MEETING OF THE BOARD OF COMMISSIONERS

November 17, 2014, 8:30 a.m.
King County Housing Authority
Snoqualmie Conference Room
700 Andover Park W
Seattle, WA 98188

A G E N D A

I. Call to Order

II. Roll Call

III. Public Comment

IV. Approval of Minutes **1**

Board Meeting Minutes – October 13, 2014
Board Special Meeting Minutes – October 17 and 18, 2014

V. Approval of Agenda

VI. Consent Agenda

A. Voucher Certification Report for September 2014 (General and Bond Properties) **2**

B. Resolution No. 5485: Authorizing the Executive Director to enter into an Interlocal Agreement with the Housing Authority of the City of Tacoma for acquiring Real Estate Financial Services **3**

C. Resolution No. 5486: A Resolution of the Housing Authority of the County of King evidencing the intent to implement statutory protections under the Housing for Older Persons Act regulations at Vantage Glen, Rainier View, Harrison House, Westminster Manor and North Lake House **4**

VII. Resolutions for Discussion & Possible Action

A. Resolution No. 5487: Acknowledging receipt of the Post Audit Reports for the period January 1, 2013 through December 31, 2013 **5**

VIII. Briefings & Reports

A. Third Quarter 2014 Summary Write-offs **6**

B. New Bank Accounts **7**

C. Third Quarter 2014 Financial Statements **8**

D. Draft 2015 Budget Presentation **9**

E. Third Quarter 2014 Procurement Report **10**

F. Briefing Update on the Non-Smoking Policy in KCHA's Subsidized Properties **11**

G. Third Quarter 2014 Executive Dashboard Report **12**

H. Executive Director's Report

IX. Commissioner Comments

X. Adjournment

Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to notify the Board Coordinator, Jessica Olives, in writing at 600 Andover Park West, Seattle, WA 98188 or by calling 206-574-1194 prior to the meeting date.

<u>Next Board Meeting:</u>
Monday, December 15, 2014

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

Monday, October 13, 2014

I. CALL TO ORDER

The special meeting of the Board of Commissioners of the King County Housing Authority was conducted via conference call. There being a quorum, the meeting was called to order by Chair Doug Barnes at 8:36 a.m. on Monday, October 13, 2014, at the King County Housing Authority Administrative Offices, 700 Andover Park West, Tukwila, WA.

II. ROLL CALL

Present: Commissioner Doug Barnes (Chair), Commissioner Susan Palmer *(attended in person)*, Commissioner TerryLynn Stewart, Commissioner Richard Mitchell and Commissioner Michael Brown

Staff: Stephen Norman (by phone), Craig Chang, Claude DaCorsi, Connie Davis, Kathryn Escudero, Sean Heron, Megan Hyla, Dan Landes, Jessica Olives, Nikki Parrot, Jennifer Ramirez Robson, Mike Reilly, Craig Violante, Tim Walter, Dan Watson, Kristin Winkel, and Wen Xu

III. PUBLIC COMMENT

None.

V. APPROVAL OF MINUTES

On motion by Commissioner Mitchell, seconded by Commissioner Stewart, which motion duly carried by unanimous vote, the Board approved the minutes from the Board of Commissioner's Special meeting of September 15, 2014.

VI. APPROVAL OF AGENDA

On motion by Commissioner Brown, seconded by Commissioner Mitchell, which motion was duly carried by unanimous vote, the Board approved the October 13, 2014 Board of Commissioners' agenda.

VII. CONSENT AGENDA

A. Voucher Certification Report for August 2014 (General and Bond Properties)

GENERAL PROPERTIES	
Bank Wires/ACH Withdrawals	5,136,358.16

	Subtotal	***5,136,358.16***
Accounts Payable		
Checks - #243051 - #243782		4,146,380.15
	Subtotal	***4,146,380.15***
Payroll Vouchers		
Checks - #83354 - #83440		91,735.06
Direct Deposit		1,830,805.32
	Subtotal	***1,922,540.38***
Section 8 Program Vouchers		
Checks - #605951 - #606637		289,771.45
ACH - #282964 - #286106		9,185,887.59
	Subtotal	***9,475,659.04***
Purchase Card/ACH Withdraw		226,255.27
	Subtotal	**226,255.27**
	GRAND TOTAL	***20,907,193.00***
BOND PROPERTIES		
Bond Properties Total (30 different properties)		***3,616,303.03***

B. Resolution No. 5483 Relating to the Salary Schedule for Housing Authority Employees; authorizing a pay increase of 2% effective at the beginning of the first two-week pay period occurring entirely in November

On motion by Commissioner Palmer, seconded by Commissioner Stewart, which motion was duly carried by unanimous vote, the Board approved the Consent items.

VIII. RESOLUTIONS FOR DISCUSSION AND POSSIBLE ACTION

A. Resolution No. 5484 Approval of the King County Housing Authority's Moving to Work Annual Plan for FY 2015

Katie Escudero, Moving To Work Policy Analyst, briefed the Board on the KCHA's final FY 2015 Moving To Work Annual Plan for submission to the Department of Housing and Urban Development. Ms. Escudero explained the modifications made to the Plan, since the last Board briefing and provided details regarding stakeholder outreach.

All questions raised by the Commissioners were satisfactorily addressed by staff.

On motion by Commissioner Brown, seconded by Commissioner Palmer, which motion was duly carried by unanimous vote, the Board approved Resolution No. 5484.

VIII. BRIEFINGS & REPORTS

A. New Bank Accounts
Craig Violante, Director of Finance, reported that the Housing Authority had opened one new bank account in relation to the Windsor Heights Apartments. Mr. Violante mentioned that this is a checking account that will be used to receive and hold property income.

B. Executive Directors Report
Stephen Norman announced that KCHA received 92 Veteran Affairs Supportive Housing Vouchers.

XI. COMMISSIONER COMMENTS

Chair Barnes stated that during the Board Retreat scheduled for October 17 and 18, 2014 Commissioners will have the opportunity to interact and have an informal discussion on a range of topics. Mr. Barnes also mentioned that two guest speakers will join the Board to discuss regional perspectives.

XV. ADJOURNMENT

On motion by Commissioner Palmer, seconded by Commissioner Mitchell, which motion was duly carried by unanimous vote, the Board adjourned the meeting at 8:59 a.m.

THE HOUSING AUTHORITY OF THE COUNTY OF KING, WASHINGTON

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DOUGLAS J. BARNES, Chair
Board of Commissioners

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STEPHEN J. NORMAN
Secretary

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

October 17 and 18, 2014

I. CALL TO ORDER

The special meeting of the Board of Commissioners of the King County Housing Authority was called to order by Commissioner Doug Barnes at 6:02 p.m. on Friday, October 17, 2014, at Anthony's HomePort, located at 421 S 227th St, Des Moines, Washington.

II. ROLL CALL

Present: Commissioner Doug Barnes (Chair), Commissioner Michael Brown, Commissioner Richard Mitchell, Commissioner Susan Palmer, and Commissioner TerryLynn Stewart

Staff: Stephen Norman, Connie Davis, Sean Heron, Megan Hyla, Jennifer Ramirez Robson, Mike Reilly, Tim Walter and Dan Watson

Guests: Gina Bartlett, Consensus Building Institute

III. DISCUSSION

The board and staff discussed the current context and strategic goals related to the operations of the Authority. Topics covered included the prioritization of housing programs, efforts to expand the supply and geographic distribution of the agency's housing resources, and partnerships to improve life outcomes of KCHA residents. Program income and expense trends, staff development and leadership succession planning were also discussed. Background materials provided to the Board are attached. Handouts are attached to this minutes report. No final action was taken during the meeting.

IV. RECESS

On motion by Commissioner Mitchell, seconded by Commissioner Brown, which motion was duly carried by unanimous vote, the Board agreed to recess at 8:31 p.m. and reconvene on October 18, 2014 at 9:00 a.m. at Wesley Homes Lea Hill, 32049 109th Place SE, Auburn, Washington.

V. CALL TO ORDER

The special meeting of the Board of Commissioners of the King County Housing Authority was reconvened by Commissioner Doug Barnes at 9:03 a.m. on Saturday, October 18, 2014, at Wesley Homes Lea Hill, 32049 109th Place SE, Auburn, Washington.

VI. ROLL CALL

Present: Commissioner Doug Barnes (Chair), Commissioner Michael Brown, Commissioner Richard Mitchell, Commissioner Susan Palmer, and Commissioner TerryLynn Stewart

Staff: Stephen Norman (Secretary), Bill Cook, Claude DaCorsi, Connie Davis, John Eliason, Sean Heron, Megan Hyla, Kristy Johnson, Donna Kimbrough, Gary Leaf, Nikki Parrot, Jennifer Ramirez Robson, Mike Reilly, Rhonda Rosenberg, Craig Violante, Tim Walter, Dan Watson, Kristin Winkel, and Wen Xu

Guests: Gina Bartlett, Consensus Building Institute, Andrew Lofton (Seattle Housing Authority), Michael Mirra (Tacoma Housing Authority) and one member of the public, whose name was not captured.

VII. DISCUSSION

The Board and staff discussed strategic goals of the Authority related to real estate development, geographic choice, strategies to address expanding needs with shrinking resources and the scope and delivery of resident services. Guests Andrew Lofton and Michael Mirra provided an overview of recently adopted and proposed policy changes at their agencies. Background materials provided by to the Board are attached. Handouts are attached to this minutes report. No final action was taken during the meeting.

VIII. ADJOURNMENT

On motion by Commissioner Stewart, seconded by Commissioner Mitchell, which motion was duly carried by unanimous vote, the Board adjourned the special meeting at 4:25 p.m.

THE HOUSING AUTHORITY OF THE COUNTY OF KING, WASHINGTON

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DOUGLAS J. BARNES, Chair
Board of Commissioners

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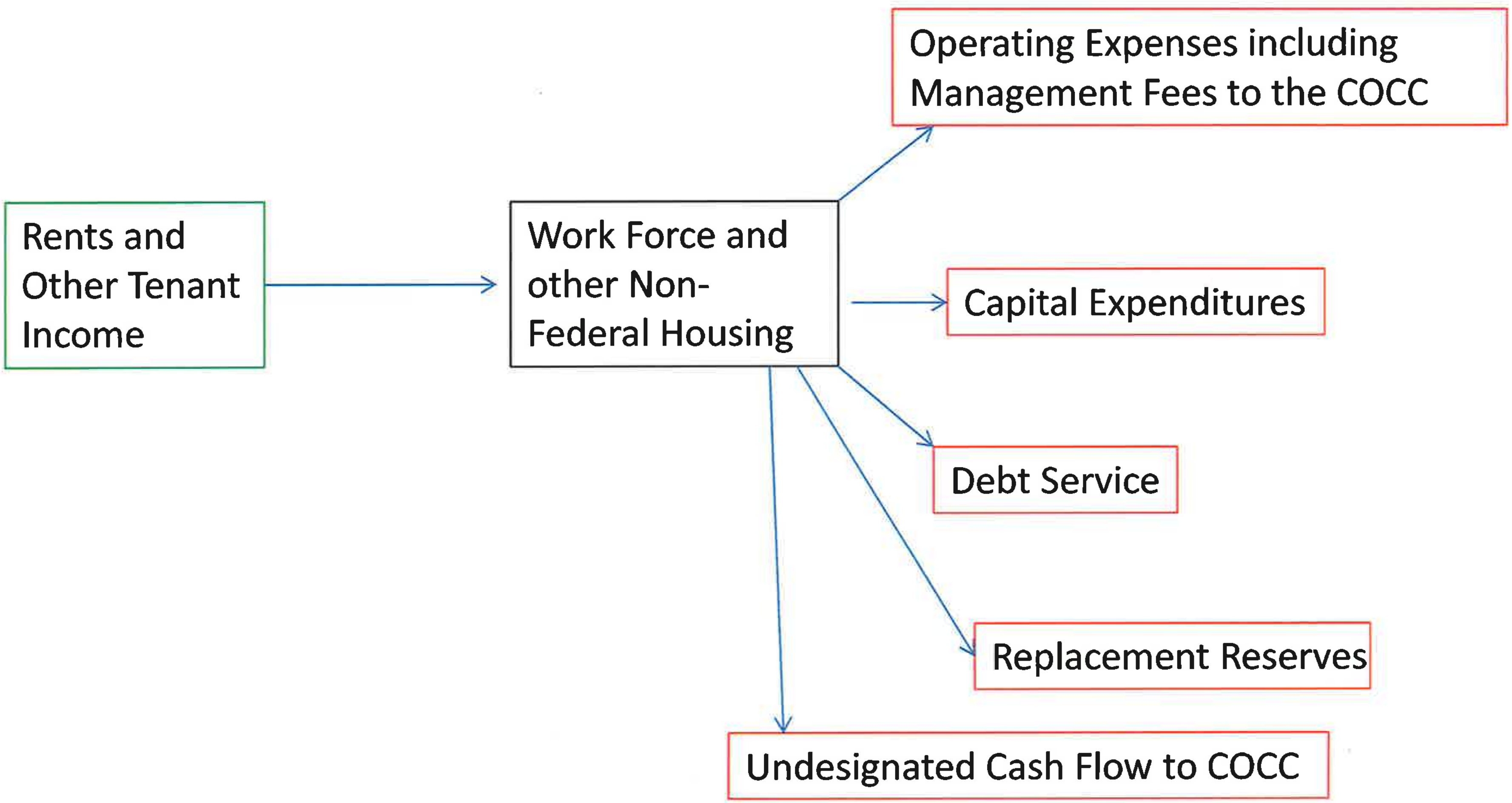
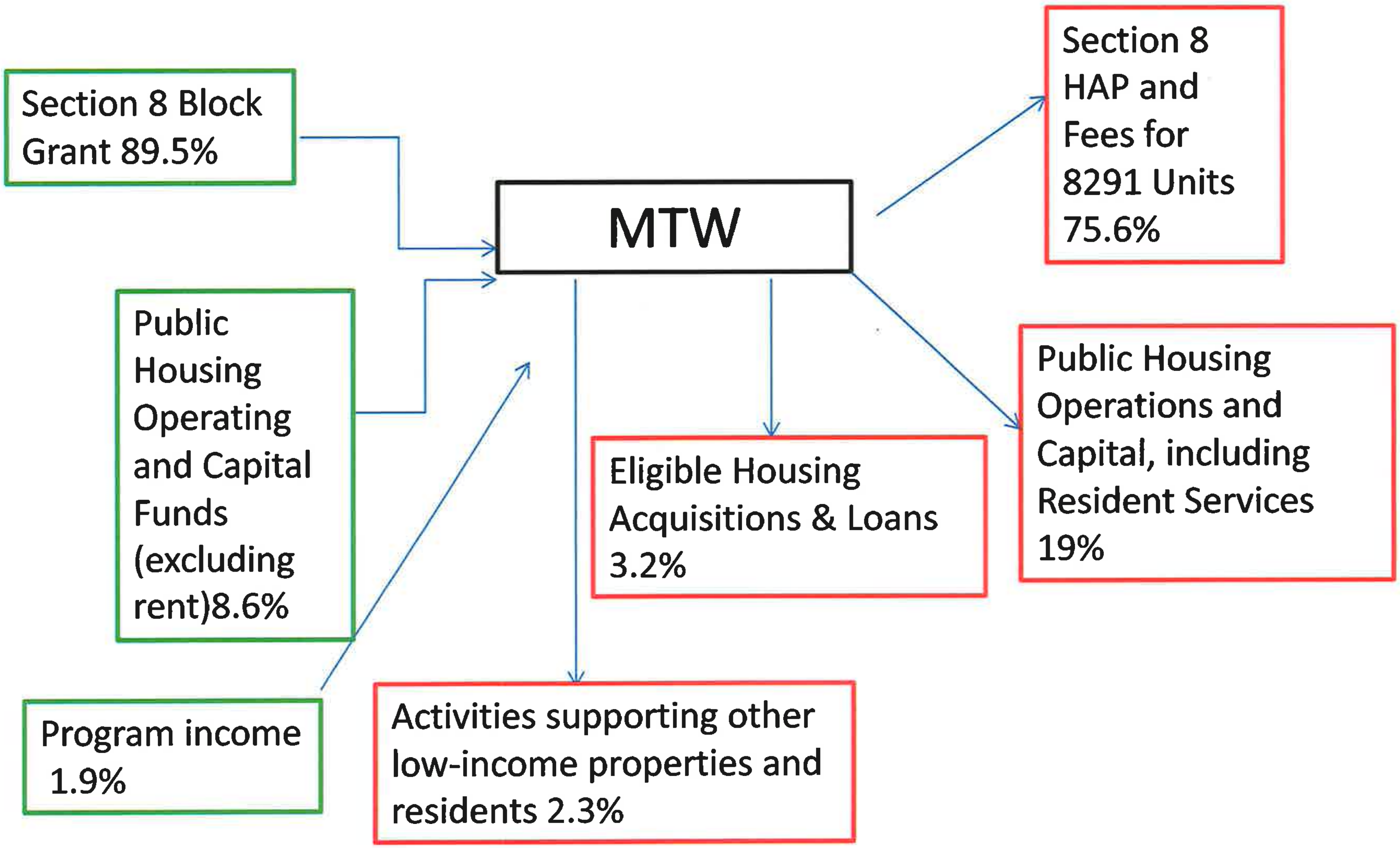
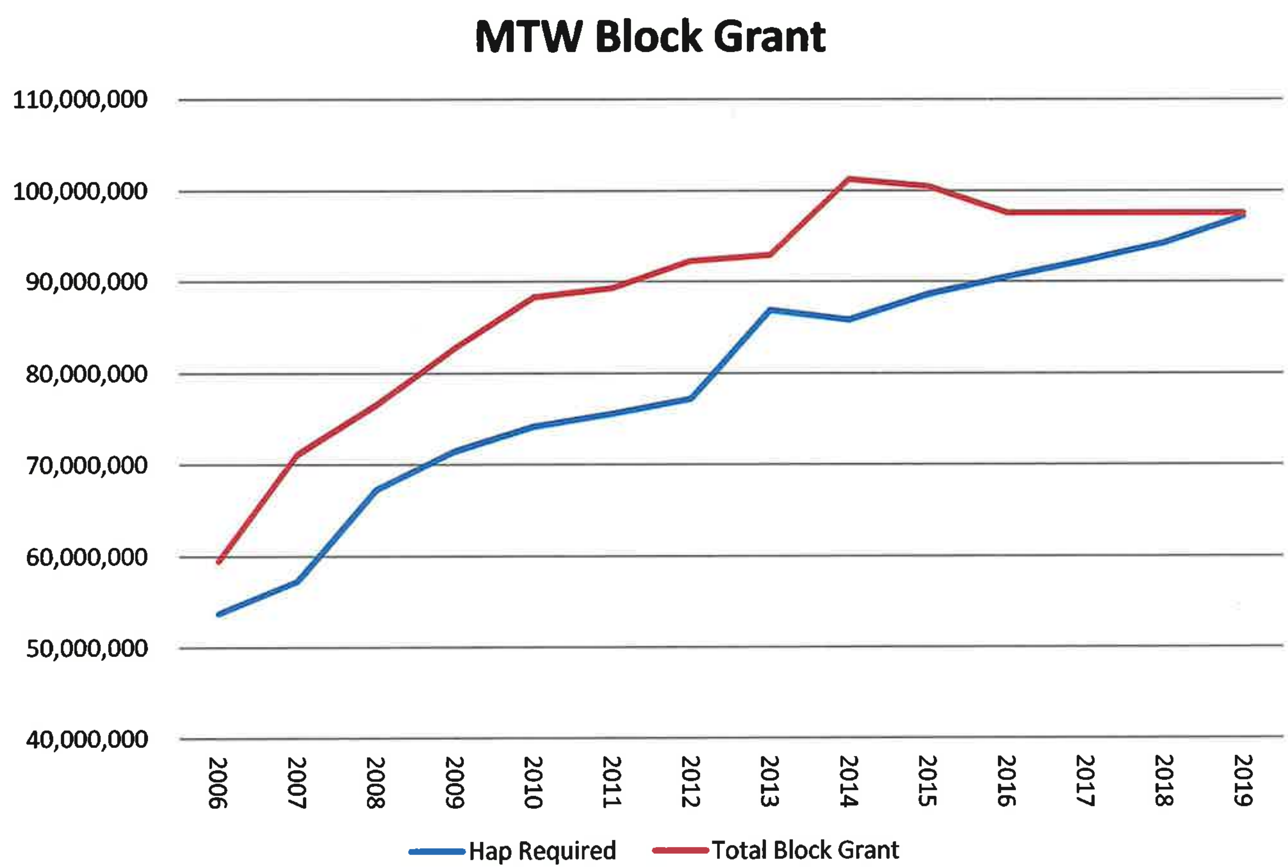
STEPHEN J. NORMAN
Secretary

Local Properties Sources and Uses of Funds



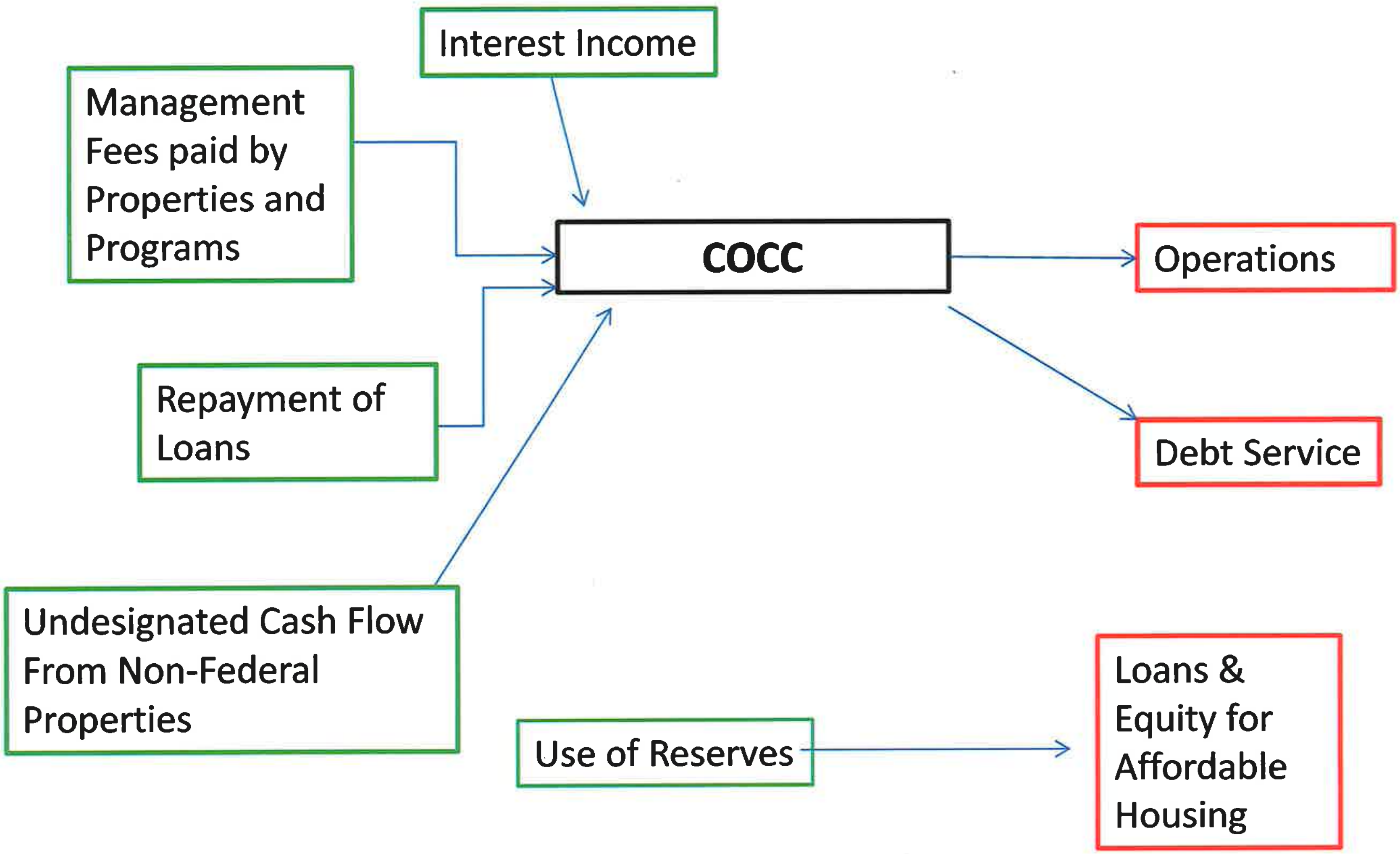
MTW Sources and Uses of Funds





MTW Block Grant
110,000,000
100,000,000
90,000,000
80,000,000
70,000,000
60,000,000
50,000,000
40,000,000
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
Hap Required
Total Block Grant

Central Office Cost Center (COCC) Sources and Uses of Funds



KCHA Briefing Paper – October 2014

Real Estate Strategy

Background:

KCHA's portfolio of affordable housing is one of the most diverse of any housing authority in the country. KCHA currently owns 125 different properties with a total of 8,932 units. This housing stock includes the federally subsidized units where rents are adjusted by household income, properties serving special needs populations with on-site services and work force housing units where rents are below market but support operating costs and debt service without subsidy. Building types include mid-rise (mostly senior) housing, garden style apartments, manufactured housing communities and single family homes. This diversity of housing types underpins KCHA's present business model.

KCHA is arguably at a transition point in its real estate development efforts. The redevelopment sites, surplus land, preservation opportunities and favorable real estate market conditions that have been key factors in developing this diverse portfolio are all changing. KCHA has redeveloped all of its large communities, has only one more surplus property for development (Windrose), and has preserved the vast majority of privately owned federally subsidized housing at risk of converting to market rents. Additionally, the favorable market conditions that facilitated KCHA's ability to purchase apartment complexes throughout the region with financing supported by rents no longer exist.

KCHA's Real Estate Development Strategy:

KCHA's acquisition and new development activities have been guided by the following four strategic objectives: 1) preserving and expanding the supply of housing affordable to extremely low-income households, 2) providing greater geographic choice, 3) revitalizing low-income communities and 4) supporting equitable regional development with new affordable housing in regional growth corridors with mass transit. But, by necessity, actual real estate development has been opportunistic, responding to individual property offerings and to Federal funding opportunities such as HOPE VI.

<u>Acquisitions</u>

In 1990 KCHA purchased the Cottonwood Apartments, an unsubsidized, privately owned apartment complex. This purchase set the Authority on a course that rapidly expanded the agency's portfolio of "workforce" housing where rents at acquisition support debt and over time reflect actual operating and debt service costs rather than market driven pricing. At 5,197 units, the portfolio of workforce units is large enough that if the public housing program disappeared tomorrow KCHA would remain one of the largest residential landlords in the region.

Funding for these acquisitions has involved bond issuances by KCHA, many of them guaranteed by King County, extensive use of the Federal Low Income Housing Tax Credit program and local (State and County) soft dollars (typically 0% -1% loans payable from excess cash flow or forgivable at the end of the compliance period). Most recently, acquisition financing has involved direct enterprise level bank debt for multiple properties backed by our corporate balance sheet.

KCHA's non-public housing properties have an asset value of roughly $600 million offset by approximately $200 million in outstanding debt. In 2015 these properties are expected to contribute almost $4 million in cash flow to KCHA's corporate balance sheet.

The acquisition of rental properties fulfills three strategic objectives for KCHA. **First**, they extend our affordable housing resources beyond the HUD programs, providing affordable housing to low wage working households, typically in the 40% to 60% of AMI range for developments financed with tax credits and 50% to 80% for properties financed with bonds alone. **Second**, through use of both project and tenant-based Section 8, these properties enable us to provide housing for extremely low income households in targeted higher opportunity neighborhoods. **Third**, as the assets mature over time they contribute significantly to our financial health, strengthening our balance sheet and ability to access capital, and providing a reliable stream of excess cash in support of the Authority's operations.

