11020 Required annual debt principal payments	12,982	-	5,961	-	-	-	5,708	-	-	-
11030 Beginning of year equity	2,533,566	66,601	2,807,458	184,783	2,553,357	-	5,190,033	385,735	2,671,413	-
11040 Prior period adjustments, equity transfers	2,033	-	7,179	0	-	-	40,445	(0)	-	-
11170 Administrative Fee Equity	-	-	-	-	-	-	-	-	-	-
11180 Housing Assistance Fee Equity	-	-	-	-	-	-	-	-	-	-
11190 Unit Months Available	558	-	1,224	-	840	-	960	-	840	-
11210 Number of unit months leased	553	-	1,204	-	834	-	940	-	815	-
11620 Building Purchases	\$ -	\$ -	\$ 6,297	\$ -	\$ -	\$ -	\$ 39,392	\$ -	\$ -	\$ -
13510 CFFP debt service payments	-	-	-	-	-	-	-	-	-	-
13901 Replacement housing factor funds	-	-	-	-	-	-	-	-	-	-

HOUSING AUTHORITY OF THE COUNTY OF KING
Financial Data Schedule (FDS)
Statement of Revenues and Expenses
For the 12 Month Period Ending December 31, 2012

	SUBTOTAL	Elimination	TOTAL AUTHORITY	Component Units
REVENUE:				
70300 Net tenant rental revenue	\$ 39,060,034		\$ 39,060,034	\$ 25,188,265
70400 Tenant revenue - other	1,010,329		1,010,329	14,901
70500 <i>Total tenant revenue</i>	<u>40,070,363</u>	-	<u>40,070,363</u>	<u>25,203,166</u>
70600 HUD PHA Operating Grants	129,594,409		129,594,409	-
70610 Capital Grants	2,318,978		2,318,978	-
70710 Management Fee	4,843,494	(4,227,819)	615,675	-
70720 Asset Management Fee	1,155,555	(1,145,955)	9,600	-
70730 Book-keeping Fee	1,707,415	(1,698,557)	8,858	-
70750 Other Fees	137,227		137,227	-
70700 <i>Total Fee Revenue</i>	<u>7,843,691</u>	<u>(7,072,331)</u>	<u>771,359</u>	<u>-</u>
70800 Other Government Grants	9,780,148		9,780,148	-
71100 Investment Income - unrestricted	8,647,811		8,647,811	133,964
71300 Proceeds from disposition of assets held for sale	509,877		509,877	-
71310 Cost of Sale of Assets	(304,296)		(304,296)	-
71500 Other Revenue	29,814,604		29,814,604	5,836,587
71600 Gain (loss) on the sale of capital assets	(37,310)		(37,310)	-
72000 Investment income - restricted	2,259,842		2,259,842	-
70000 TOTAL REVENUE	<u>230,498,117</u>	<u>(7,072,331)</u>	<u>223,425,786</u>	<u>31,173,717</u>
EXPENSES:				
<i>Administrative</i>				
91100 Administrative salaries	13,147,419		13,147,419	1,794,635
91200 Auditing fees	85,771		85,771	104,220
91300 Management fees	5,316,118		5,316,118	1,544,975
91310 Book-keeping Fee	1,698,557	(4,227,819)	1,088,298	-
91400 Advertising and Marketing	225,244	(1,698,557)	225,244	78,946
91500 Employee benefit contributions - administrative	7,225,278		7,225,278	858,438
91600 Office Expenses	736,309		736,309	469,724
91700 Legal expense	359,468		359,468	58,472
91800 Travel	493,440		493,440	4,580
91900 Other	3,871,686		3,871,686	509,020
91000 <i>Total Operating - Administrative</i>	<u>33,159,289</u>	<u>(5,926,376)</u>	<u>27,232,913</u>	<u>5,423,010</u>
92000 Asset Management Fee	1,145,955	(1,145,955)	-	-
<i>Tenant services</i>				
92100 Tenant services - salaries	1,731,493		1,731,493	-
92200 Relocation costs	249,154		249,154	-
92300 Employee benefits	20,626		20,626	-
92400 Tenant services - other	3,682,882		3,682,882	4,403
92500 <i>Total Tenant Services</i>	<u>5,684,155</u>	-	<u>5,684,155</u>	<u>4,403</u>
<i>Utilities</i>				
93100 Water	1,894,574		1,894,574	859,117
93200 Electricity	868,458		868,458	422,226
93300 Gas	199,167		199,167	175,613
93400 Fuel	11,438		11,438	-
93600 Sewer	2,346,858		2,346,858	1,064,313
93800 Other utilities expense	1,297,099		1,297,099	828,852
93000 <i>Total Utilities</i>	<u>6,617,594</u>	-	<u>6,617,594</u>	<u>3,350,122</u>
<i>Ordinary maintenance & operation</i>				
94100 Ordinary maintenance and operations - labor	5,682,979		5,682,979	1,510,000
94200 Ordinary maintenance and operations - material and other	8,251,119	-	8,251,119	3,210,652
94300 Ordinary maintenance and operations - contracts	3,455,177		3,455,177	529,045
94500 Employee benefit contributions - ordinary maintenance	-		-	135,063
94000 <i>Total Maintenance</i>	<u>17,389,275</u>	-	<u>17,389,275</u>	<u>5,384,760</u>
<i>General expenses</i>				
96110 Property Insurance	355,540		355,540	495,217
96120 Liability Insurance	525,744		525,744	2,541
96140 All other insurance	4,647		4,647	236,781
96100 <i>Total Insurance Premiums</i>	<u>885,932</u>	-	<u>885,932</u>	<u>734,539</u>
96200 Other General Expenses	144,200		144,200	764,710
96210 Compensated Absences	872,366		872,366	-
96300 Payments in lieu of taxes	62,928		62,928	-
96000 <i>Total Other General Expenses</i>	<u>1,079,494</u>	-	<u>1,079,494</u>	<u>764,710</u>
96710 Interest on mortgage (or bonds) payable	7,968,286		7,968,286	1,408,387
96720 Interest on notes payable (short and long term)	3,330,519		3,330,519	7,171,168
96730 Amortization of bond issue costs	-		-	28,368
96700 <i>Total interest expense and amortization cost</i>	<u>11,298,805</u>	-	<u>11,298,805</u>	<u>8,607,924</u>
96900 TOTAL OPERATING EXPENSES	<u>76,374,567</u>	<u>(7,072,331)</u>	<u>70,188,167</u>	<u>24,269,468</u>
97000 EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	<u>153,237,619</u>	-	<u>153,237,619</u>	<u>6,904,249</u>
97100 Extraordinary maintenance	3,953,311		3,953,311	-
97200 Casualty losses - non-capitalized	276,525		276,525	-
97300 Housing assistance payments	79,689,140		79,689,140	-
97350 HAP Portability-In	25,443,370		25,443,370	-
97400 Depreciation expense	8,424,327		8,424,327	12,796,520
90000 TOTAL EXPENSES	<u>195,047,171</u>	<u>(7,072,331)</u>	<u>187,974,839</u>	<u>37,065,988</u>
OTHER FINANCING SOURCES (USES)				
10010 Operating transfers in	197,537,499	(197,537,499)	-	-
10020 Operating transfers out	(197,537,500)		-	-
10100 TOTAL OTHER FINANCING SOURCES	<u>(1)</u>	<u>0</u>	<u>0</u>	<u>-</u>
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES	<u>\$ 35,450,945</u>	<u>\$ 0</u>	<u>\$ 35,450,945</u>	<u>\$ (5,892,271)</u>
MEMO ACCT INFORMATION				
11020 Required annual debt principal payments	751,780		751,780	-
11030 Beginning of year equity	413,594,754		413,594,754	124,902,087
11040 Prior period adjustments, equity transfers	(2,007,131)	-	(2,007,131)	-
11170 Administrative Fee Equity	6,419,209		6,419,209	-
11180 Housing Assistance Fee Equity	545,625		545,625	-
11190 Unit Months Available	171,452		171,452	25,236
11210 Number of unit months leased	164,251		164,251	24,883
11620 Building Purchases	1,676,598		1,676,598	-
13510 CFFP debt service payments	642,380		642,380	-
13901 Replacement housing factor funds	560,001		560,001	-

POOLED HOUSING REFUNDING REVENUE BONDS, SERIES 1998A
A PROPRIETARY FUND OF THE HOUSING AUTHORITY OF THE COUNTY OF KING
STATEMENT OF NET POSITION

As of December 31, 2012

ASSETS:

Cash and cash equivalents	\$ 1,425,167
Restricted cash and cash equivalents	329,395
Receivables, net	49,461
Investments	5,652,043
Restricted investments	3,308,130
Other current assets	604,253
Land, buildings and equipment, net	19,559,242
Noncurrent Receivables	3,823
TOTAL ASSETS	<u>30,931,514</u>

DEFERRED OUTFLOWS OF RESOURCES:

Deferred charge for defeasance of debt	<u>810,496</u>
TOTAL DEFERRED OUTFLOWS	<u>810,496</u>

LIABILITIES:

Accounts payable	124,727
Tenants' security deposits	314,395
Accrued interest payable	21,082
Other current liabilities	619,905
Current portion of long-term debt	968,010
Long Term Debt	23,074,093
Other noncurrent liabilities	93,290
TOTAL LIABILITIES	<u>25,215,502</u>

NET POSITION:

Net investment in capital assets	(4,482,861)
Restricted	3,323,130
Unrestricted	7,686,239
TOTAL NET POSITION	<u>\$ 6,526,508</u>

The accompanying notes are an integral part of these financial statements

POOLED HOUSING REFUNDING REVENUE BONDS, SERIES 1998A
A PROPRIETARY FUND OF THE HOUSING AUTHORITY OF THE COUNTY OF KING
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Twelve Months Ended December 31, 2012

OPERATING REVENUES

Rent	\$ 7,144,163
Other	142,851
Total Operating Revenues	<u>7,287,014</u>

OPERATING EXPENSES

Administrative	422,115
Payroll	597,464
Operating and maintenance	1,917,426
Utilities	1,058,196
Insurance	100,577
Depreciation	580,008
Property management	56,094
Bookkeeping Fees	62,100
Asset Management	100,800
Other Expenses	346,867
Total Operating Expenses	<u>5,241,647</u>

Operating Income (Loss)	2,045,367
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NONOPERATING REVENUE (EXPENSE)

Grant revenue	16,703
Investment income	268,910
Other nonoperating revenue	18,756
Interest expense	<u>(1,305,645)</u>
Net Nonoperating Revenue (Expense)	<u>(1,001,277)</u>

INCOME (LOSS) before transfers	<u>1,044,090</u>
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Transfer of funds to agency	<u>217,113</u>
CHANGE IN NET POSITION	\$ 1,261,203

Beginning Net Position	5,265,305
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Ending Net Position	<u><u>\$ 6,526,508</u></u>
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The accompanying notes are an integral part of these financial statements

POOLED HOUSING REFUNDING REVENUE BONDS, SERIES 1998A
A PROPRIETARY FUND OF THE HOUSING AUTHORITY OF THE COUNTY OF KING
STATEMENT OF CASH FLOWS
For the Twelve Months Ended December 31, 2012

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from tenants	\$ 6,985,698
Receipts from homeowners	143,695
Payments to employees	(649,791)
Payments to suppliers of goods and services	(3,558,400)
Other receipts (payments)	<u>(837,668)</u>
Net cash provided by operating activities	<u>2,083,534</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Receipts from grants	23,571
Transfer of funds to agency	<u>217,113</u>
Net cash provided by noncapital financing activities	<u>240,684</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Principal payments on capital debt	(851,939)
Interest paid on capital debt	(1,324,229)
Net fixed asset transfers / (additions)	(1,813,387)
Other Receipts (Payments)	<u>659,699</u>
Net cash used in capital and related financing activities	<u>(3,329,856)</u>

CASH FLOW FROM INVESTING ACTIVITIES:

Net withdrawals (deposits) to reserves	951,120
Net (purchase) sale of investments	(6,652,141)
Investment income	<u>251,336</u>
Net cash provided by (used in) investing activities	<u>(5,449,685)</u>

Net increase (decrease) in cash and cash equivalents (6,455,322)

Cash and cash equivalents -- beginning 8,209,884

Cash and cash equivalents -- ending \$ 1,754,562

Reconciliation of operating income (loss) to net cash

provided (used) by operating activities:	
Operating income (loss)	\$ 2,045,367
Adjustments to reconcile net income to net cash provided	
by (used in) operating activities:	
Depreciation	580,008
Change in assets and liabilities:	
(Increase) decrease in receivables and other current assets	(226,195)
Inventories and other	(236,289)
Increase (decrease) in accounts payable and accrued liabilities	(104,363)
Other Current Liabilities	25,005
Net cash provided by (used in) operating activities	<u>\$ 2,083,534</u>

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE COUNTY OF KING
Pooled Housing Refunding Revenue Bonds, Series 1998A
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

The following notes are an integral part of the financial statements of the Housing Authority of the County of King, Pooled Housing Refunding Revenue Bonds, Series 1998A.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a) GENERAL

The Pooled Housing Refunding Revenue Bonds, Series 1998A (the Fund) were issued in September 1998, by the Housing Authority of the County of King (the Authority) to refinance five multifamily housing projects comprised of 573 units and three mobile home parks comprised of 321 spaces. The projects are Walnut Park Apartments (140 units), Auburn Square Apartments (160 units), Woodland North Apartments (105 units), Parkwood Apartments (90 units), Hidden Village Apartments (78 units), Vantage Glen Mobile Home Park (164 spaces), Rainier View Mobile Home Park (31 spaces) and Tall Cedars Mobile Home Park (126 spaces). The eight projects (the Projects) are owned by the Authority and are located throughout King County, Washington.

Pursuant to the requirements of a New Market Tax Credit transaction in 2011, the Authority transferred the 1998 revenue bond debt assigned to Tall Cedars Mobile Home Park to another property owned by the Authority (Meadows at Lea Hill.) Therefore, the financial data of Tall Cedars is no longer presented in these financial statements. However, the portion of debt and related financial activity that was transferred to Meadows at Lea Hill continues to be reported in the annual financial statements.

These financial statements represent only the accounts of the Fund and are not intended to present fairly the financial position, results of operations and cash flows of the Authority taken as a whole.

b) BASIS OF ACCOUNTING

Accounting records are maintained according to the proprietary fund model that is similar to private business enterprises. The Authority applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

c) USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect 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 income and expenses during the reporting period. Actual results could differ from those estimates.

d) REVENUES AND EXPENSES

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are tenant revenues. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The basis for recognition of revenues and expenses is the accrual basis of accounting. Revenues are recorded when earned. Expenses are recorded when incurred. Revenue from operating subsidies and grants is classified as non-operating revenue.

e) CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash consists of Federal Depository Insurance Corporation (FDIC) insurable deposits with original maturities of less than three months. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash. Investments include deposits with original maturities exceeding three months, and securities and other assets held by trustees. Most assets held by trustees are restricted for specific uses including capital additions and improvements and debt service.

f) RECEIVABLES

Receivables consist primarily of rents due from tenants. Annually, tenant receivables are analyzed and the allowance for doubtful accounts are appropriately adjusted. No allowances existed at June 30 other than the allowance for tenant accounts receivable.

g) CAPITAL ASSETS

Capital assets are recorded at historical cost in the land, structures, and equipment accounts and at appraised fair market value at date of receipt if contributed. The Authority defines capital assets as tangible items with an initial individual cost of at least \$5,000 if the item is equipment and \$100,000 if the item is real property or a capital improvement. Capital assets are depreciated using the straight-line method with depreciation commencing in the acquisition year and ceasing in the disposal year. Capital project costs clearly associated with the acquisition, development, and construction of a real estate project, including indirect costs and interest, are capitalized as a cost of that project. See Note 4 for the capital asset components and balances at December 31, 2010 and activity.

Depreciable lives for the capital asset categories follow:

Land	no depreciation
Buildings and land improvements	22-60 years
Personal property	3-10 years
Construction-in-progress	no depreciation

Maintenance and repairs are charged to expense when incurred. Management reviews land, structures, and equipment for possible impairment whenever events or circumstances indicate the carrying amount of an asset may not be recoverable. If there is an indication of impairment, management prepares an estimate of future cash flows expected to result from the use of the asset and its eventual disposition. If these cash flows are less than the carrying amount of the asset, an impairment loss is recognized to write down the asset to its estimated fair value. Preparation of estimated expected future cash flows is inherently subjective and is based on management's best estimate of assumptions concerning expected future conditions.

h) TAX LIABILITY

The Authority is by law exempt from all federal, state, and local taxes and assessments. Several developments make a Payment in Lieu of Taxes (PILOT) based on contracts with local jurisdictions.

i) COMPENSATED ABSENCES

It is the Authority's policy to pay 100% of accumulated annual leave when an employee terminates employment from the Authority. As such, the value of annual leave earned but not used at year-end is accrued. Sick leave does not vest and is only paid to those separating from the Authority as retirees as defined by the state pension system.

j) ECONOMIC CONCENTRATIONS

The Projects are located in King County, Washington. Changes in the economic or other conditions in that geographical area or the demand for housing could affect future operations.

NOTE 2 – INVENTORIES

Inventory consists of supplies purchased primarily for use in maintenance of the rental units. The perpetual method is used to account for inventory. As such, purchases are recorded into the inventory account and, as items are used, the inventory account is reduced and the expense account is charged. Periodically throughout the year, physical counts are taken of all supplies on hand and the inventory records are adjusted. The weighted average method is used to value the inventory.

The mobile home inventory represents homes held for sale to eligible senior citizens under the Home Ownership Program. The seniors purchase the homes and lease the underlying land from the Authority. The buyers are obligated to sell the mobile home back to the Authority for the original purchase price net of adjustments for improvements or deterioration.

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

The Authority is restricted in its cash deposits and investments to those allowed by RCW 35.82.070(6). In general, deposits must be made with qualified financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC).

Insurance and Collateralization

Deposits that are in excess of the \$250,000 insured amount must be continuously and fully (100%) secured. Collateral, comprised of identifiable U.S. Government securities as prescribed by HUD, are pledged or set aside to secure these deposits. The Public Deposit Protection Act in effect in the State of Washington set up a multiple financial institution collateral pool to insure public deposits. This protection is in the form of securities pledged as collateral to the Public Deposit Protection Commission (PDPC) by all qualified depositories. In 1994, the Authority received a waiver from HUD that enabled it to make deposits in excess of \$250,000 in a qualified public depository because HUD determined that there were “adequate safeguards against the loss of Public Housing Authority funds.”

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority’s investment policy limits the maximum maturity of an investment to not greater than three years. Exceptions to this policy are detailed below:

- 1) 50% of the portfolio may be in “step” investments which increase interest payments at pre-determined amounts and times with maturities up to five years, primarily to provide a hedge against future interest rates.
- 2) An additional 5% of the portfolio may be in investments without step features and with maturities up to five years.
- 3) KCHA may collateralize repurchase agreements using longer-dated investments not exceeding 30 years. Reserve funds may be invested in securities exceeding 30 years if the maturities of such investments are made to coincide as nearly as practical with the expected use of the funds.
- 4) Investments matched against anticipated cash flow needs may be invested beyond three years and are not included in the limits set forth in exceptions 1 and 2.

Exceptions 1 and 2 above apply to the time when investments are made. It is not a violation of the KCHA investment policy if the limits in these two exceptions are exceeded due to subsequent investments maturing or being called.

Credit Risk

The Department of Housing and Urban Development (HUD), Washington State law, and the Authority’s investment policy all limit the instruments in which the Authority may invest. Not all Authority funds have the same restrictions. Following are some of the instruments in which any Authority funds, including Federal funds, may be invested:

- 1) Direct obligations of the Federal government backed by the full faith and credit of the United States
 - a) U.S. Treasury Bills.
 - b) U.S. Treasury Notes and Bonds.
- 2) Obligations of Federal government agencies, such as:
 - a) Government National Mortgage Association (GNMA) mortgage-backed securities.
 - b) GNMA participation securities.
 - c) Maritime Administration Bonds.
 - d) Small Business Administration Bonds.
- 3) Securities of Government Sponsored Agencies, such as:
 - a) Federal Home Loan Mortgage Corporation (FHLMC) notes and bonds.
 - b) Federal National Mortgage Association (FNMA) notes and bonds.
 - c) Federal Home Loan Bank (FHLB) notes and bonds.
 - d) Federal Farm Credit Bank (FFCB) notes and bonds.
 - e) Student Loan Marketing Association (SLMA) notes and bonds.
- 4) Demand and savings accounts.

- 5) Money Market Deposit accounts.
- 6) Certain mutual funds.

In addition to the above, non-federal funds and federal funds may be invested in the following which are allowed by the State of Washington:

- 7) Banker's acceptances purchased on the secondary market.
- 8) Commercial paper.
- 9) Bonds of the State of Washington or any local government of the State of Washington that have one of the three highest credit ratings of a nationally recognized rating agency.
- 10) General obligation bonds of a state other than the State of Washington and general obligation bonds of a local government of a state other than the State of Washington that have one of the three highest credit ratings of a nationally recognized rating agency.
- 11) Utility revenues bonds or warrants of any city or town in the State of Washington.
- 12) Bonds or warrants of a local improvement district that is within the protection of the local improvement guaranty fund law.

Concentration of Credit Risk

The Authority diversifies its investments by security type and institution. The investment policy states: "With the exception of U.S. Treasury securities, investment agreements for trustee held funds, and authorized pools, no more than 15% of the Authority's total investment portfolio will be invested in a single security type or with a single financial institution.

Other Information:

The Authority has established arrangements with US Bank for safekeeping of investments.

Valuation and Classification

Cash equivalents include deposits and investments that are readily convertible to cash. Instruments with an original maturity date of over 3 months are classified as investments. Cash and investments held for the future payment of long-term liabilities are classified as non-current assets. Cash and investments legally or contractually restricted as to use are classified as restricted.

Cash equivalents include an investment in a Local Government Investment Pool (the Pool). The Pool is not registered with the Securities and Exchange Commission (SEC), but adheres to SEC Rule 2(a)(7) of the Investment Company Act of 1940 that requires portfolio diversification, divestiture considerations and action if the market value of the portfolio deviates more than .5 percent from the amortized costs. Government pools that adhere to the SEC rule can report their investments at amortized costs if the remaining maturities of the debt securities are 90 days or less. As of December 31, 2012, the pool had an average days-to-maturity of 50 days and therefore is reported at cost. Government securities are reported at fair value.

A summary of cash and investments at December 31, 2012 follows.

	UNRESTRICTED	RESTRICTED	TOTAL
CASH and CASH EQUIVALENTS:			
Cash on hand	\$ 950	\$ -	\$ 950
Depository accounts	645,047	251,683	896,730
Washington State Investment Pool	779,170	77,712	856,882
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 1,425,167</u>	<u>\$ 329,395</u>	<u>\$ 1,754,562</u>
INVESTMENTS:			
U.S. Treasury money market		81,997	81,997
FNMA, FHLB, City of Seattle Solid Waste Bond	5,652,043		5,652,043
<i>Private Debt Obligations:</i>			
Westdeutsche Landesbank Gironzentrale, 5.42%, 7/1/2028		2,209,431	2,209,431
Bank of America 6.1% 7/1/2028		1,016,702	1,016,702
TOTAL INVESTMENTS	<u>\$ 5,652,043</u>	<u>\$ 3,308,130</u>	<u>\$ 8,960,173</u>
TOTAL	<u>\$ 7,077,210</u>	<u>\$ 3,637,525</u>	<u>\$ 10,714,735</u>

Credit Ratings: The Washington State Pool is unrated. All other investments are rated AAA.

NOTE 4 – CAPITAL ASSETS

The components and activity of land, structures and equipment follow.

	Beginning Balances	Additions	Disposals	Ending Balances
NONDEPRECIABLE:				
Land	\$ 5,447,741	\$ -	\$ -	\$ 5,447,741
Land Improvements	2,232,939	-	-	2,232,939
Construction-in-process	477,333	57,771	-	535,104
Total Nondepreciable	<u>8,158,013</u>	<u>57,771</u>	<u>-</u>	<u>8,215,784</u>
DEPRECIABLE:				
Land Improvements	1,174,264	-	-	1,174,264
Buildings and improvements	19,967,275	1,755,614	-	21,722,889
Equipment	40,862	-	-	40,862
Total Depreciable	<u>21,182,401</u>	<u>1,755,614</u>	<u>-</u>	<u>22,938,015</u>
TOTAL CAPITAL ASSETS:	29,340,414	1,813,385	-	31,153,799
Accumulated depreciation	(11,014,549)	(580,008)	-	(11,594,557)
NET CAPITAL ASSETS	<u>\$ 18,325,865</u>	<u>\$ 1,233,377</u>	<u>\$ -</u>	<u>\$ 19,559,242</u>

Approximately \$1.7 million of additions to Building Improvements represents capitalized building envelope upgrades at Auburn Square and Walnut Apartments as well as plumbing upgrades at Parkwood Apartments and Walnut Apartments.

NOTE 5 – LONG TERM DEBT OBLIGATIONS

The components of outstanding debt at December 31, 2012 and the activity are stated below.

	Beginning Balance	Additions	Retirements/ Payments	Ending Balance	Current Portion
Notes	\$ 492,157	\$ -	\$ -	\$ 492,157	\$ 3,010
Series 1998A Bonds	24,457,755	-	(907,809)	23,549,946	965,000
	<u>\$ 24,949,912</u>	<u>\$ -</u>	<u>\$ (907,809)</u>	<u>\$ 24,042,103</u>	<u>\$ 968,010</u>

Notes

Deferred loans were obtained from the State of Washington and the City of Bellevue to acquire Hidden Village Apartments. The amount due the State of Washington is \$292,157 and is repayable commencing in the year 2024 for a twenty-year term. Interest will not accrue until the year 2024 and the rate thereafter will be 5%. The amount due the City of Bellevue is \$200,000 payable commencing in the year 2013 for a thirty-year term with interest at the rate of 5% commencing as of that date.

Series 1998A Bonds

In September 1998, the Authority issued its Pooled Housing Refunding Revenue Bonds, Series 1998A with principal amounts totaling \$32,955,000. The Authority is required to make, and has made, all payments required under the trust indenture. The bonds mature in varying amounts through July 1, 2028 and have stated interest rates that vary from 3.85% to 5.25% per annum. The bonds were issued at a discount of \$480,155. The discount is amortized as interest expense over the life of the debt. The unamortized balance is reported as a reduction to the outstanding bonds payable. The amortized discount charged to interest expense for the period totaled \$2,191. The bonds are secured with a deed of trust on the Projects' rental property, equipment and net operating income. Remaining debt service payments are due as follows:

Year	Principal	Interest
2013	965,000	1,221,479
2014	1,010,000	1,171,740
2015	1,065,000	1,118,570
2016	1,120,000	1,062,540
2017	1,180,000	1,003,520
2018-2022	7,010,000	4,002,000
2023-2027	9,110,000	1,923,731
2028-2032	2,125,000	84,000
TOTAL	<u>\$ 23,585,000</u>	<u>\$ 11,587,580</u>
Unamortized original issue discount	(35,054)	
BALANCE OF OUTSTANDING DEBT	<u><u>\$ 23,549,946</u></u>	
Due in one year or less	\$ 965,000	
Due in over one year	\$ 22,584,946	

The bond proceeds paid the cost of refunding all of the Authority's outstanding revenue bonds that had been previously issued to acquire the Projects. The purpose of the advanced refunding was to consolidate the issues, reduce the overall interest rate, allow for a longer maturity and permit cross collateralization of the Projects.

Defeasance – Deferred Charge

GASB Statement No. 23 states that in an advanced refunding of debt, the difference between the reacquisition price of the new debt and the net carrying amount of the old debt be deferred and amortized as a component of interest expense, a non-cash transaction, in a systematic and rational manner over the original remaining life of the old debt or the new debt whichever is shorter. An advanced refunding in September of 1998 resulted in a deferred charge of \$1,827,791. A deferred charge of \$810,496 at December 31, 2012 is reported on the Statement of Net Position as a deferred outflow of resources. Amortization of the deferred charge for the period was \$56,506 and is included with interest expense. The current deferred charge balance is amortized as follows:

<u>Fiscal Year</u>	<u>Amortization</u>
2013	58,165
2014	61,926
2015	66,195
2016	70,209
2017	74,680
2018-2022	448,040
2023-2027	31,283
	<u>\$ 810,496</u>

NOTE 6 - PENSION PLAN

Substantially all the Authority's full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing multiple-employer public employee defined benefit and defined contribution retirement plans. The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to: Department of Retirement Systems, Communications Unit, P.O. Box 48380, Olympia, WA 98504-8380; or it may be downloaded from the DRS website at www.drs.wa.gov. The following disclosures are made pursuant to GASB Statements No. 27, *Accounting for Pensions by State and Local Government Employers* and No. 50, *Pension Disclosures, an Amendment of GASB Statements No. 25 and No. 27*.

Public Employees' Retirement System (PERS) Plans 1, 2, and 3

Plan Description

PERS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a defined benefit plan with a defined contribution component.

Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior courts (other than judges currently in a judicial retirement system); employees of legislative committees; community and technical colleges, college and university employees not participating in national higher education retirement programs; judges of district and municipal courts; and employees of local governments.

PERS members who joined the system by September 30, 1977 are Plan 1 members. Those who joined on or after October 1, 1977 and by either, February 28, 2002 for state and higher education employees, or August 31, 2002 for local government employees, are Plan 2 members unless they exercise an option to transfer their membership to Plan 3. PERS members joining the system on or after March 1, 2002 for state and higher education employees, or September 1, 2002 for local government employees have the irrevocable option of choosing membership in either PERS Plan 2 or PERS Plan 3. The option must be exercised within 90 days of employment. An employee is reported in Plan 2 until a choice is made. Employees who fail to choose within 90 days default to PERS Plan 3. Notwithstanding, PERS Plan 2 and Plan 3 members may opt out of plan membership if terminally ill, with less than five years to live.

PERS Plan 1 and Plan 2 defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. PERS retirement benefit provisions are established in Chapters 41.34 and 41.40 RCW and may be amended only by the State Legislature.

PERS Plan 1 members are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. The monthly benefit is 2 percent of the average final compensation (AFC) per year of service. (AFC is the monthly average of the 24 consecutive highest-paid service credit months.) The retirement benefit may not exceed 60 percent of AFC. The monthly benefit is subject to a minimum for PERS Plan 1 retirees who have 25 years of service and have been retired 20 years, or who have 20 years of service and have been retired 25 years. Plan 1 members retiring from inactive status prior to the age of 65 may receive actuarially reduced benefits. If a survivor option is chosen, the benefit is further reduced. A cost-of living allowance (COLA) is granted at age 66 based upon years of service times the COLA amount, which is increased 3 percent annually. Plan 1 members may also elect to receive an optional COLA that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 provides duty and non-duty disability benefits. Duty disability retirement benefits for disablement prior to the age of 60 consist of a temporary life annuity payable to the age of 60. The allowance amount is \$350 a month, or two-thirds of the monthly AFC, whichever is less. The benefit is reduced by any workers' compensation benefit and is payable as long as the member remains disabled or until the member attains the age of 60. A member with five years of covered employment is eligible for non-duty disability retirement. Prior to the age of 55, the allowance amount is 2 percent of the AFC for each year of service reduced by 2 percent for each year that the member's age is less than 55. The total benefit is limited to 60 percent of the AFC and is actuarially reduced to reflect the choice of a survivor option. A cost-of living allowance is granted at age 66 based upon years of service times the COLA amount (based on the consumer Price Index), capped at 3 percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS Plan 1 members can receive credit for military service while actively serving in the military, if such credit makes them eligible to retire. Members can also purchase up to 24 months of service credit lost because of an on-the-job injury.

PERS Plan 2 members are vested after the completion of five years of eligible service. Plan 2 members are eligible for normal retirement at the age of 65 with five years of service. The monthly benefit is 2 percent of the AFC per year of service. (AFC is the monthly average of the 60 consecutive highest-paid service months.)

PERS Plan 2 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 reduced benefit. The benefit is reduced by an early retirement factor (ERF) that varies according to age, for each year before age 65.

PERS Plan 2 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by 3 percent for each year before age 65.
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2 retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at 3 percent annually.

The surviving spouse or eligible child or children of a PERS Plan 2 member who dies after leaving eligible employment having earned ten years of service credit may request a refund of the member's accumulated contributions. Effective July 22, 2007, said refund (adjusted as needed for specified legal reductions) is increased from 100 percent to 200 percent of the accumulated contributions if the member's death occurs in the uniformed service to the United States while participating in *Operation Enduring Freedom* or *Persian Gulf*, *Operation Iraqi Freedom*.

PERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component and member contributions finance a defined contribution component. The defined benefit portion provides a monthly benefit that is 1 percent of the AFC per year of service. (AFC is the monthly average of the 60 consecutive highest-paid service months.)

Effective June 7, 2006, PERS 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 twelve months of that service are earned after age 44; or after five service credit years earned in PERS Plan 2 prior to June 1, 2003. Plan 3 members are immediately vested in the defined contribution portion of their plan.

Vested Plan 3 members are eligible for normal retirement at age 65, or they may retire early with the following conditions and benefits:

- If they have at least ten service credit years and are 55 years old, the benefit is reduced by an ERF that varies with age, for each year before age 65.
- If they have 30 service credit years and are at least 55 years old, they have the choice of a benefit that is reduced by 3 percent for each year before age 65; or a benefit with a smaller (or no) reduction factor (depending on age) that imposes stricter return-to-work rules.

PERS Plan 3 defined benefit retirement benefits are also actuarially reduced to reflect the choice, if made, of a survivor option. There is no cap on years of service credit and Plan 3 provides the same cost-of-living allowance as Plan 2.

PERS Plan 3 defined contribution retirement benefits are solely dependent upon the results of investment activities.

The defined contribution portion can be distributed in accordance with an option selected by the member, either as a lump sum or pursuant to other options authorized by the Director of the Department of Retirement Systems.

PERS Plan 2 and Plan 3 provide disability benefits. There is no minimum amount of service credit required for eligibility. The Plan 2 monthly benefit amount is 2 percent of the AFC per year of service. For Plan 3, the monthly benefit amount is 1 percent of the AFC per year of service.

These disability benefit amounts are actuarially reduced for each year that the member's age is less than 65, and to reflect the choice of a survivor option. There is no cap on years of service credit, and a cost-of-living allowance is granted (based on the Consumer Price Index) capped at 3 percent annually.

PERS Plan 2 and Plan 3 members may have up to ten years of interruptive military service credit; five years at no cost and five years that may be purchased by paying the required contributions. Effective July 24, 2005, a member who becomes totally incapacitated for continued employment while serving the uniformed services, or a surviving spouse or eligible children, may apply for interruptive military service credit. Additionally, PERS Plan 2 and Plan 3 members can also purchase up to 24 months of service credit lost because of an on-the-job injury.

PERS members may also purchase up to five years of additional service credit once eligible for retirement. This credit can only be purchased at the time of retirement and can be used only to provide the member with a monthly annuity that is paid in addition to the member's retirement benefit.

Beneficiaries of a PERS Plan 2 or Plan 3 member with ten years of service who is killed in the course of employment receive retirement benefits without actuarial reduction, if the member was not at normal retirement age at death. This provision applies to any member killed in the course of employment, on or after June 10, 2004, if found eligible by the Department of Labor and Industries.

A one-time duty-related death benefit is provided to the estate (or duly designated nominee) of a PERS member who dies in the line of service as a result of injuries sustained in the course of employment, or if the death resulted from an occupational disease or infection that arose naturally and proximately out of said member's covered employment, if found eligible by the Department of Labor and Industries.

There are 1,184 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2011:

Retirees and Beneficiaries Receiving Benefits	79,363
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	29,925
Active Plan Members Vested	105,578
Active Plan Members Non-vested	46,839
Total	261,705

Funding Policy

Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute at 6 percent for state agencies and local government unit employees, and at 7.5 percent for state government elected officials. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. All employers are required to contribute at the level established by the Legislature. Under PERS Plan 3, employer contributions finance the defined benefit portion of the plan and member contributions finance the defined contribution portion. The Director of the Department of Retirement Systems sets Plan 3 employee contribution rates. Six rate options are available ranging from 5 percent to 15 percent; two of the options are graduated rates dependent on the employee's age. As a result of the implementation of the Judicial Benefit Multiplier Program in January 2007, a second tier of employer and employee rates was developed to fund, along with investment earnings, the increased retirement benefits of those justices and judges that participate in the program. The methods used to determine the contribution requirements are established under state statute in accordance with Chapters 41.40 and 41.45 RCW.

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2011, are as follows:

	<i>PERS Plan 1</i>	<i>PERS Plan 2</i>	<i>PERS Plan 3</i>
Employer*	7.21%**	7.21%**	7.21%***
Employee	6.00%****	4.64%****	*****

* The employer rates include the employer administrative expense fee currently set at 0.16%.

** The employer rate for state elected officials is 10.74% for Plan 1 and 7.21% for Plan 2 and Plan 3.

*** Plan 3 defined benefit portion only.

**** The employee rate for state elected officials is 7.50% for Plan 1 and 4.64% for Plan 2.

***** Variable from 5.0% minimum to 15.0% maximum based on rate selected by the PERS 3 member.

Both the Authority and the employees made the required contributions. The Authority's required contributions for the years ended December 31 were as follows:

	PERS Plan 1	PERS Plan 2	PERS Plan 3
2012	\$ 67,080	\$ 1,182,664	\$ 201,423
2011	\$ 60,503	\$ 1,002,941	\$ 172,803
2010	\$ 51,061	\$ 825,346	\$ 143,608

NOTE 7 - RISK MANAGEMENT

The King County Housing Authority (KCHA) has the responsibility to systematically and continuously identify potential exposure to losses in terms of frequency and severity probability, and to apply sound risk control and financing techniques to minimize the impact of those potential losses. KCHA Risk Management has implemented programs to protect the Housing Authority against accidental and criminal losses that would significantly affect personnel, property, or budget by using a combination of loss control programs, purchased commercial insurance, voluntary self-insurance, participation in a risk-sharing pool or group, and contractual risk transfer via indemnification agreements.

For Public Housing, KCHA secures third-party liability insurance primarily through the Housing Authority Risk Retention Pool (HAARP), a public entity risk-sharing pool. The General Liability limit, including Washington Stop-Gap or Employer's Liability, is \$2,000,000 per occurrence on an occurrence basis with a \$1,000 deductible. Contractor's Pollution Liability and Errors & Omissions limit is \$1,000,000 on a claims-made basis with a \$5,000 per claim deductible provided through Crum & Forster Specialty Insurance Company. Automobile Liability insurance is \$5,000,000 in total limits provided through a combination of Philadelphia Insurance Company with \$1,000,000 liability limit and excess liability of \$4,000,000 provided by Liberty Mutual Fire Insurance Company. Property insurance including Rental Income coverage through HARRP has a standard limit of \$3,000,000 replacement cost basis, with higher limits available upon request. Property deductible is \$25,000 per loss. The Authority has secured Fidelity coverage through HARRP for \$100,000 per occurrence for all employees, and \$500,000 for employees with greater exposure.

Bond Financed Projects are covered for property insurance through HARRP. The general liability is covered through the Housing Authority Risk Retention Group (HARRG) with \$2,000,000 per occurrence limit. Additionally, liability sub-limits are provided for fire damage liability and athletic sports liability, at \$50,000 and \$250,000, respectively. Excess Liability limit of \$3,000,000 is provided by Lexington Insurance Company.

Tax Credit Partnership properties are covered for general liability with total limits of \$5,000,000 per occurrence basis provided by Great American Specialty Insurance (\$1,000,000 each occurrence, \$2,000,000 general aggregate, per designated location) on the primary level, and \$4,000,000 aggregate limit excess of the primary, with a \$10,000 self-insured retention. Lexington Landmark provides property insurance for buildings and Contents values on replacement cost basis, with Business Income including Extra Expense covered according to reported values, all subject to a \$10,000 deductible, except as respects Flood at noted locations, for a deductible of \$250,000 which are covered under National Flood Insurance Policies, subject to \$1,000 deductibles.

Excess Liability limit of \$10,000,000 is provided over all of the above liability coverage except the Contractors Pollution, which brings total liability coverage to a limit of \$15,000,000. This coverage is placed with Lexington Insurance Company.

Public Officials Errors and Omissions and Employment Practices Liability is provided on all properties with a \$5,000,000 limit and a \$75,000 Self-Insured Retention from Illinois Union Insurance Company.

No active claims are anticipated to exceed the applicable limits of insurance secured from any of the listed providers.

NOTE 8 – SUBSEQUENT EVENTS

There have been no material events subsequent to December 31, 2012 to report.

HOUSING AUTHORITY OF THE COUNTY OF KING

Appendix A
Fiscal Year 2012
PROPERTY LISTING

	<i>Development Name</i>	<i>Year Built/ Acquired</i>	<i>Number of Units</i>		<i>Development Name</i>	<i>Year Built/ Acquired</i>	<i>Number of Units</i>
Federally Assisted Housing:				Section 8 New Construction:			
Low Rent Public Housing:				1. Burien Park 1983 102			
	1. Cascade Apartments	1968	108		2. The Northwood	1983	34
	2. Valli Kee Homes	1968	114				136
	3. Wayland Arms	1968	67	Preservation of Affordable Housing:			
	4. Ballinger Homes	1969	110		1. Parkway Apartments	1995	41
	5. Boulevard Manor	1969	70				41
	6. Northridge House I	1969	70	Unassisted Locally Financed Housing:			
a)	7. Paramount House	1969	70	Tax-Exempt Bond Program:			
a)	8. Riverton Terrace Sr	1969	30		1. Carriage House	1991	236
	9. Briarwood	1970	70		2. Cottonwood	1991	75
a)	10. Brittany Park	1970	43		3. Newporter	1991	120
	11. Casa Juanita	1970	80		4. Cove East	1992	190
	12. Forest Glen	1970	40		5. Parkwood	1992	90
a)	13. Mardis Gras	1970	61		6. Timberwood	1992	240
	14. Southridge House	1970	80		7. Walnut Park	1992	140
	15. Yardley Arms	1970	67		8. Woodland North	1992	105
	16. Burndale Homes	1971	50		9. Auburn Square	1993	160
a)	17. Firwood Circle	1971	50		10. Woodside East	1993	244
a)	18. Munro Manor	1971	60		11. Cascadian	1994	198
	19. Plaza Seventeen	1971	70		12. Fairwood	1995	176
a)	20. The Lake House	1972	70		13. Woodbridge Park	1995	201
	21. Casa Madrona	1973	70		14. Aspen Ridge	1996	88
	22. Northridge House II	1975	70		15. Bellepark East	2001	118
	23. Eastside Terrace	1980	50		16. Landmark Apartments	2001	191
a)	24. College Place	1981	51		17. Meadows at Lea Hill	2006	90
b)	25. Gustaves Manor	1982	35		18. Westminster	2010	60
	26. Seola Crossing I	2007	40		19. Meadowbrook	2011	115
c)	27. Seola Crossing II	2007	37				2,837
	28. Nia Apartments	2008	40	Miscellaneous Local Programs:			
	29. Pacific Court	2008	32		1. Campus Green	1981	15
	30. Pepper Tree	2009	30		2. Echo Cove	1981	4
d)	31. Salmon Creek	2009	50		3. Harbor Villa	1981	5
e)	32. Eastbridge	2010	13		4. Slater Park	1981	5
	33. Park Royal	2010	23		5. Brookside	1983	16
f)	34. Sixth Place	2011	24		6. Shelcor	1985	8
g)	35. Zephyr	2011	25		7. Nike	1990	31
			1,970		8. Anita Vista	1991	14
h) Tenant Based Housing Choice Vouchers:			8,803		9. Avondale House	1992	16
Home Ownership Program:					10. Federal Way Duplexes	1992	4
	1. Vantage Glen	1985	164		11. Sunnydale	1992	16
	2. Rainier View	1989	31		12. Vet's Housing	1997	6
			195		13. Holt House	2011	1
Project-based Section 8 - KCHA Owned Property					14. Houses at Greenbridge	2011	2
	1. The Northlake House	1981	38		15. Island Crest	2011	30
	2. Hidden Village	1992	78		16. Kirkland Place	2011	9
	3. Newport	1992	23				182
	4. Spiritwood Manor	1992	130	Memo: Tax Credit Developments:			
			269		1. Laurewood Gardens	1997	91
Memo: Project-based Section 8 (Properties Leased to Moving King County Residents Forward)					2. Windsor Heights	1998	326
	1. Riverton Terrace	1969	30		3. Rainier View I	1999	48
	2. Avondale Manor	1970	20		4. Rainier View II	1999	36
	3. Eastridge House	1972	40		5. Si View	1999	20
	4. Pickering Court	1980	30		6. Alpine Ridge	1999	42
	5. Cedarwood	1981	25		7. Colonial Gardens	1999	72
	6. Evergreen Court	1981	30		8. Heritage Park	1999	77
	7. Forest Grove	1981	25		9. Somerset Village	1999	198
	8. Glenview Heights	1981	10		10. Overlake Station	2000	308
	9. King's Court	1981	30		11. Southwood Square	2001	104
	10. Juanita Court	1982	30		12. Arbor Heights	2002	97
	11. Greenleaf	1983	27		13. Harrison House	2004	94
	12. Juanita Trace	1983	30		14. Valley Park	2004	60
	13. Juanita Trace II	1983	9		15. Seola Crossing I	2007	42
	14. Kirkwood Terrace	1983	28		16. Seola Crossing II	2007	68
	15. Wellswood	1983	30		17. Nia	2008	42
	16. Campus Court	1991	13		18. Birch Creek Apartments	2009	262
	17. Federal Way Homes	1993	3		19. Salmon Creek	2009	38
	18. Victorian Woods	1993	15		20. Eastbridge	2010	78
	19. Bellevue 8	1994	8		21. Green River	2012	59
	20. Shoreham Apts	1995	18				2,162
	21. Vista Heights	1995	30	Summary			
	22. Young's Lake	1997	28		Total housing units owned or managed by the Authority		8,301
			509		Tenant based housing choice voucher		8,803
a) Public housing properties sold to the Egis LP in May 2007 under the tax credit program.					Households served		17,104
b) Public housing units owned by the Seola Crossing LLC under the tax credit program.							
c) Public housing units owned by the Nia LLC under the tax credit program.							
d) Public housing units owned by the Salmon Creek LLC under the tax credit program.							
e) Public housing units owned by the Eastbridge Apartments LLC under the tax credit program.							
f) Public housing units owned by the Sixth Place Apartments LLP under the tax credit program.							
g) Public housing units owned by the Zeolhyr Apartments LLLP under the tax credit program.							
h) Excludes tenants transferring, or "porting in", to the Authority from other jurisdictions.							

**Actual Modernization
Cost Certificate**

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

OMB Approval No. 2577-0157 (exp. 01/31/2014)

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

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0044 and 0157), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3605. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

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

HA Name:

HA COUNTY OF KING

Modernization Project Number:

WA19R002502-11

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

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

A. Original Funds Approved	\$ 205,127.00
B. Funds Disbursed	\$ 205,127.00
C. Funds Expended (Actual Modernization Cost)	\$ 205,127.00
D. Amount to be Recaptured (A-C)	\$ 0.00
E. Excess of Funds Disbursed (B-C)	\$ 0.00

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

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

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

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

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

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

Signature of Executive Director & Date:

X

5-31-12

For HUD Use Only

The Cost Certificate is approved for audit:

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

X

for Kathleen T. Deuel

Date:

12/7/12

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)

X

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

Date:

Date:

X

form HUD-53001 (10/96)
ref Handbooks 7465.1 & 3

**Actual Modernization
Cost Certificate**

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

OMB Approval No. 2577-0157 (exp. 01/31/2014)

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

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HA Name:

HA COUNTY OF KING

Modernization Project Number:

WA19R002502-10

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

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

A. Original Funds Approved	\$ 24,481.00
B. Funds Disbursed	\$ 24,481.00
C. Funds Expended (Actual Modernization Cost)	\$ 24,481.00
D. Amount to be Recaptured (A-C)	\$ 0.00
E. Excess of Funds Disbursed (B-C)	\$ 0.00

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

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

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

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

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

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

Signature of Executive Director & Date:

X

5-31-12

For HUD Use Only

The Cost Certificate is approved for audit:

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

Date:

X for Kathleen T. Gaul

12/7/12

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)

Date:

X

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

Date:

X

form HUD-53001 (10/96)
ref Handbooks 7485.1 & 3

Actual Modernization Cost Certificate

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

OMB Approval No. 2577-0157 (exp. 01/31/2014)

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

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HA Name: HA COUNTY OF KING	Modernization Project Number: WA19R002503-06
-------------------------------	-------------------------------------------------

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

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

A. Original Funds Approved	\$ 31,776.00
B. Funds Disbursed	\$ 31,776.00
C. Funds Expended (Actual Modernization Cost)	\$ 31,776.00
D. Amount to be Recaptured (A-C)	\$ 0.00
E. Excess of Funds Disbursed (B-C)	\$ 0.00

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

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

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

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

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

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

Signature of Executive Director & Date:

X

5-31-12

For HUD Use Only

The Cost Certificate is approved for audit:

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

X for [Signature]

Date:

12/7/12

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)

X

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

Date:

Date:

X

form HUD-53001 (10/96)
ref Handbooks 7485.1 & 3

Actual Modernization Cost Certificate

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

OMB Approval No. 2577-0157 (exp. 01/31/2014)

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

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HA Name: HA COUNTY OF KING Modernization Project Number: WA19P002501-05

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

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

A. Original Funds Approved	\$ 6,118,426.00
B. Funds Disbursed	\$ 6,118,426.00
C. Funds Expended (Actual Modernization Cost)	\$ 6,118,426.00
D. Amount to be Recaptured (A-C)	\$ 0.00
E. Excess of Funds Disbursed (B-C)	\$ 0.00

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

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

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

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

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

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3728, 3802)

Signature of Executive Director & Date:

X



5-31-12

For HUD Use Only

The Cost Certificate is approved for audit:

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

X *for Kathleen T. Deal*

Date:

12/7/12

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)

X

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

Date:

Date:

X

form HUD-53001 (10/96)
ref Handbooks 7485.1 & 3

Actual Modernization Cost Certificate

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

OMB Approval No. 2577-0157 (exp. 01/31/2014)

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

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HA Name:

HA COUNTY OF KING

Modernization Project Number:

WA19P002502-06

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

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

A. Original Funds Approved	\$ 410,310.00
B. Funds Disbursed	\$ 410,310.00
C. Funds Expended (Actual Modernization Cost)	\$ 410,310.00
D. Amount to be Recaptured (A-C)	\$ 0.00
E. Excess of Funds Disbursed (B-C)	\$ 0.00

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

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

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

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

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

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

Signature of Executive Director & Date:

X

5-31-12

For HUD Use Only

The Cost Certificate is approved for audit:

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

X *for Kathleen T. Paul*

Date:

12/7/12

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)

X

Date:

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

Date:

X

form HUD-53001 (10/96)
ref Handbooks 7485.1 & 3

**Actual Modernization
Cost Certificate**

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

OMB Approval No. 2577-0157 (exp. 01/31/2014)

Comprehensive Improvement Assistance Program (CIAP)
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HA Name: HA COUNTY OF KING	Modernization Project Number: WA19P002501-06
--------------------------------------	--------------------------------------------------------