KCHA's acquisition strategy has focused on four types of properties:

> **First**, a preservation strategy directed primarily at properties with existing federal or state rent subsidies or restrictions that are expiring. Typically these are privately owned Section 8 projects where the expiration of federal contracts provide owners in high rent markets with the opportunity to "opt-out" and end project-based rental subsidies for the units. The most recent example of this is the Chaussee portfolio. KCHA's subsequent acquisition, Gilman Square in Issaquah, also falls into this category as a portion of the units were operated under State tenant rent restrictions that had recently expired, leaving existing low income households in those units vulnerable to significant rent increases.
>
> The **second** category consists of acquisitions in areas of the county where rising housing costs threaten the economic diversity of the community as well as the displacement of lower income non-subsidized households. This second category, targeted primarily at complexes with 100 units or more, comprises the largest single category of non-subsidized housing KCHA has acquired. Due to targeting over the past 15 years, the bulk of this inventory is located on the Eastside.
>
> KCHA has begun purchasing a **third** category of properties – smaller properties in higher cost opportunity zones. These properties are added to our public housing portfolio and "banked" federal public housing subsidies attached to the properties, making them available to extremely low income households. As these properties cannot support debt under the public housing program, acquisitions are funded through direct use of KCHA working capital or through the multi-year commitment of MTW proceeds to support debt.
>
> The **Fourth** category includes severely dilapidated properties where acquisition and rehabilitation is necessary to address blight and further community-wide revitalization plans. Acquisition of these properties is typically done in close coordination with local government.

> Examples of acquisitions that fall into this category include Arbor Heights (previously known as The Cones), in White Center, which was undertaken as part of the general Hope VI strategy for the neighborhood. The other example is Windsor Heights in SeaTac, which was a severely dilapidated property acquired by KCHA at the urging of the local community. As property values have increased across the county this type of intervention has become less frequent.

<u>New Development:</u>

In addition to acquisitions, KCHA has also built 836 units of new housing over the last 15 years. The bulk of this activity has taken place on existing KCHA owned properties where aging low density public housing was replaced under the HOPE VI program. KCHA also constructed Village at Overlake Station, a 308 unit complex on top of a County-owned Park and Ride lot in Redmond and is currently constructing Vantage Point, a 77 unit senior building on excess KCHA property in Renton.

Current Status, Strategic Issues, Opportunities and Challenges:

<u>Redevelopment of Public Housing Sites with Higher Densities:</u> With the completion of Greenbridge and Seola Gardens, no large public housing sites remain to be redeveloped at significantly higher densities.

<u>Surplus Land:</u> The development of banked KCHA owned sites is virtually complete. The Windrose project site adjacent to Greenbridge will conclude this pipeline. This project is currently in the site and infrastructure permitting stage for a four story, 80 unit senior facility. KCHA is exploring whether a Medicaid funded assisted living overlay makes programmatic and financial sense.

<u>Acquisitions:</u> This model has historically been our most efficient approach to expanding our inventory. Our traditional property acquisition approach, where rents are held to pre-purchase levels, is challenged by rising commercial real estate prices in King County. Purchase prices can no longer be carried by existing rents and modest infusions of equity. Increasing amounts of KCHA equity or more aggressive rents for at least a portion of the units may be necessary to help finance future acquisition deals. Even under current market conditions, however, property acquisitions at $150,000 to $225,000 per unit compare favorably to the $300,000 per unit cost of new construction when built by the Housing Authority under public works rules.

KCHA has responded to increased market prices in its last few deals through pooled refinancings that bundled new acquisitions with seasoned properties and took advantage of lowered interest rates. The refinancing of County credit-enhanced properties currently underway will conclude KCHA's ability to provide financing for additional acquisitions through this approach.

The strategy of acquiring smaller properties where banked public housing subsidies can be turned-on is also challenged by increased purchase prices, diminishing working capital and available excess MTW cash flow to either buy down purchase costs or support long term acquisition debt.

<u>Preservation</u>: With the acquisition of the Chaussee properties, the inventory of privately owned Section 8 properties in King County has diminished significantly. However, we estimate that there are still at least 12 additional properties, with 633 units, at risk of converting to market-rate housing. A separate

preservation category includes mobile home parks, where a significant number of homes may be at risk as the regional economy expands. According to a study KCHA conducted in 2008, there are approximately 142 manufactured housing communities -- 43% of which were rated as 'poor or fair' by the King County Assessor's Office -- with 9,934 individual units.

Transit Oriented Development (TOD): The Puget Sound region is establishing, albeit slowly, mass transit corridors. Extensive changes in land use and density along these corridors is anticipated over the next twenty years. Residential development is an integral part of this transformation and will be critical in both providing ridership for the emerging system and accommodating projected regional population growth and transportation needs. Suburban jurisdictions are interested in assuring some level of affordability as part of new housing development although local definitions of affordability are typically 80% of AMI or below. Potential roles for KCHA in these transit corridors range from land banking to providing development financing to actual housing development.

Unused Public Housing Operating Subsidy: The Authority has approximately 1,150 units of "banked" public housing. At the current 84% prorate these subsidies have the potential to provide up to $4.6 million annually in new rental assistance for extremely low income households.

Low Interest Rate Financing: KCHA is now an associate member of the Federal Home Loan Bank system, providing it with access to bank funds at low interest rates. The Authority has some experience, stretching over two decades, in providing financial assistance to non-profit housing developers through conduit bond financing, pre-development and working capital loans and New Market Tax credit equity.

Soft Financing: The availability of soft dollars to support housing development is a mixed bag. State Trust Fund dollars will in all likelihood remain constrained in the face of competing demand for infrastructure and education funding. Historically, the funding typically available from the County or local jurisdictions has been relatively limited. Funding available from the County may increase significantly by 2021 with hotel tax revenues coming on-line for housing, which may create additional opportunities for KCHA to acquire or develop new affordable housing. Most of KCHA's recent developments, including Greenbridge, Seola, Birch Creek and Green River relied to varying degrees on federal funding resources that are no longer available. A national housing trust fund has been authorized but not funded. While this funding may eventually become a reality it is not clear when.

Strategic Questions:

1. Developing Mixed Income Housing: While KCHA is authorized under state statute to develop and operate housing where no less than 50% of the housing is affordable to households earning less than 80% of AMI, unsubsidized rents at KCHA properties are typically affordable in the 60% of AMI range or lower. Depending on the deal, including higher market rents might improve financing feasibility and in others it might improve the likelihood of securing political support, especially with TOD projects. Should KCHA explore mixing higher rent units into new projects (acquisition and new construction) in order to expand opportunities for the development of affordable housing?

2. Accessing “banked” public housing subsidy: Public Housing and Section 8 are the only programs that support extremely low income (under 30% of AMI) households. Neither of these programs is expanding. KCHA has a significant pool of “banked” public housing (or ACC) subsidies. These subsidies could increase federal support for extremely low income households in the region by up to $4.6 million annually. As these subsidies cannot support debt, activation of these subsidies will entail a significant commitment of KCHA working capital to finance construction or acquisition. In addition, current HUD regulations prohibit the use of HOME funds, which are a key source of soft dollars for local jurisdictions, in projects with public housing subsidy. It is important to note that the additional operating subsidy provided by ACC comes with additional statutory and regulatory requirements that increase operating costs over time. How aggressive should KCHA be in using working capital to leverage on-going rental subsidies serving our poorest clients?

3. TOD development: Should KCHA seek aggressively to purchase – possibly in partnership with local jurisdictions - vacant land along mass transit corridors, with the intent of landbanking and re-conveying these sites to development partners or developing directly?

4. Leveraging the activities of other developers: Should KCHA develop a structured line of financing products and seek to expand its lending activities more aggressively to both for-profit and non-profit developers of affordable housing?

5. Preservation of mobile home parks: What role if any should KCHA play in preserving mobile home parks that will inevitably be under risk of closure due to increase market pressures? There are an estimated 142 mobile home parks in the county, some number which are at risk of closure in the next 5-10 years.

6. Expanding affordable housing in rural areas: What role should KCHA play in developing new housing in small rural jurisdictions that are within KCHA’s jurisdiction and where no other affordable housing provider is active?

7. Projected growth areas: What role should KCHA play in banking land, securing development opportunities and pushing increased density ahead of the market in suburban downtowns (especially in south King County) in anticipation of regional growth over the next 20 years?

KCHA Briefing Paper - October 2014

Geographic Opportunity

Background:

Housing mobility programs across the United States grew out of the desegregation movement and efforts to deconcentrate poverty – with mixed results. Despite somewhat ambiguous outcomes, a renewed interest in mobility has emerged due to the growing body of research over the last several decades that suggests that where a low income family lives is a critical determinant of its long term prospects, including physical and mental health, and academic and life outcomes for youth. It is now generally recognized that health is determined much more by a person's zip code than by their genetic code. This has important implications for the Housing Authority's efforts to improve life outcomes for the low income households we serve.

As a regional housing authority KCHA is in a unique position to address geographic choice and mobility issues. KCHA serves an area that houses two thirds of the region's population and includes the majority of its poor households. The region spans both extremely poor and affluent areas. For example, the Highline School District reports subsidized meal rates (one indices of concentrations of child poverty) of 63%, while the Mercer Island School District has a rate of 3%. There is a vigorous debate underway between housing and poverty advocates who believe that efforts should be focused on revitalizing neighborhoods where significant concentrations of low income households already live (and will in all likelihood continue living), and those advocates whose primary focus is on moving low income households out of those neighborhoods.

In 2010 KCHA's Board of Commissioners explicitly acknowledged the role that geography plays in life outcomes. Utilizing the Kirwan Institute's "Opportunity Mapping" approach that has been adopted by the Puget Sound Regional Council, KCHA identified low poverty neighborhoods that offered the advantages identified in mobility research. The Board resolution passed at that time called for staff to consider these "high opportunity" or "very high opportunity" neighborhoods in developing policies and determining resource allocation. A copy of the opportunity area map is attached.

Strategy:

To provide geographic choice, KCHA has focused on five strategies:

1. <u>Acquisition and Development in High Opportunity Areas</u>: KCHA began developing public housing on the eastside in the early 1980s and by 1984 had developed eight small complexes spread through the Bellevue, Redmond, Kirkland and the Juanita neighborhood. In 1992 the Authority purchased and preserved a portfolio of privately owned properties in Bellevue that were opting out of the Multifamily Section 8 program. Most recently KCHA has begun to purchase smaller multi-family complexes where public housing subsidies can be turned on. Acquisitions over the last several years in Kirkland, Bothell and on Mercer Island are examples of this approach.

In addition, KCHA has focused its workforce housing acquisition strategy on the eastside, targeting large multifamily complexes. As a result, the Authority currently owns more property in Bellevue than in any other jurisdiction. Owning property in high-opportunity areas also allows KCHA to actively encourage tenant-based voucher holders to apply for our non-subsidized units. Despite Source of Income Ordinances in Bellevue, Kirkland and Redmond, Section 8 residents still face discrimination.

2. Market-based Payment Standards: KCHA's designation as a Moving to Work housing authority in 2002 provided it with a broad range of additional tools for providing housing opportunities in higher priced neighborhoods. The MTW program provided KCHA with the ability to establish a two-tiered payment standard and to decouple these standards from the regional Fair Market Rents (FMRs) established by HUD. This enables KCHA to pay higher rents in more expensive housing markets and to lower payment standards in cheaper markets to avoid "leading" the market. KCHA's two payment standards currently average 88% and 110% of the FMR for the regular and exception area respectively. Currently the payment standard for a two bedroom unit on the eastside is $300/month higher than a comparably sized unit in south King County.

3. Leveraging Project-based Section 8 Subsidy: The MTW program also enabled KCHA to more efficiently and aggressively utilize project-based rental subsidies in support of broader geographic choice. KCHA has project-based rental subsidies in a percentage of the units in each of its east side workforce housing complexes – providing extremely low income households with the opportunity to live in these communities. KCHA also actively encourages tenant-based voucher holders to apply for the non-subsidized units.

4. Deconcentration of Poverty: The reduction in the number of public housing units in White Center, one of KCHA's key objectives with the HOPE VI initiative, was accomplished through the transfer of those subsidies, via Section 8 vouchers, to A Regional Coalition for Housing (ARCH). In partnership with ARCH – a consortium of east side suburban cities – the vouchers provide project-based rental subsidies to non-profit sponsored housing projects in ARCH's development pipeline. These subsidies support the underwriting of these projects and enable additional extremely low income households access to housing in east side communities.

   The vouchers for this effort have been provided through KCHA's HOPE VI initiatives, which reduced the number of public housing units in White Center, King County's poorest neighborhood, and transferred those subsidies, via vouchers, to the ARCH pipeline.

5. Mobility Pilot: Most recently KCHA has launched a pilot mobility project to work with Section 8 voucher holders to educate them regarding housing mobility and geographic choice. The pilot is targeting up to 50 families with young children, and provides supportive pre and post-move services to assist households who choose to relocate to higher opportunity neighborhoods. Two service providers – Hopelink and the Multi-Service Center –are under contract with KCHA to provide community connections and housing stability.

Current Status:

Utilizing the map adopted by the Board**, 40% of all the households we currently serve reside in opportunity or high opportunity zones**. Looking specifically at households served through KCHA's federally subsidized programs, the vast majority of which are extremely low income, approximately 35% live in opportunity neighborhoods. Of those:

- Approximately 1,800 (41%) of KCHA's "fixed" units (public housing or project-based Section 8) are in opportunity zones.
- Almost 2,000 (31%) of our tenant-based program participants are in these areas.
- As one of the primary benefits of residing in higher opportunity neighborhoods is access to stronger schools, it is also important to look at the distribution of households with children. Of the 6,740 households with children supported through federally subsidized housing programs, approximately 1,600 households or 24%, live in higher opportunity areas.

Considerations, Opportunities and Challenges:

Rising Rents: Rents are rapidly escalating across the county, but most notably in high demand areas. This is putting increasing pressure on Section 8 Housing Choice Voucher holders in these locales, many of whom are paying an increasing portion of their income towards rent and utilities. It may also be reducing locational choices for new voucher holders just entering the market. The current market is also reducing the amount of privately owned housing affordable to low income households who do not have subsidy assistance, resulting in economic dislocation and accelerating the loss of economic diversity in these communities.

Payment Standards are Not Keeping Pace with Escalating Rents: The payment standards currently utilized by KCHA have been frozen since Congress began reducing funding support to the Section 8 program and now lag significantly behind actual housing costs. While the current differential between payment standard tiers is $300/month for a two bedroom, we estimate that the actual difference is now closer to $500/month. The payment standard, and thus household subsidy level, for a four bedroom house (as apartments are typically not an option) including utilities in a high opportunity neighborhood typically costs at least $2,565 per month. Our current payment standard for a four bedroom unit in an opportunity neighborhood is $2,320.

KCHA is presently analyzing current market conditions in order to recommend new payment standards and to calculate the estimated impact of payment standard increases on the overall annual cost of the program. Aggressive movement of the standards may increase per unit subsidy levels for existing program participants to the point where we can no longer afford to over-issue vouchers to the extent we currently are. As part of this exercise KCHA is considering moving to a finer grained zip code based payment standard with four separate market levels. This will right-size subsidies more precisely to specific housing sub-markets. Implementation of this multi-tiered approach is closely related to the timing on the software conversion project for the Section 8 program currently underway.

<u>The Strategic Importance of Fixed Subsidies</u>: It is interesting to note that the national discussion around increasing the number of federally subsidized households in low poverty neighborhoods has been almost solely focused on the voucher mobility approach. Our experience has been that this ignores an equally powerful tool – the placement of fixed subsidies in housing authority or non-profit owned housing in opportunity communities. This approach can ultimately be more cost effective – as rents adjust to reflect actual operating costs rather than market driven pricing - and can provide, particularly in jurisdictions without strong tenant protections, greater access and more stable tenancies. Stability is important. One on-going challenge in fully realizing the benefits of living in low poverty neighborhoods is the duration of tenancy. It is notable that probably the most unequivocal data we have on academic benefits from mobility comes from Heather Schwartz's study of low income students living in public housing units in Montgomery County, Maryland.

<u>Locational Choice:</u> It also needs to be recognized that low income households must have a voice in locational decision making and that moving to higher opportunity neighborhoods is not always the right choice. KCHA serves a diverse community which includes a significant number of refugee/immigrant families. Relocation to high opportunity neighborhoods, given local geography, does not necessarily mean moving just a few miles or a neighborhood away. In the low density sprawl of suburbia this may entail moving 20 to 30 miles from their current neighborhood. In focus groups we have heard clearly from households how moving away from support networks that include extended families, tightly knit ethnic communities, religious institutions, and culturally competent services and shopping (such as Halal butchers) is not perceived as being in their best interest. Concerns also include the higher cost of living (everything from groceries to daycare) in opportunity communities, transportation issues – as many lower poverty suburban communities are less well served by mass transit – and the cultural competency of local institutions such as school systems. The "English Language Learner" programs for example – support for students for whom English is not their first language – may be more easily available in school districts with extensive student diversity and greater experience around this issue.

Strategic Questions

1. Given the growing differential in rental costs between higher opportunity areas and the rest of the county, how aggressively should we raise subsidy levels to assure continued access to these communities? Given the zero-sum trade-off between individual family subsidy levels and the number of households we can serve, what is the right balance?

2. While geographic choice has traditionally been associated with tenant-based vouchers and individual family mobility, evidence exists that significant benefits are also derived from "fixed" units in high opportunity neighborhoods. Should KCHA aggressively pursue the project-basing of additional vouchers in opportunity areas? This will result in a reduction in tenant-based vouchers.

3. KCHA has focused much of its acquisition resources on purchases in higher cost markets. These purchases enable us to preserve housing that will become increasingly affordable over time, stabilize existing residents and through the use of Section 8, provide housing opportunities for extremely low income households. KCHA will clearly pay top dollar in continuing to compete for

properties in these markets. Acquisitions in lower cost markets, while less expensive, provide housing that is not significantly below market levels. Housing acquisition and development in these lower cost markets can, however, provide senior housing in communities where it is in short supply, support the development of emerging mass transit corridors, and contribute long term to KCHA's balance sheet. What is the appropriate geographic balance for commitment of KCHA resources? Should KCHA pursue a set of strategic investments ahead of the market in lower cost areas of the county where anticipated regional growth will occur and where new opportunity neighborhoods are anticipated?

KCHA Briefing Paper – October 2014

Addressing the Need: Equitable & Efficient Distribution of Limited Resources

Background:

Faced with growing need for affordable housing in our jurisdiction and shrinking resources, KCHA is confronted with a daunting challenge: what is the most equitable and effective way to distribute our limited affordable housing resources? This is not a new challenge, in fact utilizing the flexibilities available through the MTW program, KCHA has already undertaken a number of initiatives to address this challenge. To understand the intersection between growing demand, limited resources, equity and policy we must examine three interrelated questions: 1) **who** gets subsidized housing, 2) **what amount** of subsidy is provided, and 3) **how long** is the subsidy provided?

Growing need:

Thirty-eight percent of renters in King County are considered 'rent-burdened' – paying too much of their income toward rent and utilities. Many of these households are at risk of homelessness and struggle to keep a roof overhead. The 2014 "*point in time*" homeless count reported almost 10,000 individuals living outside or in shelters in King County. The number of homeless children reported by local school districts in 2013/2014 rose to 6,200, a dramatic increase of 18% over two years. While homeless counts are notoriously inaccurate, and are widely considered to under report the problem, they do give a sense of year-to-year changes. It is safe to say that while homelessness among certain targeted sub-populations such as chronically homeless mentally ill individuals and homeless disabled veterans have been significantly reduced, most other categories, including families, youth and non-disabled adults, have continued to see increases in homelessness.

As a result, KCHA's programs are grossly oversubscribed. KCHA owns and manages some 2,000 public housing units and administers 11,800 Section 8 Housing Choice Vouchers. In 2011, when the Authority last opened its Section 8 wait list, almost **25,000** households applied during a two week window. We selected 2,500 names through a lottery for placement on the new list. It is estimated that the last households on this list will be served by the end of 2014. The current unduplicated count of households on our waiting lists for Public Housing is over **13,000**. While wait times vary by individual property and the particular bedroom size needed, households can expect to wait an average of 2.7 years to get into public housing.

Three interrelated factors are driving the demand for our programs:

1. The region's population is projected to continue rising as the economy recovers. Increased housing demand, driven by both in-migration and new household formation, continues to outstrip the growth in supply. **Rents are rising** accordingly. The average increase in 2014 for existing units is anticipated to reach 6.4% by the end of the year. Industry estimates project an additional 5.4% increase in 2015. Utility rates are rising as well, with income-tested relief for poor households limited to the Seattle City Light service area.

2. The **gap between housing costs and income** provided through wages and government support programs has continued to grow. In 2013, almost 40,000 families in King County were below the Federal poverty level. The National Low Income Housing Coalition calculates that a "housing wage" for the region - the wage that would, at 40 hours a week, enable you to pay 30% of your income for housing and utilities - is $20.60 per hour. Minimum wage in King County (with the exception of Sea-Tac) is currently at $9.32 per hour. Estimates show that less than 40% of the jobs within King County provide enough income to support a single-parent household.

3. **Washington State has also significantly cut** back on a number of income support programs for the neediest households in our community. In 2011 DSHS began removing households from the TANF roles that had exceeded the five year (60 month) lifetime limit on benefits. Over 5,500 households were dropped from the program, and this trend continues.

Limited Resources:

Affordable housing in the United States is not an entitlement in the same sense as food stamps or unemployment benefits. Just because you qualify doesn't mean that you are provided guaranteed access to needed housing support.

Both the Public Housing and the Section 8 programs are essentially static, with little increase in funding and in the number of households served over the past decade. Federal budget cuts resulting from the sequestration of funds by Congress have actually resulted in the contraction of the Section 8 program nationally by an estimated 90,000 vouchers.

Opportunities and Challenges:

KCHA's participation in the Moving to Work program provides us with significantly greater flexibility than enjoyed by non-MTW housing authorities in reshaping how we address our community's housing needs. Under our Moving to Work agreement we receive a set amount of funding. Decreases in the per-household subsidy frees up funds that can be utilized to serve additional households. The policy changes KCHA has made to date have enabled us to increase program size significantly. Due to our participation in the MTW program, KCHA has been able to provide on-going rental assistance to an additional 511 households.

There are three interconnected sets of policy questions that shape how resources are distributed:

1. Who Gets Subsidized Housing:
   The first involves the issue of **who gets housed.** KCHA has traditionally prioritized those who are extremely poor. HUD regulations require that 75% of households in the Section 8 and Public Housing programs have incomes below 30% of Area Medium Income (AMI)[1] when they enter the program. The average income of households entering KCHA's programs last year was 13% of AMI. Over the past three years, approximately 48% of our Public Housing and Section 8 subsidies were

[1] 30% of Area Median Income for a 4-person household in King County is $26,450.

directed to homeless or disabled households. KCHA's current policies targeting higher need households will inevitably increase the number of households with significant barriers to economic self-sufficiency. This will in turn increase lengths of stay, reducing our ability to serve additional households from our waiting lists.

Of the 8,445 housing choice vouchers that are available for targeting, 38% (or 3,180) are dedicated to specific populations. HUD targets 2,377 of those vouchers to specific populations including non-elderly disabled individuals, homeless disabled veterans and homeless families referred by DSHS's Children's Administration. KCHA targets 803 additional vouchers for homeless families under our Sound Families partnerships, referrals from domestic violence providers, people with disabilities, terminally ill individuals and homeless youth. The majority of these households were homeless prior to receiving a voucher. The remaining vouchers are made available to the general waiting list. To receive a voucher through the general waiting list process a household must be homeless or at risk of losing their housing, living in substandard housing, earning at or below 30 percent of AMI or paying more than 50 percent of household income on rent and utilities.

The public housing program (including project-based Section 8 subsidies utilized in properties run under the public housing program) provides apartments for 2,327 households. Fifty seven percent of this housing is reserved by HUD regulations to senior households and younger disabled individuals. The majority of this housing is studio or one-bedroom units in midrise apartment complexes. These units are filled on a first come first served basis by households qualifying under the public housing priorities (which are similar to the Section 8 priorities enumerated above) who are on the public housing waiting lists.

The remaining housing is family housing – most of it in units with two or more bedrooms. These families are also pulled off of waiting lists on a first come, first served basis under the same priorities as above. One in three vacancies are made available to formerly homeless families graduating from Section 8 transitional housing programs under the Sound Families Program. In 2014, it is expected that 30 families will be referred in through this program. This number is expected to reduce over time as the County down-sizes the transitional housing system.

While a household consisting of a single non-elderly, non-disabled individual is not eligible for subsidized housing under KCHA rules, households with two non-elderly, non-disabled adults, due to a nuance in the HUD definitions, are. KCHA also subsidizes households where the original head of household has left or is deceased and a non-elderly, non-disabled individual (frequently an adult child) remains on the lease. In public housing these latter households are frequently over-housed as very few one-bedroom units exist in our family housing complexes and these individuals are not eligible for transfer to our senior/disabled inventory. Currently KCHA subsidizes 1,332 individuals who are "work-able" and have no children living with them. Staff is currently reviewing this issue, including soliciting feedback from residents and stakeholder groups, and expects to make a recommendation to the Board by the end of the year.

KCHA is also reviewing the policies that define who a family member is and who can be added to a lease and have subsequent rights to the voucher or unit. We have become particularly concerned with situations where household size in the Section 8 program has expanded significantly after issuance of the initial voucher. In some cases the original recipient of the voucher is no longer a member of the household. We want to make sure that vouchers are not handed around through extended families in lieu of serving the next household on the waiting list.

2. <u>What Amount of Subsidy is Provided:</u>
   A second set of policies revolve around the question of **how deep the subsidy** should be – how much direct and indirect support should households receive? This is a complicated question with lots of moving pieces. The first of these is the percentage of income subsidized families contribute to housing and utility costs. The widely accepted national standard of affordability is that households should pay 30% of their income for rent and utilities. This standard was adjusted upward from 25% in 1981. Currently KCHA's rent structures require payment of 28% (or slightly less if you are a working family that is seeing increases in income between certifications or rent band triggers) of household income. While this is slightly below national standard, medical and childcare deductions were eliminated, so KCHA's rent policy was fiscally net neutral.

   In an effort to mitigate reductions in funding, target households most in need and continue serving as many households as possible, KCHA has limited the depth of its subsidies through the following measures:

   - **Frozen Payment Standards**: Primarily due to the cuts from sequestration, KCHA has not changed its payment standards to keep pace with the rental market in the last 5 years. One reason that KCHA has been able to freeze payments is because it has allowed a higher percent of income to rent upon signing an initial lease. Prior to becoming an MTW agency, KCHA followed standard HUD regulations, which limited participants to paying no more than 30% of their income toward rent when entering a new lease. KCHA subsequently changed this policy to allow for up to 40% of income toward rent upon initial lease. This change provided tenants with a wider option of rental choices while at the same time increasing the potential rent burden.

   - **Limited Occupancy Standards**: In 2005, KCHA set the Section 8 housing occupancy standards, which determine how many subsidized bedrooms a household is eligible for, at one bedroom for every two household members regardless of gender. Household members of different generations (adult/minor) are not expected to share a bedroom. This has been a significant cost-saving measure to KCHA, as the annual difference in cost between a 2 bedroom voucher and a 3 bedroom voucher is almost $5,000.

   - **Reduced Utility Allowances**: KCHA no longer provides utility allowances based on the total number of bedrooms in the unit being rented. Instead utility allowances are calculated based on the number of subsidized bedrooms a household is eligible to receive.

- **Eliminated Flat Rents:** Under standard HUD rent policies, public housing residents have the option of switching to a flat rent. This means that households with significant income can remain in public housing while paying a set rent rather than a rent based on their income. Flat rents have typically been below market. Given the quality of our public housing it is not surprising that many higher income households chose not to move even though they had the financial resources to do so. By eliminating this option, KCHA incentivized households to move out once their income reached a certain level. As a result of this change, 246 higher income households moved out of public housing during the phase-in of the new policy. They were replaced by households with significantly lower incomes that qualified for priority housing under the program criteria.

3. <u>How Long is the Subsidy Provided</u>
The third category of policies determines **length of tenure.** There are two primary means for KCHA to increase its supply to serve as many households as reasonably possible – creating more units or vouchers and increasing turnover rates in our existing programs. By increasing economic self-sufficiency, some households are able to move out of KCHA programs, and **the turnover allows us to serve other households in need**. The turn-over rate for our public housing and project-based Section 8 units is approximately 9% annually. This translates into 360 new households being housed each year. Turn-over for Section 8 vouchers are about 6% annually, enabling KCHA to reissue approximately 500 vouchers each year.

The duration of the subsidy is not typically raised as a policy issue for senior or disabled households. The assumption is that their incomes are static and that they will remain in place as long as appropriate. The question of tenure – an increasingly controversial one around the country – is primarily related to length of stay for non-elderly, non-disabled households - also known as **"work-able" households**.

There is a direct tension when considering length of stay policies between the benefits of moving families off subsidy fairly quickly – which enables us to serve the next family on our waiting list – and the benefits that flow from the **long term stability** of subsidized housing. If post-subsidized housing living situations are not stable, critical long term outcomes for families, particularly educational outcomes for youth, are jeopardized.

KCHA has **no limits on length of stay** in either the public housing or Section 8 program. KCHA has a number of programs outside of the Section 8 program that provide shorter term rental assistance. The rapid rehousing program is a two year pilot program with the Highline School District to see if short term rental assistance, coupled with case management and employment assistance, can stably rehouse homeless households referred by local schools. Rental assistance in these instances is provided for three to six months. Working with local youth providers, KCHA has also developed a "step-down" subsidy program for homeless youth where subsidy reduces to zero in a series of steps over an 18 month period.

Strategic Questions:
The policy questions outlined above all interconnect. Decisions regarding who we prioritize for housing impact our approach to rent structure design. And both rent structures and who we serve impact lengths of stay. The Moving to Work program enables us to ask the hard questions about how our limited resources can best support the housing needs of the communities we serve:

1. Given growing demand, rising costs, flat-lined if not diminishing federal housing resources, what are the most equitable approaches to distributing available assistance?

2. Demand in all categories outstrips resources – should priority for access to housing be given based upon level of housing need (such as homelessness), level of vulnerability (such as elderly or disabled individuals or households with children), likelihood of success (defined as moving off of assistance in a short period of time), level of coordination and leveraged resources from other systems (such as mental health, child welfare, social services, criminal justice), other criteria, or simply based on a first come-first served approach from a general wait list?

3. There is a direct trade-off between subsidy levels and households served. If the households in our programs pay slightly more in rent, then we can serve additional families. However, increased shelter burdens on the other hand can divert money in tight household budgets from other critical necessities, including childcare, food and medicine, which has the potential to reduce household stability and the likelihood of long term successful outcomes from the affordable housing support. While households receiving subsidy from KCHA generally pay 28% of their income for rent, many of the households on the waiting list are paying over 50%. What is the right balance?

4. Longer term stays in subsidized housing – particularly public housing with extensive family and educational supports – may benefit some higher need families and increase the likelihood of academic success for children. On the other hand, long term dependency on government subsidies can create a disincentive to income progression, and increased length of tenure reduces our ability to serve additional families from our waiting lists. What should KCHA's approach to the length of stay question be?

5. KCHA is experimenting with a number of short term rental assistance programs targeted to specific populations – homeless youth and "lower need" homeless families with children. If these programs prove to be effective should KCHA expand them? Expansion could possibly entail use of working capital that might otherwise have gone into issuing additional subsidies through the traditional Section 8 voucher program.

KCHA Briefing Paper – October 2014

Services Beyond Housing

Background:

While KCHA has been providing community and human services to its residents since its founding, the current Resident Services Department was created in 1997. Service programming prior to that had been driven primarily by the availability of dedicated HUD funding and was scattered about the Authority, with programs administered in various silos ranging from the Human Resources Department to Public Housing Management.

The creation of a separate Resident Services Department, reporting directly to the Executive Director, was intended to integrate these efforts and send a message asserting the importance of these programs and outcomes to the overall agency mission.

The Department established in 1997 consisted of 15 staff drawn from various parts of the agency and had a budget of $1.5 million. The initial focus, reflecting HUD funding priorities, revolved around youth services and drug elimination activities. By 2014 the Department had increased significantly in size, with 32 staff and a budget of $6.3 million, and had expanded its scope considerably.

Calculated in 2014 dollars and allowing for the growth in the number of households served, the Housing Authority is now spending $364 per client on services annually, as opposed to $227 per client in 1997, a growth of 60% over 17 years. The average annual level of housing subsidy support for a Section 8 household, by way of comparison, is $9,516.

The Evolution of KCHA's Services and Programs:

A number of factors have influenced the scope and approach that KCHA has followed in providing services beyond housing.

> <u>Reduction in Funding:</u> At the same time as KCHA's programs have grown, the federal resources specifically available to housing authorities to support these activities have diminished. In 1997, 52% of resident services costs were provided through HUD service contracts, the largest being the Drug Elimination Grant (DEG). Today, most of these grant programs (including DEG) have been eliminated and 87% of Resident Services costs are borne directly through KCHA's operating budget.
>
> <u>Suburbanization of Poverty:</u> The growth in KCHA's involvement in community and service support roles for its clients must also be placed in the context of the movement of poverty into the suburbs. The Seattle metropolitan region is not unique in this. According to a recent Brookings report, across the U.S, the suburban poor population grew more than twice as fast as the urban poor population between 2000 and 2013 (66% versus 30%). By 2013, the suburbs accounted for 56% of the poor population in the nation's largest metro areas. In the Seattle Metro Region, the suburbs account for 67% of people living in poverty in our region.

Nationally the geographic shift in poverty is placing more and more poor households in communities not traditionally accustomed to diversity and which lack requisite physical infrastructure such as adequate public transportation, schools, clinics, parks, and community centers. These jurisdictions generally have fewer community-based service providers and offer limited government and philanthropic funding, as well as political support, for increasingly necessary community-based supports. It is important to note that federal funding available for place-based anti-poverty programs have not followed this movement to the suburban areas.

Delivery of Services: KCHA resident service activities are delivered by a mix of direct service staff and outside non-profit providers. Outside providers are in some cases funded directly (partially or in whole) by KCHA and in others cases solely funded through other sources of support. KCHA also administers an AmeriCorps program that provided up to 15 members annually to partner with non-profit organizations in the region.

KCHA's Services:

KCHA's programs and services are designed around a commitment to support and partner with individuals and families in ways that promote successful life outcomes with dignity and respect. Provided directly by KCHA staff or through contracts with services providers, these services and programs fall into the following four broad categories:

Housing Stability: Acknowledging that many of the KCHA's residents have experienced significant barriers and challenges to obtaining and keeping stable housing, ensuring that they retain their housing is a central component of the agency's mission. This is the case now more than ever as KCHA serves greater numbers of residents who were formerly homeless or have special needs. The Authority has a staff of 16 service coordinators who work with residents in KCHA properties to address housing stability issues and to connect clients to services and benefits. These coordinators work closely with property management staff to resolve landlord/tenant disputes and use an array of outside service providers for mental health, crisis intervention, domestic violence, emergency funds and hoarding support. Resident Services staff also reviews and respond to the 1500 reasonable accommodation requests KCHA receives each year.

Self-Sufficiency and Independent Living: Of the clients served by KCHA, approximately 10,000 are seniors or younger disabled individuals who require some degree of supportive services in order to remain independent and live on their own. Our programs educate and connect residents to services and resources that can improve their quality of life and enhance their ability to age in place with dignity.

Improved health for all of our residents is supported with the location of Public Health Clinics on-site at two of our largest complexes and through an array of health related initiatives around childhood obesity, physical exercise, healthy eating, smoking cessation and health care enrollment.

Programs and services that support self-sufficiency are tailored to the needs of specific demographic groups (youth, English language learners, seniors, younger disabled) but also consider the whole family and community as well. Programs and services include English as a second language (ESL) and citizenship classes; financial literacy and credit counseling; the Family Self-Sufficiency (FSS) and Resident Opportunity Programs; benefits and entitlement counseling; computer literacy courses; employment training, job placement and the Section 3 Program. KCHA has also revised its rent structure to incentivize "work-able" families to increase wage income (WIN Rent). A number of residents provide licensed family child care in their subsidized units and a small number of Live/Work units were developed at Greenbridge to support home businesses and entrepreneurs.

Education Programs and Initiatives: KCHA's education programs seek to engage the over 20,000 youth under the age of 18 who live in KCHA's family communities through early childhood education, after school and summer academic support, cultural activities and recreational programs

KCHA also leads three place-based initiatives with the Kent, White Center, and Bellevue school districts that combine multiple efforts and initiatives into an integrated collective impact model aimed at producing even greater academic and life outcomes. These partnerships also allow us to pilot smaller initiatives such as the Community Choice Program and the Highline Student and Family Stability Initiative.

Community Building and Empowerment: KCHA also supports resident community building activities on a building by building basis, and system-wide the Resident Services Department staffs two Resident Advisory Councils (north and south) tasked with providing feedback and input into KCHA's policies and annual planning cycles. Broader community building is a particular focus at the two HOPE VI projects in White Center, where there is more on-site staff. At the same time that KCHA seeks to create greater access to high opportunity areas, these community building efforts are essential for the creation of stronger networks and opportunities for residents who live in lower-opportunity areas.

Current Status, Strategic Issues, Opportunities and Challenges:

Significant Investments in On-Site Facilities: KCHA has completed a cycle of capital investment in community facilities to support programs in our residential properties. Our portfolio now includes 18 youth and after-school facilities, three Head Start Centers, two public health clinics and two food banks. In addition we've facilitated the development of an elementary School, Educare Center, public library and adult learning center on KCHA properties. While difficult to calculate, KCHA spends a significant percent of its resources annually in maintenance and utilities for these properties. An additional $1.9 million for direct services is spent on contracted services from non-profit providers, mostly for after-school and family counseling programs that take place on these sites. On an annual basis KCHA receives approximately $235,000 in rent or cost sharing from our government partners on the three Head Start facilities and the two public health clinics.

Our site-based facilities and programs have been successful at engaging non-subsidized low income households from the surrounding neighborhoods. While this integration is important (it helps eliminate an artificial distinction between "project kids" and the rest of the community and strengthens the community overall) it does result in KCHA expending funds to support services for households not participating in our residential programs. At the SW Boys and Girls Club facility at Greenbridge, for example, fully 80 % of the kids participating in the program come from the surrounding neighborhood.

Investment in Evaluation and Research: KCHA is pursuing a number of approaches to strengthening its ability to track and evaluate outcomes for residents. The new core software platform, scheduled to go live in the fall of 2015, is expected to significantly increase our capacity to analyze the extensive household data we currently collect. Internal competencies are being strengthened with the addition of a research and evaluation unit in the Policy shop. Outside partnerships with the University of Washington and nationally recognized research institutions such as the Urban Institute are being pursued. In addition, KCHA has entered into data sharing agreements with three school districts and with the State of Washington to match housing data to education, health, child welfare, and income support outcomes.

Growing Diversity of Residents: King County's residents and KCHA's program participants continue to diversify. A more complete briefing on resident demographics and characteristics will be provided at the retreat. Thirty four percent of the heads of household in the Section 8 and Public Housing programs were born outside the United States. Fifty percent are classified as "non-white" by the census bureau. Primary ethnic groups represented in KCHA's programs include East African (Somali, Ethiopian, Eritrean), Eastern European (Russian, Ukrainian) and Southeast Asian (Vietnamese and Cambodian). Family properties tend to be more heavily emigrant/refugee (59%) than our senior/disabled properties (41%).

While the Latino population is the fastest growing segment of the community, Latino households are significantly underrepresented in KCHA programs. Currently, 19% of the County poverty population is Latino as compared to 6% of KCHA's subsidized housing households.

The Challenges to Building Diverse Communities: The diversity of KCHA's clients presents real challenges for both effective communication and place-based community organizing. Despite spending significant resources on translation and interpretation services, creating a truly culturally competent organization in the face of such extensive diversity remains difficult. While the overall KCHA employee base was 38 % minority at the end of 2013 the organization's cultural diversity does not fully match our customer base. We have also not found the most effective medium, or array of mediums, for communication with tenants. The range of cultures living side by side at our sites has complicated site-based community organizing as well. Historically KCHA has had few functional tenant associations.

The rising volume of home sales at Greenbridge and Seola Gardens is moving these communities from exclusively renter (and predominantly subsidized renter) to a true mix of incomes and of renters and owners. Experience both locally and across the country lead us to anticipate some initial neighborhood tensions as the homeownership element of the community comes into its own. These communities represent a $250 million investment in the future of White Center and KCHA will need to devote whatever resources are necessary to address these growing pains.

Growing Number of Formerly Homeless in KCHA Programs: KCHA continues to work in close partnership with its regional partners to address homelessness in King County. This involves the commitment of a significant portion of our housing and subsidies to designated populations. These include chronically homeless mentally ill individuals, disabled veterans, families engaged with Child Protective Services, homeless youth and young adults, and victims of domestic violence. Over the past three years roughly 48% of households entering the public housing or Section 8 program were either homeless or were referred by one of our partner disability systems.

KCHA has been very successful, working in partnership with public and behavioral healthcare and human services systems, in moving homeless and special needs households into housing. Many of these families and individuals require on-going support to remain stably housed. While many of KCHA's referral agreements require on-going support and crisis intervention commitments from the referring provider, the effectiveness of these services vary. As a result, KCHA staff from various departments – Resident Services, Public Housing and Section 8 - are spending more and more time addressing housing stability issues. While our eviction and termination rates have not climbed appreciably, and remain some of the lowest in the nation, this has not been without considerable effort on their part. As the number of "hard to house" referrals has mounted over the last decade KCHA has not kept fully abreast of the growing support needs of these households.

The bulk of KCHA's services are focused on residents living in KCHA owned properties. KCHA has been less successful in engaging Section 8 voucher holders (70% of our extremely low income households) who live in privately owned housing scattered across the County. Services to voucher holders tend to be reactive and crisis driven.

Expanded Focus on Educational Outcomes: The initial student data generated through our partnerships with the school districts indicates that a significant number of our students are at risk of not graduating high school. This supports both the importance and the magnitude of this challenge. Measurement of outcomes will involve significant tracking over prolonged periods to evaluate success. One challenge is the tension between self-sufficiency goals that involve moving households out of public housing and off Section 8 subsidy - and the increasing reliance on "cradle to career" approaches to education that benefit from keeping households in public housing and connected to on-site resources. In fact, a recent longitudinal study conducted by one of our after-school providers found that students that participated in the program for a longer duration saw greater improvement in reading scores and had higher rates of four-year college attendance.

There is a growing focus on public education at both the State and local level. Significant new funding is expected from the state legislature this year. Locally Seattle and the south King County school districts have organized a collaborative effort (the Roadmap Project) to support improved academic outcomes. KCHA is a partner in these efforts. Significant foundation support (Gates and Seattle Foundation) is being provided and the Federal government has provided the consortium with a $40 million Race to the Top grant, a small portion of which is being directed to schools with significant KCHA student populations. Most recently, County Executive Constantine has announced a "*Best Starts for Kids*" levy to support additional investment in early childhood development. KCHA has been approached as a key partner in this effort.

In addition, KCHA has recently entered into a five year partnership with the Gates Foundation to explore new ways in which housing authorities and school districts can work together to improve educational outcomes for extremely low income students. The Foundation is currently reviewing initial proposals from KCHA and its school district partners in Bellevue, Highline and Kent. The foundation has committed up to $3.5 million to support these initiatives.

Self-Sufficiency and the Regional Economy: The job market in the region is clearly recovering, although progress in uneven. Unemployment has dropped significantly. Wages for low skilled jobs are not increasing at the same pace as higher skilled jobs and a significant amount of low wage employment remains on a part time basis. While Sea-Tac adopted a $15/hour minimum wage and Seattle adopted a stepped increase to the minimum wage there is little indication that this will be expanded to other areas of the county any time soon.

The average household income of public housing and section 8 households is $10,890. Forty-three percent of KCHA's households are working, and 13% are using TANF to support their income.

KCHA has been conducting a five year experiment with resident self-sufficiency known as the Resident Opportunity Plan (ROP). The approach is intended to test alternatives to the traditional HUD Family Self-Sufficiency (FSS) program. Primary differences include an emphasis on skill and credential development for living wage employment and cash incentives available only upon exit from subsidized housing. An outside evaluator has been used to assess the success of this program. The demonstration program will be concluding next year and KCHA will need to make a decision regarding future approaches to and the depth of its resource investment in family self-sufficiency programs. Initial results have identified significant barriers for many of our residents in moving to self-sufficiency and non-subsidized housing – particularly in today's expensive real estate market. Our success in moving households out of public housing and off of Section 8 rent subsidies is also one key element in the discussion of approaches to dealing with our growing waiting list.

Changes to the Delivery of Health Care: The health care landscape is changing significantly with the implementation of the Affordable Care Act. An increasing portion of our population is now covered and will be served by managed care organizations. Shifting funding and service delivery approaches opens new possibilities for funding enriched services to seniors living in KCHA buildings, for strengthening supportive services for high needs populations and for utilizing community health workers to promote preventive care approaches and assist households in navigating the health care system.

Strategic Questions:

1. Self-sufficiency is one of the stated goals of KCHA's programs and is incorporated into decisions about policy design and resource allocation. Given the increased diversity (ethnic, cultural, physical and mental abilities, family composition, etc.) of the residents and communities that KCHA serves, should the agency develop an updated or expanded definition of self-sufficiency and if so, what guiding principles should be incorporated into the new definition?

2. KCHA serves residents and families at all stages of life. With KCHA's expanded evaluation and research capabilities there are new opportunities to understand how to deliver the most effective programs and services. As KCHA develops these capabilities, what kinds of information, data or reports would be useful for the Board to better understand this area of work and to provide policy guidance?

3. What is the Board's thinking on the tension between structuring programs to move residents out of subsidized housing in the shortest amount of time and research indicating that the best and most lasting and long term outcomes may be achieved through a greater length of engagement with the Authority's programs?

4. KCHA does not have the resources to respond adequately to either the level of housing or service needs in our communities. What is the Board's thinking on the trade-off between funding additional housing vs. services? Within the services strategy what are the most important principles we should keep in mind when allocating limited resources between competing needs?

KING COUNTY HOUSING AUTHORITY
INTEROFFICE MEMORANDUM

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

FROM: LINDA RILEY

SUBJECT: VOUCHER CERTIFICATION FOR SEPTEMBER 2014

I, Linda Riley, 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.

Linda Riley
Linda Riley
Controller
November 4, 2014

Bank Wires / ACH Withdrawals		1,112,461.08
	Subtotal	***1,112,461.08***
Accounts Payable Vouchers		
Checks - #243783-#244399		5,130,819.77
	Subtotal	***5,130,819.77***
Payroll Vouchers		
Checks - #83412-#83417 & #83442-#83487		59,279.72
Direct Deposit		1,173,638.60
Additional August PR		1,498.57
	Subtotal	***1,234,416.89***
Section 8 Program Vouchers		
Checks - #606368-#606793		239,008.19
ACH - #286107-#289213		9,270,846.57
	Subtotal	***9,509,854.76***
Purchase Card / ACH Withdrawal		189,980.72
	Subtotal	***189,980.72***
	GRAND TOTAL	***17,177,533.22***

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

FROM: Wen Xu

SUBJECT: **VOUCHER CERTIFICATION FOR SEPTEMBER 2014**

I, Wen Xu, do hereby certify under penalty of perjury that the claims represented by the transactions below were just, due, and unpaid obligations against the Housing Authority, and that I, and my designees, are authorized to authenticate and certify said claims.

Wen Xu

Wen Xu
Director, Managed Assets
October 6, 2014

Property	Funds Provided for Operation of Property				Notes:
Sep-14	Date	$		Details	
Bellepark East	9/4/2014	$	9,361.59	A/P & Payroll	
	9/11/2014	$	3,566.20	A/P	
	9/19/2014	$	10,428.12	A/P & Payroll	
	9/25/2014	$	22,166.57	A/P	
Colonial Gardens	9/4/2014	$	5,416.84	A/P & Payroll	
	9/11/2014	$	4,537.56	A/P	
	9/19/2014	$	10,617.35	A/P & Payroll	
	9/25/2014	$	1,770.46	A/P	
Cottonwood	9/4/2014	$	13,339.29	A/P & Payroll	
	9/11/2014	$	71,913.73	A/P	
	9/19/2014	$	13,532.31	A/P & Payroll	
	9/25/2014	$	10,816.44	A/P	
Cove East	9/4/2014	$	18,198.41	A/P & Payroll	
	9/11/2014	$	2,123.44	A/P	
	9/19/2014	$	21,836.78	A/P & Payroll	
	9/25/2014	$	3,164.71	A/P	
Landmark	9/4/2014	$	27,041.81	A/P & Payroll	
	9/11/2014	$	1,997.98	A/P	
	9/19/2014	$	30,538.03	A/P & Payroll	
	9/25/2014	$	61,259.32	A/P	
Timberwood	9/4/2014	$	22,197.57	A/P & Payroll	
	9/11/2014	$	14,763.85	A/P	
	9/19/2014	$	92,917.56	A/P & Payroll	
	9/25/2014	$	14,651.08	A/P	
Woodland North	9/4/2014	$	5,728.78	A/P & Payroll	
	9/4/2014	$	5,728.78	Error	Double funding occurred during release of wires but, was returned by shorting next funding.
	9/11/2014	$	1,283.82	A/P	
	9/19/2014	$	14,617.92	A/P & Payroll	
	9/25/2014	$	10,412.13	A/P	
Woodside East	9/4/2014	$	16,382.85	A/P & Payroll	
	9/11/2014	$	14,519.56	A/P	
	9/19/2014	$	30,423.13	A/P & Payroll	
	9/25/2014	$	60,164.71	A/P	
Alpine Ridge	9/11/2014	$	5,404.33	A/P & Payroll	
	9/25/2014	$	9,020.86	A/P & Payroll	
Aspen Ridge	9/11/2014	$	8,368.11	A/P & Payroll	
	9/25/2014	$	44,725.59	A/P & Payroll	
Auburn Square	9/4/2014	$	26,304.80	A/P	
	9/11/2014	$	14,939.13	A/P & Payroll	
	9/25/2014	$	77,768.81	A/P & Payroll	
Carriage House	9/4/2014	$	2,932.87	A/P	
	9/11/2014	$	18,793.36	A/P & Payroll	
	9/25/2014	$	64,005.21	A/P & Payroll	
Cascadian	9/11/2014	$	73,058.87	A/P & Payroll	
	9/25/2014	$	63,681.39	A/P & Payroll	
Fairwood	9/11/2014	$	26,940.25	A/P & Payroll	
	9/25/2014	$	60,969.32	A/P & Payroll	
Heritage Park	9/11/2014	$	22,991.31	A/P & Payroll	
	9/25/2014	$	12,542.55	A/P & Payroll	
Laurelwood	9/11/2014	$	15,992.23	A/P & Payroll	
	9/25/2014	$	19,205.84	A/P & Payroll	
Meadows	9/4/2014	$	2,586.25	A/P	
	9/11/2014	$	17,788.59	A/P & Payroll	
	9/25/2014	$	12,704.64	A/P & Payroll	Only the monthly statement (with 9/20 cutoff) is available on CashPro.
Newporter	9/11/2014	$	21,740.56	A/P & Payroll	
	9/25/2014	$	55,035.73	A/P & Payroll	
Parkwood	9/11/2014	$	39,850.73	A/P & Payroll	
	9/25/2014	$	14,861.09	A/P & Payroll	
Walnut Park	9/11/2014	$	61,547.33	A/P & Payroll	
	9/25/2014	$	164,751.50	A/P & Payroll	
Woodridge Park	9/4/2014	$	4,323.88	A/P	
	9/11/2014	$	28,830.61	A/P & Payroll	
	9/25/2014	$	56,994.48	A/P & Payroll	

Meadowbrook	9/11/2014	$ 30,632.39	A/P	
	9/25/2014	$ 81,198.11	A/P	
Bellevue Manor	9/4/2014	$ 6,486.65	A/P	
	9/18/2014	$ 25,697.92	A/P	
Charter House	9/2/2014	$ 5,000.00	Account Buffer for A/P	
	9/4/2014	$ 8,120.44	A/P	
	9/18/2014	$ 6,150.37	A/P	
Northwood Square	9/4/2014	$ 2,877.57	A/P	
	9/18/2014	$ 22,019.24	A/P	
Patricia Manor	9/4/2014	$ 75,500.11	A/P	
	9/18/2014	$ 17,691.77	A/P	
Vashon Terrace	9/4/2014	$ 2,672.77	A/P	
	9/18/2014	$ 6,962.73	A/P	
Rainier View I	9/4/2014	$ 10,129.15	A/P	
	9/18/2014	$ 14,319.51	A/P	
	9/25/2014	$ 1,126.07	A/P	
Rainier View II	9/4/2014	$ 9,304.22	A/P	
	9/18/2014	$ 14,430.63	A/P	
	9/25/2014	$ 2,701.34	A/P	
Si View	9/4/2014	$ 4,998.11	A/P	
	9/18/2014	$ 7,233.76	A/P	
	9/25/2014	$ 10,553.25	A/P	
Gilman Square	9/4/2014	$ 12,403.69	A/P	
	9/11/2014	$ 4,314.11	Payroll	
	9/19/2014	$ 26,872.19	A/P	
	9/25/2014	$ 6,172.71	Payroll	
	Portfolio Total:	**$2,111,647.71**		

King County Housing Authority

TO: Board of Commissioners

FROM: Connie Davis, Deputy Executive Director

DATE: November 10, 2014

RE: Resolution 5485: Authorizing the Executive Director to enter into an Interlocal Agreement with the Housing Authority of the City of Tacoma for acquiring Real Estate Financial Services

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Resolution No. 5485 authorizes the Executive Director to enter into an Intergovernmental Cooperative Purchasing Agreement with the Tacoma Housing Authority (THA). This will allow THA to "piggyback" on procurement for financial consulting services with J.H. Brawner for the purposes of acquiring real estate financial services.

The King County Housing Authority conducted a procurement which conformed to HUD's 24 Part 85.36 as well as its own Board approved procurement policy in February 2012. Mr. Brawner was selected to perform financial consulting services, primarily for KCHA's HOPE VI projects. The contract expires in March 2015.

Chapter 39.34 RCW, the Interlocal Cooperation Act permits public agencies to cooperate and exercise joint powers in carrying out their public purposes, including the purchase of goods and services. Execution of an Interlocal agreement in the form attached to Resolution No. 5485 will permit THA to procure the services of J.H. Brawner for financial consulting services.

The Housing Authority of the City of Tacoma Board of Commissioners adopted Resolution 2014-9-24 (4) (attached) on September 24, 2014 to allow for them to enter into this Interlocal Agreement.

Passage of Resolution No. 5485 is recommended.

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION No. 5485

AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO AN INTERLOCAL AGREEMENT WITH THE HOUSING AUTHORITY OF THE CITY OF TACOMA FOR ACQUIRING REAL ESTATE FINANCIAL SERVICES

WHEREAS, the Housing Authority of the City of Tacoma seeks to secure a consultant to assist in financial consulting services; and,

WHEREAS, King County Housing Authority has followed the Housing and Urban Development (HUD) procurement process 24 CFR 85.36 and KCHA's Procurement Policy in procuring financial consultation services with J.H. Brawner in February 2012; and,

WHEREAS, the Housing Authority of the City of Tacoma wishes to use the services of J.H. Brawner for acquiring real estate financial services; and,

WHEREAS, RCW Chapter 39.34 (The Interlocal Cooperation Act) permits public agencies to cooperate and exercise joint powers in carrying out their public purposes, including the purchase of goods and services; and,

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

The Executive Director is hereby authorized to enter into an Interlocal Cooperative Purchasing Agreement with the Housing Authority of the City of Tacoma substantially in the form attached.

ADOPTED AT A REGULAR MEETING OF THE BOARD OF THE COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING THIS 17TH DAY OF NOVEMBER 2014.

THE HOUSING AUTHORITY OF THE COUNTY OF KING, WASHINGTON

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DOUGLAS J. BARNES, Chair
Board of Commissioners

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STEPHEN NORMAN
Secretary

TACOMA HOUSING AUTHORITY

RESOLUTION 2014-9-24 (4)

Date: September 24, 2014

To: THA Board of Commissioners

From: Michael Mirra
Executive Director

Re: Interlocal Agreement with King County Housing Authority to Procure Real Estate Financial Services.