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

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

A. Original Funds Approved	\$ 4,849,613.00
B. Funds Disbursed	\$ 4,849,613.00
C. Funds Expended (Actual Modernization Cost)	\$ 4,849,613.00
D. Amount to be Recaptured (A-C)	\$ 0.00
E. Excess of Funds Disbursed (B-C)	\$ 0.00

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

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

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

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

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

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Signature of Executive Director & Date:

X

5-31-12

For HUD Use Only

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

X *for Kathleen T. Gould*

Date:

12/7/12

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)

X

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

Date:

Date:

X

form HUD-53001 (10/96)
ref Handbooks 7485.1 & 3

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

OMB Approval No. 2577-0157 (exp. 01/31/2014)

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

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HA Name: HA COUNTY OF KING Modernization Project Number: WA19P002501-07

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

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

A. Original Funds Approved	\$ 5,262,466.00
B. Funds Disbursed	\$ 5,262,466.00
C. Funds Expended (Actual Modernization Cost)	\$ 5,262,466.00
D. Amount to be Recaptured (A-C)	\$ 0.00
E. Excess of Funds Disbursed (B-C)	\$ 0.00

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

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

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

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

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

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

Signature of Executive Director & Date:

X

5-31-12

For HUD Use Only

The Cost Certificate is approved for audit:

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

X *[Signature]*

Date:

12/7/12

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)

Date:

X

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

Date:

X

form HUD-53001 (10/96)
ref Handbooks 7485.1 & 3

**Actual Modernization
Cost Certificate**

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

OMB Approval No. 2577-0157 (exp. 01/31/2014)

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

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HA Name: HA COUNTY OF KING Modernization Project Number: WA19P002501-09

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

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

A. Original Funds Approved	\$ 5,540,533.00
B. Funds Disbursed	\$ 5,540,533.00
C. Funds Expended (Actual Modernization Cost)	\$ 5,540,533.00
D. Amount to be Recaptured (A-C)	\$ 0.00
E. Excess of Funds Disbursed (B-C)	\$ 0.00

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

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

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

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

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

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Signature of Executive Director & Date:

X

5-31-12

For HUD Use Only

The Cost Certificate is approved for audit:

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

X *Patricia Lee*

Date:

12/7/12

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)

Date:

X

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

Date:

X

form HUD-53001 (10/96)
ref Handbooks 7485.1 & 3

**Actual Modernization
Cost Certificate**

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

OMB Approval No. 2577-0157 (exp. 01/31/2014)

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

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HA Name:

HA COUNTY OF KING

Modernization Project Number:

WA19R002501-04

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

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

A. Original Funds Approved	\$ 28,791.00
B. Funds Disbursed	\$ 28,791.00
C. Funds Expended (Actual Modernization Cost)	\$ 28,791.00
D. Amount to be Recaptured (A-C)	\$ 0.00
E. Excess of Funds Disbursed (B-C)	\$ 0.00

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

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

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

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

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

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

Signature of Executive Director & Date:

X

5-31-12

For HUD Use Only

The Cost Certificate is approved for audit:

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

X *for Kathleen Zenz*

Date:

12/7/12

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)

X

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

Date:

Date:

X

Form HUD-53001 (10/96)
ref Handbooks 7485.1 & 3

Actual Modernization Cost Certificate

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

OMB Approval No. 2577-0157 (exp. 01/31/2014)

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

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HA Name: HA COUNTY OF KING Modernization Project Number: WA19R002501-05

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

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

A. Original Funds Approved	\$ 32,484.00
B. Funds Disbursed	\$ 32,484.00
C. Funds Expended (Actual Modernization Cost)	\$ 32,484.00
D. Amount to be Recaptured (A-C)	\$ 0.00
E. Excess of Funds Disbursed (B-C)	\$ 0.00

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

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

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

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

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Signature of Executive Director & Date:

X

5-31-12

For HUD Use Only

The Cost Certificate is approved for audit:

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

X *[Signature]*

Date:

12/7/12

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)

Date:

X

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

Date:

X

form HUD-53001 (10/96)
ref Handbooks 7485.1 & 3

Actual Modernization Cost Certificate

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

OMB Approval No. 2577-0157 (exp. 01/31/2014)

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

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HA Name: HA COUNTY OF KING Modernization Project Number: WA19R002501-06

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

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

A. Original Funds Approved	\$ 375,570.00
B. Funds Disbursed	\$ 375,570.00
C. Funds Expended (Actual Modernization Cost)	\$ 375,570.00
D. Amount to be Recaptured (A-C)	\$ 0.00
E. Excess of Funds Disbursed (B-C)	\$ 0.00

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

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

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

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

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

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

Signature of Executive Director & Date:

X

5-31-12

For HUD Use Only

The Cost Certificate is approved for audit:

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

X for Kathleen Zenz

Date:

12/7/12

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)

Date:

X

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

Date:

X

form HUD-53001 (10/96)
ref Handbooks 7485.1 & 3

**Actual Modernization
Cost Certificate**

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

OMB Approval No. 2577-0157 (exp. 01/31/2014)

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

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

Do not send this form to the above address.

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

HA Name:

HA COUNTY OF KING

Modernization Project Number:

WA19R002501-07

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

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

A. Original Funds Approved	\$ 309,997.00
B. Funds Disbursed	\$ 309,997.00
C. Funds Expended (Actual Modernization Cost)	\$ 309,997.00
D. Amount to be Recaptured (A-C)	\$ 0.00
E. Excess of Funds Disbursed (B-C)	\$ 0.00

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

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

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

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

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

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

Signature of Executive Director & Date:

X

5-31-12

For HUD Use Only

The Cost Certificate is approved for audit:

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

X *[Signature]*

Date:

12/7/12

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)

Date:

X

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

Date:

X

form HUD-53001 (10/96)
ref Handbooks 7485.1 & 3

Actual Modernization Cost Certificate

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

OMB Approval No. 2577-0157 (exp. 01/31/2014)

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

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HA Name: HA COUNTY OF KING Modernization Project Number: WA19R002501-08

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

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

A. Original Funds Approved	\$ 327,254.00
B. Funds Disbursed	\$ 327,254.00
C. Funds Expended (Actual Modernization Cost)	\$ 327,254.00
D. Amount to be Recaptured (A-C)	\$ 0.00
E. Excess of Funds Disbursed (B-C)	\$ 0.00

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

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

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

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

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

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

Signature of Executive Director & Date:

X

5-31-12

For HUD Use Only

The Cost Certificate is approved for audit:

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

X for Nathleen Leavel

Date:

12/2/12

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)

X

Date:

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

Date:

X

form HUD-53001 (10/98)
ref Handbooks 7485.1 & 3

Actual Modernization Cost Certificate

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

OMB Approval No. 2577-0157 (exp. 01/31/2014)

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

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

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HA Name: HA COUNTY OF KING
Modernization Project Number: WA19R002501-09

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

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

A. Original Funds Approved	\$ 1,003,945.00
B. Funds Disbursed	\$ 1,003,945.00
C. Funds Expended (Actual Modernization Cost)	\$ 1,003,945.00
D. Amount to be Recaptured (A-C)	\$ 0.00
E. Excess of Funds Disbursed (B-C)	\$ 0.00

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

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

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

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

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

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

Signature of Executive Director & Date:

X

5-31-12

For HUD Use Only

The Cost Certificate is approved for audit:

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

Date:

X

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)

Date:

X

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

Date:

X

form HUD-53001 (10/96)
ref Handbooks 7485.1 & 2

Actual Modernization Cost Certificate

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

OMB Approval No. 2577-0157 (exp. 01/31/2014)

RAF

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

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

Do not send this form to the above address.

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HA Name:

HA COUNTY OF KING

Modernization Project Number:

WA19R002501-10

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

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

A. Original Funds Approved	\$ 1,004,177.00
B. Funds Disbursed	\$ 1,004,177.00
C. Funds Expended (Actual Modernization Cost)	\$ 1,004,177.00
D. Amount to be Recaptured (A-C)	\$ 0.00
E. Excess of Funds Disbursed (B-C)	\$ 0.00

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

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

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

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

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

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

Signature of Executive Director & Date:

X

5-31-12

For HUD Use Only

The Cost Certificate is approved for audit:

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

Date:

X *Paul Kathleen Deal*

12/7/12

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)

Date:

X

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

Date:

X

form HUD-53001 (10/96)
ref Handbooks 7485.1 & 3

Actual Modernization Cost Certificate

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

OMB Approval No. 2577-0157 (exp. 01/31/2014)

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

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

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HA Name:

HA COUNTY OF KING

Modernization Project Number:

WA19R002501-11

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

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

A. Original Funds Approved	\$ 380,068.00
B. Funds Disbursed	\$ 380,068.00
C. Funds Expended (Actual Modernization Cost)	\$ 380,068.00
D. Amount to be Recaptured (A-C)	\$ 0.00
E. Excess of Funds Disbursed (B-C)	\$ 0.00

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

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

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

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

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

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

Signature of Executive Director & Date:

X

5-31-12

For HUD Use Only

The Cost Certificate is approved for audit:

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

X *Barbara Kathleen Seal*

Date:

12/7/12

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)

Date:

X

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

Date:

X

Form HUD-53001 (10/96)
ref Handbooks 7485.1 & 3

Actual Modernization Cost Certificate

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

OMB Approval No. 2577-0157 (exp. 01/31/2014)

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

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

Do not send this form to the above address.

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HA Name: HA COUNTY OF KING Modernization Project Number: WA19R002502-09

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

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

A. Original Funds Approved	\$ 24,727.00
B. Funds Disbursed	\$ 24,727.00
C. Funds Expended (Actual Modernization Cost)	\$ 24,727.00
D. Amount to be Recaptured (A-C)	\$ 0.00
E. Excess of Funds Disbursed (B-C)	\$ 0.00

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

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

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

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

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

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

Signature of Executive Director & Date:

X

5-31-12

For HUD Use Only

The Cost Certificate is approved for audit:

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

Date:

X *for Kathleen Zenz*

12/7/12

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)

Date:

X

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

Date:

X

form HUD-53001 (10/96)
ref Handbooks 7485.1 & 3

Actual Modernization Cost Certificate

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

OMB Approval No. 2577-0157 (exp. 01/31/2014)

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

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

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HA Name: HA COUNTY OF KING Modernization Project Number: WA19P002502-03

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

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

A. Original Funds Approved	\$ 1,102,828.00
B. Funds Disbursed	\$ 1,102,828.00
C. Funds Expended (Actual Modernization Cost)	\$ 1,102,828.00
D. Amount to be Recaptured (A-C)	\$ 0.00
E. Excess of Funds Disbursed (B-C)	\$ 0.00

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

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

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

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

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

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

Signature of Executive Director & Date:

X



5-31-12

For HUD Use Only

The Cost Certificate is approved for audit:

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

Date:

X for T. J. Johnson, Jr.

12/7/12

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)

Date:

X

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

Date:

X

form HUD-53001 (10/96)
ref Handbooks 7485.1 & 3

Actual Modernization Cost Certificate

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

OMB Approval No. 2577-0157 (exp. 01/31/2014)

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

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

Do not send this form to the above address.

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HA Name: HA COUNTY OF KING	Modernization Project Number: WA19P002501-08
-------------------------------	-------------------------------------------------

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

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

A. Original Funds Approved	\$ 5,552,459.00
B. Funds Disbursed	\$ 5,552,459.00
C. Funds Expended (Actual Modernization Cost)	\$ 5,552,459.00
D. Amount to be Recaptured (A-C)	\$ 0.00
E. Excess of Funds Disbursed (B-C)	\$ 0.00

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

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

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

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

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

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

Signature of Executive Director & Date:

X

5-31-12

For HUD Use Only

The Cost Certificate is approved for audit:

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

Date:

X *[Signature]*

12/7/12

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)

Date:

X

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

Date:

X

form HUD-53001 (10/96)
ref Handbooks 7485.1 & 3

Actual Development Cost Certificate

U.S. Department of Housing
and Urban Development

OMB Approval No. 2577-0157
exp. 01/31/2014)

Public Reporting Burden for this collection of information is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Response to this collection of information is mandatory to obtain a benefit or to retain a benefit. The information requested does not lend itself to confidentiality. HUD may not conduct or sponsor, and person is not required to respond to a collection of information unless it displays a currently valid OMB control number.

Name of Public Housing Agency (PHA)	King County Housing Authority	Project Number	Greenbridge Sixth Place Apartments
Annual Contributions Contract Number	S-20/SF-173		WA0200034109F9

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

1. That the total amount of the Development Cost (herein called the "Actual Development Cost") of the Project is
Six Million Six Hundred Seventy-Nine Thousand One Hundred Twenty-Nine Dollars
\$6,679,129.00, which amount is shown in detail on the attached Statement of Actual Development Cost;
2. That all development work in connection with the Project has been completed;
3. That the entire Development Cost or liabilities therefor incurred by the PHA have been fully paid;
4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such Project on file in any public office where the same should be filed in order to be valid against such Project; and
5. That the time in which such liens could be filed has expired.

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

Submitted By	Name of Official Authorized to Sign for PHA	Stephen J. Norman
	Title	Executive Director
	Signature	10/29/2012
		Date (mm/dd/yyyy)
For HUD Use Only		
Recommended	Name of Authorized Official	
for Approval By	Title	Director
	Signature	Office of Public Housing
		Date (mm/dd/yyyy)
Approved By	Name of Authorized Official	07/18/2013
	Title	
	Signature	Date (mm/dd/yyyy)

Previous editions are obsolete form HUD-52427 (2/93)
ref. Handbook 7417.1



ABOUT THE STATE AUDITOR'S OFFICE

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

Our mission is to work with our audit clients and citizens as an advocate for government accountability. As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

The State Auditor's Office employees are located around the state to deliver services effectively and efficiently.

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

The results of our work are widely distributed through a variety of reports, which are available on our Web site and through our free, electronic subscription service.

We take our role as partners in accountability seriously. We provide training and technical assistance to governments and have an extensive quality assurance program.

State Auditor
Chief of Staff
Director of Performance Audit
Director of State and Local Audit
Deputy Director of Local Audit
Deputy Director of Local Audit
Deputy Director of Quality Assurance
Deputy Director of Communications
Local Government Liaison
Public Records Officer
Main number
Toll-free Citizen Hotline

Troy Kelley
Doug Cochran
Chuck Pfeil, CPA
Kelly Collins, CPA
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KING COUNTY HOUSING AUTHORITY

TO: Board of Commissioners

FROM: Craig Violante

DATE: October 29, 2013

RE: Third Quarter 2013 Financial Statements

EXECUTIVE SUMMARY

There was little change in the Federal funding picture during the third quarter. As was mentioned last quarter, KCHA will receive 93.976% of its \$99.1 million Section 8 Block Grant eligibility, or \$93.1 million. This is a reduction, compared to budget, of \$3.0 million. The final Public Housing Operating Fund Subsidy proration is 81.86%, down slightly from the previous estimate of 82% and results in an annual funding reduction of \$844,000 compared to budget and \$1.7 million less than full eligibility.

It is looking likely that sequestration will continue through at least part of the 2014 Federal Fiscal Year budget, resulting in continued diminished revenues. Connie Davis will be giving a presentation on KCHA's 2014 budgeting environment at the November meeting.

During the third quarter, KCHA closed on the \$18 million loan from the Federal Home Loan Bank, and in turned loaned the proceeds to Moving King County Residents Forward (MKCRF) in support of the rehabilitation of its properties. The loan from the FHLB carries a fixed rate of 3.79% and has a term of 20 years. KCHA will repay \$75,000 of principal each month, plus outstanding interest. The effect of the structure will be higher monthly debt service payments at the beginning of the loan and lower amounts at the end. The loan between KCHA and MKCRF carries a 6% rate and is a standard amortizing loan. MKCRF will use cash flow from its properties to make its monthly debt service payments to KCHA.

The final phase of Seola Gardens, Fairwind (87 units of family public housing), was turned over to the tax credit investor during the quarter. All 87 units have been leased.

During the second quarter, total working capital decreased by \$17.5 million:

THIRD QUARTER SUMMARY OF KEY WORKING CAPITAL ACTIVITY

(In millions of dollars)

Change to KCHA-Wide Working Capital		<i>A decline of \$17.5 million</i>	
Description		Fund Group	Amount
Investments pledged as collateral for FHLB loan		COCC	(\$11.3)
Investments pledged as collateral for FHLB loan		MTW	(\$3.0)
Development activity		Development	(\$1.4)
Net of all other sources/(uses)		All others	(\$1.8)

CASH AND INVESTMENT SUMMARIES

Although overall cash balances remained static during the quarter, there was a significant remixing of cash availability as \$14.3 million of investments that were either unrestricted or restricted to program uses were pledged as collateral with the Federal Home Loan Bank and therefore became externally restricted and unavailable for other uses. For a complete report on cash, please see page 8.

Cash Summaries (in millions)

<i>Restriction Type</i>	<u>9/30/2013</u>	<u>6/30/2013</u>	<u>Change</u>
Unrestricted	\$24.3	\$4.7	(\$11.1)
Restricted to Program Uses	0.0	89.0	(89.1)
Designated/Committed for Specific Uses	0.0	48.6	(1.2)
Externally Restricted	0.0	0.0	(0.0)
Externally Restricted to pay for short-term liabilities	0.0	0.0	0.0
Total	<u>\$121.2</u>	<u>\$120.9</u>	<u>\$0.3</u>

The overall return on KCHA investments was 0.35% this quarter, down from 0.46% one year ago but up slightly from 0.34% last quarter. The Washington State Treasurer's Local Government Investment Pool (LGIP) interest rate at June 30th was 0.12%, and the projected rate as of October 14, 2013 was 0.09%.

Investment Summaries (in millions)

	<u>Amount</u>	<u>Yield</u>
Invested in the Local Government Investment Pool	\$41.0	0.10%
Invested by KCHA	46.7	0.70%
Cash held by trustees	19.4	0.18% *
Cash held in checking and savings accounts	14.1	0.18% *
Total	<u>\$121.2</u>	<u>0.35%</u>

*Estimate

Due to the pledging of \$20.3 million of investments as collateral for the loan from the Federal Home Loan Bank, the new "Total Rate of Return" investment program has not yet begun.

Balances and quarterly activity for MTW and COCC cash reserves are:

MTW Reserve Balances

(in millions of dollars)

MTW Cash, Beginning of Quarter	\$30.3
--------------------------------	--------

Quarterly change:

Capital construction projects	(1.0)
Public Housing Operating Fund subsidy transferred to AMPs	(1.9)
Direct social service expenses	(0.8)
Other net change	0.9

MTW Cash, End of Quarter	\$27.5
--------------------------	--------

Less Reserves:

Restricted Reserve-Green River Collateral	(9.5)
Construction Reserve	(5.8)
HAP Reserve (also used as FHLB collateral)	(6.0)
Additional investments pledged as collateral with the FHLB	(3.0)
Supportive Housing Reserve	(1.5)
Technology Reserve	(2.5)
PERS Reserve	(0.5)

MTW Working Capital Cash, End of Quarter	(\$1.3)
------------------------------------------	---------

COCC Reserve Balances

(in millions of dollars)

COCC Cash, Beginning of Quarter	\$33.3
---------------------------------	--------

Quarterly change:

Excess cash transferred in from bond properties	1.6
Capital construction uses	(0.4)
Excess of expenses over fees charged to programs and properties	(0.6)

COCC Cash, End of Quarter	\$33.9
---------------------------	--------

Less Reserves:

Liquidity Reserves for King County credit enhancement	(9.0)
PERS Reserve	(0.2)

COCC Working Capital Cash, End of Quarter	\$24.7
-------------------------------------------	--------

CAPITAL INVESTMENTS (Including tax credit partnerships)

The following schedule shows the budget versus actual costs of both KCHA-owned and KCHA-managed tax credit partnership capital projects through the third quarter.

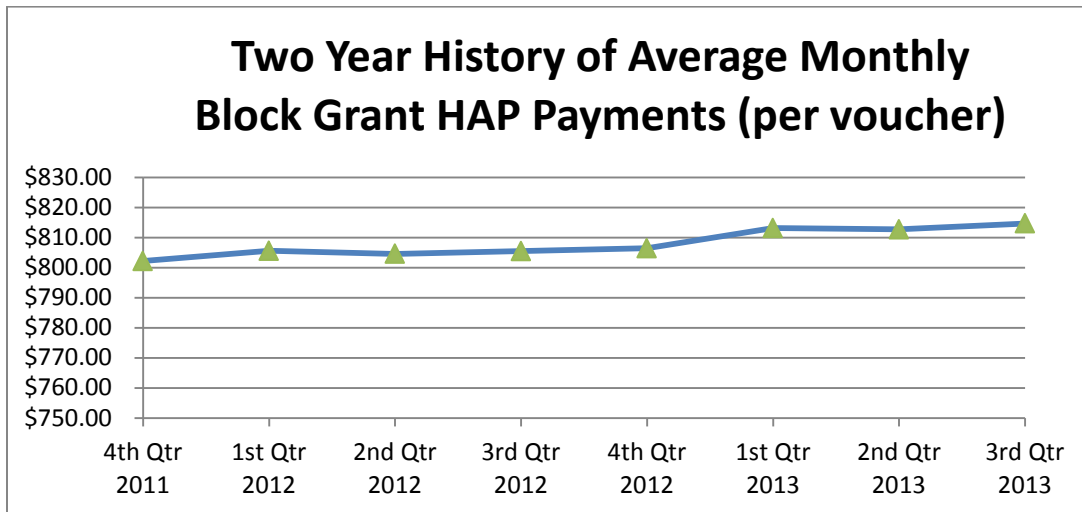
	Actuals Thru 9/30/2013	Budget Thru 9/30/2013	Percent of Annual Budget	2013 Annual Budget
CONSTRUCTION ACTIVITIES				
<i>Managed by Capital Construction Department</i>				
Public Housing	\$3,747,588	4,897,976	56.0%	\$6,695,415
509 Properties	2,610,976	5,300,214	40.7%	6,417,907
Other Properties	326,285	1,027,992	27.3%	1,195,848
Community Buildings	2,133,232	2,181,167	97.8%	2,181,167
	8,818,081	13,407,349	53.5%	16,490,337
<i>Managed by Housing Management Department</i>				
Unit Upgrade Program	3,374,081	3,111,053	76.1%	4,434,056
Other Projects	164,301	310,889	39.6%	414,520
	3,538,382	3,421,942	73.0%	4,848,576
<i>Managed by Asset Management Department</i>				
Bond Properties	5,895,741	7,595,114	64.8%	9,104,895
Other Properties	282,743	360,000	68.0%	415,500
	6,178,484	7,955,114	64.9%	9,520,395
Subtotal Construction Activities	18,534,947	24,784,405	60.1%	30,859,308
DEVELOPMENT ACTIVITY				
<i>Managed by Hope VI Department</i>				
Seola Gardens	7,938,846	11,230,677 (1)	75.4%	10,529,731
Greenbridge	331,648	391,266	66.9%	496,042
Salmon Creek/Nia	341,956	698,398	38.9%	879,268
	8,612,450	12,320,341	72.3%	11,905,041
<i>Managed by Development Department</i>				
Vantage Point	240,896	541,666	25.9%	930,000
Green River Homes	419,220	532,694	72.8%	575,817
Birch Creek	16,851	340,000	4.7%	360,000
Notch	68,327	206,517	12.6%	541,144
	745,295	1,620,877	31.0%	2,406,961
Subtotal Development Activity	9,357,745	13,941,218	65.4%	14,312,002
ACQUISITIONS				
<i>Managed by Asset Management Department</i>				
Laurelwood Gardens	1,986,763	1,986,763	100.0%	1,986,763
<i>Managed by Development Department</i>				
Public Housing Acquisition	-	2,700,000	0.0%	3,600,000
Workforce Housing Acquisition	737,725	9,000,000	6.1%	12,000,000
Subtotal Acquisitions	2,724,488	13,686,763	15.5%	17,586,763
OTHER CAPITAL ASSETS				
<i>Managed by Housing Management Department</i>				
Software	31,272	859,250	1.9%	1,614,375
Vehicles	196,524	193,725	76.1%	258,300
<i>Managed by Resident Services Department</i>				
Relocation	4,622	116,771	3.5%	133,212
Subtotal Other Capital Assets	232,418	1,169,746	11.6%	2,005,887
	\$30,849,598	\$53,582,132	47.6%	\$64,763,960

1) Budget keypunch error. Budget as of 9/30 should have been \$10,529,731

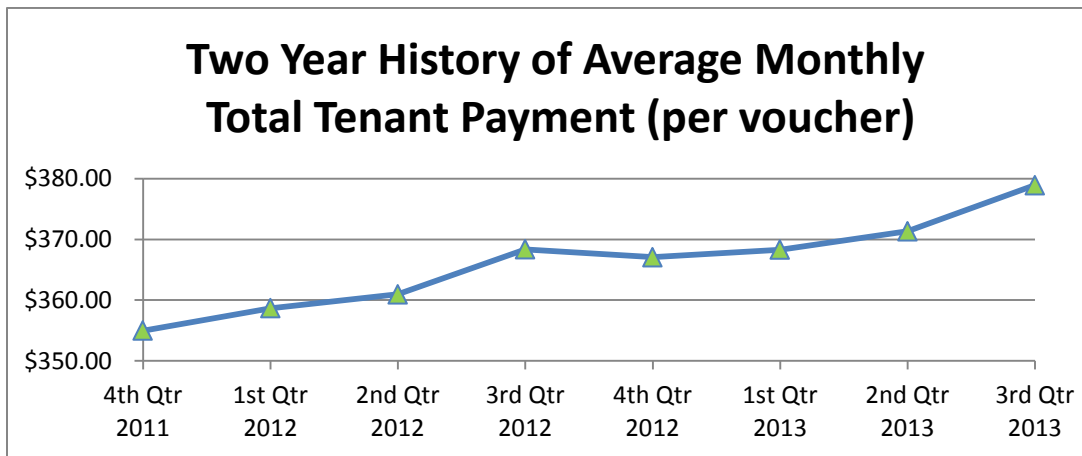
PROGRAM ACTIVITIES

HOUSING CHOICE VOUCHERS

The average quarterly HAP payment to landlords for block-granted vouchers was \$814.67, compared to \$812.72 last quarter and \$805.48 one year ago.