Background

This resolution would authorize THA to use a financial analyst, J.H. Brawner & Co., that the King County Housing Authority (KCHA) has procured. THA would rely on KCHA's procurement process and decision. Doing this would spare THA the need to conduct its own procurement. State law permits this. We would do this with an Interlocal Agreement with KCHA that the resolution would authorize the executive director to sign.

The Real Estate Development Department (RED) is completing several financial analyses for different projects. Initially, staff prepares several financial analyses to test the parameters of various development programs. The staff identifies the potential risks, the funding gaps and the short and the long-term impacts on THA of various development approaches. This analysis narrows the program down to one or two financially and programmatically feasible options. The next step is to use a third party consultant to evaluate the proposed transaction and recommend ways to ensure the project is financially viable. This type of consultant also guides THA on finding potential financing sources and maximizing the use of tax credits and rental income.

THA seeks this type of consultant for future projects. KCHA has procured Jim Brawner, a well-regarded and respected real estate development advisor. KCHA thinks very highly of his work. KCHA follows a procurement process similar to THA's. THA staff would like to use an interlocal agreement with KCHA to allow THA to use Mr. Brawner's firm. To start, we would use it on Bay Terrace Phase 2 and the RAD conversion.

Recommendation

Staff recommends approval of Resolution 2014-9-24 (4)

TACOMA HOUSING AUTHORITY

RESOLUTION 2014-9-24 (4)

Authorizing the Executive Director to Enter Into an Interlocal Agreement with King County Housing Authority in Order to Acquire Real Estate Development Financial Services.

Whereas, the Tacoma Housing Authority seeks to secure a consultant to assist in the Real Estate Financial Services; and

Whereas, THA has previously utilized inter-local, cooperative purchasing agreements with in- and out-of-state public agencies; and

Whereas, the King County Housing Authority uses open and competitive procurement policies that are substantially the same as THA's; and

Whereas, the real estate financial services needed by THA is available through the King County Housing Authority through a competitively bid contract with J.H. Brawner & Company (JHB); and

Whereas, Chapter 39.34 RCW The Interlocal Cooperation Act permits public agencies to cooperate and exercise joint powers in carrying out their public purposes, including the purchase of goods and services; and

Whereas, the THA routinely enters into Intergovernmental Cooperative Purchasing Agreements with other public agencies in order to reduce the cost of contracts and supplies; and

Whereas, the KCHA has used competitive bidding procedures which are substantially the same as THA's to obtain a reasonable and fair price for the Real Estate Financial Services needed by THA and is willing to enter into an Intergovernmental Cooperative Purchasing Agreement allowing THA to piggyback on their existing contract at a comparable price.

Resolved by the Board of Commissioners of the Housing Authority of the City of Tacoma, Washington as follows:

The Executive Director is authorized to sign an Intergovernmental Cooperative Purchasing Agreement with the King County Housing Authority substantially in the form attached for the purpose of securing the services of Mr. Jim Brawner's firm to provide financial analysis and real estate development services.

Approved: September 24, 2014

Stan Rumbaugh, Chair
Board of Commissioners

Michael Mirra

Michael Mirra, Secretary

TACOMA HOUSING AUTHORITY

INTERLOCAL COOPERATIVE PURCHASING AGREEMENT

Pursuant to Chapter 39.34 of the Revised Code of Washington State, the Housing Authority of the City of Tacoma and the King County Housing Authority (KCHA) hereby agree to the terms of this Interlocal Cooperative Purchasing Agreement for the use of the solicitation process in obtaining Real Estate Financial Services with J.H. Brawner & Company. The following terms and conditions are applicable to this Agreement:

1. Each party has agreed that KCHA has followed the HUD procurement process 24 CFR 85.36 and KCHA's Procurement Policy in obtaining Real Estate Financial Services with J.H. Brawner & Company.

2. Each party has agreed that KCHA's decision to contract with J.H. Brawner & Company is without prejudice and meets applicable laws and policies.

3. Each party has agreed to enter into separate contracts with J.H. Brawner & Company, with each contract having specific terms and agreements.

4. A party to this Agreement shall not accept responsibility for the performance of J.H. Brawner & Company contracted for by the other party as a result of this Agreement.

5. A party to this Agreement shall not be responsible for the payment of any item(s) or service(s) contracted for by the other party as a result of this Agreement.

6. This Agreement shall continue in force until cancelled in writing by either party.

IN WITNESS WHEREOF, the parties hereto have executed this Interlocal Cooperative Purchasing Agreement by having their representatives affix their signatures below.

King County Housing Authority 600 Andover Park West Tukwila, WA 98188	name addresss city, state, zip code
______________ Signature ______ Date	Michael Mirra Signature 9.24.14 Date
Stephen J. Norman Executive Director	Michael Mirra Executive Director

TO: Board of Commissioners

FROM: Beth Pearson, Director of Real Estate Initiatives

DATE: November 10, 2014

RE: Resolution 5486: A Resolution of the Housing Authority of the County of King evidencing the intent to implement statutory protections under regulations of the Housing for Older Persons Act (HOPA) related to Vantage Glen, Rainier View, Harrison House, Westminster Manor and North Lake House

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Title VIII of the Civil Rights Act of 1968, as amended (the "Fair Housing Act") prohibits discrimination against persons because of race, color, religion, sex, national origin and handicap in the provision of housing and housing-related services, with certain exemptions from the ban against discrimination based on familial status for housing that is intended and operated for occupancy by persons age 55 or older if the housing satisfies criteria under the Housing for Older Persons Act (HOPA).

The Board adopted Resolution No. 5440 in August 2013, documenting the intent of KCHA to continue to operate Vantage Glen, Rainier View, Harrison House, Westminster and North Lake House pursuant to the guidelines of HOPA for purposes of exempting them from claims of family discrimination under the Fair Housing Act. Vantage Glen and Rainier View are senior only manufactured housing communities. Harrison House, Westminster Apartments and North Lake House are multi-family housing developments occupied primarily by senior residents.

HOPA regulations also allow for immunity from civil damages for Commissioners who in good faith rely on an Officer's statement that a property qualifies for the HOPA exemption. Specifically, the HOPA regulations state that "A person shall not be held personally liable for monetary damages for discriminating on the basis of familial status, if the person acted with the good faith belief that the housing facility or community qualified for a housing for older persons exemption…"

In order to assure immunity from civil damages the Executive Director is in good faith certifying, and the Board by Resolution is acknowledging such written confirmation, that these properties each qualify for exemption from familial discrimination under the Housing for Older Persons Act (HOPA), and that the Authority intends to continue operating the properties as housing primarily for persons aged 55 and older pursuant to HOPA requirements.

Passage of Resolution No. 5486 is recommended.

HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5486

A RESOLUTION OF THE HOUSING AUTHORITY OF THE COUNTY OF KING EVIDENCING THE INTENT TO IMPLEMENT STATUTORY PROTECTIONS UNDER THE HOUSING FOR OLDER PERSONS ACT (" HOPA") REGULATIONS AT VANTAGE GLEN, RAINIER VIEW, HARRISON HOUSE, WESTMINSTER MANOR AND NORTH LAKE HOUSE

WHEREAS, the Housing Authority of the County of King (the "Authority") seeks to encourage the provision of long-term housing for low-income persons, including seniors, residing within King County, Washington; and,

WHEREAS, RCW 35.82.070(2) provides that a housing authority may "prepare, carry out, acquire, lease and operate housing projects. . ."; and,

WHEREAS, the Authority owns the following multifamily senior housing developments which are operated under the Housing for Older Persons Act ("HOPA") exemption from familial discrimination under Title VIII of the Civil Rights Act of 1968, as amended (the "Fair Housing Act"):

Vantage Glen, 18100 107th Place S.E., Renton, WA 98055;

Rainier View, 32631 First Ave., Black Diamond, WA 98010;

Harrison House, 615 W. Harrison St., Kent, WA 98032;

Westminster Manor, 14701 Dayton Ave. N., Shoreline, WA 98133;

North Lake House, 18219 96th Ave. N.E., Bothell, WA 98011; and,

WHEREAS, in August 2013, Resolution No. 5440 was passed by the Board of Commissioners designating the above named properties as intended for occupancy for persons over 55 years of age; and,

WHEREAS, there has been no public objection to this designation in the past 12 months; and,

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

Section 1: Under 24 CFR 100.308, HOPA regulations provide protection from civil damages to commissioners who in good faith rely on an officer's statement that a housing facility qualifies for the HOPA exemption under the Fair Housing Act. In order to trigger such protection, the Authority's Executive Director, as its authorized representative, has provided the written confirmation attached to this Resolution;

Section 2. Effective Date. This Resolution shall be in full force and effect from and after its adoption and approval.

ADOPTED BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING AT AN OPEN PUBLIC MEETING THIS 17th DAY OF NOVEMBER, 2014.

HOUSING AUTHORITY OF THE COUNTY OF KING

By: ______________________________
Douglas J. Barnes, Chair

ATTEST:

____
Stephen Norman, Secretary

HOPA Confirmation

This will confirm to the Commissioners of the Housing Authority of King County that Vantage Glen, Rainier View, Harrison House, Westminster Manor and North Lake House each qualify for exemption from familial discrimination under the Housing for Older Persons Act (HOPA) and that the Authority intends to continue operating the property as housing primarily for persons aged 55 and older pursuant to HOPA requirements.

____

Stephen J. Norman
Executive Director

November 17th,2014

CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting Executive Director of the Housing Authority of the County of King (the “Authority”) and keeper of the records of the Authority, CERTIFY:

1. That the attached Resolution No. 6486 (the “Resolution”) is a true and correct copy of the resolution of the Board of Commissioners of the Authority, as adopted at a regular meeting of the Authority held on November 17, 2014, and duly recorded in the minute books of the Authority.

2. That such meeting was duly convened and held in all respects in accordance with law; that a quorum was present throughout the meeting and a majority of the members of the Board of Commissioners of the Authority present at the meeting voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 17th day of November 2014.

Stephen J. Norman
Executive Director of the Authority

CERTIFICATE

HOPA Confirmation

This will confirm to the Commissioners of the Housing Authority of King County that Vantage Glen, Rainier View, Harrison House, Westminster Manor and North Lake House each qualify for exemption from familial discrimination under the Housing for Older Persons Act (HOPA) and that the Authority intends to continue operating the property as housing primarily for persons aged 55 and older pursuant to HOPA requirements.

____

Stephen J. Norman
Executive Director

November 17th, 2014

CERTIFICATE

I, the undersigned, the duly chosen, qualified and acting Executive Director of the Housing Authority of the County of King (the "Authority") and keeper of the records of the Authority, CERTIFY:

1. That the attached Resolution No. 6486 (the "Resolution") is a true and correct copy of the resolution of the Board of Commissioners of the Authority, as adopted at a regular meeting of the Authority held on November 17, 2014, and duly recorded in the minute books of the Authority.

2. That such meeting was duly convened and held in all respects in accordance with law; that a quorum was present throughout the meeting and a majority of the members of the Board of Commissioners of the Authority present at the meeting voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this Certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 17th day of November 2014.

Stephen J. Norman
Executive Director of the Authority

CERTIFICATE

King County Housing Authority

To: Board of Commissioners

From: Craig Violante, Director of Finance

Date: November 12, 2014

Re: Resolution No. 5487: Acknowledging receipt of the Post Audit Reports for the period January 1, 2013 through December 31, 2013

Annual audits of the King County Housing Authority are conducted by the State of Washington, Office of the State Auditor. The audits are prepared and transmitted for filing by the State Auditor's Division of Municipal Corporations pursuant to RCW 43.09.260. Board acknowledgement and receipt of the attached reports is required.

On September 25, 2014 the Washington State Auditor's Office (SAO) issued a *Financial and Single Audit Report* (Number 1012629). The accompanying *Accountability Audit Report* (Number 1012709) was issued on September 29, 2014.

The Financial and Single Audit Report covers KCHA's financial statements and related disclosures along with the Federal "Single Audit" for the period January 1, 2013 through December 31, 2013. The Accountability Audit Report covers the same period and reports on KCHA's compliance with State laws and regulations and its own policies and procedures.

Staff is pleased to report that, there were no findings in this year's Financial Audit Report or Accountability Audit Report, and there were no management letter items.

An Exit Conference meeting with the SAO staff took place on September 24, 2014 and was attended by the Executive Director, the Chief Administrative Officer and involved KCHA staff members. The SAO expressed their appreciation for the responsiveness of KCHA staff toward the SAO audit staff.

Passage of Resolution No. 5487 is recommended.

THE HOUSING AUTHORITY OF THE COUNTY OF KING

RESOLUTION NO. 5487

ACKNOWLEDGING RECEIPT OF THE POST AUDIT REPORTS FOR THE PERIOD JANUARY 1, 2013 THROUGH DECEMBER 31, 2013

WHEREAS, the State of Washington, Office of the State Auditor, Division of Audit Services, has conducted a Fiscal Audit of the Housing Authority of the County of King for the period January 1, 2013 through December 31, 2013 and has transmitted same to the Housing Authority; and

WHEREAS, the State of Washington, Office of the State Auditor, Division of Audit Services, has conducted an Accountability Audit of the Housing Authority of the County of King for the period January 1, 2013 through December 31, 2013 and has transmitted same to the Housing Authority; and

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

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

Receipt of the official examination, Financial Statements and Federal Single Audit Report No. 1012629 (attached) for the period January 1, 2013 through December 31, 2013, and Accountability Audit Report No. 1012709 (attached) of the Housing Authority of the County of King for the period January 1, 2013 through December 31, 2013 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 17th DAY OF NOVEMBER 2014.

THE HOUSING AUTHORITY OF THE COUNTY OF KING, WASHINGTON

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DOUG BARNES, Chair
Board of Commissioners

____

STEPHEN J. NORMAN
Secretary

Washington State Auditor's Office

Troy Kelley

Integrity • Respect • Independence

Accountability Audit Report

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

For the period January 1, 2013 through December 31, 2013

Published September 29, 2014

Report No. 1012709

Washington State Auditor
Troy Kelley

September 29, 2014

Board of Commissioners
King County Housing Authority
Tukwila, Washington

Report on Accountability

Thank you for the opportunity to work with you to promote accountability, integrity and openness in government. The State Auditor's Office takes seriously our role of providing state and local governments with assurance and accountability as the independent auditor of public accounts. In this way, we strive to help government work better, cost less, deliver higher value and earn greater public trust.

Independent audits provide essential accountability and transparency for Housing Authority operations. This information is valuable to management, the governing body and public stakeholders when assessing the government's stewardship of public resources.

The attached comprises our report on the Housing Authority's compliance and safeguarding of public resources. Our independent audit report describes the overall results and conclusions for areas we examined. We appreciate the opportunity to work with your staff and we value your cooperation during the audit.

Sincerely,

Troy X. Kelley

TROY KELLEY

STATE AUDITOR

Insurance Building, P.O. Box 40021 ☐Olympia, Washington 98504-0021 ☐(360) 902-0370 ☐TDD Relay (800) 833-6388

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AUDIT SUMMARY

Results in brief

In the areas we audited, Housing Authority operations complied with applicable requirements and provided adequate safeguarding of public resources. The Housing Authority also complied with state laws and regulations and its own policies and procedures in the areas we examined.

About the audit

This report contains the results of our independent accountability audit of the King County Housing Authority from January 1, 2013 through December 31, 2013.

Management is responsible for ensuring compliance and adequate safeguarding of public resources from fraud, loss or abuse. This includes the design, implementation and maintenance of internal controls relevant to these objectives.

Our audit involved performing procedures to obtain evidence about the Housing Authority's uses of public resources, compliance with state laws and regulations and its own policies and procedures, and internal controls over such matters.

In keeping with general auditing practices, we do not examine every transaction, activity or area. Instead, the areas examined were those representing the highest risk of fraud, loss, abuse, or noncompliance. The following areas were examined during this audit period:

- Financial condition
- Cash receipting – dwelling rent
- Loss reporting
- Payroll

RELATED REPORTS

Financial

Our opinion on the Housing Authority’s financial statements and compliance with federal grant program requirements is provided in a separate report, which includes the Housing Authority’s financial statements.

Federal grant programs

We evaluated internal controls and tested compliance with the federal program requirements, as applicable, for the Housing Authority’s major federal programs, which are listed in the Federal Summary section of the financial statement and single audit report.

INFORMATION ABOUT THE HOUSING AUTHORITY

The Housing Authority of the County of King, doing business as King County Housing Authority, was created in 1939 in response to the federal Housing Act of 1937. The Housing Authority's jurisdiction encompasses an area exceeding 2,134 square miles throughout King County, except within the cities of Seattle and Renton, which have their own housing authorities. The Housing Authority operates out of a central office in Tukwila and several other offices throughout the county. The Housing Authority's purpose is to provide housing assistance to low-income households.

A five-member Board of Commissioners governs the Housing Authority. Commissioners are appointed by the King County Executive and confirmed by the King County Council to serve five-year terms. The Board appoints management to oversee the Housing Authority's daily operations as well as its approximately 360 employees. For fiscal year 2013, the Housing Authority operated on an annual budget of approximately $201 million.

Contact information related to this report	
Address:	King County Housing Authority 600 Andover Park West Tukwila, WA 98188-3326
Contact:	Craig Violante, Director of Finance
Phone:	(206) 574-1274
Website:	www.kcha.org

Information current as of report publish date.

Audit history

You can find current and past audit reports for the King County Housing Authority at http://portal.sao.wa.gov/ReportSearch.

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.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

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.

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 as well as fraud, state whistleblower and citizen hotline investigations.

The results of our work are widely distributed through a variety of reports, which are available on our website and through our free, electronic subscription service.

We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

Contact information for the State Auditor's Office	
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Washington State Auditor's Office
Troy Kelley
Integrity • Respect • Independence

Financial Statements and Federal Single Audit Report

Housing Authority of the County of King

(King County Housing Authority)

For the period January 1, 2013 through December 31, 2013

Published September 25, 2014

Report No. 1012629

Washington State Auditor
Troy Kelley

September 25, 2014

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 X. Kelley

TROY KELLEY

STATE AUDITOR

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King County Housing Authority
January 1, 2013 through December 31, 2013

Federal Summary

King County Housing Authority
January 1, 2013 through December 31, 2013

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:

CFDA No.	Program Title
14.881	Moving to Work Demonstration Program
14.871	Housing Voucher Cluster - Section 8 Housing Choice Vouchers
14.879	Housing Voucher Cluster - Mainstream Vouchers

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 did not qualify 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, 2013 through December 31, 2013

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, 2013, 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 16, 2014. 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 8 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*.

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 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 X. Kelley

TROY KELLEY
STATE AUDITOR

September 16, 2014

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, 2013 through December 31, 2013

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, 2013. 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, 2013.

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.

Troy X. Kelley

TROY KELLEY
STATE AUDITOR

September 16, 2014

Independent Auditor's Report on Financial Statements

King County Housing Authority
January 1, 2013 through December 31, 2013

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, 2013, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed on page 14.

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 8, 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 8 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, 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, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 15 through 22 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2014 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 X. Kelley

TROY KELLEY
STATE AUDITOR

September 16, 2014

Financial Section

King County Housing Authority
January 1, 2013 through December 31, 2013

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis – 2013

BASIC FINANCIAL STATEMENTS

Statement of Net Position – 2013
Statement of Revenues, Expenses and Changes in Net Position – 2013
Statement of Cash Flows – 2013
Notes to Financial Statements – 2013

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Expenditures of Federal Awards and Notes – 2013
Financial Data Schedule – 2013
Assistance Award/Amendment – WA002RFS006A011
Actual Modernization Cost Certificate – WA19P002501-02
Actual Hope VI Cost Certificate – WA19URD002I108

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, 2013. It should be read in conjunction with the Authority's financial statements, which immediately follow this section.

In its entirety, 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 8,879 units of housing and provides rental subsidies to over 8,300 additional households. The majority of KCHA's program participants have incomes below 20% of area median income. KCHA's inventory includes 2,065 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 financial performance discussed in the following analyses does not include tax credit partnerships. The tax credit partnerships, with 24 sites and 2,531 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, Egis, Zephyr, Green River Homes 2, and Fairwind which are managed by KCHA's Housing Management department. Because they are legally separate entities, 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 Position. As a result, neither these units, nor their financial data, are included in the analysis and financial reports that follow. More information about the component units can be found in Notes 1, 9, and 10.

2013 Financial Highlights

- Moving to Work (MTW) is a demonstration program for public housing authorities (PHAs) that provides them the opportunity to design and test innovative, locally designed strategies that use Federal dollars more efficiently, help residents find employment and become self-sufficient, and increase housing choices for low income families.

- Total assets and deferred outflows of resources of the Authority exceeded total liabilities and deferred inflows of resources at December 31, 2013 by $461.6 million.

- The change in net position for 2013 was an increase of $14.6 million and includes approximately $1.2 million in capital grant contributions.

- The Authority used proceeds from a $65 million Key Bank loan to purchase the Bellevue Manor, Northwood Square, and Patricia Harris Manor apartment buildings as well as refinance the 1998 Bond Pool, the Alpine Ridge and Colonial Gardens bonds and additional lines of credit.

- Operating expenses were $185.6 million and include $113.9 million in housing assistance payments made to landlords, or 62% of operating expenses.

- Rehabilitation of Seola Gardens (formerly Park Lake Site II) concluded in 2013 with the completion of Fairwind, an 87-unit public housing site for families.

- MTW reserves continued to serve the low and very-low income populace through an array of innovative programs and the rehabilitation and construction of affordable housing.

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* as of December 31, 2013 and 2012. 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.

	2013	2012
Assets:		
Current and other assets	$ 445,426,094	$ 450,486,521
Capital assets	332,639,880	300,742,795
Total Assets	778,065,974	751,229,316
Deferred Outflows of Resources:		
Deferred charge for defeasance of debt	1,124,036	2,023,093
	1,124,036	2,023,093
Liabilities:		
Current and other liabilities	56,418,162	29,352,427
Long-term debt, net of current	261,176,046	275,572,888
Total Liabilities	317,594,208	304,925,315
Deferred Inflows of Resources:		
Awarded funds for future period	-	1,288,526
	-	1,288,526
Net Position:		
Net Investment in Capital Assets	160,857,574	174,500,986
Restricted	41,068,153	25,327,358
Unrestricted	259,670,074	247,210,224
Total Net Position	**$ 461,595,801**	**$ 447,038,568**

(1) Component units are not included.

Current and other assets, excluding capital assets, for the year ended December 31, 2013 total $445.4 million and are comprised of $139.1 million in cash, cash equivalents, and investments and $303.1 million in accounts, notes and financing lease receivables, and $3.2 million of other assets. The $5 million decrease from the prior year is primarily due to a $20.2 million decrease in accounts, notes, and financing leases receivable offset by a $16 million increase in cash, cash equivalents, and investments. The decrease in receivables was mainly attributable to the payment of lease receivables upon termination of four tax credit partnerships in 2013.

Capital assets for the year ended December 31, 2013 are $332.7 million. Included in this category are land and improvements, buildings and improvements, personal property, and construction-in-progress. Capital asset additions of $73.1 million include acquisition of land and buildings from the Laurelwood Gardens, Colonial Gardens, Alpine Ridge, and Heritage Park tax credit partnerships as well as the purchase of the Chaussee portfolio. Capital asset disposals of $32.2 million include the $19.2 million sale of Seola Gardens development assets to the Fairwind Apartments tax credit partnership LLLP and $4.2 million disposal of Greenbridge development assets via lot sales to private builders for the construction of market-rate for-sale homes. 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 $55.6 million at December 31, 2013, an increase of $26.1 million from 2012. A $27.6 million increase in the current portion of long-term debt is mainly attributable to the current portions of the Somerset revenue bond ($3.6 million), the Fairwind line of credit ($13.6 million), the New Market Tax Credit line of credit ($7.7 million) and the Key Bank 2013 Pool note payable ($2.2 million). This increase was partially offset by the $2 million increase in the fair value of the interest rate swaps from a liability of $5.4 million to a liability of $3.4 million.

Total net position increased by $14.6 million during 2013. Net position represents the Authority's equity, a portion of which is restricted for certain uses. Restricted Net Position increased $15.7 million from 2012 primarily due to $20 million being used as collateral for a loan from Federal Home Loan Bank in 2013 combined with a $3 million decrease in 1998 Pool bond reserves. The $12.5 million increase in Unrestricted Net Position resulted primarily from a $31.4 million decrease in tax credit partnership related debt combined with a $20.2 million decrease in current and noncurrent receivables.

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.

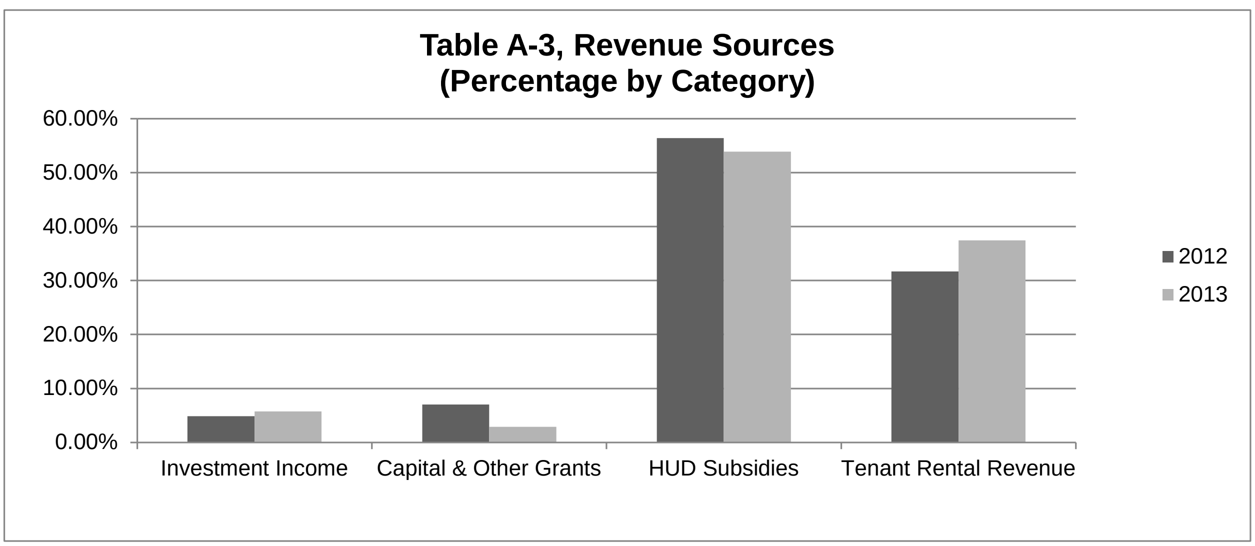
Table A-2 represents the Authority's *Condensed Statement of Revenues, Expenses, and Changes in Net Position* for 2013 and 2012:

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

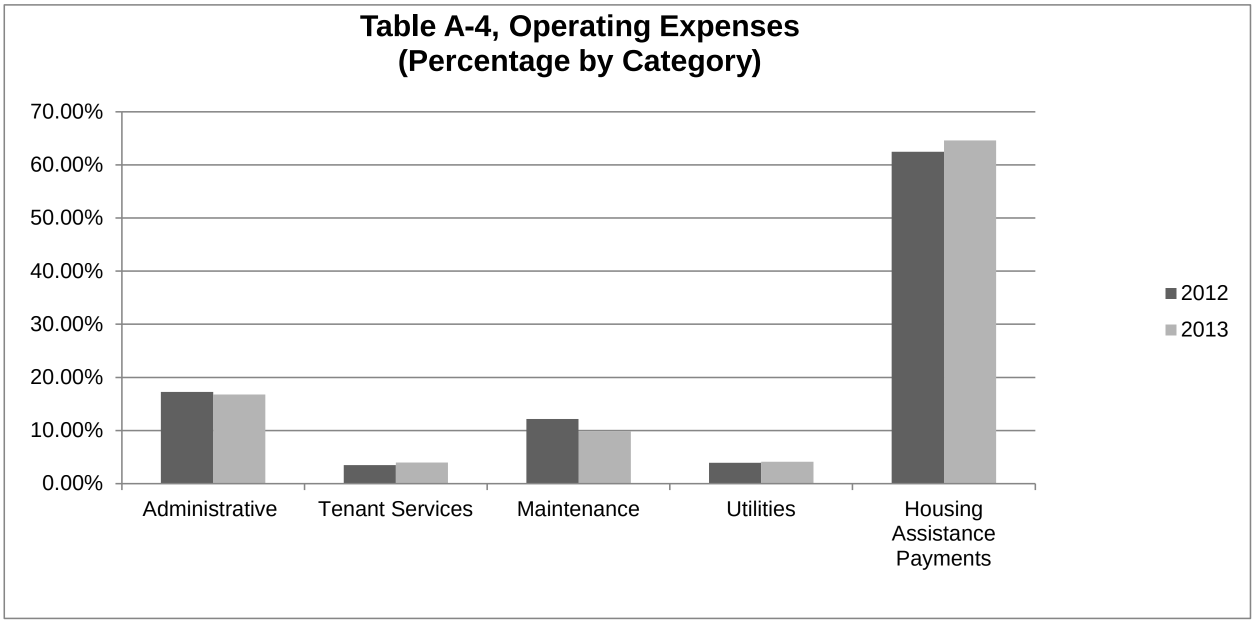
	2013	2012
Operating Revenues	$ 79,276,611	$ 70,864,888
Nonoperating revenues	130,508,611	146,701,022
Total Revenues	209,785,222	217,565,910
Operating expenses	185,558,205	176,676,034
Nonoperating expenses	10,895,571	11,336,116
Total Expenses	196,453,776	188,012,150
Excess or deficiency before contributions	13,331,446	29,553,760
Capital grant contributions	1,225,787	5,897,183
Change in Net Position	14,557,233	35,450,943
Beginning Net Position	447,038,568	413,594,756
Prior Period Adjustment	-	(2,007,131)
Ending Net Position	**$ 461,595,801**	**$ 447,038,568**

(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 2013 and 2012 as a percentage of all revenues. The overall contribution for each revenue type remained relatively constant from 2012 to 2013. However, capital grant revenues decreased in 2013 as the Authority had received capital grant funds in the prior period for the construction of four community buildings which were completed in 2012. The Authority also continues to expend MTW funds in lieu of Capital Fund Project grant funds.



Operating expenses are amounts paid for providing housing services to the Authority's tenants and for administering the various programs. Total operating expenses for 2013 were $176.3 million (excluding depreciation), a $7.9 million increase compared to 2012. The increase is primarily due to increased Housing Assistance Payments (HAP) for new tenant protection vouchers received upon the conversion of 509 units of public housing to project-based Section 8 partway through 2012.



Net Investment in Capital Assets

During 2013, net capital assets increased by $31.9 million. The net increase in capital assets from 2012 is primarily attributable to $63.9 million in capital asset additions (net of accumulated depreciation) offset by $32 million of disposals (net of accumulated depreciation.)

Capital asset additions include:
- $19.6 million related to the purchase of the Chaussee portfolio,
- $9.7 million related to the acquisition of assets from tax credit partnerships,
- $8.5 million construction-in-process related to the Greenbridge project,
- $11.2 million related to building upgrades at various properties.

Capital asset disposals include:
- $19.2 million representing the sale of completed Greenbridge construction in process sold to Fairwind Apartments LLLP
- $4.2 million in lot sales to private builders for the construction of market-rate for-sale homes

Information about the Authority's capital assets is further presented in the financial statements Note 6 – Capital Assets.

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

	2013	2012
Land	92,999,388	75,422,662
Buildings and improvements	282,415,426	254,415,512
Furniture, equipment & machinery	5,236,113	5,216,007
Construction in progress	87,829,786	92,537,687
	468,480,713	427,591,868
Total accumulated depreciation	(135,840,833)	(126,849,073)
Net Capital Assets	**$332,639,880**	**$300,742,795**

Long-term Debt and Other 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 $262 million in net long-term bonds and notes outstanding (as shown in table A-6) which represents a $13.5 million decrease over the prior year-end balance. Included in the other noncurrent liabilities category are payments in lieu of taxes, unearned rent, and the fair value of interest rate swaps. For more information on the Authority's long-term debt, please see Note 7.

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

	2013	2012
Long-term, net of current portion	$261,176,046	$275,572,888
Other noncurrent liabilities	6,015,254	9,214,189
Total Long-term Debt & Other Noncurrent Liabilities	**$267,191,300**	**$284,787,077**

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 (HUD) which, like all federal agencies, depends upon congressional appropriations.

In early 2014, Congress ended sequestration cuts by approving a federal budget that funded the government through the 2015 fiscal year. As a result, both Section 8 Tenant-Based and Project-Based Rental Assistance will each receive a $1 billion increase in appropriations. Public Housing Operating Subsidy will also see a significant increase while the Public Housing Capital Fund remains level.

With the end of sequestration, the Authority expects to receive approximately $6.5 million more in combined Public Housing and Section 8 Block Grant funds than in 2013. However, HUD's continuing lack of an inflation factor increase for Section 8 vouchers is an on-going concern.

The Authority continues to work with HUD toward a 10-year extension of the Moving-to-Work contract which would continue to provide the Authority substantial financial flexibility to the year 2028.

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, 2013

	AUTHORITY	COMPONENT UNITS
ASSETS:		
Current Assets		
Cash and cash equivalents	$ 60,072,459	$ 7,468,642
Restricted cash and cash equivalents	18,934,683	9,815,556
Receivables, net	21,484,993	135,461
Investments	36,435,560	1,445,293
Restricted investments	21,561,327	-
Other current assets	1,008,365	414,532
Total Current Assets	159,497,387	19,279,484
Noncurrent Assets		
Restricted cash and cash equivalents	2,138,848	-
Land, buildings and equipment, net		
Nondepreciable	158,951,690	35,283,419
Depreciable	173,688,190	340,126,996
Intangible Assets, net	-	3,488,871
Noncurrent receivables	281,633,576	-
Other noncurrent assets	2,156,282	-
Total Noncurrent Assets	618,568,586	378,899,286
Total Assets	778,065,974	398,178,770
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge for defeasance of debt	1,124,036	-
Total Deferred Outflows	1,124,036	-
LIABILITIES:		
Current Liabilities		
Current portion of long-term debt	35,572,268	14,400,449
Other current liabilities	14,830,640	5,901,997
Total Current Liabilities	50,402,908	20,302,446
Noncurrent Liabilities		
Interest rate swaps - Fair Value	3,376,386	545,830
Long-term debt, net of current	261,176,046	257,665,782
Other noncurrent liabilities	2,638,868	13,582,464
Total Noncurrent Liabilities	267,191,300	271,794,076
Total Liabilities	317,594,208	292,096,522
NET POSITION:		
Net investment in capital assets	160,857,574	103,344,184
Restricted	41,068,153	9,815,556
Unrestricted	259,670,074	(7,077,492)
Total Net Position	$ 461,595,801	$ 106,082,248

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, 2013

	AUTHORITY	COMPONENT UNITS
OPERATING REVENUES		
Tenant revenue	$ 46,793,711	$ 23,568,721
Other revenue	32,482,900	230,732
Total Operating Revenues	79,276,611	23,799,453
OPERATING EXPENSES		
Administrative	29,578,666	5,007,082
Tenant services	6,955,773	-
Maintenance	17,286,855	4,981,348
Utilities	7,225,679	3,283,894
Housing assistance payments	113,873,130	-
Depreciation and amortization	9,226,029	12,646,056
Other expenses	1,412,073	1,218,231
Total Operating Expenses	185,558,205	27,136,611
Operating Income (Loss)	(106,281,594)	(3,337,158)
NONOPERATING REVENUE (EXPENSE)		
HUD subsidies and grant revenue	114,022,724	-
Other government grants	4,896,484	-
Investment income	11,545,029	529,231
Interest expense	(10,895,571)	(8,060,667)
Net gain (loss) on disposal of capital assets	44,374	-
Net Nonoperating Revenues (Expenses)	119,613,040	(7,531,436)
INCOME (LOSS) before contributions	13,331,446	(10,868,594)
Capital grant contributions	1,225,787	-
Partner contributions (disbursements)	-	3,687,140
CHANGE IN NET POSITION	14,557,233	(7,181,454)
Beginning Net Position	447,038,568	119,009,817
Change in Component Units (1)	-	(5,746,115)
Ending Net Position	$ 461,595,801	$ 106,082,248

(1) Please see Footnote 1 for more information

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

Housing Authority of the County of King
For the 12 Month Period Ended December 31, 2013

	AUTHORITY
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from tenants	$ 46,263,705
Payments to employees	(22,370,613)
Payments to suppliers of goods and services	(35,682,112)
Payments to landlords	(108,455,201)
Payments received from (made to) other housing authorities	(4,029,793)
Other receipts (payments)	27,821,780
Net cash provided by (used in) operating activities	(96,452,234)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Receipts from HUD	116,013,241
Receipts from other governments	5,910,227
Net cash provided by noncapital financing activities	121,923,468
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Capital grant contributions	1,225,787
Purchase of capital assets	(40,888,847)
Net proceeds from capital asset disposal	44,374
Proceeds from issuance of capital debt	82,254,485
Principal payments on capital debt	(68,103,346)
Interest paid on capital debt	(12,087,714)
Other receipts (payments)	(1,024,031)
Net cash used in capital and related financing activities	(38,579,292)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Net sale (purchase) of investments	1,105,841
Investment in notes and financing leases	(13,626,196)
Payments received on notes and financing leases	32,886,476
Investment income -- notes and financing leases	(666,364)
Investment income -- other	12,411,405
Other receipts (payments)	(1,276,725)
Net cash provided by investing activities	30,834,437
Net Increase in Cash and Cash Equivalents	17,726,378
Cash and cash equivalents -- beginning of the year	63,419,612
Cash and cash equivalents -- end of the year	$ 81,145,990
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	(106,281,594)
Adjustment to reconcile operating income to net cash:	
Depreciation expense	9,226,029
Change in assets and liabilities:	
Receivables and other assets	(715,892)
Accounts and other payables	1,319,224
Net cash provided by (used in) operating activities	$ (96,452,234)

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

Note 1 – Reporting Entity and Summary of Significant Accounting Policies

Reporting Entity

Primary Government

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 2,134 square miles and a population estimated at 1.9 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.

Summary of Significant Programs

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 34 housing projects consisting of 2,065 units of public housing of which 1,265 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 28.3% 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 8,600 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 28.3% 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 - The Authority owns several developments where some or all of the units are subsidized under the Section 8 program. Under this program, subsidies attach to qualifying housing units rather than to qualifying individuals or families. There are currently 1,723 units subsidized under this program; 675 units owned by the Authority, 508 units leased to Moving King County Residents forward, and 540 units owned by tax credit partnerships.

Unassisted Locally Financed Housing Programs

Tax-Exempt Bond Financed - The Authority owns 30 apartment complexes totaling 3,319 units through the issuance of tax-exempt bonds. 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 2012, the Authority disposed of two previously owned sites, Wonderland Estates and Tall Cedars, through a New Market Tax Credit transaction.

Tax Credit - 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. The Authority is general partner/managing member (hereafter referred to as “general partner”) in 18 partnerships representing 24 housing complexes comprising 2,531 units.

New Market Tax Credit – In 2011, the Authority, in its capacity as a Community Development Entity eligible for allocations of New Markets Tax Credits, entered into an $18 million New Market Tax Credit transaction to finance preservation and rehab at Wonderland Estates and Tall Cedars. The Authority assisted the establishment of a South King County Affordable Community Group, a new non-profit entity to acquire, operate, and rehab Wonderland and Tall Cedars. The Authority allocated $18 million of New Market Tax Credits to the transaction. The Authority and JPMorgan Chase established a new Investment Fund to which the Authority loaned $12,965,095 and Chase provided equity of $5,054,400. The Fund invested $18 million into The Authority’s subsidiary CDE KCHA New Markets Partner 10 LLC, which after paying fees to the Authority, loaned $17,640,000 to South King County Affordable Community Group. The non-profit used proceeds to acquire both parks from the Authority and to undertake approximately $5 million in rehab work at both parks. The Authority will receive interest on its leverage loan over the 7-year New Market Tax Credit compliance period. Upon completion of the 7-year compliance period, the Authority will be in a position to collapse the New Market Tax Credit structure by taking back ownership of the properties in exchange for forgiveness of the outstanding loan principal.

Miscellaneous Local Programs - The Authority has an inventory of 13 different housing developments comprising 149 units of housing. The units 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 2013, the Authority assisted 1,039 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 $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. For rental households, the redevelopment includes 112 public housing units, 10 project based Section 8 units, and 55 HUD Section 202 elderly units. There are an additional 108 lots available to provide homeownership opportunities. Sales of the first 54 lots were completed by the end of 2013. The remaining 54 homeownership lots will be offered in the first quarter of 2014. 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. The second rental phase Providence Joseph House, 65 units for seniors & disabled completed construction and was fully occupied in 2012. For the last rental phase, the Fairwind Apartments, 87 units of family housing was completed and fully occupied in 2013.

Component Units

The governmental reporting entity consists of the Authority (the Primary Government) and its component units. Component units are legally separate organizations for which the Board is financially accountable, or other organizations whose nature and significant relationship with the Authority are such that exclusion would cause the Authority's financial statements to be misleading or incomplete. Financial accountability is defined as the appointment of a voting majority of the component unit's board, and (i) either the Authority's ability to impose its will on the organization or (ii) there is potential for the organization to provide a financial benefit to or impose a financial burden on the Authority.

The basic financial statements include both blended and discretely presented component units. The blended component units are legally separate entities, and should be, in substance, part of the Authority's operations, and so data from these units are combined with data of the primary government. The discretely presented component units, on the other hand, are reported in a separate column in the government-wide financial statements to emphasize they are legally separate from the government.

Complete financial statements of individual component units can be obtained from the Finance Department of the Authority. Although the limited partnerships, limited liability companies, and non-profit corporations do not follow government accounting for presentation purposes, certain transactions may be reflected differently in these financial statements than in the separately issued information in order to conform to the presentation of the primary government.

Blended Component Units

Moving King County Residents Forward (MKCRF) - A legally separate, 501(c)(3), non-profit organization. During 2012, the Authority leased property to MKCRF through a 30-year capital lease with lease 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 is being 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 the Authority and the management of the Authority has operational responsibility for MKCRF, MKCRF's balances and transactions are "blended" into the Authority's financial statements.

Discretely Presented Component Units

The discretely presented component units are low income housing tax credit limited partnerships and LLCs whose limited partners or members have limited rights regarding the operations of the partnerships/LLCs and the Authority as General Partner or Managing Member controls the day-to-day operations of the partnerships/LLCs. As such, the Authority has certain rights and responsibilities which enable it to impose its will on the limited partnerships/LLCs due to its significant influence as the General Partner/Managing Member and also its financial relationships with the partnerships/LLCs. It is for this reason that they are discretely presented on the Authority's financial statements.

The partnerships and LLCS are required to be operated in a manner necessary to qualify for federal low income housing tax credits and to be in compliance with regulations for tax exempt bonds as provided under Section 42 and 142 of the Internal Revenue Code. The Authority is allocated about .01% of all profits, losses, and tax credits pursuant to the terms of the partnership or operating agreement with the partnerships/LLCs.

The following discretely presented component units have a December 31, 2013 year end:

- **Eastbridge Apartments LLC –**A Washington state limited liability company formed in March 2009 to construct and operate a 26-building, 91-unit housing project, known as Eastbridge Apartments in unincorporated King County, Washington. The Authority serves as sole Managing Member. Pursuant to the Amended and Restated Operating Agreement dated March 3, 2009, Bank of America, N.A.as the Investor Member and Banc of America CDC Special Holding Company, Inc. as the Special Member were admitted to the company.

- **Egis Housing Limited Partnership –** A Washington state partnership that was formed in May 2007, to acquire, develop, rehabilitate, own, maintain and operate a 439-unit apartment project, known as Egis Housing in King County and Thurston County, Washington. The project consists of Paramount House (70 units), Munro Manor (60 units), Brittany Park (43 units), Riverton Terrace (30 units), Mardi Gras (61 units), Plaza 17 (70 units), Casa Madrona (70 units), and Gustaves Manor (35 units). The Authority serves as the sole general partner, the Limited Partner is Egis-Apollo Housing Capital, LLC and the Special Limited Partner is RBC Tax Credit Manager II, Inc.

- **Fairwind Apartments LLLP -** A Washington limited liability limited partnership that was formed in March 2012 to construct and operate an 87-unit apartment project, known as Fairwind Apartments in unincorporated King County, Washington. The Authority serves as its sole General Partner. Pursuant to the Partnership Agreement, BCP/Fairwind, LLC is the Investment Limited Partner and BCCC, Inc. is the Special Limited Partner.

- **Green River Homes LLC –** A Washington state limited liability company which was formed in June 2004 to acquire, rehabilitate and operate a 60-unit apartment project, known as Valley Park East and Valley Park West in Auburn, Washington. The Authority serves as the sole Managing Member. Its Investor Member is NEF Assignment Corporation.

- **Green River Homes 2 LLC –** A Washington state limited liability company that was formed on October 7, 2011 to acquire, construct, rehabilitate, develop, improve, maintain, operate, and lease a 59-unit apartment complex, known as Green River Homes in Auburn, Washington. The Authority serves as sole Managing Member. The Investor Member is RBC-Green River, LLC, a Delaware limited liability company and the Special Investor Member is RBC Tax Credit Manager II, Inc., a Delaware corporation.

- **Harrison House LLC –** A Washington State limited liability company which was formed in May 2004 to acquire rehabilitate and operate a 94-unit apartment project, known as Harrison House Apartments in Kent, Washington. The Authority serves as its sole Managing Member. Its Investor Member is NEF Assignment Corporation.

- **KCHA – Cones Limited Partnership -**A Washington state limited partnership that was formed in May 2002 to acquire, rehabilitate and operate a 96-unit apartment project, known as Arbor Heights Apartments in the City of Seattle, Washington. The Authority serves as its sole General Partner. John Hancock Corporate Tax Credit Fund VIII, L.P. serves as the Investor Limited Partner while John Hancock Realty Management, Inc. is a limited partner.

- **KCHA – Kona Village Limited Partnership -** A Washington State limited partnership formed on December 1, 1999, to acquire, rehabilitate and operate a real estate development consisting of low-income rental housing. The partnership operates two properties. The properties are Somerset Gardens East (formerly known as Kona Village – East) (90 units) and Somerset Gardens West (formerly known as Kona Village – West) (108 units). The authority serves as the partnership's sole General Partner. The partnership's Limited Partners are Columbia Housing/PNC Institutional Fund VI Limited partnership (the Investment Limited Partner) and Columbia Housing SLP Corporation (the Special Limited Partner).

- **KCHA – Rural Housing Preservation Limited Partnership -** A Washington state limited partnership formed in March 1999 to acquire, rehabilitate and operate real estate consisting of, or including in significant part, low-income rental housing. The partnership operates one project, which consists of Rainier View I Apartments (48 units), Rainier View II Apartments (36 units) and Si View Apartments (20 units). The units are available for families of low or moderate income under Section 515(b) of the National Housing Act of 1949. The project has a Rental Assistance Contract for 100% of the units that is funded through and regulated by the U.S. Department of Agriculture ("USDA"), Rural Housing Service ("RHS"). RHS regulates the partnership as to rent charges and operating methods. The Authority serves as the partnership's sole General Partner. The partnership's Limited Partner is National Equity Fund 1999 Limited Partnership; an Illinois limited partnership.

- **KCHA – Seatac Limited Partnership -** A Washington state limited partnership that was formed in August 1998, to acquire, rehabilitate and operate a 326-unit apartment project, known as Windsor Heights Apartments in SeaTac, Washington. The Authority serves as its sole General Partner. Its Limited Partners are Columbia Housing PNC Institutional Fund I Limited Partnership (the Investment Limited Partner) and Columbia Housing SLP Corporation (the Special Limited Partner).

- **KCHA – Southwood Square Limited Partnership -** A Washington state limited partnership that was formed in March 2001, to acquire, rehabilitate, and operate a 104-unit apartment project, known as Southwood Square Apartments in Kent, Washington. The Authority serves as the sole General Partner. Its initial Limited Partner was Common Ground, a Washington nonprofit corporation. Pursuant to the Amended and Restated Limited Partnership Agreement dated December 28, 2001, Common Ground withdrew from the partnership and John Hancock Realty Management, Inc. (the Special Limited Partner) and John Hancock Corporate Tax Credit Fund VI Limited Partnership (the Investor Limited Partner) were admitted to the partnership.

- **Nia Apartments LLC -** A Washington limited liability company that was formed in March 2007 to construct and operate an 82-unit apartment project, known as Nia Apartments in the unincorporated King County, Washington. The Authority serves as its sole managing member. Pursuant to the Operating Agreement dated March 15, 2007, NIA-Apollo Housing Capital, LLC as the Investor Member and Apollo Housing Manager II, Inc. as the Special Member, were admitted to the company. Subsequently, Apollo Housing Manager II, Inc. changed its name to RBC Tax Credit Manager II, Inc.

- **Overlake TOD Housing Limited Partnership -** Overlake TOD Housing Limited Partnership is a Washington state limited partnership formed in July 2000 to construct and operate a 308-unit apartment complex known as The Village at Overlake Station, and a "Park and Ride" facility in Redmond, Washington. The Authority serves as its sole general partner. Its Limited Partners are Columbia Housing/PNC Institutional Fund V Limited Partnership (the Investment Limited Partner) and Columbia Housing SLP Corporation (the Special Limited Partner).

- **Salmon Creek Housing LLC -** Salmon Creek Housing LLC is a Washington state limited liability company formed in March 2008, to construct and operate an 88-unit apartment project, known as Salmon Creek Apartments in unincorporated King County, Washington. The Authority serves as its sole managing member. Pursuant to the Operating Agreement dated March 25, 2008, Salmon Creek-Apollo Housing Capital, LLC as the Investor Member and Apollo Housing Manager II, Inc., (which changed its name to RBC Tax Credit Manager II, Inc.) as the Special Member, were admitted to the company.

- **Seola Crossing LLC -** A Washington state limited liability company formed in November 2005 to construct and operate a 187-unit apartment project, known as Seola Crossing Apartments in unincorporated King County, Washington. Phase I of the project includes 82 units and Phase II includes 105 units. The Authority serves as the sole Managing Member. Pursuant to the Amended and Restated Operating Agreement dated March 23, 2006, Boston Financial Housing Investments VIII Limited Partnership as the Investor Member and BFIM Special Limited Partner, Inc. as the Special Member were admitted to the company.

- **Sixth Place Apartments LLLP -** a Washington state limited liability limited partnership that was formed in June 2010 to acquire, construct, rehabilitate, develop, improve, maintain, operate, and lease a 24-unit apartment complex, known as Sixth Place Apartments in unincorporated King County, Washington. The Authority serves as sole General Partner. The Investment Limited Partner is Boston Capital Corporate Tax Credit Fund XXXIII, A Limited Partnership, a Massachusetts limited partnership and the Special Limited Partner is BCCC, Inc., a Massachusetts corporation.

- **Soosette Creek LLC -** a Washington state limited liability company formed in October 2007, to lease, renovate, maintain and operate a 262-unit apartment complex in Kent, Washington, known as Birch Creek Apartments (formerly Springwood Apartments). The Authority serves as its sole Managing Member. Pursuant to the Operating Agreement dated April 1, 2008 and amended September 1, 2008, Soosette Creek-Apollo Housing Capital, LLC, a Delaware limited liability company as the Investor Member and RBC Tax Credit Manager II, Inc., a Delaware corporation as the Special Member were admitted to the company.

- **Zephyr Apartments LLLP -** A Washington state limited liability limited partnership that was formed in January 29, 2010 to acquire, hold, invest in, secure financing for, construct, rehabilitate, develop, improve, maintain, operate, and lease a 25-unit apartment complex, known as Zephyr Apartments in unincorporated King County, Washington. Pursuant to the partnership Agreement dated January 29, 2010, the Authority serves as sole General Partner. The Investment Limited Partner is Boston Capital Corporate Tax Credit Fund XXXII, a Limited Partnership, a Massachusetts limited partnership, and the Special Limited Partner is BCCC, Inc., a Massachusetts corporation.

Change in Component Units

Changes to the Beginning Net Position on the Statement of Revenues, Expenses, and Changes in Net Position include:

- A decrease of $6,082,439 resulting from the dissolution of four tax credit partnerships in 2013: KCHA – Alpine Ridge Limited Partnership, KCHA – Colonial Gardens Limited Partnership, KCHA – Heritage Park Limited Partnership, and KCHA – Laurelwood Gardens Limited Partnership.

- An increase of $258,977 resulting from the addition of Green River Homes 2 LLC.

- An increase of $77,347 resulting from the addition of Fairwind Apartments LLLP.

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.

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.

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.

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.

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.

Restricted Assets

In accordance with bond resolutions (and certain related agreements) separate restricted accounts are required to be established. The assets held in these accounts are restricted for specific uses, including construction, debt service and other special reserve requirements. Restricted resources at December 31, 2013 include the following:

	RESTRICTED		
	Cash & Cash Equivalents	Investments	Total
Replacement reserves	$ 4,733,522	$ -	$ 4,733,522
Debt service	1,046,777	517,088	1,563,865
Tenant security deposits	1,541,037	-	1,541,037
Collateral reserve	9,500,000	20,410,489	29,910,489
Other	4,252,195	633,750	4,885,945
	$ 21,073,531	$ 21,561,327	$ 42,634,858

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.

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.

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 6 for the capital asset components and balances at December 31, 2013 and fiscal year activity.

Depreciable lives for the capital asset categories follow:

Land	No depreciation
Buildings	20 – 40 years
Improvements	15 years
Equipment	3 – 10 years
Construction-in-process	No depreciation

Maintenance and repairs are charged to expense when incurred. At year-end some maintenance may be capitalized in accordance with the Authority's capital asset policy. 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.

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.

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. Because the amount of such payments is difficult to estimate, an accrual is made only when an employee becomes eligible for retirement.

Inter-fund 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). Inter-fund payables and receivables (due to/from relationships) are created and used to account for ownership of the funds.

Deferred Outflows/Inflows of Resources
Transactions that result in the consumption or acquisition of net assets in one period that are applicable to future periods are presented as *deferred outflows of resources* and *deferred inflows of resources*, respectively, on the Statement of Net Position.

Derivative Financials Instruments
The fair value of interest rate swap agreements (See Note 8) 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.

Commitments
The Authority has entered into various long-term contracts for the development of various housing projects. As of December 31, 2013, the Authority was obligated under these contracts to purchase approximately $5.4 million of goods and services.

Note 2 – Accounting and Reporting Changes

During 2013, the Authority has implemented the following new accounting standards issued by the GASB:

Statement No. 61, The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34. GASB Statement No. 61 results in the financial reporting entity's financial statements being more relevant by improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity. This guidance did not affect the Authority's reporting of component units.

Statement No. 66, Technical Corrections 2012: an Amendment of GASB Statements No. 10 and No. 62. GASB Statement No. 66 improves financial reporting by resolving conflicting guidance that resulted from the issuance of the two previous pronouncements, and amending the provisions of GASB Statement No. 62 related to accounting for (1) operating lease payments, (2) purchased loan or group of loans, and (3) servicing fees related to mortgage loans. This guidance did not affect the Authority's financial statements.

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 may be made for collateralization of repurchase agreements using investments not exceeding 30 years and for the investment of reserve funds, which can be invested up to 30 years if matched to an anticipated future cash flow. Additional exceptions are made for investments that step to higher interest rates at predetermined amounts and times.

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 of 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 Federal Home Loan 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, 2013, the pool had an average days-to-maturity of 57 days and therefore is reported at cost. Government securities are reported at fair value.

A summary of cash and investments at December 31, 2013 follows:

	Unrestricted	Restricted	Total
Cash and cash equivalents:			
Cash on hand	$ 9,200	$ -	$ 9,200
Depository accounts	13,992,843	3,577,727	17,570,570
Washington State investment pool	46,057,814	1,111,714	47,169,528
U.S. Treasury money market	-	6,884,090	6,884,090
Bank of America municipal reserves	12,602	9,500,000	9,512,602
Total cash and cash equivalents	$ 60,072,459	$ 21,073,531	$ 81,145,990
Investments:			
Government sponsored entities	$ 24,435,560	$ 20,650,252	$ 45,085,812
Certificates of deposit	-	911,075	911,075
US Bank commercial paper	12,000,000	-	12,000,000
Total investments	$ 36,435,560	$ 21,561,327	$ 57,996,887
Total	$ 96,508,019	$ 42,634,858	$ 139,142,877

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

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, 2013, all of the developer fee notes, $81.5 million of the financing leases, 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 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 9 – Component Units, 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, 2013 follows.