The average Total Tenant Payment (TTP) is the tenant's monthly contribution towards rent and utilities and should be 28.3% of adjusted income unless the tenant opts to rent a more expensive unit. Average TTP during the quarter was \$378.93, up from \$371.35 the previous quarter and \$368.36 from one year ago. Also of concern is the fact that tenant income levels and welfare benefits have declined significantly. According to KCHA's 2012 Entry and Exit report, the income of exiting Section 8 program participants has fallen from \$17,268 in 2009 to \$13,563 in 2012.



To keep TTP at or around 28.3% of adjusted income, payment standards are periodically reviewed. Due to sequestration cuts, the most recently proposed adjustments to payment standards have been put into abeyance. The data below shows how the number of families who are paying more than 30%, 40% and 50% has changed over the past year:

Families Paying More Than 30%		Families Paying More Than 40%		Families Paying More Than 50%	
Sep-12	Sep-13	Sep-12	Sep-13	Sep-12	Sep-13
2,638	2,934	949	1,083	898	1,121

MTW PROGRAM

In the **MOVING TO WORK (MTW) FUND**, KCHA combines HUD Public Housing Operating Fund revenues with Section 8 Block Grant funding. Out of these aggregated revenues, there are five distinct uses:

- ***Transfers to the Section 8 program to pay for Housing Assistance Payments to landlords and administrative expenses***

So far in 2013, block grant revenues have lagged behind budget projections as HUD has been slow releasing cash payments. However, an extra \$4 million block grant payment was received in October to bring actual revenue in alignment with budget.

<i>(In thousands of dollars)</i>	Actual	Budget	Variance	% Var
HCV Block Grant Revenue	\$66,146.8	\$69,795.4	(\$3,648.6)	(5.2%)
Funding of HAP Payments to Landlords	(59,349.2)	(59,384.9)	(35.7)	0.1%
Funding of Section 8 Administrative Costs	(5,416.2)	(5,408.7)	7.5	(0.1%)
Excess of HCV Block Grant Funding over Expenses	<u>\$1,381.4</u>	<u>\$5,001.9</u>	<u>(\$3,620.4)</u>	<u>(72.4%)</u>

- ***Payments to Public Housing sites to subsidize the difference between operating costs and tenant revenue***

Due to high proration levels, subsidy from the Public Housing Operating Fund is not sufficient to fund expenses. MTW resources are being used to bridge the gap.

<i>(In thousands of dollars)</i>	Actual	Budget	Variance	% Var	
Public Housing Operating Fund Revenue	\$1,366.8	\$1,180.7	\$186.2	15.8%	(1)
Additional Transfers (to) from PH AMPs Based on Need	(2,590.3)	(1,061.8)	1,528.6	(144.0%)	(2)
Net Flow of Cash(from)/to MTW from/(to) PH	<u>(\$1,223.5)</u>	<u>\$118.9</u>	<u>\$1,714.7</u>	<u>1441.9%</u>	

- 1) Subsidy that is not specifically coded to a public housing site is retained by the MTW fund. Variance is due to a budget calculation error.
- 2) \$1.5 million annual transfer from MTW to pay for costs at investor-owned public housing that are not covered by the investors was budgeted in the fourth quarter but occurred in the third

- ***Expenditures for special MTW programs***

Two initiatives are currently being funded out of HCV Block Grant working capital: Supportive Housing Initiatives and certain Resident Services programs (such as the Resident Opportunities Plan and the Educational Initiative). Following are year-to-date uses and budget:

<i>(In thousands of dollars)</i>	Actual	Budget	Variance	% Var	
Supportive Housing	\$820.8	\$1,095.1	(\$274.3)	(25.0%)	(1)
Resident-based Initiatives	839.6	798.9	\$40.6	5.1%	
Use of MTW Funds for Special Programs	<u>\$1,660.4</u>	<u>\$1,894.0</u>	<u>(\$233.7)</u>	<u>(12.3%)</u>	

- 1) Some partners have been slow billing KCHA

- **Other uses of MTW funds**

HCV Block Grant working capital is used for a variety of other purposes. Year-to-date expenditures include:

(In thousands of dollars)

	Actual	Budget	Variance	% Var
Construction Activity & Management Fees	\$5,178.66 (1)	\$6,988.95	(\$1,810.3)	(35.0%)
Misc. Other Uses	2,272.1 (2)	2,063.5	208.5	9.2%
	<u>\$7,450.7</u>	<u>\$9,052.5</u>	<u>(\$1,601.8)</u>	<u>(21.5%)</u>

- 1) Construction activity in the first nine months was lower than forecast; but is expected to be near budget by the end of the year
- 2) Includes a \$2 million transfer to development towards the Vantage Pointe project

- **Costs to administer the MTW program**

Administrative costs are primarily salaries and benefits of those who manage MTW-funded programs, with year-to-date expenses of \$517,000 or 0.77% of program gross revenues. Expenses are below the budget of \$651,000 as some professional services will not be spent.

AGENCY OVERHEAD

The Central Office Cost Center (COCC) aggregates overhead costs for the Authority. The COCC is supported by fees charged to both Federal and non-Federal programs and housing properties, and by transfers of excess cash from non-Federal housing programs. KCHA continues to administer its programs in a fiscally-prudent manner and within HUD guidelines. The chart below reflects a summary of COCC activity, excluding Regional Maintenance crews.

(In thousands of dollars)

	YTD Actual	YTD Budget	Variance	% Var	
Revenues					
Management fees	\$5,508.5	\$6,059.3	(\$550.8)	(10.0%)	(1)
Cash transferred-in from local properties	1,640.0	1,685.0	45.0	2.7%	
Transfers-in for other reasons	377.0	55.6	(321.4)	(85.3%)	(2)
Investment income	189.0	92.9	96.1	50.8%	(3)
Other income	397.4	412.6	(15.1)	(3.8%)	
	<u>\$8,111.9</u>	<u>\$8,305.3</u>	<u>(\$193.4)</u>	<u>(2.4%)</u>	
Expenses					
Salaries & Benefits	\$5,970.7	\$6,324.1	(\$353.4)	(5.9%)	(4)
Administrative Expenses	1,173.5	1,616.6	(443.2)	(37.8%)	(5)
Occupancy Expenses	183.9	250.4	(66.5)	(36.1%)	
Other Expenses	97.4	78.9	18.5	19.0%	
	<u>\$7,425.5</u>	<u>\$8,270.0</u>	<u>(\$844.6)</u>	<u>(11.4%)</u>	
Net Change in Available COCC Resources	<u>\$686.5</u>	<u>\$35.3</u>	<u>\$651.2</u>		

- 1) Management fees on construction projects are behind budget but expected to be near projected levels by year end
- 2) Unbudgeted misc. transfers
- 3) Budget is low due to budgeting error
- 4) Due to open positions and PERS rate increases that did not occur until midyear
- 5) Combination of timing (some expenses will not occur until the fourth quarter such as administrative costs related to the 600 building reconfiguration) and other expenses that will not be incurred

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King County Housing Authority
Consolidated Cash Report
As of 9/30/2013

	KCHA-Owned Cash					
	State Pool	Outside	Other Cash	Total	Total	Cash of
	9/30/2013	Investments	Accounts	Cash	Cash	Other Entities
	9/30/2013	9/30/2013	9/30/2013	9/30/2013	6/30/2013	9/30/2013
Cash-Unrestricted						
COCC	8,972,712	4,233,507	133,748	13,339,967	24,136,682	0
Other Funds	6,635,859	1,241,514	3,037,480	10,914,853	11,174,894	17,912,249
Total Cash-Unrestricted	15,608,571	5,475,021	3,171,229	24,254,820	35,311,576	17,912,249
Cash for Use Within Specific Programs						
MTW	(2,262,403)	1,003,492	12,603	(1,246,308)	2,944,263	0
Public Housing	4,975,266	0	150	4,975,416	4,653,505	384,431
Section 8	(684,256)	0	1,606,952	922,696	504,393	0
Other Funds	3,655,668	0	100	3,655,768	2,430,384	0
Total Cash for Use Within Specific Programs	5,684,275	1,003,492	1,619,804	8,307,571	10,532,545	384,431
Cash Set-aside to Pay Short-term Debt (P & I Reserves)						
Other Funds	2,247,758	239,763	1,046,739	3,534,260	4,014,969	62,489
Total Cash Set-aside to Pay Short-term Debt	2,247,758	239,763	1,046,739	3,534,260	4,014,969	62,489
Cash Dedicated for Specific Purposes						
MTW	10,269,245	6,003,677	0	16,272,922	17,839,348	0
COCC	2,191,777	7,006,732	0	9,198,509	9,198,509	0
Other Funds	3,850,023	12,096,811	6,029,651	21,976,485	21,607,677	424,711
Total Cash Dedicated for Specific Purposes	16,311,045	25,107,220	6,029,651	47,447,916	48,645,534	424,711
Cash Restricted by Outside Entities						
MTW	0	3,003,898	9,500,000	12,503,898	9,500,000	0
Public Housing	244,217	0	0	244,217	243,634	8,900
Section 8	584,641	0	0	584,641	543,198	0
COCC	0	11,406,590	0	11,406,590	0	0
Other Funds	296,994	467,423	12,139,845	12,904,262	12,145,297	2,579,815
Total Cash Restricted by Outside Entities	1,125,852	14,877,912	21,639,845	37,643,608	22,432,129	2,588,715
TOTAL CASH BALANCES	40,977,500	46,703,408	33,507,268	121,188,176	120,936,753	21,372,595
Detail of Cash Dedicated for Specific Purposes						
Rehab Reserves				5,846,738	7,161,697	0
Project Reserves				3,615,000	3,615,000	400,866
Exit Tax Designation-Reserves				6,052,827	6,052,827	0
PERS Designation Reserves				671,209	671,209	0
Replacement Reserves				10,307,448	9,938,640	20,845
Operations Reserves				1,211	1,211	3,000
Technology Reserves				2,468,422	2,472,684	0
Liquidity Reserves				9,006,732	9,006,732	0
HAP Reserves				6,003,677	6,003,677	0
Supportive Housing Reserves				1,474,653	1,721,857	0
Development				2,000,000	2,000,000	0
Total Cash-Dedicated for Specific Purposes				47,447,916	48,645,534	424,711
Detail of Restricted Cash						
Excess Cash Reserves				2,720,277	2,498,462	0
Project Reserves				42,566	42,566	0
Put Reserve				190,098	190,098	0
Endowment Reserves				824,153	323,910	0
Replacement Reserves				4,572,094	4,463,143	1,591,673
Operations Reserves				93,789	93,755	306,309
Bond Reserves-1 Yr Payment				2,486,756	2,545,967	0
Residual Receipt Reserves				716,552	725,873	0
FSS-Reserves				642,196	594,525	1,476
Collateral Reserves				23,910,489	9,500,000	0
Security Deposits & Escrow Accounts				1,444,639	1,453,830	422,097
Total Restricted Cash				37,643,608	22,432,129	2,321,556

ASSETS	FEDERALLY-SUPPORTED PROGRAMS (managed by KCHA)										LOCAL PROGRAMS				Memo: KCHA COMBINED
	Public Housing			Other Housing			Other Programs		KCHA Owned Housing	Outside Owned Housing	Tax Credit		Other	COCC	
	KCHA Owned	Outside Owned	KCHA Owned	Outside Owned	Section 8 Program	MTW Program	Gen Ptnr Activity	Develop Activity							
Working Capital Assets															
Cash-Unrestricted	\$0	\$1,494.0	\$1,697.3	\$1,451.0	\$0	\$0	\$0	\$4,770.2	\$1,886.0	\$1,930.4	\$1,930.4	\$833.7	\$13,340.0	\$27,229.6	
Cash-Restricted Within Program	4,975.4	384.4	.0	.0	922.7	(1,246.3) (2)	.0	.0	.0	.0	.0	297.0	.0	8,692.0	
Cash-Restricted for WC Purposes	.0	.0	56.3	2,487.5	.0	.0	.0	906.2	.0	84.2	.0	.0	.0	3,534.3	
Accounts Receivables	168.7	365.7	(22.1)	1,810.4	72.9	1.0	.0	86.8	681.5	2,395.0	2,395.0	398.2	374.1	6,424.1	
Prepaid Assets & Inventory	.3	12.6	(.6)	2.2	(.6)	.0	.0	278.2	.0	.0	.0	(.1)	57.9	415.1	
Total Working Capital Assets	5,144.4	2,256.7	1,730.9	5,751.2	995.0	(1,245.3)		6,041.4	2,567.6	4,409.5	3,343.0	1,528.8	13,772.0	46,295.1	
Liabilities Offsetting Working Capital Assets															
Accounts Payable	(515.4)	12.3	(225.1)	(1,775.0)	(9.0)	.0	.0	(680.9)	(54.0)	(1.9)	(1,101.0)	(397.9)	(84.0)	(4,831.8)	
Payroll Liabilities	(341.4)	(192.4)	(114.3)	(311.5)	(659.9)	(60.2)	.0	(42.4)	(43.7)	.0	(11.1)	(472.9)	(1,378.9)	(3,628.7)	
Accrued Liabilities	(117.7)	(214.6)	(54.1)	(1,596.3) (1)	(51.2)	(628.7)	.0	(270.4)	(270.1)	(992.8)	(68.2)	(90.0)	.0	(4,354.1)	
Deferrals	.0	(16.4)	.0	(359.8)	250.9	.0	.0	(103.3)	.0	(1,002.0)	.0	(.4)	(24.0)	(1,255.1)	
Current Portion of Long-term debt	(166.8)	(185.5)	(111.8)	(2,443.4) (1)	.0	.0	.0	(5,182.2) (3)	(7,789.2) (5)	(1,588.4)	322.5	.0	(169.2)	(17,314.2)	
Total Offsetting Liabilities	(1,141.3)	(596.6)	(505.2)	(6,486.0)	(469.2)	(688.9)		(6,279.3)	(8,157.1)	(3,585.1)	(857.9)	(961.1)	(1,656.1)	(31,383.8)	
Working Capital	4,003.1	1,660.1	1,225.7	(734.8) (1)	525.8	(1,934.2) (2)		(237.9)	(5,589.5) (5)	824.5	2,485.1	567.6	12,115.9	14,911.3	
Other Assets															
Cash-Designated	.0	3,031.7	2,462.3	3,422.0	.0	16,272.9		11,258.4	202.9	.0	2,000.0	.0	9,198.5	47,848.8	
Cash-Restricted	244.2	870.5	1,767.8	807.8	584.6	12,503.9		7,042.3	934.2	2,997.6	884.2	.0	11,406.6	40,043.7	
Receivables	.0	120,540.5	.0	81,121.2	.0	17,324.2		3.8	30,868.2	70,195.8	900.9	209.6	22,480.8	343,645.0	
Capital Assets	61,993.9	70,725.0	11,878.2	120,873.8	1,938.2	.0		93,051.5	12,924.8	.0	3,267.0	.0	13,962.2	390,614.8	
Work-in-Process	17,380.5	354.9	2,981.0	2,614.5	.0	31.6		783.4	.0	.0	63,076.2	5.0	197.6	87,424.7	
Suspense	(.0)	.2	1.5	.1	1.7	.0		(35.4)	.0	.0	1.2	.0	8.3	(22.4)	
Other Assets	.0	1,968.7	.0	966.8	.0	.0		(5,419.9) (4)	127.3	2,818.8	49.7	.0	.0	511.3	
Total Other Assets	79,618.6	197,491.4	19,090.8	209,806.4	2,524.5	46,132.6		106,684.2	45,057.5	76,012.2	70,179.2	214.6	57,254.1	910,066.0	
TOTAL ASSETS (net of WC offsets)	\$83,621.6	\$199,151.5	\$20,316.4	\$209,071.5	\$3,050.3	\$44,198.4		\$106,446.3	\$39,468.0	\$76,836.6	\$72,664.3	\$782.2	\$69,370.0	\$924,977.3	
LIABILITIES & EQUITY															
Other Liabilities															
Deferrals-Related to Restr Cash	\$206.6	\$49.5	\$120.0	\$128.6	\$584.6	\$0		\$1,095.8	\$34.7	\$0	\$10.0	\$0	\$0	\$2,229.8	
Debt	644.8	76,935.9	3,270.2	121,943.2	.0	.0		96,811.6	8,998.2	62,611.6	14,435.2	.0	24,541.5	410,192.3	
Other Liabilities	93.5	3,951.6	1,343.0	1,468.8	.0	.0		.0	1,673.1	306.4	17,324.2	.0	383.5	26,544.1	
Equity	944.9	80,937.0	4,733.2	123,540.6	584.6	.0		97,907.5	10,706.1	62,918.0	31,769.4	.0	24,925.0	438,966.3	
Equity	82,676.8	118,214.5	15,583.2	85,531.0	2,465.6	44,198.4		8,538.8	28,762.0	13,918.6	40,894.9	782.2	44,445.0	486,011.0	
Equity	82,676.8	118,214.5	15,583.2	85,531.0	2,465.6	44,198.4		8,538.8	28,762.0	13,918.6	40,894.9	782.2	44,445.0	486,011.0	
TOTAL LIAB & EQ (net of curr liab)	\$83,621.6	\$199,151.5	\$20,316.4	\$209,071.5	\$3,050.3	\$44,198.4		\$106,446.3	\$39,468.0	\$76,836.6	\$72,664.3	\$782.2	\$69,370.0	\$924,977.3	

- 1) Birch Creek debt payment; funded with Replacement Housing Factor draws and property cash flow.
- 2) Due to pledging additional \$3 million as collateral for FHLB loans; additional \$4 million received from HUD in October
- 3) Current portion of bond payments; source of funding will be P & I reserves
- 4) Fair market value of derivatives at year end 2012 was (\$5.3 million)
- 5) \$7.7 million ST LOC related to Wonderland NMTC is currently being re-financed

KING COUNTY HOUSING AUTHORITY

Working Capital Statements

(In \$1,000's; excludes non-KCHA-managed component units)

For the Period Ended September 30, 2013

FEDERALLY-SUPPORTED PROGRAMS (managed by KCHA)

	Public Housing				Other Housing				Other Programs				LOCAL PROGRAMS				Memo: KCHA COMBINED
	KCHA Owned	Outside Owned	KCHA Owned	Outside Owned	Section 8 Program	MTW Program	KCHA Housing	Outside Housing	Tax Credit Gen Ptnr- Activity	Develop Activity	Other	COC					
Revenues																	
Tenant Revenue	\$3,031.2	\$1,062.2	\$3,119.2	\$7,741.0	\$206.0	\$0	\$23,472.5	\$1,036.9	\$0	\$0	\$0	\$0	\$39,669.1				
Operating Fund Subsidy from HUD	2,989.9	2,586.7	.0	.0	.0	1,366.8	.0	.0	.0	.0	.0	.0	6,943.4				
Section 8 Subsidy from HUD	.0	.0	614.0	.0	72,922.5	1,381.4	42.5	.0	.0	.0	.0	.0	74,960.4				
Other Operating Revenue	48.6	43.2	246.8	(10.6)	20,284.4	.0	694.1	2.9	542.7	1,393.6	2,776.0	8,053.1	34,074.8				
Non-operating Revenue	164.8	2,576.3	26.0	1,544.0	3.2	199.7	213.0	672.4	2,716.3	651.8	.0	190.6	8,958.0				
Total Revenues	6,734.4	6,268.4	4,006.0	9,274.4	93,416.0	2,947.9	24,422.1	1,712.2	3,259.0	2,045.4	2,776.0	8,243.7	164,605.7				
Expenses																	
Salaries & Benefits	1,457.1	640.8	592.7	1,188.1	3,908.9	502.5	2,059.6	180.8	.0	141.2	776.5	6,671.7	18,119.8				
Routine Maintenance, Utilities, Taxes & Insurance	2,713.6	1,098.1	1,092.9	2,302.3	202.1	.0	5,822.2	351.2	21.7	1.2	10.2	1,332.1	14,947.6				
Direct Social Service Salaries & Benefits	336.8	228.9	79.7	208.0	261.3	106.5	15.7	27.0	.0	124.1	151.2	.0	1,539.2				
Other Social Service Support Expenses & HAP	563.8	1,708.2	63.5	351.5	85,991.2	1,553.8	68.7	119.1	.0	159.8	1,978.9	.0	92,558.7				
Administrative Support Expenses	1,639.3	576.7	346.8	788.4	2,522.5	57.1	2,288.7	178.7	468.5	94.8	75.1	1,254.6	10,291.2				
Non-operating Expenses	23.9	1,556.2	164.4	2,232.8	8.6	(19.7)	3,182.9	457.1	1,827.7	1,349.1	23.1	97.4	10,903.4				
Total Expenses	6,734.5	5,808.9	2,340.0	7,071.1	92,894.7	2,200.2	13,437.8	1,313.8	2,318.0	1,870.0	3,014.9	9,355.7	148,359.9				
Net Income	(500.1)	459.5	1,666.0	2,203.2	521.4	747.7	10,984.3	398.4	941.0	175.4	(238.9)	(1,112.0)	16,245.8				
Other Sources/(Uses) of Working Capital																	
(Increase) in Restricted/Designated Cash	(18.1)	(102.7)	(66.9)	(83.9)	(5)	(3,009.1)	(1,679.2)	(47.1)	(633.7)	(2,537.0)	.0	(11,406.9)	(19,585.1)				
Decrease in Restricted/Designated Cash	6.4	6.2	179.8	27.9	(38.5)	6,539.7	2,215.7	.0	24.4	2,228.7	.0	582.6	11,772.8				
(Increase) in LT Receivables	.0	(16,151.8)	.0	(536.4)	.0	(187.2)	.0	(322.1)	(89.6)	(491.2)	.0	(18,000.0)	(35,778.3)				
Decrease in LT Receivables	.0	227.7	.0	975.5	.0	1,588.2	.0	330.3	3,081.0	332.1	.0	99.6	6,634.3				
Acquisition of Capital Assets	(5,118.8)	(629.4)	(2,312.7)	(2,232.8)	.0	(31.3)	(8,287.7)	(4)	.0	(9,741.3)	(5.0)	(212.1)	(28,571.4)				
Disposition of Capital Assets	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0				
Change in Suspense	.5	(2)	(1.0)	3.7	(1.7)	.0	35.4	.0	.0	(9)	.0	(.9)	34.9				
Change in Other Assets	.0	(0)	.0	.0	.0	.0	.0	.0	22.0	.0	.0	.0	22.0				
Change in Deferrals	11.6	3	(3.7)	(12.2)	39.0	.0	49.8	1.7	.0	10.0	.0	.0	96.5				
Increase in LT Debt	.0	.0	7.2	5	.0	.0	11,181.9	.0	20.5	13,089.7	.0	18,000.0	42,299.8				
(Decrease) in LT Debt	(124.5)	(54.1)	(102.8)	(2,443.4)	.0	.0	(12,549.5)	(73.1)	(2,141.6)	(7,910.7)	.0	(138.2)	(25,537.8)				
Change in Other Liabilities	(76.5)	662.2	(69.0)	(54.1)	.0	.0	2.0	64.5	20.6	(1,443.9)	.0	(10.3)	(904.5)				
Other Non-Working Capital Inc/Exp	2,372.6	.0	(2,372.6)	.0	.0	.0	183.0	.0	.0	21,757.0	.0	(183.0)	21,757.0				
Non Income/Expense Change in Equity	(0)	.0	(0)	233.3	(0)	(0)	.0	(252.4)	.0	(257.1)	.0	252.4	(23.8)				
Total Other Sources/(Uses) of Working Capital	(2,946.8)	(16,041.8)	(4,741.6)	(4,121.9)	(1.7)	4,900.3	(8,848.7)	(298.5)	303.6	15,035.5	(5.0)	(11,016.8)	(27,783.5)				
Transfer In from (Out to) Other Funds																	
Transfers In from Other Funds	6,694.1	19,725.7	2,853.5	3	.0	6,633.6	1,117.0	.0	.0	6,096.6	804.3	2,017.0	45,942.1				
Transfers Out to Other Funds	(4,052.6)	(3,774.5)	(16.5)	.0	(4,892.7)	(2)	(1,823.0)	.0	(1,052.0)	(18,729.5)	(721.9)	(364.9)	(45,942.1)				
Net Transfer In/(Out)	2,641.5	15,951.2	2,869.9	3	(4,892.7)	(3,880.8)	(706.0)	.0	(1,052.0)	(12,632.9)	82.4	1,652.1	(0)				
Net Change in Working Capital	(805.4)	368.9	(238.6)	(1,918.3)	(4,373.0)	1,767.2	1,429.5	99.9	192.6	2,577.9	(161.5)	(10,476.7)	(11,537.7)				
Working Capital, 12/31/2012	4,808.5	1,291.3	1,464.2	1,183.5	4,898.8	(3,701.4)	(1,667.3)	(5,689.3)	631.9	(85.9)	729.2	22,592.6	26,455.9				
Working Capital, 9/30/2013	\$4,003.1	\$1,660.1	\$1,225.7	\$734.8	\$525.8	\$1,934.2	\$523.9	\$5,589.5	\$824.5	\$2,492.0	\$567.6	\$12,115.9	\$14,918.2				

1) \$1.7 million was transferred back to MTW; cash was transferred from MTW to PH 12/31/2013 to maximize HUD financial metrics; \$1.7 million of this cash no longer needed for metric scoring

2) Reflects the transfer of \$4.9 million of residual tenant-protection voucher funding from Section 8 to MTW

3) Reflects transfers from both Public Housing and Section 8 referred to in notes (1) and (2) above

4) Increase in working capital attributed to timing of payments to contractors for 2012 capital work that was not paid until 2013 for both Green River and Seola Gardens; also \$2M of restricted cash for Vantage Point development

**KCHA Combined
Working Capital Budget vs. Actual Report
For the Period Ended 9/30/2013**

	Quarter Ended September 30, 2013				Year-to-Date				2013 Annual Budget	Remainder to Receive/ Spend	(n/m= not meaningful) Percent of Annual Budget
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
Revenues											
Tenant Revenue	\$13,529,091	\$13,396,095	\$132,996	1.0%	\$39,669,069	\$39,655,579	\$13,489	0.0%	\$53,036,394	\$13,367,325	74.8%
Operating Fund Subsidy from HUD	2,207,930	2,310,145	(102,215)	(4.4%)	6,943,408	6,930,434	12,974	0.2%	9,311,114	2,367,706	74.6%
Section 8 Subsidy from HUD	24,608,814	25,751,167	(1,142,354)	(4.4%)	74,960,385	78,377,747	(3,417,362)	(4.4%)	104,167,010	29,206,625	72.0%
Other Operating Revenue	11,126,976	11,407,547	(280,572)	(2.5%)	34,074,828	34,028,734	46,093	0.1%	43,609,021	9,534,193	78.1%
Non-operating Revenue	2,657,829	2,842,848	(185,019)	(6.5%)	8,958,010	9,211,334	(253,324)	(2.8%)	12,516,186	3,558,176	71.6%
Total Revenues	54,130,639	55,707,802	(1,577,163)	(2.8%)	164,605,699	168,203,829	(3,598,130)	(2.1%)	222,639,725	58,034,026	73.9%

Expenses											
Salaries & Benefits	6,292,949	6,465,472	(172,523)	(2.7%)	18,119,820	18,749,828	(630,008)	(3.4%)	24,531,684	6,411,864	73.9%
Routine Maintenance, Utilities, Taxes & Insurance	5,406,644	5,313,348	93,296	1.8%	14,947,598	15,504,609	(557,011)	(3.6%)	20,795,991	5,848,393	71.9%
Direct Social Service Salaries & Benefits	549,914	511,151	38,763	7.6%	1,539,180	1,588,921	(49,741)	(3.1%)	2,026,043	486,863	76.0%
Other Social Service Support Expenses & HAP	31,234,355	31,107,369	126,986	0.4%	92,558,690	92,993,514	(434,823)	(0.5%)	124,010,360	31,451,670	74.6%
Administrative Support Expenses	3,502,575	4,301,476	(798,900)	(18.6%)	10,291,237	11,911,764	(1,620,527)	(13.6%)	15,606,751	5,315,514	65.9%
Non-operating Expenses	4,656,736	3,283,506	1,373,230	41.8%	10,903,362	10,087,857	815,505	8.1%	13,759,516	2,856,154	79.2%
Total Expenses	51,643,174	50,982,322	660,852	1.3%	148,359,887	150,836,493	(2,476,606)	(1.6%)	200,730,346	52,370,459	73.9%

Net Income	2,487,465	4,725,481	(2,238,015)	(47.4%)	16,245,812	17,367,337	(1,121,524)	(6.5%)	21,909,379	5,663,567	74.2%
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Other Sources/(Uses) of Working Capital											
(Increase) in Restricted/Designated Cash	(15,839,461)	(12,396,973)	(3,442,489)	27.8%	(19,585,106)	(15,278,413)	(4,306,693)	28.2%	(15,731,835)	3,853,271	124.5%
Decrease in Restricted/Designated Cash	1,882,669	5,218,696	(3,336,027)	(63.9%)	11,772,786	13,569,465	(1,796,678)	(13.2%)	27,389,678	15,618,892	43.0%
(Increase) in LT Receivables	(33,815,859)	(21,436,796)	(12,379,063)	57.7%	(35,778,273)	(24,414,386)	(11,363,887)	46.5%	(30,129,093)	5,649,180	118.7%
Decrease in LT Receivables	781,094	272,066	509,028	187.1%	6,634,328	3,161,276	3,473,052	109.9%	5,278,347	(1,355,981)	125.7%
Acquisition of Capital Assets	(7,805,864)	(13,628,659)	5,822,796	(42.7%)	(28,571,359)	(48,281,918)	19,710,559	(40.8%)	(58,346,053)	(29,774,694)	49.0%
Disposition of Capital Assets	(1,573,735)	641,973	(2,215,708)	n/m	0	2,110,613	(2,110,613)	(100.0%)	3,849,144	3,849,144	0.0%
Change in Suspense	36,018	0	36,018	n/m	34,920	0	34,920	n/m	0	(34,920)	n/m
Change in Other Assets	173,202	(150,000)	323,202	n/m	22,000	(150,000)	172,000	n/m	(150,000)	(172,000)	n/m
Change in Other Deferrals	40,924	0	40,924	n/m	96,456	0	96,456	n/m	0	(96,456)	n/m
Increase in LT Debt	23,127,490	26,414,802	(3,287,312)	(12.4%)	42,299,830	40,172,757	2,127,073	5.3%	51,656,078	9,356,248	81.9%
(Decrease) in LT Debt	(8,816,790)	(5,456,899)	(3,359,891)	61.6%	(25,537,837)	(18,750,752)	(6,787,085)	36.2%	(21,276,760)	4,261,077	120.0%
Change in Other Liabilities	58,343	1,480,404	(1,422,061)	(96.1%)	(904,470)	1,794,080	(2,698,550)	n/m	5,693,147	6,597,617	n/m
Other Non-Working Capital Income/Expense Items	21,757,048	0	21,757,048	n/m	21,757,048	0	21,757,048	n/m	0	(21,757,048)	n/m
Non Income/Expense Change in Equity	(23,798)	0	(23,798)	n/m	(23,798)	0	(23,798)	n/m	0	23,798	n/m
Total Other Sources/(Uses) of Working Capital	(20,018,718)	(19,041,386)	(977,332)	5.1%	(27,783,475)	(46,067,279)	18,283,803	(39.7%)	(31,767,347)	(3,983,871)	87.5%

Transfer In from (Out to) Other Funds											
Transfers In from Other Funds	27,645,203	7,184,989	20,460,214	284.8%	45,942,077	22,259,820	23,682,257	106.4%	32,653,475	(13,288,602)	140.7%
Transfers Out to Other Funds	(27,645,203)	(7,184,989)	(20,460,214)	284.8%	(45,942,077)	(22,259,820)	(23,682,257)	106.4%	(32,653,475)	13,288,602	140.7%
Net Transfer In/(Out)	0	0	0	n/m	0	0	0	n/m	0	0	n/m

Net Change in Working Capital	(\$17,531,253)	(\$14,315,905)	(\$3,215,348)	22.5%	(\$11,537,663)	(\$28,699,942)	\$17,162,279	(59.8%)	(\$9,857,968)	\$1,679,695	117.0%
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Working Capital, Beginning of Period	32,449,450				26,455,860						
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Working Capital, 9/30/2013	\$14,918,197				\$14,918,197						
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- 1) A \$4 million block grant payment was received from HUD in October; this amount is in addition to normal monthly receipts and will put revenue in alignment with budget
- 2) Variances due to technical budgeting issues
- 3) Fairwind Hope VI receivable and financing lease transactions were not budgeted.
- 4) New acquisitions have not yet closed
- 5) Lot sales at Greenbridge and Seola Gardens; variances due to timing
- 6) Unbudgeted Fairwind partnership loan offset by unbudgeted payments on Seola Garden King County loan and Fairwind LOC.

Public Housing (KCHA)
Working Capital Budget vs. Actual Report
For the Period Ended 9/30/2013

Revenues	Quarter Ended September 30, 2013				Year-to-Date				2013 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget
	Actual		Budget		Actual		Budget				
		\$ Var		% Var		\$ Var		% Var			
Tenant Revenue	\$989,822	\$1,000,437	(\$10,615)	(1.1%)	\$3,031,156	\$3,001,270	\$29,886	1.0%	\$4,001,707	\$970,551	75.7%
Operating Fund Subsidy from HUD	942,629	1,001,989	(59,360)	(5.9%)	2,989,874	3,005,968	(16,094)	(0.5%)	4,007,999	1,018,125	74.6%
Section 8 Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Other Operating Revenue	7,063	4,526	2,537	56.0%	48,650	13,573	35,077	258.4%	18,099	(30,551)	268.8%
Non-operating Revenue	49,432	460,089	(410,657)	(89.3%)	164,766	599,390	(434,624)	(72.5%)	642,177	477,411	25.7%
Total Revenues	1,988,946	2,467,041	(478,096)	(19.4%)	6,234,445	6,620,201	(385,756)	(5.8%)	8,669,982	2,435,537	71.9%
Expenses											
Salaries & Benefits	503,267	543,960	(40,693)	(7.5%)	1,457,118	1,566,754	(109,636)	(7.0%)	2,054,862	597,744	70.9%
Routine Maintenance, Utilities, Taxes & Insurance	974,916	985,638	(10,722)	(1.1%)	2,713,615	2,902,814	(189,199)	(6.5%)	3,952,119	1,238,504	68.7%
Direct Social Service Salaries & Benefits	119,358	139,042	(19,684)	(14.2%)	336,783	394,446	(57,663)	(14.6%)	516,703	179,920	65.2%
Other Social Service Support Expenses & HAP	247,067	178,755	68,311	38.2%	563,797	545,879	17,918	3.3%	723,556	159,759	77.9%
Administrative Support Expenses	579,975	1,057,550	(477,575)	(45.2%)	1,639,297	2,269,821	(630,524)	(27.8%)	2,904,414	1,265,118	56.4%
Non-operating Expenses	9,568	9,342	226	2.4%	23,930	28,026	(4,096)	(14.6%)	37,368	13,438	64.0%
Total Expenses	2,434,151	2,914,288	(480,137)	(16.5%)	6,734,539	7,707,741	(973,202)	(12.6%)	10,189,023	3,454,483	66.1%
Net Income	(445,205)	(447,246)	2,041	(0.5%)	(500,094)	(1,087,540)	587,445	(54.0%)	(1,519,041)	(1,018,946)	32.9%
Other Sources/(Uses) of Working Capital											
(Increase) in Restricted/Designated Cash	(6,473)	(17)	(6,456)	37974.4%	(18,051)	(51)	(18,000)	35294.3%	(68)	17,983	26545.7%
Decrease in Restricted/Designated Cash	5,890	0	5,890	n/m	6,363	0	6,363	n/m	0	(6,363)	n/m
(Increase) in LT Receivables	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Decrease in LT Receivables	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Acquisition of Capital Assets	(1,776,286)	(2,735,041)	958,755	(35.1%)	(5,118,829)	(6,684,967)	1,566,138	(23.4%)	(8,938,861)	(3,820,032)	57.3%
Disposition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Change in Suspense	(350)	0	(350)	n/m	536	0	536	n/m	0	(536)	n/m
Change in Other Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Change in Deferrals	563	0	563	n/m	11,559	0	11,559	n/m	0	(11,559)	n/m
Increase in LT Debt	0	0	0	n/m	0	0	0	n/m	0	0	n/m
(Decrease) in LT Debt	(41,910)	(43,366)	1,456	(3.4%)	(124,517)	(130,098)	5,581	(4.3%)	(173,464)	(48,947)	71.8%
Change in Other Liabilities	(11,344)	(4,737)	(6,607)	139.5%	(76,471)	(14,211)	(62,260)	438.1%	(18,948)	57,523	403.6%
Other Non-Working Capital Income/Expense Items	0	0	0	n/m	2,372,573	0	2,372,573	n/m	0	(2,372,573)	n/m
Non Income/Expense Change in Equity	0	0	0	n/m	(0)	0	(0)	n/m	0	0	n/m
Total Other Sources/(Uses) of Working Capital	(1,829,910)	(2,783,161)	953,251	(34.3%)	(2,946,837)	(6,829,327)	3,882,490	(56.9%)	(9,131,341)	(6,184,504)	32.3%
Transfer In from (Out to) Other Funds											
Transfers In from Other Funds	2,539,635	3,135,391	(595,756)	(19.0%)	6,694,143	7,386,531	(692,388)	(9.4%)	10,831,804	4,137,661	61.8%
Transfers Out to Other Funds	0	0	0	n/m	(4,052,632)	(1,699,083)	(2,353,550)	138.5%	(1,699,083)	2,353,550	238.5%
Net Transfer In/(Out)	2,539,635	3,135,391	(595,756)	(19.0%)	2,641,511	5,687,448	(3,045,937)	(53.6%)	9,132,721	6,491,210	28.9%
Net Change in Working Capital	\$264,520	(\$95,016)	\$359,536	n/m	(\$805,420)	(\$2,229,418)	\$1,423,998	(63.9%)	(\$1,517,660)	(\$712,240)	53.1%
Working Capital, Beginning of Period	3,738,532				4,808,472						
Working Capital, 9/30/2013	\$4,003,051				\$4,003,051						

Public Housing (Other)
Working Capital Budget vs. Actual Report
For the Period Ended 9/30/2013

Revenues	Quarter Ended September 30, 2013			Year-to-Date			2013 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget
	Actual	Budget	% Var	Actual	Budget	% Var			
Tenant Revenue	\$355,127	\$371,297	(4.4%)	\$1,062,203	\$1,071,269	(9,066)	\$1,442,566	\$380,363	73.6%
Operating Fund Subsidy from HUD	834,371	914,598	(8.8%)	2,586,689	2,743,793	(157,104)	3,728,882	1,142,193	69.4%
Section 8 Subsidy from HUD	0	0	n/m	0	0	0	0	0	n/m
Other Operating Revenue	4,149	1,628	154.8%	43,238	46,102	(2,864)	47,730	4,492	90.6%
Non-operating Revenue	876,794	826,888	6.0%	2,576,295	2,612,585	(36,290)	3,473,177	896,882	74.2%
Total Revenues	2,070,441	2,114,411	(2.1%)	6,268,426	6,473,749	(205,323)	8,692,355	2,423,930	72.1%
Expenses									
Salaries & Benefits	219,737	266,361	(17.5%)	640,832	703,859	(63,027)	946,343	305,512	67.7%
Routine Maintenance, Utilities, Taxes & Insurance	375,333	413,906	(9.3%)	1,098,146	1,187,264	(89,118)	1,633,378	535,232	67.2%
Direct Social Service Salaries & Benefits	84,933	86,057	(1.3%)	228,868	245,818	(16,950)	319,548	90,680	71.6%
Other Social Service Support Expenses & HAP	572,059	557,047	2.7%	1,708,228	1,669,949	38,279	2,296,901	588,672	74.4%
Administrative Support Expenses	199,165	237,064	(16.0%)	576,670	666,529	(89,860)	888,863	312,193	64.9%
Non-operating Expenses	518,596	533,524	(2.8%)	1,556,194	1,600,572	(44,378)	2,134,097	577,903	72.9%
Total Expenses	1,969,823	2,093,959	(5.9%)	5,808,938	6,073,992	(265,054)	8,219,130	2,410,192	70.7%
Net Income	100,618	20,451	392.0%	459,488	399,757	59,731	473,225	13,737	97.1%
Other Sources/(Uses) of Working Capital									
(Increase) in Restricted/Designated Cash	(34,286)	(34,714)	428	(102,683)	(104,138)	1,455	(138,853)	(36,170)	74.0%
Decrease in Restricted/Designated Cash	0	251,620	(100.0%)	6,215	254,859	(248,644)	256,479	250,263	2.4%
(Increase) in LT Receivables	(15,043,677)	(536,741)	(14,506,936)	(16,151,791)	(1,610,223)	(14,541,568)	(2,146,964)	14,004,827	752.3%
Decrease in LT Receivables	0	0	n/m	227,694	143,036	84,658	328,036	100,342	69.4%
Acquisition of Capital Assets	(328,911)	(158,615)	(170,296)	(629,363)	(1,035,561)	406,198	(1,301,064)	(671,701)	48.4%
Disposition of Capital Assets	0	0	n/m	0	0	0	0	0	n/m
Change in Suspense	(24)	0	(24)	(161)	0	(161)	0	161	n/m
Change in Other Assets	(0)	0	(0)	(0)	0	(0)	0	0	n/m
Change in Deferrals	150	0	150	264	0	264	0	(264)	n/m
Increase in LT Debt	0	14,861	(100.0%)	0	44,583	(44,583)	59,445	59,445	0.0%
(Decrease) in LT Debt	(51,385)	(1,434)	(49,951)	(54,116)	(4,302)	(49,814)	(190,736)	(136,620)	28.4%
Change in Other Liabilities	227,332	227,393	(61)	662,183	682,179	(19,996)	909,572	247,389	72.8%
Other Non-Working Capital Income/Expense Items	0	0	n/m	0	0	0	0	0	n/m
Non Income/Expense Change in Equity	0	0	n/m	0	0	0	0	(0)	n/m
Total Other Sources/(Uses) of Working Capital	(15,230,801)	(237,630)	(14,993,171)	(16,041,758)	(1,629,567)	(14,412,191)	(2,224,085)	13,817,673	721.3%
Transfer In from (Out to) Other Funds									
Transfers In from Other Funds	19,725,668	376,936	19,348,732	19,725,668	1,386,185	18,339,483	1,952,889	(17,772,779)	1010.1%
Transfers Out to Other Funds	(3,650,000)	0	(3,650,000)	(3,774,506)	(124,506)	(3,650,000)	(124,506)	3,650,000	3031.6%
Net Transfer In/(Out)	16,075,668	376,936	15,698,732	15,951,162	1,261,679	14,689,483	1,828,383	(14,122,779)	872.4%
Net Change in Working Capital	\$945,485	\$159,757	\$785,727	\$368,892	\$31,870	\$337,023	\$77,523	(\$291,369)	475.8%
Working Capital, Beginning of Period	714,665			1,291,257					
Working Capital, 9/30/2013	\$1,660,149			\$1,660,149					

- 1) Due to a budgeting error, Public Housing Operating Fund subsidy budget is overstated by \$126k. See also footnote 1 on the MTW page.
- 2) Draws from Gustaves Manor Replacement Reserves were budgeted for the 3rd quarter but did not occur.
- 3) Fairwind HOPE VI receivable and Fairwind financing lease were unbudgeted.
- 4) Capital Work expenditures under budget YTD for commercial space improvements at Nia. (\$372k)
- 5) Unbudgeted Fairwind partnership Hope VI loan.
- 6) Unbudgeted Fairwind technical accounting entries: transfer in of \$18 million related to Fairwind off set by a transfer-out of \$3.5 million

Other Federally-supported (KCHA)
Working Capital Budget vs. Actual Report
For the Period Ended 9/30/2013

	Quarter Ended September 30, 2013				Year-to-Date				2013 Annual Budget	Remainder to Receive/ Spend	(n/m= not meaningful) Percent of Annual Budget
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
Revenues											
Tenant Revenue	\$1,160,291	\$1,119,733	\$40,558	3.6%	\$3,119,209	\$2,920,194	\$199,015	6.8%	\$4,039,927	\$920,718	77.2%
Operating Fund Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Section 8 Subsidy from HUD	91,689	91,250	439	0.5%	613,992	712,750	(98,758)	(13.9%)	804,000	190,008	76.4%
Other Operating Revenue	84,554	137,309	(52,755)	(38.4%)	246,792	411,928	(165,136)	(40.1%)	549,237	302,445	44.9%
Non-operating Revenue	7,675	8,890	(1,215)	(13.7%)	26,046	27,523	(1,477)	(5.4%)	37,068	11,022	70.3%
Total Revenues	1,344,208	1,357,182	(12,974)	(1.0%)	4,006,040	4,072,395	(66,355)	(1.6%)	5,430,232	1,424,192	73.8%
Expenses											
Salaries & Benefits	204,707	198,248	6,459	3.3%	592,746	571,476	21,270	3.7%	746,529	153,783	79.4%
Routine Maintenance, Utilities, Taxes & Insurance	390,100	457,684	(67,585)	(14.8%)	1,092,890	1,358,236	(265,346)	(19.5%)	1,845,238	752,348	59.2%
Direct Social Service Salaries & Benefits	36,319	35,027	1,292	3.7%	79,721	100,078	(20,357)	(20.3%)	130,082	50,361	61.3%
Other Social Service Support Expenses & HAP	24,256	21,198	3,057	14.4%	63,522	63,157	365	0.6%	84,153	20,631	75.5%
Administrative Support Expenses	35,555	132,656	(97,102)	(73.2%)	346,764	376,646	(29,883)	(7.9%)	487,653	140,890	71.1%
Non-operating Expenses	55,632	55,698	(67)	(0.1%)	164,383	168,652	(4,269)	(2.5%)	254,191	89,808	64.7%
Total Expenses	746,567	900,511	(153,944)	(17.1%)	2,340,026	2,638,245	(298,219)	(11.3%)	3,547,847	1,207,821	66.0%
Net Income	597,641	456,671	140,970	30.9%	1,666,014	1,434,150	231,863	16.2%	1,882,385	216,372	88.5%
Other Sources/(Uses) of Working Capital											
(Increase) in Restricted/Designated Cash	(14,793)	(11,127)	(3,665)	32.9%	(66,896)	(118,359)	51,464	(43.5%)	(129,488)	(62,592)	51.7%
Decrease in Restricted/Designated Cash	16,418	172,959	(156,541)	(90.5%)	179,837	791,049	(611,212)	(77.3%)	812,734	632,897	22.1%
(Increase) in LT Receivables	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Decrease in LT Receivables	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Acquisition of Capital Assets	(883,190)	(1,072,586)	189,396	(17.7%)	(2,312,675)	(2,734,422)	421,747	(15.4%)	(3,061,258)	(748,583)	75.5%
Disposition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Change in Suspense	(1,811)	0	(1,811)	n/m	(990)	0	(990)	n/m	0	990	n/m
Change in Other Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Change in Deferrals	(1,428)	0	(1,428)	n/m	(3,656)	0	(3,656)	n/m	0	3,656	n/m
Increase in LT Debt	2,386	2,386	0	(0.0%)	7,158	7,158	0	(0.0%)	9,544	2,386	75.0%
(Decrease) in LT Debt	(52,185)	(54,315)	2,130	(3.9%)	(102,773)	(107,565)	4,793	(4.5%)	(121,337)	(18,565)	84.7%
Change in Other Liabilities	(15,926)	(15,926)	1	(0.0%)	(69,023)	(47,776)	(21,247)	44.5%	(63,702)	5,321	108.4%
Other Non-Working Capital Income/Expense Items	0	0	0	n/m	(2,372,573)	0	(2,372,573)	n/m	0	2,372,573	n/m
Non Income/Expense Change in Equity	(0)	0	(0)	n/m	(0)	0	(0)	n/m	0	0	n/m
Total Other Sources/(Uses) of Working Capital	(950,528)	(978,609)	28,081	(2.9%)	(4,741,591)	(2,209,915)	(2,531,676)	114.6%	(2,553,507)	2,188,084	185.7%
Transfer In from (Out to) Other Funds											
Transfers In from Other Funds	(779,373)	237,823	(1,017,196)	n/m	2,853,483	322,178	2,531,305	785.7%	571,544	(2,281,939)	499.3%
Transfers Out to Other Funds	0	0	0	n/m	(16,476)	0	(16,476)	n/m	0	16,476	n/m
Net Transfer In/(Out)	(779,373)	237,823	(1,017,196)	n/m	2,837,007	322,178	2,514,829	780.6%	571,544	(2,265,463)	496.4%
Net Change in Working Capital	(\$1,132,260)	(\$284,115)	(\$848,144)	298.5%	(\$238,571)	(\$453,587)	\$215,016	(47.4%)	(\$99,578)	\$138,993	239.6%
Working Capital, Beginning of Period	2,357,917				1,464,228						
Working Capital, 9/30/2013	\$1,225,657				\$1,225,657						

- Expired grants for Hidden Village and Spiritwood were inadvertently budgeted. Non-dwell rent is less than anticipated in the budget. Reimbursement for Birch Creek Family Center costs not yet received.
- Most maintenance lines are uniformly under budget.
- Capital construction transferred funding sources for Hidden Village projects from MTW funds to project reserves thus reducing the MTW management fee.
- Draws from Hidden Village project reserves to be posted in 4th quarter which will bring actuals in line with budget.
- Unbudgeted transfer of Birch Creek Rec Center from Public Housing fund group