	Beginning Balance	Additions	Payments	Ending Balance	*Current Portion*
Developer fee notes	$ 1,596,563	$ -	$ (569,557)	1,027,006	*$ 460,285*
Other Notes					
Real Estate:					
Residential	377,533	628,929	-	1,006,462	-
Multifamily	175,057,196	3,600,000	(921,105)	177,736,091	*799,736*
Other	20,857,411	-	-	20,857,411	-
Total Notes	197,888,703	4,228,929	(1,490,662)	200,626,970	*1,260,021*
Financing Leases, net					
Real Estate: Mulitfamily	107,006,219	10,041,169	(31,395,814)	85,651,574	*15,655,363*
Notes & Financing Leases Receivable	$ 304,894,922	$ 14,270,098	$ (32,886,476)	$ 286,278,544	*$ 16,915,384*

Continued development of the Seola Gardens (Fairwind) project under a Low Income Housing Tax Credit transaction resulted in a $9.4 million addition to the Financing Leases receivable and a $3.6 million addition to Notes Receivable. See Note 9 for further information on the tax credit properties.

The maturity schedule for notes receivable follows:

FISCAL YEAR	PRINCIPAL	INTEREST **	TOTAL
2014	1,260,021	2,311,387	3,571,408
2015	62,576,236	2,294,296	64,870,532
2016	1,443,639	2,283,268	3,726,907
2017	1,513,469	2,287,763	3,801,232
2018	1,334,571	2,219,924	3,554,495
2019-2023	10,188,796	11,122,638	21,311,434
2024-2028	15,661,688	9,943,058	25,604,745
2029-2033	10,689,836	7,817,502	18,507,339
2034-2038	19,919,257	6,274,737	26,193,994
2039-2043	17,994,427	4,899,308	22,893,736
2044-2048	4,800,663	366,866	5,167,528
2049-2053	11,854,446	426,184	12,280,630
2054-2058	24,728,495	6,342,924	31,071,419
2059-2063	16,661,427	-	16,661,427
NOTE RECEIVABLE BALANCE	**$ 200,626,970**	**$ 58,589,855**	**$ 259,216,826**

** On amortizing notes.

The maturity schedule for financing leases receivable follows:

FISCAL YEAR	PRINCIPAL	INTEREST **	TOTAL
2014	15,655,363	1,472,209	17,127,572
2015	1,003,082	1,398,572	2,401,653
2016	1,052,798	1,189,703	2,242,501
2017	1,097,725	1,163,152	2,260,877
2018	1,157,874	1,097,312	2,255,186
2019-2023	5,686,267	4,455,956	10,142,222
2024-2028	22,632,381	2,675,285	25,307,666
2029-2033	3,191,718	861,262	4,052,980
2034-2038	905,000	334,085	1,239,085
2039-2043	21,784,367	73,575	21,857,942
2044-2048	3,000,000	-	3,000,000
2049-2053	955,000	-	955,000
2054-2058	-	-	-
2059-2063	7,530,000	-	7,530,000
FINANCING LEASE RECEIVABLE BALANCE	**$ 85,651,574**	**$ 14,721,110**	**$ 100,372,684**

** Unearned interest.

Note 5 – Capital Assets

Primary Government

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

	Beginning Balances	Additions	Disposals	Ending Balances
NONDEPRECIABLE:				
Land	$ 55,159,883	$ 13,187,049	$ -	$ 68,346,932
Land Improvements	2,774,972	-	-	2,774,972
Construction-in-progress				
Greenbridge Project	46,876,555	427,561	(3,311,579)	43,992,537
Seola Gardens Project	27,029,208	8,552,430	(21,582,601)	13,999,037
Other	18,631,924	18,302,144	(7,095,856)	29,838,212
Total Nondepreciable	150,472,542	40,469,184	(31,990,036)	158,951,690
DEPRECIABLE:				
Land Improvements	17,487,806	4,389,678	-	21,877,484
Buildings	254,415,511	27,999,915	-	282,415,426
Equipment	5,216,008	257,713	(237,607)	5,236,114
Total Depreciable	277,119,325	32,647,306	(237,607)	309,529,023
TOTAL CAPITAL ASSETS	427,591,867	73,116,490	(32,227,643)	468,480,714
Accumulated Depreciation	(126,849,073)	(9,226,029)	234,268	(135,840,834)
NET CAPITAL ASSETS	**$ 300,742,794**	**$ 63,890,461**	**$ (31,993,375)**	**$ 332,639,880**

Capital asset activity resulted primarily from transactions associated with the Seola Gardens redevelopment project, acquisition of assets from tax credit partnerships, the purchase of the Chaussee portfolio, and the sale of assets to the Fairwind partnership.

Of the $73.1 million of additions to the capital assets, $9.7 million was attributable to the acquisition of land and buildings from the Laurelwood Gardens, Colonial Gardens, Alpine Ridge, and Heritage Park tax credit partnerships. $19.6 million of additions was the result of the purchase of land and buildings associated with the Chaussee portfolio. $8.5 million of additions was attributable to the Seola Gardens project construction- in- process. Another $11.2 million of additions was the result of upgrades and rehabilitation at various properties.

Of the $32.2 million net capital asset dispositions, $19.2 million represents assets sold from Seola Gardens construction-in-process to Fairwind Apartments, LLLP. $4.2 million of disposals from the Greenbridge and Seola Gardens projects represent lot sales to private builders for the construction of market-rate for-sale homes.

Discretely Presented Component Units

	Beginning Balances	Additions	Disposals	Ending Balances
NONDEPRECIABLE:				
Land	$ 36,247,054	$ 730,000	$ (1,829,239)	$ 35,147,815
Construction-in-progress	23,982	111,622	-	135,604
Total Nondepreciable	36,271,036	841,622	(1,829,239)	35,283,419
DEPRECIABLE:				
Land Improvements	20,551,493	3,513,532	(173,185)	23,891,840
Buildings	377,189,723	34,356,411	(22,882,676)	388,663,458
Equipment	10,427,617	132,872	(987,962)	9,572,527
Off-site Work	5,846,645	-	-	5,846,645
Total Depreciable	414,015,478	38,002,815	(24,043,823)	427,974,470
Intangible Assets	4,501,041	132,893	(209,181)	4,424,753
Total Capital Assets	454,787,555	38,977,330	(26,082,243)	467,682,642
Accumulated Depreciation	(85,236,455)	(12,454,599)	9,843,580	(87,847,474)
Accumulated Amortization	(911,522)	(191,457)	167,097	(935,882)
	$ 368,639,578	**$ 26,331,274**	**$ (16,071,566)**	**$ 378,899,286**

Additions to capital assets resulted primarily from the creation of two tax credit partnerships: Fairwind Apartments LLLP and Green River Homes 2 LLC.

Disposals of capital assets resulted primarily from the dissolution of four tax credit partnerships: KCHA – Alpine Ridge Limited Partnership, KCHA- Colonial Gardens Limited Partnership, KCHA – Heritage Park Limited Partnership, and KCHA – Laurelwood Gardens Limited Partnership. The assets belonging to these partnerships were acquired by the primary government.

Intangible assets consist primarily of tax credit fees, loan fees, and financing lease fees. Each intangible asset is amortized on a straight-line basis.

Note 6 – Long Term Debt Obligations

Changes to the Authority's long-term obligations are as follows:

	Beginning Balance	Additions	Retirements/ Payments	Ending Balance	*Current Portion*
Revenue Bonds	$ 131,115,247	$ -	$ (45,706,447)	$ 85,408,800	*$ 7,697,034*
Demand Bonds	84,045,000	-	(1,165,000)	82,880,000	*2,690,001*
Mortgage Notes	1,118,990	-	(43,614)	1,075,376	*30,141*
Financing Lease	936,109	-	(166,837)	769,272	*173,462*
Lines of Credit	54,534,390	-	(18,480,999)	36,053,389	*21,316,182*
Notes Payable	10,847,440	82,254,485	(2,540,449)	90,561,477	*3,665,449*
	$ 282,597,176	**$ 82,254,485**	**$ (68,103,346)**	**$ 296,748,314**	***$ 35,572,268***

Additional debt for 2013 consists of the following:

- $64.5 million note payable to Key Bank. The note has a 20-year term and an interest rate of 3.57%. Proceeds from the loan were used to purchase the Chaussee property portfolio and pay off the 1998 Bond Pool, the Alpine Ridge and Colonial Gardens bonds as well as some additional lines of credit.

- $17.8 million note payable to the Federal Home Loan Bank. The note has a 20-year term and an interest rate of 3.97%. Proceeds from the loan are being used to finance capital improvements at 22 properties operated by KCHA on behalf of Moving King County Residents Forward.

Details of each issuance of long-term obligations follow:

	Fiscal Year Issued	Amount Issued	Interest Rates	Fiscal Year Maturity	Amount Outstanding	Current Portion
Revenue Bonds:						
Tax Credit:						
Rural Housing	1997	$ 2,230,000	4.50-5.75%	2028	$ 1,522,009	$ 70,000
Windsor Heights	1998	10,650,000	4.00-5.40%	2029	7,190,548	325,000
Somerset	1999	3,605,000	4.80-6.80%	2014	3,605,000	3,605,000
Somerset (Kv)	1999	2,535,000	4.80-6.80%	2031	1,929,355	65,000
Eastwood Square	2001	4,000,000	5.35-5.45%	2041	3,525,000	55,000
Somerset	2001	3,895,000	5.00%	2033	3,105,000	95,000
Southwood Square	2001	5,000,000	2.25-6.00%	2032	3,836,514	125,000
Greenbridge - Nia	2006	3,000,000	5.41-5.87%	2037	2,870,000	35,000
Seola Crossing 1	2006	1,650,000	6.38%	2047	1,611,828	7,388
Seola Crossing 2	2006	5,050,000	6.38%	2047	4,933,172	22,612
Soosette Creek	2008	37,500,000	0.00-0.65%	2058	31,010,000	2,045,000
Eastbridge Apts.	2008	6,995,000	5.65%	2029	6,995,000	65,000
Green River Homes II	2011	9,500,000	.75 -2%	2021	9,500,000	863,636
Total tax credit		$ 95,610,000			$ 81,633,426	$ 7,378,636
Other:						
Central Office Building	2000	2,000,000	5.32%	2015	366,944	178,398
Heritage Park	1998	4,950,000	4.15-5.60%	2030	3,408,430	140,000
Total other		$ 6,950,000			$ 3,775,374	$ 318,398
Total revenue bonds		$ 102,560,000			$ 85,408,800	$ 7,697,034
Demand Bonds:						
Tax Credit:						
Overlake	2000	$ 23,725,000	0.28-2.61%	2043	$ 23,220,000	$ 95,000
Salmon Creek	2008	4,105,000	1.10-2.61%	2048	4,105,000	55,000
Total tax credit		$ 27,830,000			$ 27,325,000	$ 150,000
Other:						
Landmark	2002	$ 18,500,000	0.28-2.56%	2043	$ 16,450,000	$ 1,450,000
2005 Pool	2005	46,290,000	0.33%	2035	39,105,000	1,090,001
Total other		$ 64,790,000			$ 55,555,000	$ 2,540,001
Total demand bonds		$ 92,620,000			$ 82,880,000	$ 2,690,001

Details of each issuance of long-term obligations follow:

	Fiscal Year Issued	Amount Issued	Interest Rates	Fiscal Year Maturity	Amount Outstanding	Current Portion
Financing Lease:						
ESCO	2005	$ 3,900,000	3.90%	2018	$ 769,272	$ 173,462
Total financing leases		$ 3,900,000			$ 769,272	$ 173,462
Lines of Credit:						
Tax Credit:						
New Market Tax Credit	2011	11,500,000	2.25%	2014	7,716,183	7,716,183
Total tax credit		$ 11,500,000			$ 7,716,183	$ 7,716,183
Other:						
Meadowbrook Apts.	2010	10,000,000	1.42%	2015	10,000,000	-
Meadowbrook Apts.	2011	5,000,000	1.86%	2015	2,177,408	-
Fairwind	2011	16,500,000	1.42%	2014	13,599,998	13,599,998
						-
Bank of America Line of Credit	2011	5,000,000	1.51%	2014	2,559,800	-
Chaussee					*1,020,000*	-
Vashon Terrace					*1,539,800*	-
Total Other		$ 36,500,000			$ 28,337,206	$ 13,599,998
Total lines of credit		$ 48,000,000			$ 36,053,389	$ 21,316,182
Notes Payable:						
Tax Credit:						
Somerset - Bellevue	2000	$ 700,000	1.00%	2030	$ 700,000	$ -
Somerset	2000	400,000	1.00%	2032	359,018	3,378
Eastwood Square	2001	600,000	6.95%	2041	545,703	6,818
Overlake - 2, 3	2001	1,456,000	3.42%	2042	703,301	488,524
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	-
Total tax credit		$ 8,064,000			$ 7,216,022	$ 498,720
Other:						
Hidden Village - Bellevue	1992	$ 200,000	5.00%	2042	$ 196,990	$ 3,161
Spiritwood - Bellevue	1992	400,000	5.00%	2042	393,979	6,322
Spiritwood - State	1992	207,843	5.00%	2043	207,843	4,289
Hidden Village - State	1992	292,157	5.00%	2044	292,157	-
FHLB	2013	17,762,903	3.97%	2033	17,762,903	900,000
2013 Pool	2013	64,491,582	3.57%	2033	64,491,582	2,252,958
Total other		$ 83,354,485			$ 83,345,454	$ 3,166,730
Total notes payable		$ 91,418,485			$ 90,561,477	$ 3,665,449
TOTAL LONG-TERM OBLIGATIONS		**$ 339,849,434**			**$ 296,748,314**	**$ 35,572,268**

The schedule of principal payments follows:

Debt Service - Principal	Revenue Bonds	Demand Bonds	Mortgage Notes	Financing Lease	Lines of Credit	Notes	Total
2014	7,697,034	2,690,001	30,141	173,462	21,316,182	3,665,449	35,572,268
2015	4,297,182	1,305,984	32,400	180,349	14,737,208	3,464,391	24,017,514
2016	4,343,637	1,359,352	34,829	187,810	-	3,373,657	9,299,285
2017	4,168,637	1,435,217	37,440	194,955	-	3,469,613	9,305,861
2018	4,408,636	1,518,694	40,246	32,698	-	3,563,113	9,563,386
2019-2023	18,151,818	9,660,968	251,267	-	-	19,695,861	47,759,914
2024-2028	17,112,557	12,342,308	343,205	-	-	22,329,528	52,127,598
2029-2033	11,234,299	15,789,605	305,848	-	-	25,718,724	53,048,476
2034-2038	10,120,000	9,552,870	-	-	-	463,753	20,136,623
2039-2043	2,480,000	26,220,000	-	-	-	393,749	29,093,749
2044-2048	1,395,000	1,005,000	-	-	-	45,696	2,445,696
2049-2053	-	-	-	-	-	2,177,943	2,177,943
2054-2058	-	-	-	-	-	250,000	250,000
2059-2063	-	-	-	-	-	1,950,000	1,950,000
Total	**$ 85,408,800**	**$ 82,880,000**	**$ 1,075,376**	**$ 769,272**	**$ 36,053,389**	**$ 90,561,477**	**$ 296,748,314**

The schedule of interest payments follows:

Debt Service - Interest	Revenue Bonds	Demand Bonds	Mortgage Notes	Financing Lease	Lines of Credit	Notes	Total
2014	4,201,274	1,295,124	76,974	26,932	-	3,100,535	8,700,839
2015	3,885,844	1,293,749	74,714	20,045	-	2,982,322	8,256,674
2016	3,723,223	1,292,374	72,286	12,884	-	2,867,066	7,967,833
2017	3,591,083	1,290,936	69,675	5,439	-	2,736,465	7,693,598
2018	3,423,067	1,289,436	66,869	162	-	2,608,379	7,387,912
2019-2023	14,415,002	6,422,303	284,306	-	-	11,002,197	32,123,809
2024-2028	10,657,449	6,373,363	175,591	-	-	7,302,137	24,508,540
2029-2033	5,701,331	6,312,234	46,599	-	-	3,033,098	15,093,262
2034-2038	2,932,545	5,778,568	-	-	-	480,713	9,191,826
2039-2043	838,784	5,380,952	-	-	-	437,216	6,656,952
2044-2048	170,737	60,277	-	-	-	493,817	724,831
2049-2053	-	-	-	-	-	632,809	632,809
2054-2058	-	-	-	-	-	811,611	811,611
2059-2063	-	-	-	-	-	-	-
Total	**$ 53,540,340**	**$ 36,789,316**	**$ 867,015**	**$ 65,462**	**$ -**	**$ 38,488,364**	**$ 129,750,497**

The schedule of debt service payments follows:

Debt Service - Total	Revenue Bonds	Demand Bonds	Mortgage Notes	Financing Lease	Lines of Credit	Notes	Total
2014	11,898,308	3,985,125	107,115	200,394	21,316,182	6,765,985	44,273,107
2015	8,183,027	2,599,733	107,114	200,394	14,737,208	6,446,713	32,274,188
2016	8,066,860	2,651,726	107,115	200,694	-	6,240,723	17,267,118
2017	7,759,720	2,726,153	107,115	200,394	-	6,206,078	16,999,460
2018	7,831,703	2,808,130	107,115	32,860	-	6,171,491	16,951,298
2019-2023	32,566,820	16,083,272	535,573	-	-	30,698,059	79,883,724
2024-2028	27,770,006	18,715,671	518,796	-	-	29,631,664	76,636,138
2029-2033	16,935,630	22,101,839	352,447	-	-	28,751,822	68,141,738
2034-2038	13,052,545	15,331,438	-	-	-	944,466	29,328,449
2039-2043	3,318,784	31,600,952	-	-	-	830,964	35,750,700
2044-2048	1,565,737	1,065,277	-	-	-	539,513	3,170,527
2049-2053	-	-	-	-	-	2,810,752	2,810,752
2054-2058	-	-	-	-	-	1,061,611	1,061,611
2059-2063	-	-	-	-	-	1,950,000	1,950,000
Total	**$ 138,949,140**	**$ 119,669,316**	**$ 1,942,391**	**$ 834,734**	**$ 36,053,389**	**$ 129,049,841**	**$ 426,498,810**

Demand Bonds

The Authority had $82.88 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 $23.22 million, Salmon Creek Apartments had $4.105 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 $39.105 million outstanding, respectively, at December 31, 2013. 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, 2013 the variable rate on the bonds was 0.05%. The Landmark 2002 variable rate demand note bonds have a year-end principal balance of $16,450,000. An Irrevocable Letter of Credit with US Bank was issued on June 1, 2013 and expires on June 10, 2015. The LOC guarantees payment of the variable rate bonds. There is currently no swap agreement in place.

The Overlake bonds mature in 2040. At December 31, 2013 the variable rates on the bonds was 0.05%. The Overlake variable rate demand note bonds have a year-end principal balance of $23,220,000. The Letter of Credit expires on July 1, 2015 and supports the variable rate bonds only. The swap agreement expired on January 1, 2013 and was not renewed.

Salmon Creek Apartments bond matures in 2047. At December 31, 2013 the variable rate on the bond was 0.06%. The Salmon Creek variable rate demand bond had a year-end principle balance of $4,105,000. 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, 2013 the variable rate on the bonds was 0.05645%. 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, 2013, the notional amounts were $21,181,000, $9,250,782 and $8,472,000 respectively and the aggregate fair market value of the swaps was ($3,376,386).

Note 7 -Derivative Instruments

Summary of Derivative Instruments

At December 31, 2013, the Authority had the following derivative instruments outstanding:

	Changes in Fair Value		Fair Value at December 31, 2013		Notional
	Classification	Amount	Classification	Amount	
Governmental Activities					
Investment derivatives:					
Pay-fixed interest rate swaps					
Wachovia, 2005 Pool A	Investment Income	1,483,046	Investment	(2,451,334)	$ 21,181,000
B of A, 2005 Pool B	Investment Income	270,872	Investment	(447,408)	$ 8,472,000
B of A, 2005 Pool C	Investment Income	288,692	Investment	(477,644)	$ 9,250,783
		$ 2,042,610		$ (3,376,386)	

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" on Statement of Revenues, Expenses, and Changes in Net Position.

Investment Derivative Risks

- The credit ratings of the swap counterparties are as follows: Bank of America, N.A. (A/A2/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 two of the three swap contracts.

Note 8 – Component Units

Blended Component Units

Moving King County Residents Forward (MKCRF)

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

When combining MKCRF and the Authority's financial data, the capital lease was eliminated, as well as other payables to the Authority, 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

	2013	2012
Assets:		
Current and other assets	$ 12,030,120	$ (1,176)
Capital assets	25,510,055	20,303,424
Total Assets	37,540,175	20,302,248
Liabilities:		
Current and other liabilities	2,096,530	1,501,481
Long-term debt, net of current	17,400,333	29
Total Liabilities	19,496,863	1,501,510
Net Position:		
Net Investment in Capital Assets	25,510,055	20,315,477
Restricted	-	-
Unrestricted	(7,466,743)	(1,514,739)
Total Net Position	$ 18,043,312	$ 18,800,738

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

	2013	2012
Operating Revenues	$ 369,678	$ -
Nonoperating revenues	1,711	-
Total Revenues	371,389	-
Operating expenses	114,212	125,365
Nonoperating expenses	1,014,603	-
Total Expenses	1,128,815	125,365
Excess or deficiency before contributions	(757,426)	(125,365)
Capital contributions	-	18,926,997
Change in Net Position	(757,426)	18,801,632
Beginning Net Position	18,800,738	(894)
Ending Net Position	$ 18,043,312	$ 18,800,738

Condensed Statement of Cash Flows

	2013	2012
Net cash provided by (used in):		
Operating activities	$ 99,108	$ (282)
Capital and related financing activities	11,932,188	-
Investing activities	(12,000,000)	-
Net increase in cash and cash equivalents	31,296	(282)
Cash and cash equivalents - beginning of the year	(1,176)	(894)
Cash and cash equivalents - end of the year	$ 30,120	$ (1,176)

Discretely Presented Component Units

The discretely presented component units are low income housing tax credit limited partnerships and LLCs whose limited partners or members have limited rights regarding the operations of the partnerships/LLCs and the Authority as General Partner or Managing Member controls the day-to-day operations of the partnerships/LLCs. As such, the Authority has certain rights and responsibilities which enable it to impose its will on the limited partnerships/LLCs due to its significant influence as the General Partner/Managing Member and also its financial relationships with the partnerships/LLCs. It is for this reason that they are discretely presented on the Authority's financial statements.

Partnership Name	Eastbridge Apartments LLC	Egis Housing Limited Partnership	Fairwind Apartments LLLP	Green River Homes LLC	Green River Homes 2 LLC	Harrison House Apartments LLC
Fiscal Year Acquired / Sold	2010	2007	2013	2004	2012	2004
ASSETS, LIABILITIES AND NET POSITION:						
ASSETS						
Cash and investments	$ 765,156	$ 1,353,340	$ 90,683	$ 556,950	$ 337,440	$ 726,806
Receivables and other	216,847	801,581	203,208	55,964	130,503	100,646
Capital assets, net	19,450,590	61,473,987	19,973,903	6,559,907	17,199,262	6,212,185
Total Assets	**$ 20,432,593**	**$ 63,628,908**	**$ 20,267,794**	**$ 7,172,821**	**$ 17,667,204**	**$ 7,039,637**
LIABILITIES & NET POSITION						
LIABILITIES						
Current liabilities	$ 37,991	$ 301,650	$ 10,918,625	$ 113,163	$ 58,916	$ 106,096
Long-term liabilities	10,469,721	53,705,231	6,199,813	4,876,508	17,586,980	6,160,684
NET POSITION	**9,924,881**	**9,622,027**	**3,149,355**	**2,183,150**	**21,309**	**772,857**
Total Liabilities & Net Position	**$ 20,432,593**	**$ 63,628,908**	**$ 20,267,794**	**$ 7,172,821**	**$ 17,667,204**	**$ 7,039,637**
REVENUE, EXPENSES AND CHANGE IN NET POSITION:						
OPERATING REVENUES	**$ 1,158,020**	**$ 2,426,624**	**$ 70,534**	**$ 613,331**	**$ 657,372**	**$ 659,940**
OPERATING EXPENSES						
Administrative	202,350	730,039	242,488	172,510	177,513	143,092
Operating and maintenance	372,046	1,210,413	142,472	271,683	177,311	244,116
Depreciation	1,050,460	1,792,265	173,442	335,593	455,113	313,530
Total Operating Expense	**1,624,857**	**3,732,717**	**558,402**	**779,786**	**809,937**	**700,738**
Total Operating Income	**(466,837)**	**(1,306,093)**	**(487,868)**	**(166,455)**	**(152,564)**	**(40,798)**
NONOPERATING REVENUES (EXPENSES)						
Grant Revenue	-	-	-	-	-	-
Investment income	244	-	-	-	-	-
Interest expense	(611,074)	(935,729)	(160,594)	(187,214)	(85,104)	(245,914)
Gain (loss) on disposal of assets	-	-	-	-	-	-
Other revenue (expense)	-	-	70,470	-	-	-
Total nonoperating revenues (expenses)	**(610,830)**	**(935,729)**	**(90,124)**	**(187,214)**	**(85,104)**	**(245,914)**
Total Net Income (Loss)	**(1,077,666)**	**(2,241,822)**	**(577,992)**	**(353,669)**	**(237,668)**	**(286,712)**
Contributions (distributions)	-	-	3,650,000	-	-	-
CHANGE IN NET POSITION	**(1,077,666)**	**(2,241,822)**	**3,072,008**	**(353,669)**	**(237,668)**	**(286,712)**
Beginning Net Position	11,002,547	11,863,850	77,347	2,536,819	258,977	1,059,569
Total Ending Net Position	**$ 9,924,881**	**$ 9,622,027**	**$ 3,149,355**	**$ 2,183,150**	**$ 21,309**	**$ 772,857**

Partnership Name	KCHA - Cones Limited Partnership	KCHA -Kona Village Limited Partnership	KCHA -Rural Housing Limited Partnership	KCHA -Seatac Limited Partnership	KCHA - Southwood Square Limited Partnership	Nia Apartments LLC
Fiscal Year Acquired / Sold	2003	1999	1997	1998	2001	2008
ASSETS, LIABILITIES AND NET POSITION:						
ASSETS						
Cash and investments	$ 528,047	$ 1,516,322	$ 612,977	$ 2,714,693	$ 951,902	$ 325,558
Receivables and other	11,603	135,450	102,190	86,642	82,912	229,487
Capital assets, net	8,433,104	13,682,019	3,394,006	13,107,110	6,748,935	16,589,219
Total Assets	**$ 8,972,754**	**$ 15,333,790**	**$ 4,109,173**	**$ 15,908,445**	**$ 7,783,749**	**$ 17,144,264**
LIABILITIES & NET POSITION						
LIABILITIES						
Current liabilities	$ 166,557	$ 4,805,253	$ 256,780	$ 498,408	$ 773,043	$ 48,044
Long-term liabilities	5,260,935	5,943,707	3,276,689	9,675,250	4,808,888	8,692,642
NET POSITION	**3,545,262**	**4,584,830**	**575,704**	**5,734,787**	**2,201,818**	**8,403,578**
Total Liabilities & Net Position	**$ 8,972,754**	**$ 15,333,790**	**$ 4,109,173**	**$ 15,908,445**	**$ 7,783,749**	**$ 17,144,264**
REVENUE, EXPENSES AND CHANGE IN NET POSITION:						
OPERATING REVENUES	**$ 851,123**	**$ 1,877,317**	**$ 850,732**	**$ 2,640,166**	**$ 1,082,697**	**$ 610,468**
OPERATING EXPENSES						
Administrative	225,951	244,610	223,115	505,926	168,475	220,552
Operating and maintenance	405,197	759,403	427,544	1,364,857	525,044	265,438
Depreciation	275,042	390,330	219,904	455,193	224,916	758,507
Total Operating Expense	**906,190**	**1,394,343**	**870,563**	**2,325,976**	**918,435**	**1,244,497**
Total Operating Income	**(55,067)**	**482,974**	**(19,831)**	**314,190**	**164,262**	**(634,029)**
NONOPERATING REVENUES (EXPENSES)						
Grant Revenue	-	-	-	-	-	-
Investment income	770	12,765	7,139	42,922	17,763	211
Interest expense	(184,678)	(527,478)	(116,406)	(442,254)	(277,087)	(343,559)
Gain (loss) on disposal of assets	-	-	-	-	-	-
Other revenue (expense)	-	-	-	-	-	-
Total nonoperating revenues (expenses)	**(183,908)**	**(514,713)**	**(109,267)**	**(399,332)**	**(259,324)**	**(343,348)**
Total Net Income (Loss)	**(238,975)**	**(31,739)**	**(129,098)**	**(85,142)**	**(95,062)**	**(977,377)**
Contributions (distributions)	(6,337)	-	-	50,000	(6,523)	-
CHANGE IN NET POSITION	**(245,312)**	**(31,739)**	**(129,098)**	**(35,142)**	**(101,585)**	**(977,377)**
Beginning Net Position	3,790,574	4,616,571	704,802	5,769,929	2,303,403	9,380,955
Total Ending Net Position	**$ 3,545,262**	**$ 4,584,830**	**$ 575,704**	**$ 5,734,787**	**$ 2,201,818**	**$ 8,403,578**

Partnership Name	Overlake TOD Housing Limited Partnership	Salmon Creek Housing LLC	Seola Crossing LLC	Sixth Place Apartments LLLP	Soosette Creek LLC	Zephyr Apartments LLLP	GRAND TOTAL
Fiscal Year Acquired / Sold	2000	2009	2007	2010	2008	2010	
ASSETS, LIABILITIES AND NET POSITION:							
ASSETS							
Cash and investments	$ 2,751,592	$ 420,744	$ 1,092,335	$ 343,275	$ 3,469,027	$ 172,644	$ 18,729,490
Receivables and other	266,190	220,098	365,277	50,411	899,156	80,701	4,038,865
Capital assets, net	29,366,696	19,237,825	32,626,983	8,777,769	85,590,075	6,986,840	375,410,415
Total Assets	**$ 32,384,478**	**$ 19,878,667**	**$ 34,084,595**	**$ 9,171,455**	**$ 89,958,258**	**$ 7,240,184**	**$ 398,178,770**
LIABILITIES & NET POSITION							
LIABILITIES							
Current liabilities	$ 362,102	$ 1,425,806	$ 111,494	$ 17,840	$ 272,524	$ 28,154	$ 20,302,446
Long-term liabilities	26,843,220	7,680,595	20,147,123	6,792,654	67,572,913	6,100,525	271,794,078
NET POSITION	**5,179,156**	**10,772,266**	**13,825,978**	**2,360,961**	**22,112,821**	**1,111,506**	**106,082,246**
Total Liabilities & Net Position	**$ 32,384,478**	**$ 19,878,667**	**$ 34,084,595**	**$ 9,171,455**	**$ 89,958,258**	**$ 7,240,184**	**$ 398,178,770**
REVENUE, EXPENSES AND CHANGE IN NET POSITION:							
OPERATING REVENUES	**$ 3,316,897**	**$ 741,782**	**$ 1,760,077**	**$ 192,598**	**$ 3,857,108**	**$ 201,935**	**$ 23,568,721**
OPERATING EXPENSES							
Administrative	479,575	188,480	384,581	59,581	568,877	63,029	5,000,745
Operating and maintenance	910,921	396,867	657,413	88,705	1,162,434	107,954	9,489,818
Depreciation	1,072,094	624,740	1,284,318	364,929	2,617,879	237,801	12,646,056
Total Operating Expense	**2,462,590**	**1,210,087**	**2,326,312**	**513,215**	**4,349,191**	**408,783**	**27,136,619**
Total Operating Income	**854,307**	**(468,305)**	**(566,235)**	**(320,617)**	**(492,083)**	**(206,849)**	**(3,567,897)**
NONOPERATING REVENUES (EXPENSES)							
Grant Revenue	-	-	-	-	-	-	-
Investment income	4,074	442,105	799	56	362	21	529,231
Interest expense	(1,202,189)	(417,556)	(993,224)	(4,632)	(1,314,825)	(11,150)	(8,060,667)
Gain (loss) on disposal of assets	-	-	-	-	-	-	-
Other revenue (expense)	70,262	90,000	-	-	-	-	230,732
Total nonoperating revenues (expenses)	**(1,127,853)**	**114,549**	**(992,425)**	**(4,576)**	**(1,314,463)**	**(11,129)**	**(7,300,704)**
Total Net Income (Loss)	**(273,546)**	**(353,756)**	**(1,558,660)**	**(325,193)**	**(1,806,546)**	**(217,978)**	**(10,868,601)**
Contributions (distributions)	-	-	-	-	-	-	3,687,140
CHANGE IN NET POSITION	**(273,546)**	**(353,756)**	**(1,558,660)**	**(325,193)**	**(1,806,546)**	**(217,978)**	**(7,181,454)**
Beginning Net Position	5,452,702	11,126,022	15,384,638	2,686,154	23,919,367	1,329,484	113,263,702
Total Ending Net Position	**$ 5,179,156**	**$ 10,772,266**	**$ 13,825,978**	**$ 2,360,961**	**$ 22,112,821**	**$ 1,111,506**	**$ 106,082,248**

Note 9 – Related Party Transactions

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. The Authority is allocated about .01% of all profits, losses, and tax credits pursuant to the terms of the partnership or operating agreement. 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.

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 $553,226 in 2013.

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 $2,314,841 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 presented in Note 7. A summary of notes receivable and investments in direct financing leases with the partnerships is presented in Note 5.

Eastbridge Apartments, LLC

Financing Lease

On March 3, 2009, Eastbridge Apartments, LLC ("the Company") entered into a financing lease agreement with the Authority to lease the buildings and other improvements constructed or to be constructed thereon comprising the project. The lease agreement was amended on December 30, 2010 and February 9, 2011 (collectively, the "Lease Agreement"). The Lease Agreement is for the period from March 3, 2009 (inception) through December 31, 2097. The Lease Agreement is treated as a capital lease.

Pursuant to the Lease Agreement, the base rent is one dollar ($1) per year. Eastbridge Apartments agreed to make additional payments of up to $24,885,000 in installments tied to the possession of the project. The required additional lease payments were paid in full in 2011.

Bonds Payable

In November 2008, the Authority as Managing Member entered into a tax-exempt revenue bond trust indenture (the "Revenue Bonds") with The Bank of New York Mellon Trust Company, N.A. The aggregate principal amount of the Revenue Bonds is $7,120,000, with an interest rate equal to approximately 3.50 to 5.625 percent per annum. The Revenue Bonds proceeds were loaned to Eastbridge Apartments, LLC by the Authority through the Financing Agreement (the "Financing Agreement"). The Financing Agreement is secured by a leasehold deed of trust encumbering Eastbridge Apartments' interests in the property and will be nonrecourse to the Company and its members. Interest is payable semiannually on each June 1 and December 1, commencing June 1, 2009, to maturity or earlier redemption of the Revenue Bonds, as set forth in the trust indenture.

As of December 31, 2013, the outstanding principal balance on the Bonds Payable, net of unamortized original issue discount was $6,889,242. Minimum future annual principal payments are as follows:

Year Ending December 31,	
2014	$ 65,000
2015	70,000
2016	70,000
2017	75,000
2018	75,000
Thereafter	6,640,000
Subtotal	6,995,000
Less: Bond issue discount; n	(105,758)
Total	$ 6,889,242

Loan

On March 9, 2009, the Company received a loan of $3,800,000 from the Authority to finance the construction of the project. The loan accrues interest at an annual rate of 6.5 percent and is compounded annually if interest is not paid in full. Interest is payable from Net Cash Flow, as defined in the Operating Agreement, in the order set forth in the Operating Agreement. The principal and accrued interests are due and payable on the maturity date of March 31, 2059. The KCHA Loan is secured by a single leasehold deed of trust encumbering the Company's interests in the property and will be nonrecourse to the Company and its members. As of December 31, 2013, the outstanding balance on the loan was $2,811,182.

Hope VI Loan
The Authority received a HOPE VI grant of $470,556 from the Department of Housing and Urban Development. On February 19, 2010, the Authority loaned the proceeds of the HOPE VI grant (the “Hope VI Loan”) to the Company. The loan accrues interest at an annual rate of 6.5 percent and is compounded if interest is not paid in full. Interest is payable from Net Cash Flow, as defined in the Operating Agreement, in the order set forth in the Operating Agreement. The principal and accrued interests are due and payable at maturity. The Hope VI Loan matures on March 31, 2059. The Hope VI Loan is secured by a single leasehold deed of trust encumbering the Company's interests in the property and is nonrecourse to the Company and its members.

As of December 31, 2013, the outstanding balance on the Hope VI Loan was $470,556 and interest payable was $129,770.

Project-based rental assistance payment contract
In 2009, the Company entered into a project-based rental assistance payment contract (the “HAP Contract”) with the Authority for a period of ten years. Pursuant to the HAP Contract, the Authority will make rental assistance payments on behalf of residents for 31 units. The rental assistance payments are included in rental income in the accompanying statement of operations.

Regulatory and Operating Agreement
On March 3, 2009, the Company entered into a Regulatory and Operating Agreement (the “R&O Agreement”) with the Authority. Pursuant to the R&O Agreement, 13 units are obligated to be maintained and operated continuously as public housing units in accordance with applicable public housing requirements, as defined in the R&O Agreement. The Authority will make operating subsidy payments to the Project up to the amount it receives from U.S. Department of Housing of Urban Development with respect to the project, provided the units remain in compliance with applicable public housing requirements. For the year ended December 31, 2013, operating subsidy payments of $56,400 was received by the Company from the Authority.

Egis Housing Limited Partnership

Lease Agreement
On May 25, 2007, Egis Housing Limited Partnership (“the Partnership”) entered into a financing lease agreement with the Authority to lease the land, buildings, land improvements, and personal property, comprising the Project. The Lease Agreement is for the period from May 25, 2007 through December 31, 2096. Pursuant to the guidance for accounting for leases, the Lease Agreement is treated as an operating lease from May 25, 2007 to July 25, 2007, the date of HUD approval of the transfer and the termination of a reversionary interest in favor of the Authority as Authority, and as a capital lease thereafter.

Pursuant to the Lease Agreement, the base rent is one dollar ($1) per year. The Partnership agrees to make additional lease payments of $34,740,000 in installments (the “Lease Payable”).

The Partnership’s Lease Payable bears interest at a rate of 5.15% per annum, compounded annually. As of December 31, 2013, the outstanding Lease Payable balance was $15,196,619. The principal and accrued interest is payable out of equity contribution and cash flows as defined in the Operating Agreement. For the year ended December 31, 2013, accrued interest on the Lease Payable was $3,908,612. For the year ended December 31, 2013, interest paid to the Authority on the Lease Payable was $935,729.

Rehabilitation Loan A

During September 2007, the Partnership entered into a loan agreement in the maximum amount of $3,768,000 (the “Rehabilitation Loan A”) with the Authority to finance the rehabilitation of the Project. The Authority will make the loan in installments, with an initial installment in the amount of $2,800,000 and the subsequent installments made from the requests of the Partnership for documented project costs approved by the Authority. The Rehabilitation Loan A bears no interest. Payments of principal are to be made annually from cash flow as defined by the Partnership Agreement. The Rehabilitation Loan A matures on December 31, 2057, and is secured by the project.

As of December 31, 2013, the outstanding principal balance on the Rehabilitation Loan A was $2,800,000.

Rehabilitation Loan B

During September 2007, the Partnership entered into a loan agreement in the amount of $22,550,000 (the “Rehabilitation Loan B”) with the Authority to finance the rehabilitation of the Project. The Rehabilitation Loan B bears no interest. Payments of principal are to be made annually from cash flow as defined by the Partnership Agreement. The Rehabilitation Loan B matures on December 31, 2057 and is secured by the project.

As of December 31, 2013, the outstanding principal balance on the Rehabilitation Loan B was $22,550,000.

Rehabilitation Loan C

During September 2007, the Partnership entered into a loan agreement in the amount of $9,250,000 (the “Rehabilitation Loan C”) with the Authority to finance the rehabilitation of the project. The Rehabilitation Loan C bears no interest. Payments of principal are to be made annually from cash flow as defined by the Partnership Agreement. The Rehabilitation Loan C matures on December 31, 2057 and is secured by the Project.

As of December 31, 2013, the outstanding principal balance on the Rehabilitation Loan C was $9,250,000.

Property management fee

Pursuant to the property management agreement, the Authority as Authority will receive a monthly fee for its management services. The monthly property management fee will be $40 for each unit or such other amount as permitted by HUD and will be paid on the 15th of the month following the month in which the services were rendered. For the year ended December 31, 2013, the property management fee was $252,652.

Advances payable

The Authority paid expenses on behalf of the Partnership. The advances were unsecured and did not bear interest. As of December 31, 2013, the balance payable to the Authority was $86,835.

Regulatory and Operating Agreement
On July 30, 2007, the Partnership entered a Regulatory and Operating Agreement with the Authority. Pursuant to the R&O Agreement, all of the Project units shall be maintained and operated continuously as public housing units in conformity with applicable public housing requirements, as defined in the R&O Agreement. The Authority will make operating subsidy payments to the Project up to the amount it receives from HUD with respect to the Project, provided the units remain in compliance with applicable public housing requirements. For the year ended December 31, 2013, the Partnership received operating subsidy of $1,284,000.

Fairwind Apartments LLLP

Financing Lease
On March 30, 2012, Fairwind Apartments LLLP ("the Partnership") entered into a financing lease agreement with the Authority to lease the buildings and other improvements constructed or to be constructed thereon comprising the project. The lease agreement was amended on April 8, 2014 (collectively, the "Lease Agreement"). The Lease Agreement is for the period from March 30, 2012 (inception) through December 31, 2101. The Lease Agreement is treated as a capital lease.

Pursuant to the Lease Agreement, the base rent is one dollar ($1) per year. Fairwind Apartments agreed to make additional payments of up to $21,607,000 in installments tied to the possession of the project.

Hope VI Loan
The Authority received a HOPE VI grant of $3,600,000 from the Department of Housing and Urban Development. On March 30, 2012, the Authority loaned the proceeds of the HOPE VI grant (the "Hope VI Loan") to the Partnership. The loan accrues interest at an annual rate of 5.75 percent and is compounded if interest is not paid in full. Payments of principal and interest shall be made annually from cash flow available for such purpose in accordance with the Partnership agreement. The principal and accrued interests are due and payable at maturity. The Hope VI Loan matures on March 30, 2062. The Hope VI Loan is secured by a single leasehold deed of trust encumbering the Partnership's interests in the property and is nonrecourse to the Partnership and its partners.

As of December 31, 2013, the outstanding balance on the Hope VI Loan was $3,600,000.

Green River Homes LLC

Financing lease

During June 2004, Green River Homes LLC ("the Company") entered into a $3,000,000 financing lease (the "Financing Lease") with the Authority to acquire, develop, and rehabilitate the project for its use as a low income housing project. Interest shall accrue on the unpaid balance of $3,000,000 at an interest rate equal to 4.65 percent per annum, compounded annually. Within 90 days following the end of each calendar year commencing on December 31, 2004 through December 31, 2019, the Company shall make interest only payments from Available Cash Flow, if any, as defined by the Operating Agreement and in the order set forth in the Operating Agreement. Within 90 days following the end of each calendar year commencing on December 31, 2020 through December 31, 2044, payments of principal and interest in the amount sufficient to amortize the remaining principal and interest balance are due and payable. Within 90 days following the end of each calendar year commencing December 31, 2044, through the maturity date the Company shall make a minimum rent payment in the amount of $100. The maturity date on the Financing Lease is June 1, 2079. As of December 31, 2013 the outstanding principal balance on the Financing Lease was $3,000,000.

Weatherization note

During 2005 the Company entered into a $126,742 Weatherization Loan agreement with the Authority. The note bears interest at the rate of 4.35% compounded annually. Payments of principal and interest commence on July 31, 2020 and are due in full on July 31, 2045. As of December 31, 2013 the outstanding principal balance on the note was $126,742.

Development fee note

During June 2004 the Company entered into a Developer Services Agreement with the Authority. The Company is obligated to pay a development fee of $886,493 for services performed in connection with the development of the project. Any unpaid portion of the fee is unsecured and bears no interest. The development fee is to be repaid only to the extent of available project development proceeds as defined by the Operating Agreement. Any balance of the developer fee shall be paid in equal amounts over a period of ten years commencing in 2006 from Cash Flow, if any, as defined in the Operating Agreement and in the order set forth in the Operating Agreement. Any unpaid deferred developer fee shall be paid in full no later than March 15, 2017. As of December 31, 2013 the outstanding balance on the developer fee was $109,499.

Master loan and regulatory agreement

During June 2004 the Company entered into a master loan and regulatory agreement regarding the subordinate loans (the "Master Loan Agreement") with the Authority. The loan is secured by a deed of trust on the project. Pursuant to the terms of the Master Loan Agreement, interest accrues on the Term Loan at a rate equal to 4.65 percent per annum, compounded annually. Within ninety days following the end of the each calendar year commencing on December 31, 2005, the Company shall make a payment within 90 days of year-end of principal and accrued interest from Cash Flow, if any, as defined by the Operating Agreement and in the order set forth in the Operating Agreement. The balance of the Term Loan is due on or before December 31, 2055. As of December 31, 2013 the Company had drawn $49,900 on the Term Loan.

Advances payable to the Authority
As of December 31, 2013, advances payable to the Authority totaled $25,491. The Authority periodically advances to the Company to finance various operating and development costs. The advances do not bear interest and are unsecured.

Property management fee
During June 2004 the Company and the Authority entered into a Property Management Agreement (the "Property Management Agreement"). Pursuant to the Property Management Agreement the Authority is entitled to an annual management fee equal to 7 percent of the gross revenues received, as defined in the Property Management Agreement. For the year ended December 31, 2013, the Company's property management fee expense was $40,938.

Green River Homes 2 LLC

Lease agreement
On November 28, 2011, Green River Homes 2 LLC ("the Company") entered into a financing lease agreement (the "Lease Agreement") with the Authority to lease the land, building, and improvements. The Lease Agreement is for the period from November 28, 2011 through December 31, 2086. Pursuant to the guidance for accounting for leases, the Lease Agreement is treated as a capital lease.

Pursuant to the Lease Agreement, the base rent is one dollar ($1) per year, payable on January 1 of each year commencing January 1, 2012. In addition, the Company is responsible for all costs related to constructing the project.

The Company is also required to make additional lease payment in the total amount of $4,500,000.The Company made a payment of $470,000 upon the commencement of the Lease Agreement. The Company entered into a lease payable with the Authority for the remaining $4,030,000 (the "Lease Payable") to pay the balance of the lease payment. The Lease Payable bears compounded interest at a rate of 0.25% per annum. The Lease Payable is secured by the property. The remaining balance plus accrued interest is due and payable upon the earlier to occur of three business days after the Investor Member's second equity contribution pursuant to the Operating Agreement or November 1, 2014.

As of December 31, 2013, the outstanding principal of the Lease Payable was $4,030,000.

Developer fee
On November 1, 2011, the Company entered into a development agreement (the "Development Agreement") with the Authority. Pursuant to the Development Agreement, the Company will pay the Authority $500,000 for services rendered in connection with the development and rehabilitation of the project (the "Developer Fee"). The developer fee payable bears no interest. Payments of the Developer Fee and reimbursements of costs are made from equity contributions of the Investor Member and Net Cash Flows, as defined in the Operating Agreement. As of December 31, 2013, the developer fee payable was $500,000.

KCHA Loan 1
On December 29, 2011, the Authority issued tax-exempt bonds in the amount of $9,500,000 (the "KCHA Loan 1") and loaned the proceeds to the Company. The KCHA Loan 1 bears simple interest rate equal to 0.6% per annum with a maturity date of January 1, 2067. The KCHA Loan 1 is not secured by the property. As of December 31, 2013, the outstanding principal on the KCHA Loan 1 was $9,500,000.

KCHA Loan 2

On December 29, 2011, the Authority loaned $3,500,000 (the “KCHA Loan 2”) to the Company. The KCHA Loan 2 bears simple interest rate equal 0.6% per annum with a maturity date of January 1, 2067. The KCHA Loan 2 is not secured by the property. As of December 31, 2013, the outstanding principal on the KCHA Loan 2 was $3,000,000.

Property management fee

On May 1, 2012 the Company entered into a property management agreement with the Authority (the “Property Management Agreement”). Pursuant to the Property Management Agreement, the Company will pay the Authority for its management services. The fee will be paid by the 15th of the month following the month in which the services were rendered. The monthly fee will be the greater of 7% of collected rents. As of December 31, 2013, property management fee payable was $3,232. For the year ended December 31, 2013, the property management fee was $42,045.

Property purchase option

The Authority has an option to purchase the project at the end of the low-income housing tax compliance period at a price specified in the Operating Agreement. In order to exercise this option, the Authority must meet certain requirements outlined in the Operating Agreement.

Housing assistance subsidy

On February 1, 2013, the Company entered into a Project-based Rental Assistance Contract (the “Assistance Contract”) with the Authority. Under the terms of the contract, the Authority will provide rental assistance on behalf of all 59 units at the property. The rental assistance is included in rental revenue on the accompanying statements of operations.

Due to KCHA

The Authority pays certain miscellaneous expenses on behalf of the Company. For the year ended December 31, 2013, the Authority also paid for construction costs on behalf of the Company. The advances bear no interest and are repayable on demand. The advances are not secured. As of December 31, 2013, $382,040 was due to the Authority.

Harrison House Apartments LLC

Financing lease

During May 2004, Harrison House Apartments LLC (“the Company”) entered into a $4,100,000 financing lease (the “Financing Lease”) with the Authority to acquire, develop, and rehabilitate the project for its use as a low-income housing project. Upon execution of the Financing Lease the Company made an initial payment of $600,000. Interest shall accrue on the unpaid balance of $3,500,000 at an interest rate equal to 4.65 percent per annum, compounded annually. Within 90 days following the end of each calendar year commencing on December 31, 2005 through December 31, 2020 the Company shall make interest only payments from Cash Flow, as defined by the Operating Agreement and in the order set forth in the Operating Agreement. Within 90 days following the end of each calendar year commencing on December 31, 2021 through December 31, 2044, payments of principal and interest in the amount sufficient to amortize the remaining principal and interest balance are due and payable. Within 90 days following the end of each calendar year commencing December 31, 2044, through the maturity date the Company shall make a minimum rent payment in the amount of $100. The maturity date on the Financing Lease is June 1, 2079. As of December 31, 2013 the outstanding principal balance on the Financing Lease was $3,500,000. For the year ended December 31, 2013, total interest incurred on the Financing Lease was $193,332.

Weatherization note
During April 2005 the Company entered into a weatherization note payable with the Authority. The note accrued interest equal to 4.75 percent per annum, compounded annually. No payments are required until February 15, 2020 at which time the note requires annual payments of $17,233. As of December 31, 2013 the outstanding principal balance on the note was $125,445.

Development fee note
During May 2004 the Company entered into a Developer Services Agreement with the Authority. The Company is obligated to pay a development fee of $915,541 for services performed in connection with the development of the project. Any unpaid portion of the fee is unsecured and bears no interest. The development fee is to be repaid only to the extent of available project development proceeds as defined by the Operating Agreement. Any balance of the developer fee shall be paid in equal amounts over a period of ten years commencing in 2006 from Cash Flow, if any, as defined in the Operating Agreement and in the order set forth in the Operating Agreement. Any unpaid deferred developer fee shall be paid in full no later than March 15, 2017. As of December 31, 2013 the outstanding balance on the developer fee was $109,717.

Master loan and regulatory agreement
The Company entered into a master loan and regulatory agreement regarding the subordinate loans (the “Master Loan Agreement”) with the Authority. The loan is secured by a deed of trust on the project. Pursuant to the terms of the Master Loan Agreement, interest accrues on the $550,000 Term Loan at a rate equal to 4.65 percent per annum, compounded annually. Within ninety days following the end of the each calendar year commencing on December 31, 2013, the Company shall make a payment within 90 days of year-end of principal and accrued interest from Cash Flow, if any, as defined by the Operating Agreement and in the order set forth in the Operating Agreement. The balance of the Term Loan is due on or before December 31, 2055. As of December 31, 2013 the Company had drawn $550,000 on the Term Loan.

Advances and Fees payable to the Authority
The Authority periodically advances funds to the Company to finance various operating costs. The Authority is also entitled to certain property management and asset management fees. The advances and fees payable do not bear interest and are unsecured. As of December 31, 2013, advances and fees payable to the Authority totaled $31,818.

Property management fee
During May 2004 the Company and the Authority entered into a Property Management Agreement (the “Property Management Agreement”). Pursuant to the Property Management Agreement the Authority is entitled to an annual management fee equal to 7 percent of the gross revenues received, as defined in the Property Management Agreement. For the year ending December 31, 2013, property management fee paid to the Authority was $46,195.

KCHA – Cones Limited Partnership

Weatherization/Energy Loans
During October 2003, the Authority as General Partner made loans to KCHA – Cones Limited Partnership (“the Partnership”) in the total maximum principal amount of $362,116 to finance the rehabilitation of the Project (the “Weatherization/Energy Loans”). One loan in the amount of $124,116 bears interest at a rate of 1 percent per annum, compounded annually. The other loan in the amount of $238,000 bears interest at a rate of 4.75 percent per annum, compounded annually. Beginning in March of 2019, the Partnership is required to make annual principal and interest payments to the Authority in the amount of $43,061. However, this amount will be adjusted due to pre-payment of loan principal from net cash flow. The loans mature on March 15, 2044, and are secured by a subordinated deed of trust against the Project.

As of December 31, 2013, the outstanding principal balance on the loans was $362,115. For the year ended December 31, 2013, interest expense on the loans was $18,493.

Notes Payable
During July 2004, the Authority issued a $3,200,000 loan to the Partnership to finance the acquisition and rehabilitation of the Project. The note bears interest at a rate of 4.75% per annum, compounded annually. The Partnership is required to make annual interest only payments to the Authority beginning January 5, 2005, until the maturity date, at which date the Partnership must repay the outstanding balance and all accrued interest. The note matures on July 30, 2044, and is secured by a deed of trust against the Project.

As of December 31, 2013, the outstanding balance on the note was $3,200,000. For the year ended December 31, 2013, interest expense on the KCHA Loan was $152,000.

KCHA – Kona Village Limited Partnership

Financing leases and loan and regulatory agreements
In August 2000, KCHA- Kona Village Limited Partnership (“the Partnership”) entered into capital lease agreements (the “Financing Leases”) with the Authority for the land, building and improvements, and personal property of the project. The Financing Leases require the Partnership to pay in full all amounts due on all sources of financing obtained by the Authority for the acquisition and rehabilitation of the project. The Financing Leases are for the period from January 1, 2000 through December 31, 2098. Pursuant to the Financing Leases, the Partnership is also required to pay rent in the amount of $24 per annum commencing in January 2001.The Partnership has the option to purchase the project at any time. As of December 31, 2013 rents payable due to the Authority was $312.

In December 2000, the Partnership entered into loan and regulatory agreements (the “Loan and Regulatory Agreements”) with the Authority. The Loan and Regulatory Agreements require the Partnership to pay in full all amounts due on all sources of funds obtained by the Authority for the purpose of financing the acquisition and rehabilitation of the project.

Revenue bonds

During December 1999, the Authority issued revenue bonds in an original principal amount of $2,535,000 (the "Revenue Bonds 1999") to finance the acquisition and rehabilitation of the project. The Revenue Bonds 1999 were issued with an original issuance discount of $46,897. Amortization of original issuance discount included in interest expense during the year ended December 31, 2013 was $1,563. The Revenue Bonds 1999 accrue interest, beginning on July 1, 2000, at varying rates from 4.80 percent to 6.80 percent per annum. The Revenue Bonds 1999 accrue interest, beginning on July 1, 2010, at 6.70 percent per annum through January 1, 2020, at 6.75 percent per annum through January 1, 2025, and at 6.80 percent per annum through January 1, 2030, with the bond maturing completely in 2030.