**Other Federally-supported (Other)
Working Capital Budget vs. Actual Report
For the Period Ended 9/30/2013**

Working Capital Budget vs. Actual Report For the Period Ended 9/30/2013												(n/m= not meaningful)
Revenues	Quarter Ended September 30, 2013				Year-to-Date				2013 Annual Budget	Remainder to Receive/	Percent of Annual Budget	
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var				
Tenant Revenue	\$2,608,998	\$2,787,254	(\$178,256)	(6.4%)	\$7,741,042	\$8,424,350	(\$683,308)	(8.1%)	\$11,166,804	\$3,425,762	69.3%	(1)
Operating Fund Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Section 8 Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Operating Revenue	3,143	617	2,526	409.4%	(10,604)	1,849	(12,453)	n/m	2,466	13,070	n/m	(2)
Non-operating Revenue	346,854	357,868	(11,014)	(3.1%)	1,543,952	1,771,241	(227,289)	(12.8%)	2,892,647	1,348,695	53.4%	
Total Revenues	2,958,995	3,145,739	(186,744)	(5.9%)	9,274,390	10,197,440	(923,050)	(9.1%)	14,061,917	4,787,527	66.0%	
Expenses												
Salaries & Benefits	406,511	349,800	56,711	16.2%	1,188,077	1,082,767	105,310	9.7%	1,397,504	209,427	85.0%	(3)
Routine Maintenance, Utilities, Taxes & Insurance	902,094	669,134	232,960	34.8%	2,302,299	2,018,436	283,863	14.1%	2,764,618	462,319	83.3%	(4)
Direct Social Service Salaries & Benefits	73,526	31,358	42,168	134.5%	208,006	206,771	1,235	0.6%	232,447	24,441	89.5%	
Other Social Service Support Expenses & HAP	85,535	96,707	(11,172)	(11.6%)	351,534	426,998	(75,464)	(17.7%)	514,310	162,777	68.4%	
Administrative Support Expenses	271,857	325,214	(53,357)	(16.4%)	788,406	1,046,244	(257,838)	(24.6%)	1,344,218	555,812	58.7%	(5)
Non-operating Expenses	674,168	773,061	(98,893)	(12.8%)	2,232,818	2,319,181	(86,363)	(3.7%)	3,497,242	1,264,424	63.8%	
Total Expenses	2,413,692	2,245,274	168,418	7.5%	7,071,140	7,100,397	(29,257)	(0.4%)	9,750,340	2,679,200	72.5%	
Net Income	545,303	900,465	(355,162)	(39.4%)	2,203,250	3,097,044	(893,794)	(28.9%)	4,311,577	2,108,327	51.1%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(27,786)	(22,519)	(5,267)	23.4%	(83,921)	(67,556)	(16,365)	24.2%	(90,075)	(6,154)	93.2%	(6)
Decrease in Restricted/Designated Cash	225	1,662	(1,437)	(86.5%)	27,851	264,987	(237,136)	(89.5%)	564,869	537,018	4.9%	
(Increase) in LT Receivables	(87,718)	(19,069,771)	18,982,053	(99.5%)	(536,410)	(19,757,311)	19,220,901	(97.3%)	(22,279,082)	(21,742,672)	2.4%	(7)
Decrease in LT Receivables	0	0	0	n/m	975,523	1,736,581	(761,058)	(43.8%)	1,736,581	761,058	56.2%	
Acquisition of Capital Assets	1,402,891	872,737	530,154	60.7%	(389,279)	(585,025)	195,746	(33.5%)	(595,275)	(205,996)	65.4%	
Maintenance Projects	(508,958)	(731,369)	222,411	(30.4%)	(1,843,508)	(1,320,486)	(523,022)	39.6%	(2,051,870)	(208,362)	89.8%	
Acquisition of Capital Assets	893,933	141,368	752,565	532.3%	(2,232,786)	(1,905,511)	(327,276)	17.2%	(2,647,145)	(414,358)	84.3%	(8)
Disposition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Suspense	670	0	670	n/m	3,681	0	3,681	n/m	0	(3,681)	n/m	
Change in Other Assets	0	0	0	n/m	0	0	0	n/m	0	(0)	n/m	
Change in Deferrals	1,570	0	1,570	n/m	(12,216)	0	(12,216)	n/m	0	12,216	n/m	
Increase in LT Debt	181	18,000,181	(18,000,000)	(100.0%)	543	18,000,543	(18,000,000)	(100.0%)	18,000,724	18,000,181	0.0%	(7)
(Decrease) in LT Debt	0	0	0	n/m	(2,443,434)	(2,443,434)	0	0.0%	(2,443,434)	0	100.0%	
Change in Other Liabilities	89,304	811,192	(721,888)	(89.0%)	(54,058)	404,485	(458,543)	n/m	2,667,677	2,721,735	n/m	
Other Non-Working Capital Income/Expense Items	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Non Income/Expense Change in Equity	233,312	0	233,312	n/m	233,312	0	233,312	n/m	0	(233,312)	n/m	
Total Other Sources/(Uses) of Working Capital	1,103,691	(137,887)	1,241,578	n/m	(4,121,916)	(3,767,216)	(354,700)	9.4%	(4,489,885)	(367,969)	91.8%	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	0	718,327	(718,327)	(100.0%)	349	1,261,356	(1,261,007)	(100.0%)	2,395,698	2,395,349	0.0%	
Transfers Out to Other Funds	0	(1,620,324)	1,620,324	(100.0%)	0	(2,149,441)	2,149,441	(100.0%)	(2,860,825)	(2,860,825)	0.0%	
Net Transfer In/(Out)	0	(901,997)	901,997	(100.0%)	349	(888,085)	888,434	n/m	(465,127)	(465,476)	n/m	(8)
Net Change in Working Capital	\$1,648,993	(\$139,419)	\$1,788,413	n/m	(\$1,918,317)	(\$1,558,257)	(\$360,060)	23.1%	(\$643,434)	\$1,274,882	298.1%	
Working Capital, Beginning of Period	(2,383,811)				1,183,499							
Working Capital, 9/30/2013	(\$734,818)				(\$734,818)							

- 1) Vacancies at Vista Heights, Victorian Woods, Riverton Terrace and Eastridge House were higher than anticipated YTD, mostly due to construction projects.
- 2) Unbudgeted adjustment related to transfer of FSS funds to 509 properties
- 3) Salaries and benefits at 509 properties were incorrectly budgeted to former KCHA public housing funds instead of to this fund group
- 4) Unbudgeted playground equipment expense for 509 properties plus increase in utilities (sewer and water) at Birch Creek (due to irrigation)
- 5) Property management fees at 509 properties budgeted at 8% while actual fees have been closer to 7%. Budget for professional services relates to costs of 509 debt issuance which has not yet occurred.
- 6) Draws from Birch Creek project reserves were budgeted, but have not yet occurred
- 7) The \$18 million from the FHLB (which was subsequently loaned to MKCRF) was budgeted into this fund group, but it was ultimately decided it should reside in the COCC. Also see footnote 6 on the COCC fund group report
- 8) Budget relates to the transfer of project construction costs to MKCRF; transfers will be made in 4th quarter.

Section 8
Working Capital Budget vs. Actual Report
For the Period Ended 9/30/2013

	Quarter Ended September 30, 2013				Year-to-Date				2013 Annual Budget	Remainder to Receive/ Spend	(n/m= not meaningful) Percent of Annual Budget
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
Revenues											
Tenant Revenue	\$81,731	\$33,000	\$48,731	147.7%	\$205,996	\$149,013	\$56,983	38.2%	\$182,013	(\$23,983)	113.2%
Operating Fund Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Section 8 Subsidy from HUD	24,450,256	24,438,299	11,956	0.0%	72,922,494	72,652,397	270,097	0.4%	96,924,665	24,002,171	75.2%
Other Operating Revenue	6,752,540	6,692,264	60,275	0.9%	20,284,365	20,045,696	238,670	1.2%	26,774,954	6,490,589	75.8%
Non-operating Revenue	67	2,020	(1,953)	(96.7%)	3,186	5,895	(2,709)	(45.9%)	7,915	4,729	40.3%
Total Revenues	31,284,593	31,165,584	119,010	0.4%	93,416,042	92,853,001	563,041	0.6%	123,889,547	30,473,506	75.4%
Expenses											
Salaries & Benefits	1,373,013	1,406,356	(33,343)	(2.4%)	3,908,861	4,047,009	(138,148)	(3.4%)	5,287,285	1,378,424	73.9%
Routine Maintenance, Utilities, Taxes & Insurance	69,048	61,065	7,983	13.1%	202,137	184,770	17,367	9.4%	250,411	48,274	80.7%
Direct Social Service Salaries & Benefits	90,587	92,416	(1,829)	(2.0%)	261,349	261,029	320	0.1%	338,828	77,479	77.1%
Other Social Service Support Expenses & HAP	28,835,764	28,896,594	(60,830)	(0.2%)	85,991,235	85,843,086	148,149	0.2%	114,620,967	28,629,732	75.0%
Administrative Support Expenses	831,733	862,582	(30,849)	(3.6%)	2,522,488	2,594,467	(71,980)	(2.8%)	3,472,274	949,787	72.6%
Non-operating Expenses	0	0	0	n/m	8,592	0	8,592	n/m	0	(8,592)	n/m
Total Expenses	31,200,145	31,319,013	(118,868)	(0.4%)	92,894,663	92,930,361	(35,699)	(0.0%)	123,969,766	31,075,103	74.9%
Net Income	84,448	(153,430)	237,878	n/m	521,379	(77,361)	598,739	n/m	(80,219)	(601,597)	n/m
Other Sources/(Uses) of Working Capital											
(Increase) in Restricted/Designated Cash	(95)	(20,000)	19,905	(99.5%)	(494)	(60,000)	59,506	(99.2%)	(80,000)	(79,506)	0.6%
Decrease in Restricted/Designated Cash	(41,349)	20,000	(61,349)	n/m	(38,522)	60,000	(98,522)	n/m	80,000	118,522	n/m
(Increase) in LT Receivables	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Decrease in LT Receivables	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Acquisition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Maintenance Projects	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Acquisition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Disposition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Change in Suspense	0	0	0	n/m	(1,700)	0	(1,700)	n/m	0	1,700	n/m
Change in Other Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Change in Deferrals	41,444	0	41,444	n/m	39,016	0	39,016	n/m	0	(39,016)	n/m
Increase in LT Debt	0	0	0	n/m	0	0	0	n/m	0	0	n/m
(Decrease) in LT Debt	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Change in Other Liabilities	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Other Non-Working Capital Income/Expense Items	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Non Income/Expense Change in Equity	(0)	0	(0)	n/m	(0)	0	(0)	n/m	0	0	n/m
Total Other Sources/(Uses) of Working Capital	(0)	0	(0)	n/m	(1,700)	0	(1,700)	n/m	0	1,700	n/m
Transfer In from (Out to) Other Funds											
Net Transfer In/(Out)	0	0	0	n/m	(4,892,716)	(4,892,716)	0	(0.0%)	(4,892,716)	(0)	100.0%
Net Change in Working Capital	\$84,448	(\$153,430)	\$237,878	n/m	(\$4,373,037)	(\$4,970,077)	\$597,039	(12.0%)	(\$4,972,935)	(\$599,897)	87.9%
Working Capital, Beginning of Period	441,309				4,898,795						
Working Capital, 9/30/2013	\$525,757				\$525,757						

- 1) Tenant recoveries have been higher than anticipated in the budget
2) Budget is related to FSS transactions and assumed overall increases to balances would equal decreases over the course of the year

MTW
Working Capital Budget vs. Actual Report
For the Period Ended 9/30/2013

Revenues	Quarter Ended September 30, 2013				Year-to-Date				2013 Annual Budget	Remainder to Receive/ Spend	(n/m= not meaningful) Percent of Annual Budget
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
	\$0	\$0	\$0	n/m	\$0	\$0	\$0	n/m	\$0	\$0	n/m
Tenant Revenue	430,930	393,558	37,372	9.5%	1,366,845	1,180,673	186,172	15.8%	1,574,233	207,388	86.8% (1)
Operating Fund Subsidy from HUD	66,869	1,220,083	(1,153,214)	(94.5%)	1,381,424	5,001,856	(3,620,432)	(72.4%)	6,426,066	5,044,642	21.5% (2)
Other Operating Revenue	23,061	16,119	6,942	43.1%	199,668	51,291	148,377	289.3%	66,292	0	n/m (3)
Non-operating Revenue	520,860	1,629,760	(1,108,900)	(68.0%)	2,947,937	6,233,821	(3,285,883)	(52.7%)	8,066,591	5,118,653	36.5%
Total Revenues	180,676	176,508	4,168	2.4%	502,477	515,537	(13,060)	(2.5%)	673,115	170,638	74.6%
Expenses	39,127	43,373	(4,246)	(9.8%)	106,536	141,167	(34,631)	(24.5%)	176,992	70,456	60.2% (1)
Salaries & Benefits	776,405	649,710	126,695	19.5%	1,553,847	1,752,877	(199,030)	(11.4%)	2,399,826	845,979	64.7% (4)
Routine Maintenance, Utilities, Taxes & Insurance	15,387	65,945	(50,558)	(76.7%)	57,109	160,600	(103,491)	(64.4%)	225,581	168,472	25.3% (5)
Direct Social Service Salaries & Benefits	(194)	0	(194)	n/m	(19,734)	0	(19,734)	n/m	0	19,734	n/m
Other Social Service Support Expenses & HAP	1,011,401	935,536	75,865	8.1%	2,200,234	2,570,181	(369,947)	(14.4%)	3,475,514	1,275,280	63.3%
Administrative Support Expenses	(490,541)	694,224	(1,184,765)	n/m	747,703	3,663,640	(2,915,937)	(79.8%)	4,591,077	3,843,374	16.3%
Non-operating Expenses	(3,003,898)	(2,749)	(3,001,149)	109172.4%	(3,009,112)	(10,777)	(2,998,335)	27821.6%	(12,681)	2,996,431	23729.3% (6)
Net Income	1,566,426	1,966,757	(400,331)	(20.4%)	6,539,705	8,091,019	(1,551,314)	(19.2%)	11,380,460	4,840,755	57.5% (7)
Other Sources/(Uses) of Working Capital	(73,816)	0	(73,816)	n/m	(187,179)	0	(187,179)	n/m	0	187,179	n/m (8)
(Increase) in Restricted/Designated Cash	417,418	238,790	178,628	74.8%	1,588,167	382,206	1,205,961	315.5%	872,244	(715,923)	182.1% (8)
Decrease in Restricted/Designated Cash	(4,263)	(520,125)	515,863	(99.2%)	(31,272)	(859,250)	827,978	(96.4%)	(1,614,375)	(1,583,103)	1.9% (9)
Decrease in LT Receivables	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Acquisition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Disposition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Change in Suspense	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Change in Other Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Change in Deferrals	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Increase in LT Debt	0	0	0	n/m	0	0	0	n/m	0	0	n/m
(Decrease) in LT Debt	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Change in Other Liabilities	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Other Non-Working Capital Income/Expense Items	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Non Income/Expense Change in Equity	(0)	0	(0)	n/m	(0)	0	(0)	n/m	0	0	n/m
Total Other Sources/(Uses) of Working Capital	(1,098,133)	1,682,673	(2,780,806)	n/m	4,900,309	7,603,198	(2,702,889)	(35.5%)	10,625,648	5,725,339	46.1%
Transfer In from (Out to) Other Funds	73,816	853,378	(779,562)	(91.4%)	6,633,615	7,445,177	(811,562)	(10.9%)	7,445,177	811,562	89.1%
Transfers In from Other Funds	(3,013,666)	(3,878,537)	864,871	(22.3%)	(10,514,411)	(10,788,951)	274,540	(2.5%)	(15,605,077)	(5,090,666)	67.4%
Transfers Out to Other Funds	(2,939,850)	(3,025,159)	85,309	(2.8%)	(3,880,796)	(3,343,774)	(537,022)	16.1%	(8,159,900)	(4,279,104)	47.6%
Net Transfer In/(Out)	(\$4,528,524)	(\$648,262)	(\$3,880,261)	598.6%	\$1,767,216	\$7,923,064	(\$6,155,847)	(77.7%)	\$7,056,825	\$5,289,608	25.0%
Net Change in Working Capital	2,594,343				(3,701,397)						
Working Capital, Beginning of Period	(\$1,934,180)				(\$1,934,180)						
Working Capital, 9/30/2013											

- 1) Due to budgeting error, Public Housing Operating Fund subsidy budget is understated by \$126k. See also footnote 1 on Public Housing (owned by other entity) page
- 2) A \$4 million block grant payment was received from HUD in October; this cash receipt was in addition to the normally-scheduled payments and will put revenue on track with the budget
- 3) YTD variance due to grant money received for a construction project for which MTW funds were previously used; therefore MTW fund is being reimbursed. Unbudgeted.
- 4) Mostly timing. Although some contracts are accrued, most programs reflect actual billings which are typically delayed 1 to 2 months.
- 5) Some studies related to rent reform will not be undertaken until 2014
- 6) \$3 million of investments were used as collateral for the \$18 million loan from the FHLB. This was unbudgeted. This is in addition to the use of the \$6 million HAP reserve that was also pledged. Because those funds were already designated, they don't show up on this report as a use of working capital.
- 7) YTD capital construction activity has been less than anticipated, resulting in lower draws from designated cash
- 8) Unbudgeted payoff from Seola Gardens loan \$1M, plus internal Homesight loan payments. Seola artwork funded by MTW loan \$113k.

Local Properties (KCHA)
Working Capital Budget vs. Actual Report
For the Period Ended 9/30/2013

Revenues	Quarter Ended September 30, 2013				Year-to-Date				2013 Annual Budget	Remainder to Receive/ Spend	(n/m= not meaningful) Percent of Annual Budget
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
Tenant Revenue	\$7,982,364	\$7,740,233	\$242,131	3.1%	\$23,472,515	\$23,057,060	\$415,455	1.8%	\$30,826,813	\$7,354,298	76.1%
Operating Fund Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Section 8 Subsidy from HUD	0	1,535	(1,535)	(100.0%)	42,476	10,744	31,732	295.3%	12,279	(30,197)	345.9%
Other Operating Revenue	112,080	104,363	7,717	7.4%	694,067	327,839	366,228	111.7%	446,954	(247,113)	155.3%
Non-operating Revenue	50,030	57,464	(7,434)	(12.9%)	213,023	184,724	28,299	15.3%	246,880	33,857	86.3%
Total Revenues	8,144,474	7,903,595	240,879	3.0%	24,422,081	23,580,367	841,714	3.6%	31,532,926	7,110,845	77.4%
Expenses											
Salaries & Benefits	698,920	728,681	(29,761)	(4.1%)	2,059,619	2,186,071	(126,451)	(5.8%)	2,905,590	845,970	70.9%
Routine Maintenance, Utilities, Taxes & Insurance	2,116,757	2,157,789	(41,033)	(1.9%)	5,822,183	6,270,473	(448,289)	(7.1%)	8,194,272	2,372,088	71.1%
Direct Social Service Salaries & Benefits	7,116	5,137	1,979	38.5%	15,695	14,684	1,011	6.9%	19,073	3,378	82.3%
Other Social Service Support Expenses & HAP	25,091	28,955	(3,864)	(13.3%)	68,680	86,774	(18,094)	(20.9%)	115,729	47,049	59.3%
Administrative Support Expenses	823,204	743,906	79,299	10.7%	2,288,750	2,267,873	20,876	0.9%	2,997,962	709,212	76.3%
Non-operating Expenses	1,193,159	959,074	234,085	24.4%	3,182,896	3,118,072	64,824	2.1%	4,029,395	846,499	79.0%
Total Expenses	4,864,247	4,623,542	240,706	5.2%	13,437,823	13,943,946	(506,123)	(3.6%)	18,262,020	4,824,197	73.6%
Net Income	3,280,226	3,280,053	173	0.0%	10,984,258	9,636,421	1,347,837	14.0%	13,270,906	2,286,648	82.8%
Other Sources/(Uses) of Working Capital											
(Increase) in Restricted/Designated Cash	(646,803)	(247,062)	(399,741)	161.8%	(1,679,197)	(741,178)	(938,019)	126.6%	(1,045,533)	633,664	160.6%
Decrease in Restricted/Designated Cash	245,732	2,438,274	(2,192,542)	(89.9%)	2,215,682	3,441,458	(1,225,776)	(35.6%)	4,106,620	1,890,938	54.0%
(Increase) in LT Receivables	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Decrease in LT Receivables	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Acquisition of Capital Assets	(22,327)	(154,083)	131,756	(85.5%)	(2,058,937)	(2,253,902)	194,965	(8.7%)	(2,297,173)	(238,236)	89.6%
Maintenance Projects	(3,087,217)	(3,325,591)	238,374	(7.2%)	(6,228,756)	(7,978,011)	1,749,255	(21.9%)	(9,573,469)	(3,344,713)	65.1%
Acquisition of Capital Assets	(3,109,544)	(3,479,674)	370,130	(10.6%)	(8,287,693)	(10,231,913)	1,944,220	(19.0%)	(11,870,642)	(3,582,949)	69.8%
Disposition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Change in Suspense	5,358	0	5,358	n/m	35,352	0	35,352	n/m	0	(35,352)	n/m
Change in Other Assets	151,202	0	151,202	n/m	0	0	0	n/m	0	0	n/m
Change in Deferrals	(6,802)	0	(6,802)	n/m	49,750	0	49,750	n/m	0	(49,750)	n/m
Increase in LT Debt	0	4,327,486	(4,327,486)	(100.0%)	11,181,865	12,969,495	(1,787,630)	(13.8%)	12,982,199	1,800,334	86.1%
(Decrease) in LT Debt	(825,113)	(5,313,185)	4,488,072	(84.5%)	(12,549,526)	(14,188,357)	1,638,832	(11.6%)	(15,205,857)	(2,656,332)	82.5%
Change in Other Liabilities	0	0	0	n/m	2,023	0	2,023	n/m	0	(2,023)	n/m
Other Non-Working Capital Income/Expense Items	0	0	0	n/m	182,999	0	182,999	n/m	0	(182,999)	n/m
Non Income/Expense Change in Equity	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Total Other Sources/(Uses) of Working Capital	(4,185,970)	(2,274,161)	(1,911,809)	84.1%	(8,848,743)	(8,750,495)	(98,248)	1.1%	(11,033,213)	(2,184,470)	80.2%
Transfer In from (Out to) Other Funds											
Transfers in from Other Funds	7,628	337,557	(329,930)	(97.7%)	1,116,951	593,310	523,641	88.3%	829,164	(287,787)	134.7%
Transfers Out to Other Funds	(1,640,000)	(1,470,000)	(170,000)	11.6%	(1,822,999)	(1,469,996)	(353,003)	24.0%	(1,840,000)	(17,001)	99.1%
Net Transfer In/(Out)	(1,632,373)	(1,132,443)	(499,930)	44.1%	(706,048)	(876,686)	170,638	(19.5%)	(1,010,836)	(304,788)	69.8%
Net Change in Working Capital	(\$2,538,116)	(\$126,551)	(\$2,411,565)	1905.6%	\$1,429,466	\$9,240	\$1,420,227	15370.9%	\$1,226,857	(\$202,609)	116.5%
Working Capital, Beginning of Period	2,300,235				(1,667,347)						
Working Capital, 9/30/2013	(\$237,881)				(\$237,881)						

1) Includes \$272k of unbudgeted Weatherization grant revenue and \$72k unbudgeted grant revenue from King County for elevator repair at Westminster

2) Most maintenance contracts under budget year-to-date.

3) Variances due to technical budgeting errors

4) Various maintenance projects are under budget due to slower unit turnover than anticipated.

5) Transfer of assets from local properties to COCC (\$183k)

Local Properties (Other)
Working Capital Budget vs. Actual Report
For the Period Ended 9/30/2013

Working Capital Budget vs. Actual Report For the Period Ended 9/30/2013												(n/m= not meaningful)
Revenues	Quarter Ended September 30, 2013				Year-to-Date				2013 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget	
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var				
Tenant Revenue	\$350,759	\$344,141	\$6,618	1.9%	\$1,036,948	\$1,032,423	\$4,525	0.4%	\$1,376,564	\$339,616	75.3%	
Operating Fund Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Section 8 Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Operating Revenue	(39,137)	329	(39,466)	n/m	2,890	986	1,904	193.1%	1,315	(1,575)	219.7%	
Non-operating Revenue	221,857	221,942	(85)	(0.0%)	672,373	665,914	6,459	1.0%	887,827	215,454	75.7%	
Total Revenues	533,479	566,412	(32,933)	(5.8%)	1,712,210	1,699,323	12,887	0.8%	2,265,706	553,496	75.6%	
Expenses												
Salaries & Benefits	63,147	59,248	3,899	6.6%	180,776	171,753	9,023	5.3%	224,976	44,200	80.4%	
Routine Maintenance, Utilities, Taxes & Insurance	135,408	115,418	19,990	17.3%	351,189	348,132	3,057	0.9%	478,200	127,011	73.4%	
Direct Social Service Salaries & Benefits	9,476	9,515	(39)	(0.4%)	26,992	27,177	(185)	(0.7%)	35,328	8,336	76.4%	
Other Social Service Support Expenses & HAP	36,751	42,429	(5,678)	(13.4%)	119,148	127,280	(8,132)	(6.4%)	169,709	50,561	70.2%	
Administrative Support Expenses	56,378	53,740	2,638	4.9%	178,664	161,190	17,474	10.8%	224,930	46,266	79.4%	
Non-operating Expenses	196,077	152,391	43,686	28.7%	457,075	457,173	(98)	(0.0%)	609,564	152,489	75.0%	
Total Expenses	497,237	432,741	64,496	14.9%	1,313,844	1,292,705	21,139	1.6%	1,742,707	428,863	75.4%	
Net Income	36,241	133,671	(97,430)	(72.9%)	398,366	406,618	(8,252)	(2.0%)	522,999	124,633	76.2%	

Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(15,556)	(16,026)	470	(2.9%)	(47,128)	(48,077)	949		(64,102)	(16,974)	73.5%	
Decrease in Restricted/Designated Cash	0	1,352	(1,352)	(100.0%)	0	4,055	(4,055)		5,406	5,406	0.0%	
(Increase) in LT Receivables	(103,789)	(104,357)	568	(0.5%)	(322,052)	(313,071)	(8,981)		(417,428)	(95,376)	77.2%	(2)
Decrease in LT Receivables	0	0	0	n/m	330,261	330,261	(0)		518,681	188,420	63.7%	
Acquisition of Capital Assets	0	(5,500)	5,500	n/m	0	(16,500)	16,500		(22,000)	(22,000)	n/m	
Maintenance Projects	(383)	(1,500)	1,117	(74.5%)	(383)	(4,500)	4,117		(6,000)	(5,617)	6.4%	
Acquisition of Capital Assets	(383)	(7,000)	6,617	(94.5%)	(383)	(21,000)	20,617	(98.2%)	(28,000)	(27,617)	1.4%	
Disposition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Suspense	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Other Assets	(0)	0	(0)	n/m	(0)	0	(0)	n/m	0	0	n/m	
Change in Deferrals	427	0	427	n/m	1,739	0	1,739	n/m	0	(1,739)	n/m	
Increase in LT Debt	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
(Decrease) in LT Debt	0	0	0	n/m	(73,054)	(73,054)	0	(0.0%)	(73,054)	(0)	100.0%	
Change in Other Liabilities	107,823	108,391	(568)	(0.5%)	64,489	67,966	(3,477)	(5.1%)	176,357	111,868	36.6%	
Other Non-Working Capital Income/Expense Items	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Non Income/Expense Change in Equity	(252,385)	0	(252,385)	n/m	(252,385)	0	(252,385)	n/m	0	252,385	n/m	(3)
Total Other Sources/(Uses) of Working Capital	(263,863)	(17,640)	(246,223)	1395.8%	(298,514)	(52,920)	(245,594)	464.1%	117,860	416,374	n/m	
Transfer In from (Out to) Other Funds												
Net Transfer In/(Out)	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Net Change in Working Capital	(\$277,621)	\$116,031	(\$343,652)	n/m	\$99,852	\$353,698	(\$253,846)	(71.8%)	\$640,859	\$541,007		
Working Capital, Beginning of Period	(5,361,862)				(5,689,336)							
Working Capital, 9/30/2013	(\$5,589,484)				(\$5,589,484)							

- 1) Mobile Homes acquired from the Port of Seattle were sold to the Wonderland Estates owner (South King County Affordable Community Group) and were not budgeted . This revenue actually belongs in the Central Office Cost Center fund group and was transferred in the third quarter.
- 2) Variance is due to budgeting error that will be corrected as part of midyear adjustment
- 3) Technical accounting equity adjustment

Local Properties Tax Credit GP
Working Capital Budget vs. Actual Report
For the Period Ended 9/30/2013

Working Capital Budget vs. Actual Report For the Period Ended 9/30/2013												(n/m= not meaningful)
Revenues	Quarter Ended September 30, 2013				Year-to-Date				2013 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget	
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var				
Tenant Revenue	\$0	\$0	\$0	n/m	\$0	\$0	\$0	n/m	\$0	\$0	n/m	
Operating Fund Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Section 8 Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Operating Revenue	0	270	(270)	(100.0%)	542,723	478,808	63,915	13.3%	479,078	(63,645)	113.3%	
Non-operating Revenue	894,087	855,324	38,763	4.5%	2,716,277	2,649,168	67,109	2.5%	3,580,236	863,959	75.9%	
Total Revenues	894,087	855,594	38,493	4.5%	3,259,000	3,127,976	131,024	4.2%	4,059,314	800,314	80.3%	
Expenses												
Salaries & Benefits	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Routine Maintenance, Utilities, Taxes & Insurance	15,191	7,360	7,831	106.4%	21,702	22,067	(365)	(1.7%)	29,427	7,725	73.7%	
Direct Social Service Salaries & Benefits	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Social Service Support Expenses & HAP	0	433	(433)	(100.0%)	18	1,268	(1,250)	(98.6%)	1,701	1,683	1.1%	
Administrative Support Expenses	168,499	164,035	4,464	2.7%	468,549	500,118	(31,569)	(6.3%)	665,403	196,854	70.4%	
Non-operating Expenses	621,804	771,438	(149,634)	(19.4%)	1,827,723	2,314,314	(486,591)	(21.0%)	3,085,752	1,258,029	59.2%	
Total Expenses	805,494	943,266	(137,772)	(14.6%)	2,317,992	2,837,767	(519,775)	(18.3%)	3,782,283	1,464,291	61.3%	
Net Income	88,593	(87,672)	176,265	n/m	941,007	290,209	650,798	224.3%	277,031	(663,977)	339.7%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(151,177)	(42,500)	(108,677)	255.7%	(633,732)	(127,500)	(506,232)	397.0%	(170,000)	463,732	372.8%	
Decrease in Restricted/Designated Cash	(70,638)	30,000	(100,638)	n/m	24,362	90,000	(65,638)	(72.9%)	120,000	95,638	20.3%	
(Increase) in LT Receivables	(20,802)	(18,927)	(1,875)	9.9%	(89,596)	(56,781)	(32,815)	57.8%	(79,052)	10,544	113.3%	
Decrease in LT Receivables	0	0	0	n/m	3,080,970	469,364	2,611,606	556.4%	1,689,701	(1,391,269)	182.3%	
Acquisition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Maintenance Projects	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Acquisition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Disposition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Suspense	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Other Assets	22,000	(150,000)	172,000	n/m	22,000	(150,000)	172,000	n/m	(150,000)	(172,000)	n/m	
Change in Deferrals	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Increase in LT Debt	0	0	0	n/m	20,536	0	20,536	n/m	0	(20,536)	(3)	
(Decrease) in LT Debt	0	0	0	n/m	(2,141,589)	(425,635)	(1,715,954)	403.2%	(1,645,972)	495,617	130.1%	
Change in Other Liabilities	7,495	5,620	1,875	33.4%	20,610	16,860	3,750	22.2%	25,824	5,214	79.8%	
Other Non-Working Capital Income/Expense Items	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Non Income/Expense Change in Equity	(0)	0	(0)	n/m	0	0	0	n/m	0	(0)	n/m	
Total Other Sources/(Uses) of Working Capital	(213,122)	(175,807)	(37,315)	21.2%	303,561	(183,692)	487,253	n/m	(209,499)	(513,060)	n/m	
Transfer In from (Out to) Other Funds												
Net Transfer In/(Out)	0	0	0	n/m	(1,052,004)	(215,000)	(837,004)	389.3%	(275,000)	777,004	382.5%	
Net Change in Working Capital	(\$124,529)	(\$263,479)	\$138,950	(52.7%)	\$192,564	(\$108,483)	\$301,048	n/m	(\$207,468)	(\$400,033)	n/m	
Working Capital, Beginning of Period	948,987				631,894							
Working Capital, 9/30/2013	\$824,458				\$824,458							

- 1) Interest expense on Overlake is lower than budgeted. Interest swap contract expired in January and since bonds have variable rate interest payments, interest expense will now fluctuate.
- 2) As a result of the expired Overlake swap contract, a larger portion of the monthly partnership contributions to the Overlake trustee account are being deposited to the excess cash reserve instead of being paid to interest expense.
- 3) KCHA acquired Laurelwood Gardens from the tax credit partnership; \$2.5M decrease to receivable and \$1.7M decrease to long term debt reflects the general partner activity offset by the acquisition of the assets.

Local-Development
Working Capital Budget vs. Actual Report
For the Period Ended 9/30/2013

Working Capital Budget vs. Actual Report For the Period Ended 9/30/2013													(n/m= not meaningful)
Revenues	Quarter Ended September 30, 2013				Year-to-Date				2013 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget		
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var					
Tenant Revenue	\$0	\$0	\$0	n/m	\$0	\$0	\$0	n/m	\$0	\$0	n/m		
Operating Fund Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m		
Section 8 Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m		
Other Operating Revenue	906,618	647,104	259,514	40.1%	1,393,584	1,103,395	290,189	26.3%	374,162	(1,019,422)	372.5%		
Non-operating Revenue	115,344	3,782	111,562	2949.8%	651,822	550,190	101,632	18.5%	555,031	(96,791)	117.4%		
Total Revenues	1,021,962	650,886	371,076	57.0%	2,045,406	1,653,585	391,821	23.7%	929,193	(1,116,213)	220.1%		
Expenses													
Salaries & Benefits	63,469	70,083	(6,614)	(9.4%)	141,157	202,015	(60,858)	(30.1%)	263,860	122,703	53.5%		
Routine Maintenance, Utilities, Taxes & Insurance	190	0	190	n/m	1,163	0	1,163	n/m	0	(1,163)	n/m		
Direct Social Service Salaries & Benefits	57,336	35,083	22,253	63.4%	124,051	100,224	23,827	23.8%	130,278	6,227	95.2%		
Other Social Service Support Expenses & HAP	41,034	81,659	(40,625)	(49.7%)	159,788	198,258	(38,470)	(19.4%)	304,035	144,247	52.6%		
Administrative Support Expenses	37,948	16,663	21,285	127.7%	94,803	43,087	51,716	120.0%	63,258	(31,545)	149.9%		
Non-operating Expenses	1,349,052	2,688	1,346,364	50087.9%	1,349,052	2,997	1,346,055	44913.4%	6,747	(1,342,305)	19994.8%		
Total Expenses	1,549,028	206,176	1,342,852	651.3%	1,870,012	546,581	1,323,431	242.1%	768,178	(1,101,834)	243.4%		
Net Income	(527,066)	444,710	(971,776)	n/m	175,393	1,107,004	(931,611)	(84.2%)	161,015	(14,378)	108.9%		
Other Sources/(Uses) of Working Capital													
(Increase) in Restricted/Designated Cash	(532,005)	(8)	(531,997)	n/m	(2,537,005)	(2,000,024)	(536,981)	26.8%	(2,000,030)	536,975	126.8%		
Decrease in Restricted/Designated Cash	159,965	333,333	(173,368)	(52.0%)	2,228,656	541,666	1,686,990	311.4%	1,030,000	(1,198,656)	216.4%		
(Increase) in LT Receivables	(486,058)	(1,117,000)	630,942	(56.5%)	(491,245)	(1,602,000)	1,110,755	(69.3%)	(2,027,000)	(1,535,755)	24.2%		
Decrease in LT Receivables	330,316	0	330,316	n/m	332,140	0	332,140	n/m	0	(332,140)	n/m		
Acquisition of Capital Assets	(2,528,032)	(5,771,486)	3,243,454	(56.2%)	(9,741,285)	(24,602,820)	14,861,535	(60.4%)	(28,672,734)	(18,931,449)	34.0%		
Disposition of Capital Assets	(1,573,735)	641,973	(2,215,708)	n/m	0	2,110,613	(2,110,613)	(100.0%)	3,849,144	3,849,144	0.0%		
Change in Suspense	(500)	0	(500)	n/m	(900)	0	(900)	n/m	0	900	n/m		
Change in Other Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m		
Change in Deferrals	5,000	0	5,000	n/m	10,000	0	10,000	n/m	0	(10,000)	n/m		
Increase in LT Debt	5,124,923	4,069,888	1,055,035	25.9%	13,089,728	9,150,978	3,938,750	43.0%	20,604,166	7,514,438	63.5%		
(Decrease) in LT Debt	(7,791,520)	0	(7,791,520)	n/m	(7,910,664)	(1,244,510)	(6,666,154)	535.6%	(1,244,510)	6,666,154	635.6%		
Change in Other Liabilities	(343,602)	351,210	(694,812)	n/m	(1,443,903)	692,794	(2,136,697)	n/m	2,007,323	3,451,226	n/m		
Other Non-Working Capital Income/Expense Items	21,757,048	0	21,757,048	n/m	21,757,048	0	21,757,048	n/m	0	(21,757,048)	n/m		
Non Income/Expense Change in Equity	(257,109)	0	(257,109)	n/m	(257,109)	0	(257,109)	n/m	0	257,109	n/m		
Total Other Sources/(Uses) of Working Capital	13,864,691	(1,492,090)	15,356,781	n/m	15,035,461	(16,953,303)	31,988,764	n/m	(6,453,641)	(21,489,102)	n/m		
Transfer In from (Out to) Other Funds													
Transfers In from Other Funds	3,969,604	0	3,969,604	n/m	6,096,594	2,124,506	3,972,088	187.0%	6,336,506	239,912	96.2%		
Transfers Out to Other Funds	(18,729,528)	0	(18,729,528)	n/m	(18,729,528)	0	(18,729,528)	n/m	0	18,729,528	n/m		
Net Transfer In/(Out)	(14,759,924)	0	(14,759,924)	n/m	(12,632,934)	2,124,506	(14,757,440)	n/m	6,336,506	18,969,440	n/m		
Net Change in Working Capital	(51,422,299)	(51,047,380)	(374,919)	35.8%	\$2,577,920	(513,721,793)	\$16,299,713	n/m	\$43,880	(\$2,534,040)	5874.9%		
Working Capital, Beginning of Period	3,914,286				(85,934)								
Working Capital, 9/30/2013	\$2,491,987				\$2,491,987								

1) Lot sales at HOPE VI sites have exceeded original projections; loan fee charged to Province, Built Smart Affordable Housing rebate, and lot sales-price participation income were not budgeted.

2) King County Public Health Grant proceeds were budgeted for the second quarter.

3) Misconduct of salary expense budgeted for Vantage Glen Site 2 Predevelopment. Will be corrected in 4th quarter.

4) Adjusting entry applicable to 2012 activity

5) Seola Gardens endowment was budgeted to be drawn in October, but was drawn in August.

6) Contractor payments out of restricted Green River Homes development accounts was not budgeted in 2013 as it was thought that all would be made in 2012

7) Budget was amended to anticipate a receivable for the Seola Gardens endowment. However, because the endowment was drawn in August, there was no actual increase in receivables from June to September. Only one major Homesight land sale closing has occurred this year.

8) Homesight loan payments

9) No new acquisitions have occurred yet.

10) Related to hope VI lot sales which have sold a brisker pace than anticipated: Seola Gardens \$1.2M and Greenbridge \$357k. No dispositions in the 3rd quarter.

11) Unbudgeted payoff of \$1M internal loan made to Seola Gardens from the MTW fund, also, payments on MTW 15M loan exceeds budget.

12) Technical accounting entry to offset transfer out of resources resulting from Fairwind closing. See also footnote 14.

Local-Other Funds
Working Capital Budget vs. Actual Report
For the Period Ended 9/30/2013

Revenues	Quarter Ended September 30, 2013				Year-to-Date				2013 Annual Budget	Remainder to Receive/ Spend	(n/m= not meaningful) Percent of Annual Budget
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var			
	\$0	\$0	\$0	n/m	\$0	\$0	\$0	n/m	\$0	\$0	n/m
Tenant Revenue	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Operating Fund Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Section 8 Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Other Operating Revenue	702,227	747,415	(45,188)	(6.0%)	2,776,019	3,322,056	(546,037)	(16.4%)	4,012,971	1,236,952	69.2% (1)
Non-operating Revenue	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Total Revenues	702,227	747,415	(45,188)	(6.0%)	2,776,019	3,322,056	(546,037)	(16.4%)	4,012,971	1,236,952	69.2%
Expenses											
Salaries & Benefits	264,254	265,507	(1,253)	(0.5%)	776,488	763,442	13,046	1.7%	995,848	219,360	78.0%
Routine Maintenance, Utilities, Taxes & Insurance	3,448	2,432	1,016	41.8%	10,204	7,584	2,620	34.5%	10,868	664	93.9%
Direct Social Service Salaries & Benefits	32,136	34,143	(2,007)	(5.9%)	151,179	97,527	53,652	55.0%	126,764	(24,415)	119.3% (2)
Other Social Service Support Expenses & HAP	590,394	553,881	36,513	6.6%	1,978,893	2,277,988	(299,095)	(13.1%)	2,779,473	800,580	71.2% (1)
Administrative Support Expenses	23,208	29,145	(5,937)	(20.4%)	75,104	102,746	(27,642)	(26.9%)	131,341	56,237	57.2%
Non-operating Expenses	0	0	0	n/m	23,067	0	23,067	n/m	0	(23,067)	n/m
Total Expenses	913,439	885,108	28,331	3.2%	3,014,935	3,249,287	(234,352)	(7.2%)	4,044,294	1,029,359	74.5%
Net Income	(211,212)	(137,693)	(73,519)	53.4%	(238,916)	72,769	(311,685)	n/m	(31,323)	207,593	762.7%
Other Sources/(Uses) of Working Capital											
(Increase) in Restricted/Designated Cash	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Decrease in Restricted/Designated Cash	0	0	0	n/m	0	0	0	n/m	0	0	n/m
(Increase) in LT Receivables	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Decrease in LT Receivables	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Acquisition of Capital Assets	0	0	0	n/m	(4,974)	(4,974)	0	(0.0%)	(4,974)	(0)	100.0%
Disposition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Change in Suspense	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Change in Other Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Change in Deferrals	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Increase in LT Debt	0	0	0	n/m	0	0	0	n/m	0	0	n/m
(Decrease) in LT Debt	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Change in Other Liabilities	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Other Non-Working Capital Income/Expense Items	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Non Income/Expense Change in Equity	0	0	0	n/m	0	0	0	n/m	0	0	n/m
Total Other Sources/(Uses) of Working Capital	0	0	0	n/m	(4,974)	(4,974)	0	(0.0%)	(4,974)	(0)	100.0%
Transfer In from (Out to) Other Funds											
Net Transfer In/(Out)	26,773	0	26,773	n/m	82,351	0	82,351	n/m	120,116	37,765	68.6%
Net Change in Working Capital	(\$184,439)	(\$137,693)	(\$46,746)	33.9%	(\$161,538)	\$67,795	(\$229,333)	n/m	\$83,819	\$245,357	n/m
Working Capital, Beginning of Period	752,052				729,151						
Working Capital, 9/30/2013	\$567,613				\$567,613						

- 1) Weatherization activity has been less than projected YTD
2) Midyear budget reduction error resulted in Multi-Family Service Coordinator salary variance.

COCB
Working Capital Budget vs. Actual Report
For the Period Ended 9/30/2013

Working Capital Budget vs. Actual Report For the Period Ended 9/30/2013													(n/m= not meaningful)
Revenues	Quarter Ended September 30, 2013				Year-to-Date				2013 Annual		Remainder to Receive/ Spend	Annual Budget	
	Actual	Budget	\$ Var	% Var	Actual	Budget	\$ Var	% Var	Budget				
Tenant Revenue	\$0	\$0	\$0	n/m	\$0	\$0	\$0	n/m	\$0	\$0	\$0	n/m	n/m
Operating Fund Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	0	n/m	n/m
Section 8 Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	0	n/m	n/m
Other Operating Revenue	2,593,739	3,071,722	(477,983)	(15.6%)	8,053,103	8,276,503	(223,400)	(2.7%)	10,902,055	2,848,952	(63,666)	73.9%	(1)
Non-operating Revenue	72,630	32,462	40,168	123.7%	190,602	93,413	97,189	104.0%	126,936	(63,666)		150.2%	(2)
Total Revenues	2,666,369	3,104,184	(437,815)	(14.1%)	8,243,704	8,369,916	(126,211)	(1.5%)	11,028,991	2,785,286		74.7%	
Expenses													
Salaries & Benefits	2,315,249	2,400,720	(85,471)	(3.6%)	6,671,670	6,939,145	(267,475)	(3.9%)	9,035,772	2,364,102		73.8%	
Routine Maintenance, Utilities, Taxes & Insurance	424,159	442,922	(18,763)	(4.2%)	1,332,071	1,204,833	127,238	10.6%	1,637,460	305,389		81.3%	(3)
Direct Social Service Salaries & Benefits	0	0	0	n/m	0	0	0	n/m	0	0	0	n/m	n/m
Other Social Service Support Expenses & HAP	0	0	0	n/m	0	0	0	n/m	0	0	0	n/m	n/m
Administrative Support Expenses	459,665	612,975	(153,310)	(25.0%)	1,254,634	1,722,442	(467,808)	(27.2%)	2,200,852	946,219		57.0%	
Non-operating Expenses	38,875	26,290	12,585	47.9%	97,365	78,870	18,495	23.5%	105,160	7,795		92.6%	
Total Expenses	3,237,949	3,482,907	(244,958)	(7.0%)	9,355,740	9,945,290	(589,550)	(5.9%)	12,979,244	3,623,505		72.1%	
Net Income	(571,580)	(378,723)	(192,857)	50.9%	(1,112,035)	(1,575,374)	463,339	(29.4%)	(1,950,254)	(838,219)		57.0%	
Other Sources/(Uses) of Working Capital													
(Increase) in Restricted/Designated Cash	(11,406,590)	(12,000,251)	593,661	(4.9%)	(11,406,888)	(12,000,753)	593,865	(4.9%)	(12,001,005)	(594,117)		95.0%	(4)
Decrease in Restricted/Designated Cash	0	2,739	(2,739)	(100.0%)	582,637	30,371	552,266	1818.4%	9,033,110	8,450,473		6.5%	(5)
(Increase) in LT Receivables	(18,000,000)	(590,000)	(17,410,000)	2950.8%	(18,000,000)	(1,075,000)	(16,925,000)	1574.4%	(3,179,567)	14,820,433		566.1%	(6)
Decrease in LT Receivables	33,360	33,276	84	0.3%	99,574	99,828	(254)	(0.3%)	133,104	33,530		74.8%	
Acquisition of Capital Assets	(69,187)	(25,500)	(43,687)	171.3%	(212,099)	(201,500)	(10,599)	5.3%	(207,000)	5,099		102.5%	
Disposition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	0	n/m	n/m
Change in Suspense	32,675	0	32,675	n/m	(900)	0	(900)	n/m	0	900		n/m	n/m
Change in Other Assets	0	0	0	n/m	0	0	0	n/m	0	0	0	n/m	n/m
Change in Deferrals	0	0	0	n/m	0	0	0	n/m	0	0	0	n/m	n/m
Increase in LT Debt	18,000,000	0	18,000,000	n/m	18,000,000	0	18,000,000	n/m	0	(18,000,000)		n/m	(7)
(Decrease) in LT Debt	(54,676)	(44,599)	(10,077)	22.6%	(138,165)	(133,797)	(4,368)	3.3%	(178,396)	(40,231)		77.4%	
Change in Other Liabilities	(2,740)	(2,739)	(1)	0.0%	(10,320)	(8,217)	(2,103)	25.6%	(10,956)	(636)		94.2%	
Other Non-Working Capital Income/Expense Items	0	0	0	n/m	(182,999)	0	(182,999)	n/m	0	182,999		n/m	(8)
Non Income/Expense Change in Equity	252,385	0	252,385	n/m	252,385	0	252,385	n/m	0	(252,385)		n/m	
Total Other Sources/(Uses) of Working Capital	(11,214,774)	(12,627,074)	1,412,300	(11.2%)	(11,016,775)	(13,289,068)	2,272,293	(17.1%)	(6,410,710)	4,606,065		171.8%	
Transfer In from (Out to) Other Funds													
Transfers In from Other Funds	1,834,008	1,525,577	308,431	20.2%	2,017,007	1,740,577	276,430	15.9%	2,170,577	153,570		92.9%	
Transfers Out to Other Funds	(364,565)	(216,128)	(148,437)	68.7%	(364,888)	(920,127)	555,239	(60.3%)	(5,356,268)	(4,991,380)		6.8%	
Net Transfer In/(Out)	1,469,442	1,309,449	159,993	12.2%	1,652,119	820,450	831,669	101.4%	(3,185,691)	(4,837,810)		n/m	
Net Change in Working Capital	(\$10,316,911)	(\$11,696,348)	\$1,379,437	(11.8%)	(\$10,476,691)	(\$14,043,992)	\$3,567,301	(25.4%)	(\$11,546,655)	(\$1,069,963)		90.7%	
Working Capital, Beginning of Period	22,432,798				22,592,578								
Working Capital, 9/30/2013	\$12,115,887				\$12,115,887								

- 1) CFP Management Fee income is budgeted for the 3rd quarter but was posted in October
- 2) Interest income from investments was underbudgeted
- 3) Central Maintenance salaries over budget as crews are on pace to exceed 180 units vs. 150 as budgeted due to the additional work at Vali Kee
- 4) Relates to the use of investments as collateral for the loan from the FHLB
- 5) Restriction removed from former AIDS Housing reserve (\$559K)
- 6) Budgeted internal loans from COCC to Greenbridge and Seola Gardens have not occurred; \$18 million MKCRF receivable transferred to COCC
- 7) \$18 million loan from the FHLB (that was subsequently loaned to MKCRF) was transferred to the COCC
- 8) Transfer of assets from local properties to COCC (\$183k)

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KING COUNTY HOUSING AUTHORITY

TO: Board of Commissioners

FROM: Connie Davis

DATE: November 5, 2013

RE: Preliminary FY 2014 KCHA Budget

At the November Board of Commissioners meeting staff will present an overview of the most critical assumptions which are driving the 2014 operating budget.

The overarching issue confronting KCHA in preparing its budget for 2014 is the continued reduction of support provided by the federal government to operate the public housing and Section 8 programs. At this point last year, sequestration was only a possibility; now the effects are a reality. Prorates of 82% in public housing and 94% in Section 8 seemed like a worst case scenario in setting 2013's budget. Should sequestration continue into 2014, those levels might seem generous: rates as low as 79% and 91% respectively have been mentioned by national industry groups. At this point in time, however, staff is assuming steady funding at 2013 (82% and 94% of eligibility) levels in both these programs.

KCHA's MTW status has been exceptionally helpful through this period. Not only has the Authority been able to use its funding fungibly across all eligible programs to support programs experiencing shortfalls, but it has also been able to use the regulatory flexibility afforded to MTW housing authorities to transform a significant portion of its public housing portfolio to project-based Section 8, a higher, more certain funding stream. Of the original 3,284 public housing units in service 10 years ago, 1,011 have been redeveloped using this model, including 120 units at Greenbridge, 262 units at Birch Creek, 60 units at Green River and 509 units at smaller developments throughout King County. In addition to these units, KCHA was awarded 637 incremental vouchers as relocation vouchers when these sites were vacated during redevelopment; these vouchers remain in circulation supporting low income families, and have been a significant source of the growth in the Section 8 program, expanding the number of households we can support while contributing block grant working capital which in turn supports other programs and initiatives.

KCHA's projections for its Section 8 program for 2014 assume a gradual reduction in overleasing to zero by December 31, 2014. This unfortunately means that there will be fewer households served at the end of the year than there had been at the beginning. Given both the severe prorates anticipated and the lack of any adjustments for inflation in our "hot" rental market, reducing vouchers to baseline (8,004 units) in 2014 seems to be our best solution. This number does not include households served in our locally designed rental subsidy programs such as the sponsor-based program or the new rapid rehousing and step-down subsidy programs. If these households are counted we will still be serving over 212 households above HUD baseline.

It should be noted that most housing authorities nationally have seen their utilization rates fall well below baseline. It is very difficult to keep all authorized units in circulation when both housing assistance payments and administrative fees have fallen so precipitously below actual costs. Again, KCHA's status as an MTW agency assists it in maintaining at least baseline numbers. As the funding picture becomes clearer during 2014 a top priority of the Authority will be to once again draw from the Section 8 wait list to serve those who have been waiting more than two years for assistance. We will review, based on final funding determinations, whether a reduction to baseline is fully necessary.

A second consideration is the growth of rental costs being borne by existing voucher holders. The current budget projections do not factor in any increase to current payment standards, which have been in place since 2009. We are concerned about the impact of this increasing shelter burden on limited income households. A payment standard increase will also be considered early in 2014 once final funding levels are known and the trade-offs between serving more households and reducing the shelter burden for program participants will be discussed with the Board.

Staff's best estimates using current cost projections and a 94% prorate results in a preliminary availability of approximately \$8.0 million in MTW working capital after HAP and administrative costs of the Section 8 program have been paid. KCHA also has roughly \$11.3 million in unexpended capital funds available for eligible purposes during 2014. Current budget projections indicate that all MTW working capital generated will be expended on eligible activities during FY 2014, including the public housing funding gap, supportive housing programs, resident services, capital projects and the administrative costs of the program. Due to the flexibility provided between various fund groups we project that there will be sufficient funds to support all proposed activities within the federally funded portfolio of programs in 2014.

There is also significant activity planned and ongoing in the Asset Management and Development portfolios for 2014. At the end of 2013 these initiatives were in full swing:

- Acquisition of the 147 (in King County) units in the Chausee portfolio. 2014 will see the integration of these units into KCHA as well as the acquisition of the non-King County units by the other housing authorities participating in this deal. We are currently anticipating that KCHA will likely be the initial owner of the Bremerton property but that all the other properties will remain off KCHA's books. The Bremerton results will not be included in the December budget resolution but may be added at mid year should KCHA assume ownership.
- The anticipated financing or refinancing of 21 separate properties into a single, \$85 million pool managed by Key Bank. This 20 year loan will have debt service of approximately \$6.0 million per year and a very attractive fixed interest rate currently estimated at 3.6%. Over the next 10 years, it is estimated that this transaction will save the Authority \$6.7 million in debt service on the existing properties thus allowing it to support the \$19 million Chausee portfolio which, on its own, could not maintain required debt coverage while keeping rents affordable.

- Gilman Square, which will be discussed at the November meeting, is currently being negotiated. This 125-unit property, in walking distance to downtown Issaquah and next door to an elementary school is a very attractive acquisition which matches KCHA's goal of having affordable housing in opportunity areas. It would be KCHA's first family development in Issaquah, but is far from a done deal.
- Although the final rental phase of KCHA's HOPE VI projects was completed with the opening of Fairwind at Seola Gardens, the home ownership phase is just beginning. 54 lots have been sold at Seola and 64 sold at Greenbridge. Staff is budgeting an additional \$2.96 million in lot sales for 2014. Funds will be used to pay external and internal loans associated with the infrastructure at the sites. Any remaining funds will be dedicated to eligible public housing purposes.
- The Development Department is working on two new construction projects: Vantage Pointe, a 77-unit senior development in Renton, and the Notch properties, a potential assisted living building next to Greenbridge. Vantage Pointe is expected to secure financing and begin Phase I construction during the year.
- The Department continues to search for acquisitions; however, the market for apartments in our target area is pushing \$200 thousand per unit, too costly to be supported by affordable rents without significant equity from either the Authority or through a pooled refinance of other, less debt-burdened properties. Many of the available properties for this purpose have already been combined into the \$85 million Key Bank loan.

Capital expenditures across the entire portfolio currently are projected at \$35 million excluding development activities. This total is managed by the following departments:

- Capital Construction-\$17.881 million. Activities include \$6.9 million spent at the 509 properties to be funded from the \$18 million KCHA loan originated in August 2013 with funds drawn from the FHLB. In addition, there are numerous site improvements, building envelope, energy efficiency and sewer line replacements at public housing sites totaling \$8.6 million. MTW and Capital Fund grants should cover this amount but some projects may be deferred pending confirmation of funding availability.
- Asset Management-\$11.460 million in non-routine maintenance and capital projects scattered throughout most projects in the Bond Portfolio. Operations and reserve draws are available to cover all of these costs.
- Housing Management-\$5.666 million, primarily in unit upgrade costs incurred by KCHA's force account. This is much higher than prior years due to the inclusion of 84 units at a single site-Valli Kee. In addition, 135 other upgrades are planned in public housing and project-based Section 8 sites, moving the

annual goal from 150 units to 219. Capital funds and operational cash-flow are the designated funding sources for this activity.

The infrastructure of the Authority continues to be strengthened, particularly with several major technology upgrades requested in the 2014 budget:

- New housing management software will be installed replacing the current version used since 2004. The Board has already reserved necessary funding for this critical upgrade.
- Approximately 3 million documents will be scanned and indexed in the Section 8 department, mirroring a project already completed in the public housing offices. When finished, paper copies will no longer be maintained, easing the burden on staff to file and re-file tenant records and allowing for a more efficient use of these digital records for audit and review purposes.
- A new telephone system will be installed in the central campus with new features allowing video conferences and call monitoring. It replaces a system in place since 2000.

Due to these initiatives, the budget for the Information Technology department is estimated to top \$2.8 million in FY 2014, a \$600 thousand increase over 2013. The next five years should see a lower investment in technology, as all major applications will now be in place.

As of this date, there are requests for 8.75 net new employees in a variety of departments throughout the Authority. Of this total, 3.75 are temporary maintenance mechanics working at the Authority's Valli Kee force account project which will end in December 2014. The decision as to whether to include the balance of the requests in the final budget is pending completion of final cost projections across operating and capital programs.

Excluding any additional FTEs, the estimated costs of the current employee base in the 2014 budget will be \$31.1 million, an increase of 3.3% over FY 2013 budget projections. Personal service costs continue to inch up as KCHA maintains both annual cost of living increases and merit increases for its staff. The COLA in effect in FY 2014 has already been approved by the Board and is 1.4% for non-represented employees. Negotiations are underway to extend this same increase to union members. The Authority's medical plans, managed by the State of Washington, required very low increases for 2014, with KCHA's contribution to health care increasing less than 1%; KCHA's average contribution is \$12,167 per employee. The average employee contribution will rise by \$2 per month to \$94. The exception to the moderate increases in employee costs is PERS, the Washington State retirement plan. Rates now are 9.21% of employee salaries; last year this rate was 7.21%. Each percentage point translates to roughly \$225 thousand in additional expense. KCHA will be drawing \$71 thousand in funding from a reserve previously established to deal with significant spikes in annual costs. Importantly, the Washington State retirement system is one of the most fiscally sound public pension plans in the nation.

The Authority is currently conducting a market survey to confirm or revise the existing salary range structure and/or to change ranges for individual positions. No budget has been allocated to implement the potential results. Staff would have to actually be below the range proposed for their position to see a change in pay in 2014; any market survey is more likely to raise the earning potential for incumbents over time.

As this complex budget continues to come together, especially during the next week, staff will be working on YE 2014 cash projections for the major MTW and COCC fund groups. These estimates will be included in the presentation made at the November Board meeting.

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KING COUNTY HOUSING AUTHORITY

TO: Board of Commissioners

FROM: Craig Violante

DATE: November 4, 2013

RE: New Bank Accounts

Since the last Board meeting KCHA has opened 12 new bank accounts. All are necessary as three housing sites—Colonial Gardens, Alpine Ridge and Heritage Park—exited tax credit ownership on November 1st and have joined KCHA's bond portfolio. As each property is now in the direct ownership of KCHA, new accounts are needed.

Depository Accounts –

- **KCHA Colonial Gardens Depository Account**
- **KCHA Alpine Ridge Depository Account**
- **KCHA Heritage Park Depository Account**

Bank: Bank of America

Purpose: These new commercial checking accounts are set up in the name of KCHA only, and will be used to collect payments from tenants. After outside property managers present invoices to KCHA, funds will be transferred from these accounts to operating accounts, on which the property management company can make disbursements to pay the invoices. Transactions will include tenant deposits, wire transfers to the Operating Accounts and check writing for excess cash to KCHA.

Security Deposit Accounts –

- **KCHA Colonial Gardens Security Deposit Account**
- **KCHA Alpine Ridge Security Deposit Account**
- **KCHA Heritage Park Security Deposit Account**

Bank: Bank of America

These new commercial checking accounts will be used to hold security deposits for the apartment complexes listed above. Transactions will include and be limited to deposits from the depository accounts and transfers to the operating accounts. KCHA policy requires tenant security deposits and the practice is to hold Bond Property security deposits in separate bank accounts.

Operating Accounts –

- **KCHA Colonial Gardens Operating Account**
- **KCHA Alpine Ridge Operating Account**
- **KCHA Heritage Park Operating Account**

Purpose: These new commercial checking accounts will be used for ongoing operations of each apartment complex. After invoices are presented to KCHA, funds are transferred from depository accounts into the operating accounts and disbursements are then made out of the operating accounts to pay the invoices. Transactions will include deposits, check writing and wire transfers from the Depository Accounts.

Replacement Reserve Accounts –

- **KCHA Colonial Gardens Replacement Reserve Account**
- **KCHA Alpine Ridge Replacement Reserve Account**
- **KCHA Heritage Park Replacement Reserve Account**

Purpose: These new commercial checking accounts will be used to hold replacement reserve funds for each apartment complex listed above. Transactions will be limited to deposits and transfers to the Operating Account.

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KING COUNTY HOUSING AUTHORITY

TO: Board of Commissioners

FROM: Linda Riley 

DATE: October 22, 2013

RE: 3rd Quarter 2013 Summary Write-Offs

For the 3rd Quarter of 2013, total routine write-offs are \$23,457.12 compared to \$44,645 in the same period last year. A large portion of the write-off amount, \$9,780, is related to evictions. A breakdown of the accounts written off is listed below. The net collections remitted from our collection agency are \$1,073.05 or approximately \$775.00 higher than this period last year.

	ROUTINE WRITE-OFFS	RETRO-RENT WRITE-OFFS	TOTAL WRITE-OFFS
Rent Balance Forward to Vacate Month	11,526.19		11,526.19
Retro Rent	-		-
<u>VACATE CHARGES:</u>			
Rent Delinquent in Vacate Month	2,967.61		2,967.61
Cleaning & Damages	13,942.98		13,942.98
Paper Service & Court Costs			-
Miscellaneous Charges	101.34		101.34
Total Charges	<u>28,538.12</u>	<u>-</u>	<u>28,538.12</u>
<u>CREDITS:</u>			
Security Deposits	(3,250.00)		(3,250.00)
Miscellaneous Payments & Credits	(1,831.00)		(1,831.00)
Total Credits	<u>(5,081.00)</u>	<u>-</u>	<u>(5,081.00)</u>
TOTAL	<u>\$ 23,457.12</u>	<u>\$ -</u>	<u>\$ 23,457.12</u>
Public Housing	14,385.16		14,385.16
Asset Management			-
Preservation			-
Harrison House	1,945.03		1,945.03
Green River			-
Egis	4,163.95		4,163.95
Soosette Creek	2,962.98		2,962.98
	<u>\$ 23,457.12</u>	<u>\$ -</u>	<u>\$ 23,457.12</u>

* for those properties which have accounts written off.

**Write-off and Collection Summary
2011 - 2013**

NET WRITE-OFFS			
	2013	2012	2011
January to March	5,427.11	14,364.63	20,756.52
April to June	11,417.43	23,231.03	13,492.61
July to September	23,457.12	44,645.46	8,897.46
October to December		36,720.43	12,760.71
TOTAL	40,301.66	118,961.55	55,907.30

NET COLLECTIONS			
	2013	2012	2011
January to March	530.51	1,647.38	874.75
April to June	1,029.32	699.56	2,358.02
July to September	1,073.05	297.50	345.00
October to December		246.84	3,012.61
TOTAL	2,632.88	2,891.28	6,590.38

****Detail by tenant is available by request.


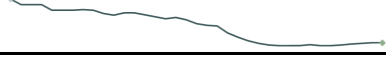


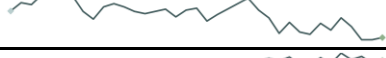
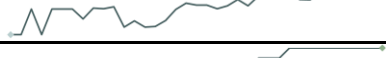







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King County Housing Authority Executive Dashboard

3rd Quarter Dashboard: July 1 - September 30, 2013

	actuals sept 10 - sept 13	sept 2013	target	3-yr avg	3-yr high	3-yr low
Finance						
LGIP Rate		0.12%	0.09%	0.17%	0.30%	0.11%
Non-LGIP Investment Rate		0.72%	0.65%	1.02%	1.50%	0.67%
Revenue to Budget ¹ (Budgeted \$108m)		98%	100%	99%	104%	93%
Expenditures to Budget ¹ (Budgeted \$92m)		98%	100%	96%	100%	93%
Property Management						
Public Housing Occupancy Rate (3,047 units)		97.9%	98.0%	98.6%	99.2%	97.9%
Local Program Occupancy Rate (4,893 units)		98.5%	96.5%	98.1%	98.8%	97.0%
KCHA Units Owned Online		8,647	8,735 ²	8,510	8,647	8,380
Section 8 Operations						
Utilization Rate ³ (Vouchers Leased: 9,265)	 ●	104%	100%	102%	106%	96.2%
Shopping Success Rate (New vouchers issued 2nd Q '13: 95)		82%	>85%	89%	100%	78%
Households Paying >40% Income to Rent (n = 2,204)	 ●	20%	<26%	20%	24%	18%
Exit Data						
Positive Exits		29%	>25%	31%	50%	9%
Negative Exits		31%	<20%	20%	31%	9%
Total Monthly Exits		55	–	58	109	32

● Denotes indicators of interest

¹ Not reflective of mid-year adjustments

² Projected total units by 12/31/13

³ Adjusted for 12-month incremental lease-up of new vouchers

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Open house about Lora Lake cleanup is set for Nov. 7

Washington Department of Ecology officials say they will remove some toxins at the Lora Lake Apartments cleanup site in Burien and leave and cap the rest.

A public comment period began Monday on the plan, which is one of the last steps in the long and strange tale of the Lora Lake Apartments.

Residents were forced to leave the complex in 2007 as part of Sea-Tac Airport's third runway project. The apartments were too close to the flight path.

Low income housing officials and King County leaders fought the decision to close the apartments and a short social justice campaign involving several

groups began.

It wasn't until after that fight was over and the Port of Seattle had acquired the property that it was learned the soil had been severely contaminated with toxins including cancer-causing dioxins. Investigators determined the contamination came from an industrial barrel-cleaning operation back in the 1940s.

The Port of Seattle demolished the buildings and was left with the clean up. It will now split the cost with the Department of Ecology. The plan is to dig up and remove the most contaminated areas and cover the rest with clean dirt and a protective cover to keep out rain and

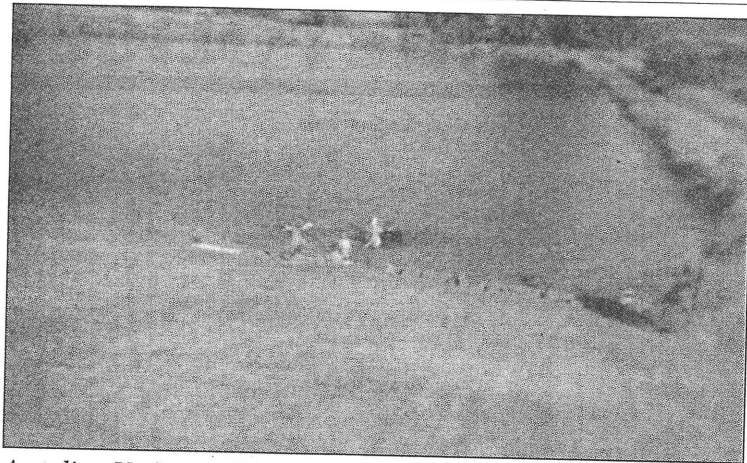
reduce runoff.

The apartments' namesake, Lora Lake, is also contaminated with dioxins and will be filled in and restored to a wetland. That's what it was before it was turned into a lake as part of a peat mining operation in 1940s.

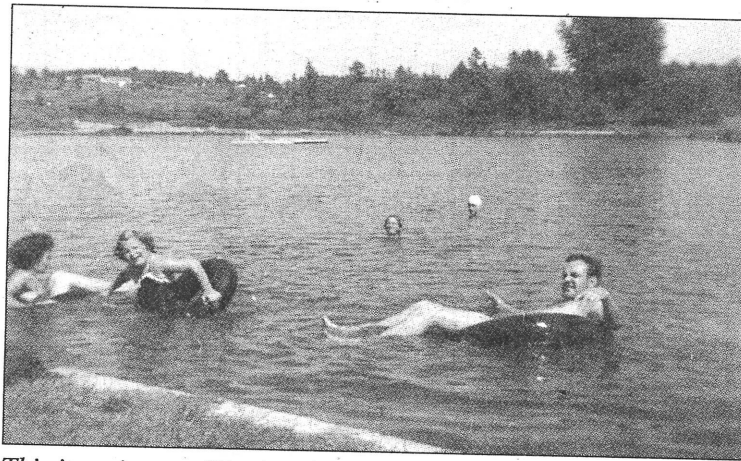
The public comment period officially opened Monday and the plan is available for public review at <https://fortress.wa.gov/ecy/gsp/Sitepage.aspx?csid=2008>.

The Department of Ecology and Port of Seattle will also host an open house on November 7 at 7:00 p.m. at the Highline School District's Educational Resources and Administration Center, 15675 Ambaum Blvd. SW in Burien.

-- continued --



Angelina Vacca said this was a picture of land clearing for their new home in 1959. The lake had been there more than 10 years.



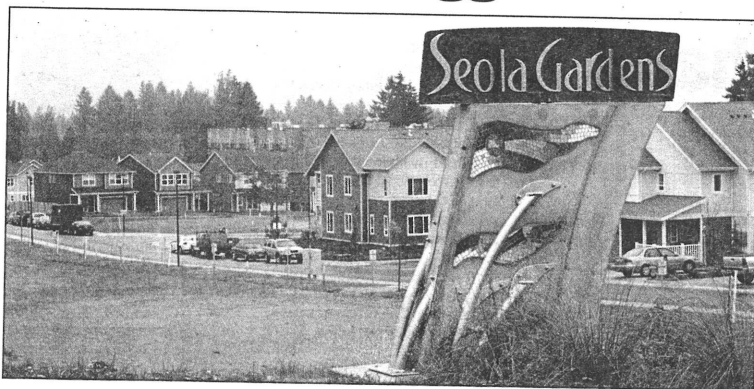
This is a picture of Patti and Donna Vacca enjoying the lake on a summer day probably late '50s or early '60s. Man and others are unidentified.



Lora Lake was constructed from land owned by Frank Anderson in 1948 (circa) and named for his mother Lora Anderson. It was about 12 feet deep at the center with a shallow perimeter. Many youngsters enjoyed swimming until the early '70s when the Airport began expanding. Today it is owned by the Port of Seattle laying fallow and overgrown, a victim of the third runway.

courtesy of Angelina Vacca and Highline Times.

Seola Gardens completion celebrated by all, from 'biggest to the littlest'



Ty Swenson

Seola Gardens is a mixed-income housing project located in White Center built by King County Housing Authority through a mixture of public and private funding. A ceremony on Oct. 25 marked the completion of Fairwind, the affordable rental units contained within.

By Ty Swenson

An impressive showing of elected officials arrived in White Center on Oct. 25 to celebrate and speak on the completion of 177 affordable housing apartments (known as Fairwind) at Seola Gardens, located on 5th Ave. S.W. just east of Lakewood Park in White Center.

We'll get to those statements soon, but first we'd like to share the words of Neva Ellison-Long, a resident at Seola.

"I am honored to be here today," Ellison-Long said as emotion rose in her voice. "I really and truly do appreciate everything that every person in this room, from the biggest to the littlest, has done for me and my family."

Ellison-Long had a speech prepared but decided to crumple it up and shove it into her pocket, opting instead to speak from her heart.

"I am legally blind and I have three children ... my husband Tyrone is here with me, we have been married for 17 years, my special-needs son is Julius Long (who was also in attendance). Seola Gardens is the best in my book, no matter what ... you have made a difference in my life."

"We struggled and ... we had issues ... with things such as high rent and the floods we had to deal with, we had bug issues and all these other things in our home in Auburn," she said. The Longs lived in a cramped two-bedroom apartment with no handicap accessibility before being accepted into Seola Gardens.

"It just seems like once we got here all of that instantly wiped away," she said. "Once the call came (accepting their application), my prayers were answered and I

can't thank you all enough."

King County Housing Authority, the main force behind the new development, describes the transition as such: "Formerly, Seola Gardens was a 165-unit deteriorating public-housing complex called Park Lake Homes II. Its redevelopment, in tandem with its sister property Greenbridge, is part of the Housing Authority's strategy to support the overall revitalization of White Center, one of the poorest areas of King County. The redevelopment of the two sites will create home-ownership opportunities for 480 families, significantly altering the income mix in the neighborhood and generating an estimate \$2.03 million annually in property taxes."

King County Councilmember Joe McDermott, representing White Center, took the stage

and welcomed families into Seola Gardens, including a handful who lived in the Park Lake Homes II project before the transition.

"Today in particular we are celebrating the grand opening of Fairwind," he said. "87 homes, 87 homes and to each one of those residents I say, 'Welcome home.' And to 15 of those families in particular I say, 'Welcome back.'"

"Today, in this place, stands a beautiful, well designed and well built urban community," King County Executive Dow Constantine said. "This project includes 177 units of rental housing and more than 100 units of homes for sale, a new community center for onsite services and recreational social events for people of all ages, a redesigned Head Start facility for the children of White Center, p-patch gardens, new parks and a trail system."

"Most of all, Seola Gardens is about community: the amazing and diverse White Center community," Constantine said. "The mixed-use and mixed-income housing is one piece of the Neighborhood Revitalization Strategy Area Plan, a vision for attractive and affordable housing and reduced crime and increased economic development."

U.S. Congressman Jim McDermott also attended, and said, "I want to congratulate not only the public and the private partners who put this together financially, but the people who actually worked and did the work: this is your day."

1450 people, representing 40 different trades, worked on the project that spanned several years.

"We have created a community in the middle of an area of Seattle that hasn't been sort of the center of anything," Congressman



Patrick Robinson

Momentarily overcome with emotion, Neva Ellison-Long expressed her sense of gratitude to everyone, "from the biggest to the littlest" who made her new living situation possible at the dedication ceremony for Seola Gardens near White Center on Oct. 25.

McDermott said. "But White Center is now – and the Seola Gardens is a big part of that – is a demonstration that as a society we can honor the common good and take care of one another."

In addition to federally-subsidized affordable rental housing and mixed-income homes for sale, Seola includes Joseph House, a 65-unit complex for seniors. Additional amenities for residents include job assistance and computer literacy training put on by YWCA and Highline Community College ESL classes. Neighborhood House provides after school homework help, and the Technology Access Foundation Bethadaya Space just next door provides STEM (science, technology, engineering and math) training for students of color throughout White Center.

According to King County Housing Authority around \$300 million in private and public funds have been used to build Seola Gardens and Greenbridge in White Center over the past decade.

Financing for Seola Gardens:

HOPE VI - \$20 million
Section 202 - \$8.297 million
Section 8 - 10 project-based units
Housing Trust Fund - \$1.5 million.
Low-Income Housing Tax Credit
Equity - \$28 million
ARRA - \$1.107 million
King County - \$6 million

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William Wright Photography

Final 87 apartments open at Seola Gardens

The King County Housing Authority last week cut the ribbon on the final 87 apartments at Seola Gardens in White Center. The neighborhood borders Lake-wood Park at Fifth Avenue Southwest and Southwest 109th Street.

Seola Gardens is a redevelopment of the old 165-unit public housing complex called Park Lake Homes II. It has 177 new units of subsidized rental housing, various amenities and 108 for-sale homes scheduled for completion by early 2016.

Housing types include single-family homes, attached townhomes with front porches and mid-rise senior apartments.

Site development — utilities, roads, trails, playgrounds, fences and community gardens — has been completed.

The Head Start center was remodeled and the 6,500-square-foot community center provides after-school, job assistance and ESL programs.

The community was redeveloped to serve a broader mix of income levels, while replacing federally subsidized units for low-income households. All previous tenants who were in good standing were given the option of returning.

Seola Gardens received a 2013 Green Hammer award from the Master Builders Association of King and Snohomish Counties for its environmentally sustainable design, construction and operations.

KCHA used rain gardens and a pond that cleans surface water before it leaves the site. All rental units take advantage of natural light, are energy-efficient and are wired for solar power.

Funding sources were: \$28 million in Low-Income Housing Tax Credit equity, \$20 million from the HOPE VI program, \$8.3 million from the Section 202 program, \$6 million from King County, \$1.5 million from the Housing Trust Fund, and

\$1.1 million in federal stimulus money.

Here's the project team: KCHA, master developer; Walsh Construction, general contractor; Richmond American Homes, homebuilder (first 54 homes); GGLO, architect; KPFF and Goldsmith, civil engineers; and Nakano and Associates, landscape architect.

Seola Gardens' redevelopment, in tandem with its sister property Greenbridge, is part of KCHA's strategy to revitalize White Center, one of the poorest areas of King County. The redevelopment of the two sites is creating homeownership opportunities for 480 families, significantly altering the neighborhood income mix and generating about \$2.03 million annually in property taxes.

KCHA has invested about \$300 million in private and public funds over the past 10 years to build housing and expand community services in the two neighborhoods.