The terms of the Revenue Bonds 1999 call for semiannual interest payments on July 1 and January 1 of each year. The Revenue Bonds 1999 mature on January 1, 2030. The Revenue Bonds 1999 are secured by lease payments, certain funds under the trust indenture, general funds of the Authority, and a leasehold deed of trust on Somerset Gardens East.

As of December 31, 2013, the outstanding principal balance, net of unamortized original issue discount was $1,943,689, and accrued interest payable was $66,552. For the year ended December 31, 2013, interest expense was $133,105.

During September 2002, the Authority issued revenue bonds in an original principal amount of $3,895,000 (the "Revenue Bonds 2002") to provide funds to redeem the remaining principal outstanding of the Kona Village Revenue Bond 1999 Series A ("Seller Note A"). The Revenue Bonds 2002 accrue interest, beginning on January 1, 2003, at varying rates from 2.25 percent to 6 percent per annum. The Revenue Bonds 2002 mature in varying amounts annually through January 1, 2012, after which the remaining scheduled principal payments in the amounts of $1,155,000 and $2,040,000 are due on July 1, 2022 and July 1, 2032, respectively. The terms of the Revenue Bonds 2002 call for semiannual interest payments on January 1 and July 1 of each year. The Revenue Bonds 2002 mature on January 1, 2032. To secure the Revenue Bonds 2002 the Authority has assigned its rights, title and interest in, and delegated its duties under the Financing Leases without recourse to Wells Fargo Bank Northwest, National Association (the "Trustee"). As of December 31, 2013, the principal balance was $3,105,000. For the year ended December 31, 2013, interest expense was $186,780.

Notes payable

In September 1999, the Authority issued Kona Village Revenue Bond, 1999 Series B ("Seller Note B") for the purpose of providing financing for the acquisition of the property. Seller Note B is in the amount of $3,605,000, and has a stated simple interest rate of 5.41 percent per annum. Interest payments are due at the beginning of each month. Principal is due on its maturity date of September 22, 2014, and Seller Note B is not subject to prepayment penalties. Seller Note B is secured by the general revenues of the Authority. As of December 31, 2013, the principal balance remaining was $3,605,000 and accrued interest payable was $16,238. For the year ended December 31, 2013, interest expense was $195,030.

In addition, the Authority executed a note in the amount of $700,000 with City of Bellevue (the "City") and loaned the proceeds to the Partnership. The City note accrues simple interest at a rate of 1 percent per annum, compounded annually, beginning in 2001. Annual interest payments of $7,000 are made through 2015, after which annual payments of $50,487 are made on principal and interest until 2029. The City note is secured by a Deed of Trust on the Project. As of December 31, 2013, the outstanding principal balance was $700,000. For the year ended December 31, 2013, interest expense was $7,000.

Minimum future lease payments

Minimum future lease payments on the revenue bonds and the notes payable are as follows:

Year ending December 31,	Revenue Bonds	Notes Payable	Total
2014	$ 477,275	$ 3,758,273	$ 4,235,548
2015	477,410	7,000	484,410
2016	476,920	50,487	527,407
2017	475,805	50,487	526,292
2018	474,065	50,487	524,552
Therafter	6,263,418	605,839	6,869,257
	$ 8,644,893	$ 4,522,573	$ 13,167,466
Less: Interest	(3,569,893)	(217,573)	(3,787,466)
Less: Bond issue discount; net	(26,311)	-	(26,311)
Total	$ 5,048,689	$ 4,305,000	$ 9,353,689

KCHA – Rural Housing Preservation Limited Partnership

Financing lease

In March 1999, KCHA – Rural Housing Preservation Limited Partnership ("the Partnership") entered into a capital lease agreement (the "Financing Lease") with the Authority for the land, building and improvements, and personal property. The Financing Lease is for the period from March 31, 1999 through December 31, 2098. The Partnership has an option to purchase the property at any time.

Pursuant to the Financing Lease, the Partnership is required to make lease payments with respect to the land, to pay in full the principal and interest due on the revenue bonds issued by the Authority to acquire the property and to pay in full other sources of funds obtained by the Authority for the purpose of financing the acquisition of the property.

Revenue bonds

During December 1997, the Authority issued Housing Revenue Bonds, 1997 (Rural Preservation Projects) in an original principal amount of $2,230,000 (the "Revenue Bonds") to finance the acquisition of the property. The Revenue Bonds were issued at a discount, with a total original issuance discount of $25,384. As of December 31, 2013, unamortized original issuance discount was $16,958. For the year ended December 31, 2013, amortization of original issuance discount included in interest expense was $797. The Revenue Bonds accrue interest, beginning on January 1, 1998, at varying rates from 4.5 percent per annum to 5.75 percent per annum. The terms of the Revenue Bonds call for annual principal payments on January 1 of each year to be made in varying amounts over the term of the bonds, and for semiannual interest payments on January 1 and July 1 of each year. The Revenue Bonds mature on January 1, 2028. The Revenue Bonds are secured by a deed of trust on the property prior to the effective date of the Financing Lease (the "Transfer Date"); and on and after the Transfer Date, the Revenue Bonds are secured by a deed of trust on the Partnership's interest in the real property and improvements thereon constituting the property.

As of December 31, 2013, the outstanding principal balance on the Revenue Bonds, net of unamortized original issuance discount was $1,528,042. Interest expense for the year ended December 31, 2013, was $88,267.

Minimum future lease payments on the Revenue Bonds pursuant to the Financing Lease are as follows:

Year ending December 31,		
2014	$	156,308
2015		152,388
2016		153,328
2017		153,987
2018		154,367
Therafter		1,530,843
Subtotal	$	2,301,221
Less: Interest		(756,221)
Less: Bond issue discount; net		(16,958)
Total	$	1,528,042

<u>Mortgage notes</u>

In December 1997, the Authority executed three mortgage notes (the “Mortgage Notes”) from RHS to finance the acquisition of the Property in order to provide housing and related facilities for eligible occupants, as defined by RHS, in rural areas. Pursuant to the Loan Resolution, the mortgage is secured by a lien upon the Property. Pursuant to the Financing Lease the mortgage notes were assigned to the Partnership.

The first mortgage note (the “First Mortgage”) is in the original principal amount of $667,536, and bears interest at a rate of 7.25 percent per annum. Payments of principal and interest are due on the first day of the month over the 35-year loan term. Subject to the provisions of USDA Multiple Family Housing Interest Credit and Rental Assistance Agreement effective January 1, 1997, the United States of America, acting through the Rural Housing Service pursuant to Section 521 of the Housing Act of 1949 (the “Government”), will credit a $2,497 subsidy, less surcharge/overage, to the Partnership’s account when each monthly payment is made, which results in the borrower’s subsidized payment of $1,888 plus surcharge/overage. The First Mortgage matures in January 2033 and is secured by Rainier View I.

The second mortgage note (the “Second Mortgage”) is in the original principal amount of $478,640, and bears interest at a rate of 7.25 percent per annum. Payments of principal and interest are due on the first day of the month over the 35-year loan term. Subject to the provisions of USDA Multiple Family Housing Interest Credit and Rental Assistance Agreement effective January 1, 1997, the Government will credit a $1,790 subsidy, less surcharge/overage, to the Partnership’s account when each monthly payment is made, which results in the borrower’s subsidized payment of $1,354 plus surcharge/overage. The Second Mortgage matures in January 2033 and is secured by Rainier View II.

The third mortgage note (the “Third Mortgage”) is in the original principal amount of $204,773, and bears interest at a rate of 7.25 percent per annum. Payments of principal and interest are due on the first day of the month over the 30-year loan term. Subject to the provisions of USDA Multiple Family Housing Interest Credit and Rental Assistance Agreement effective January 1, 1997, the Government will credit a $738 subsidy, less surcharge/overage, to the Partnership’s account when each monthly payment is made, which results in the borrower’s subsidized payment of $660 plus surcharge/overage. The Third Mortgage matures in January 2027 and is secured by Si View.

Notes payable as of December 31, 2013 is summarized as follows:

	Principal Balance	Accrued Interest	Interest Expense
First Mortgage	$ 541,986	$ 855	$ 9,843
Second Mortgage	388,618	613	7,057
Third Mortgage	147,299	187	2,058
	$ 1,077,903	$ 1,655	$ 18,958

Minimum future payments of principal on mortgages payable are as follows:

Year ending December 31,	
2014	$ 29,963
2015	32,210
2016	34,625
2017	37,220
2018	40,010
Therafter	903,875
Total	$ 1,077,903

Asset management fee

Pursuant to US Department of Agriculture Rural Development 3560 Regulation and Handbooks that went into effect in February 2005, the Authority as General Partner is entitled to a reasonable asset management fee. For the year ended December 31, 2013, the asset management fee was $7,800.

Notes payable to General Partner

The Authority as General Partner issued a promissory note in the amount of $400,000 (the “Promissory Note”) to the Partnership and assigned its interest in a loan from the state of Washington to the Partnership in the amount of $494,000 (the “Assigned Note”) for rehabilitation of the project. The Promissory Note and the Assigned Note bears simple interest at a rate of 1 percent per annum. In accordance with the Project Documents as defined, payments of principal and interest on the Promissory Note and the Assigned Note are to be made from Net Cash Flow in the order set forth in the Partnership Agreement and from revenues of the property, respectively, or from additional capital contributions that may be received from the Limited Partner.

The Promissory Note and the Assigned Note mature in April 2049 and July 2049, respectively. The Promissory Note and the Assigned Note are secured by deeds of trust on the property. As of December 31, 2013, the outstanding principal balance on the Promissory Note was $400,000, and accrued interest was $63,209. For the year ended December 31, 2013, interest expense on the Promissory Note was $4,588. As of December 31, 2013, the outstanding principal balance on the Assigned Note was $370,707. For the year ended December 31, 2013, interest expense on the Assigned Note was $3,796.

KCHA – Seatac Limited Partnership

Financing Lease

On August 1, 1998, KCHA – Seatac Limited Partnership ("the Partnership") entered into a capital lease agreement (the "Financing Lease") with the Authority for the land, building and improvements, and personal property. The Financing Lease is for the period from August 1, 1998 through August 1, 2098. The Partnership has an option to purchase the property at any time. The Financing Lease is secured by the property. Pursuant to the guidance for accounting for leases, the Partnership accounts for the lease of the project as a capital lease.

Pursuant to the Financing Lease, the base rent is $12 per year, payable on January of each year commencing August 1, 1998. In addition, the Partnership is required to pay in full all sources of funds obtained by the Authority for the purpose of financing the acquisition of the project. As of December 31, 2013, the accrued financing lease expense $12. For the year ended December 31, 2013, financing lease expense was $12.

Revenue Bonds

During August 1998, the Authority issued revenue bonds in an original principal amount of $10,650,000 (the "Revenue Bonds") on behalf of the Partnership to finance the acquisition of the project. The Revenue Bonds were issued with an original issuance discount of $109,163. As of December 31, 2013, unamortized original issue discount was $53,669 and amortization expense on the original issue discount was $3,639, which is included in interest expense on the accompanying statement of operations. The Revenue Bonds accrue simple interest at 5.4 percent per annum. The maturity date is August 1, 2028. The terms call for semiannual interest payments on February 1 and August 1 of each year and annual principal payments on August 1 of each year. The Revenue Bonds are secured by and payable from lease payments received from the Partnership and pledged under the trust indenture relating to the Revenue Bonds. In addition, the Revenue Bonds are secured by and are payable from a reserve account and investment securities. As of December 31, 2013, the outstanding principal balance, net of unamortized original issuance discount was $7,226,331 and accrued interest was $163,799. For the year ended December 31, 2013, interest expense was $402,885.

Minimum future lease payments on the Revenue Bonds under the terms of the Financing Lease are as follows:

Year ending December 31,		
2014	$	718,120
2015		720,570
2016		721,940
2017		717,230
2018		721,710
Therafter		7,209,870
Subtotal	$	10,809,440
Less: Interest		(3,529,440)
Less: Original Issue Discount; net		(53,669)
Total	$	7,226,331

Development Note

The Partnership is obligated to pay the Authority a total development fee of $1,860,000 ($829,770 for the acquisition and $1,030,230 for the rehabilitation) for services rendered in connection with the acquisition and rehabilitation of the Project. The Partnership executed notes for the deferred portions of the development fees (the "Development Note"). The Development Note bears simple interest at 1 percent per annum. Principal and interest payments are to be made from net cash flow and net proceeds, as defined in the Partnership Agreement. In the event any portion of the Development Note remained unpaid on August 15, 2013, such amounts were to be paid from the proceeds of the additional capital contributions required to be made by the Authority. In 2013, the Authority made a capital contribution of $50,000 towards the pay-off of the Development Note. For the year ended December 31, 2013, all outstanding principal and accrued interest were paid off. As of December 31, 2013, the outstanding principal balance was $0. For the year ended December 31, 2013, interest expense was $1,782.

Notes Payable

The Partnership executed three notes payable (collectively the "Notes Payable") with the Authority to finance the acquisition and rehabilitation of the project. The first note (the "First Note") is in the amount of $950,000, and bears compound interest at a rate of 1 percent per annum. Payments of principal and interest on the note are to be made from available net cash flow of the project as defined in the Partnership Agreement. The First Note is secured by a deed of trust on the property. The First Note matures in June 2049. As of December 31, 2013, the outstanding principal balance was $950,000.

The second note (the "Second Note") is in the amount of $90,000, and bears compound interest at a rate of 1 percent per annum. Payments of principal and interest on the note are to be made from available net cash flow of the project as defined in the Partnership Agreement. The Second Note is secured by a deed of trust on the property. The Second Note matures in June 2049. As of December 31, 2013, the outstanding principal balance was $90,000.

The third note (the "Third Note") is in the amount of $250,000, and bears compound interest at a rate of 5 percent per annum. Payments of principal and interest on the note are to be made from available net cash flow of the project as defined in the Partnership Agreement. The Third Note is secured by a deed of trust on the property. The Third Note matures in December 2020. As of December 31, 2013, the outstanding principal balance was $189,096.

As of December 31, 2013, accrued interest on the Notes Payable was $216,571. For the year ended December 31, 2013, interest expense on the Notes Payable was $23,548.

KCHA – Southwood Square Limited Partnership

<u>Financing lease</u>
In October 2001, KCHA – Southwood Square ("the Partnership") entered into a capital lease agreement (the "Financing Lease") with the Authority to lease the land, building and improvements, and personal property. The Financing Lease period is from October 2001 through December 2099. The Partnership has an option to purchase the property at any time.

Pursuant to the Financing Lease and the Loan and Regulatory Agreement, the Partnership is required to pay in full all sources of funds obtained by the Authority for the purpose of financing the acquisition and rehabilitation of the Project.

<u>Revenue Bonds</u>
During October 2001, the Authority issued revenue bonds on behalf of the Partnership in an original principal amount of $5,000,000 (the "Revenue Bonds") to finance the acquisition and rehabilitation of the Project. $4,115,000 of the Revenue Bonds were issued at a discount, priced to yield varying rates of interest from 6.2 percent to 6.3 percent, with a total original issuance discount of $52,416. During the year ended December 31, 2013, amortization of original issuance discount included in interest expense was $1,752. The Revenue Bonds accrue interest, beginning on October 1, 2001, at varying rates from 3.25 percent per annum to 6.20 percent per annum. The terms of the Revenue Bonds call for annual principal payments on October 1 of each year made in increasing amounts over the term of the bonds, and for semiannual interest payments on April 1 and October 1 of each year. The Revenue Bonds mature on October 1, 2031. The Revenue Bonds are secured by a deed of trust on the Partnership's interest in the project, certain partnership trust accounts and a noncurrent debt security.

As of December 31, 2013, the principal balance, net of unamortized original issuance discount was $3,853,888. For the year ended December 31, 2013, interest expense was $245,120.

<u>Notes Payable</u>
The Partnership secured two notes payable (the "Notes Payable") from the Authority to finance the acquisition and rehabilitation of the Project. The first note (the "First Note") is in the amount of $380,000, and bears simple interest at a rate of 1 percent per annum. The First Note repayment terms call for interest only payments for the first 15 years, and payment of principal and interest over the remaining 35 years of the loan. The First Note matures in January 2052. As of December 31, 2013, the principal balance on the First Note was $380,000 and accrued interest payable was $950. For the year ended December 31, 2013, interest expense was $3,800.

The second loan from the Authority (the "Second Note") is in the amount of $575,000 and bears interest at a rate of 1 percent per annum, compounded annually. The Second Note requires principal and interest payments to commence in the 16th year of the note term. The Second Note matures in January 2052. As of December 31, 2013, the principal balance on the Second Note was $575,000. For the year ended December 31, 2013, interest expense was $6,415.

<u>Minimum revenue bond and note payable payments</u>
Minimum future lease payments on the Revenue Bonds and the Notes Payable pursuant to the Financing Lease and the Loan and Regulatory Agreement are as follows:

Year ending December 31,	Revenue Bonds	Notes Payable	Total
2014	$ 364,630	$ 3,800	$ 368,430
2015	367,005	3,800	370,805
2016	363,770	3,800	367,570
2017	365,230	3,800	369,030
2018	366,080	32,621	398,701
Therafter	4,714,305	1,243,184	5,957,489
	$ 6,541,020	$ 1,291,005	$ 7,832,025
Less: Interest	(2,656,020)	(370,205)	(3,026,225)
Less: Bond issue discount; net	(31,112)	-	(31,112)
Total	$ 3,853,888	$ 920,800	$ 4,774,688

Development note

The Partnership is obligated to pay the Authority a development fee of $1,100,000 for services rendered in connection with the acquisition and rehabilitation of the Project. The development note bears compound interest at 6 percent. Principal and interest payments are to be made from net cash flow and net proceeds, as defined in the Partnership Agreement. In the event any portion of the development note remains unpaid by the thirteenth anniversary of the completion date, as defined in the Partnership Agreement, such amount is to be paid from the proceeds of the additional capital contributions required by the Authority. As of December 31, 2013, unpaid principal on the development note was $307,789. For the year ended December 31, 2013, interest expense was $20,000.

Nia Apartments LLC

Financing Lease

In March 2007, Nia Apartments LLC (“the Company”) entered into a capital lease agreement (the “Financing Lease”) with the Authority for the land, building and improvements, and personal property. The Financing Lease is for the period from March 15, 2007 through December 31, 2096. The Financing Lease is secured by the property. The Financing Lease is treated as a capital lease. Pursuant to the Financing Lease, the Company is required to pay rent in the amount of $1 per annum commencing in January 2008. In addition, the Company is responsible for all cost related to construction of the property.

Revenue Bonds

During December 2006, the Authority entered into tax-exempt revenue bond trust indenture (the “Revenue Bonds”) with U.S. Bank National Association. The aggregate principal amount of the Revenue Bonds is $3,000,000, with a simple interest ranging from 4.45 percent to 4.75 percent per annum. The weighted average interest rate at December 31, 2013 was 4.71 percent per annum. The Revenue Bonds are secured by the general revenue of the Authority and bond proceeds were loaned to the Company by the Authority through the Financing Agreement. Interest is payable on each January 1 and July 1 through the later of the maturity date or redemption as set forth in the trust indenture of the Revenue Bonds. Interest payments commenced on July 1, 2007. The maturity date is January 1, 2037.

As of December 31, 2013, the outstanding balance on the Revenue Bonds was $2,870,000. For the year ended December 31, 2013, interest expense on the Revenue Bonds was $135,155.

Future minimum principal payments over each of the next five years and thereafter are due as follows:

Year ending December 31,		
2014	$	35,000
2015		40,000
2016		40,000
2017		40,000
2018		45,000
Therafter		2,670,000
Total	$	2,870,000

Note Payable

The Company obtained a note payable (the "Note Payable") from the Authority to finance the construction of the project. The Note Payable is in the amount of $328,000 and bears compounded interest at the greater of 4.75 percent or the long term applicable federal rate in effect as of the day of this loan, which was 4.60 percent. The Note Payable requires principal and interest payments to be deferred until the maturity date of March 15, 2058. The Note Payable is secured by the Project. As of December 31, 2013, the principal balance on the Note Payable was $328,000. For the year ended December 31, 2013, interest expense was $19,171.

HOPE VI Loan

The Authority received a HOPE VI grant of $3,200,000 from the Department of Housing and Urban Development and loaned the proceeds of the HOPE VI grant (the "HOPE VI Loan") to the Company through a Master Loan Agreement dated March 15, 2007. The Hope VI Loan bears compounded interest at a rate of 4.60 percent per annum. Interest is payable from Cash Flow, as defined in the Operating Agreement, in the order set forth in the Operating Agreement. The principal and accrued interest is to be payable at the end of the loan term at March 1, 2059. The HOPE VI Loan is secured by the project. As of December 31, 2013, the outstanding balance on the HOPE VI Loan was $3,200,000. For the year ended December 31, 2013, interest expense on the HOPE VI Loan was $176,733.

Project-based rental assistance payment contract

In 2007, the Company entered a project-based rental assistance payment contract (the "HAP Contract") with the Authority for an initial minimum term of 10 years. Pursuant to the HAP Contract, the Authority will make rental assistance payments on behalf of residents for 41 units. The rental assistance payments are included in rental income in the accompanying statement of operations.

Regulatory and Operating Agreement

In 2007 the Company entered into a Regulatory and Operating Agreement (the "R&O Agreement") with the Authority. Pursuant to the R&O Agreement, 40 of the total 82 units will be maintained and operated continuously as public housing units in accordance with Applicable Public Housing requirements, as defined in the R&O Agreement. The Authority will make operating subsidy payments to the project up to the amount it receives from the U.S. Department of Housing and Urban Development with respect to the project, provided the 40 units remain in compliance with Applicable Public Housing Requirements. For the year ended December 31, 2013, operating subsidy payments of $98,400 were received each year from the Authority.

Overlake TOD Housing Limited Partnership

Lease agreement

In July 2000, the Authority as General Partner entered into a lease agreement (the "Ground Lease") with King County, Washington for the land. The Authority subsequently leased the land to Overlake TOD Housing Limited Partnership ("the Partnership") through a sub-lease agreement (the "Sub-lease") for construction and operation of the project. Both the Ground Lease and Sub-lease are for the period of July 2002 through July 2050 with an option to extend them for one additional 25-year term. A minimum lease payment is due to King County in the amount of $30,000 beginning in 2003, increasing thereafter by 3% per annum. Payments are to be made from net cash flow and net proceeds, as defined in the Ground Lease. As of December 31, 2013, the Sub-lease payable was $40,317. For the year ended December 31, 2013, Sub-lease expense was $40,317.

Notes payable to General Partner

The Authority has loaned to the Partnership various notes payable detailed below. As of December 31, 2013, the total outstanding balance of notes payable due to the Authority was $3,363,301.

The King County Department of Transportation ("DOT") Loan #3 in the amount of $750,000 accrues simple interest at a rate of 1% per annum. Payments are payable solely from net cash flow pursuant to the Partnership Agreement. The full balance will be due and payable on or before January 1, 2042. As of December 31, 2013, the outstanding principal balance was $703,301.

The Washington State Convention Center Award Loan in the amount of $1,500,000 accrues simple interest at a rate of 1% per annum, compounded annually. Payment of principal and interest is deferred until April 1, 2016. Beginning on April 1, 2017, the Partnership is obligated to pay to the Authority annual principal and interest payments in the amount of $58,416 payable solely from net cash flow. The full balance will be due and payable on or before April 1, 2051. As of December 31, 2013, the outstanding principal balance was $1,500,000.

The County Award Loan in the amount of $500,000 accrues simple interest at a rate of 1% per annum, compounded annually. Payment of principal and interest is deferred until April 1, 2016. Beginning on April 1, 2017, the Partnership is obligated pay to the Authority annual principal and interest payments in the amount of $19,552 payable solely from net cash flow. The full balance will be due and payable on or before April 1, 2051. As of December 31, 2013, the outstanding principal balance was $500,000.

The King County Housing Authority Loan in the amount of $660,000 accrues simple interest at a rate of 1% per annum. Payments are payable solely from net cash flow pursuant to the Partnership Agreement. The full balance will be due and payable on or before January 1, 2042. As of December 31, 2013, the outstanding principal balance was $660,000.

The above payables are secured by a mortgage or deed of trust against the project. For the year ended December 31, 2013, interest expense for the above loans was $41,189.

Revenue bonds

In July 2000 and June 2001, the Authority as General Partner issued Variable Rate Demand Revenue Bonds, 2000 in the principal amount of $21,525,000 and Variable Rate Demand Revenue Bonds, 2001, Series B in the principal amount of $6,475,000 (collectively, the "Revenue Bonds"). The Authority used the proceeds of the Revenue Bonds to make a loan to the Partnership. The Revenue Bonds mature on January 1, 2043 and the loan from the Authority accrues interest at a rate of 6.3% per year. Beginning November 1, 2003, the interest rate was decreased to 5%, and effective November 2003, the Authority forgave interest payable of $303,333, which is equal to the difference between the previous interest rate of 6.3% and the currently prevailing rate of 5% for the period from January 1, 2003 through October 31, 2003. To secure the payment of the Revenue Bonds, the Authority has assigned its rights, title and interests in the loan and regulatory agreement to the U.S. Bank Trust National Association (the "Trustee"). The Revenue Bonds are also secured by a deed of trust against the project. Monthly payments of principal and interest on the Revenue Bonds are due to the Authority, with the principal payments made to a sinking fund, as outlined below.

As of December 31, 2013, principal on the Revenue Bonds was $23,220,000. As of December 31, 2013, accrued interest on the Revenue Bonds was $0. For the year ended December 31, 2013, interest expense was $1,161,000.

Pursuant to the First Amendment to the Loan and Regulatory Agreement dated December 23, 2003, and the First Amendment to Reimbursement Agreement dated December 18, 2003, the Partnership is required to make monthly mandatory sinking fund payments into the Interest Rate Stabilization Fund beginning November 2005 in the amount of 1/12 of the principal amount of the Revenue Bonds coming due on the next January 1. The Interest Rate Stabilization Fund is owned by the Authority, and payments made by the Partnership are pledged irrevocably to repay the principal of the Revenue Bonds as they come due. The mandatory sinking fund payments made by the Partnership but not yet used by the Authority to repay the Revenue Bonds are classified as sinking fund deposits. As of December 31, 2013, the balance in the sinking fund deposits account was $107,904.

Future minimum principal payments on the Revenue Bonds are due as follows:

Year ending December 31,	
2014	$ 95,000
2015	110,000
2016	110,000
2017	125,000
2018	150,000
Therafter	22,630,000
Total	$ 23,220,000

Section 8 contract

The Authority has contracted with the Partnership to make housing assistance payments to the Partnership on behalf of qualified tenants under two contracts. The first contract includes a combination of 8 studio and one-bedroom units and expired on April 30, 2008. In 2008, the first contract was extended for an additional 5 years to 2013. In 2013, the first contract was extended for an additional 3 years to May 1, 2016. The second contract includes 12 two-bedroom units and has an initial term of ten years, automatically renewed for successive terms of ten years, not to exceed 30 years.

Salmon Creek Housing LLC

Bonds Payable

During March 2008, the Authority as Managing Member entered into tax-exempt revenue bond trust indenture (the "Revenue Bond") with U.S. Bank National Association. The aggregate principal amount of the Revenue Bond is $4,250,000. The Revenue Bond is secured by the general revenue of the Authority. The Revenue Bonds proceeds were loaned to Salmon Creek Housing LLC ("the Company") by the Authority (the "Bonds Payable") through the Financing Agreement (the "Financing Agreement"). The Financing Agreement is secured by the project. The Bonds Payable bears interest at a variable rate and interest is payable on the first business day of each month. Interest was subsequently fixed at 3.988 percent through an interest rate swap agreement. The Bonds Payable matures on December 1, 2047. The Company is required to reimburse the Authority for all out of pocket expenses in connection with the Bonds Payable. For the year ended December 31, 2013, the amount reimbursed to the Authority was $0.

As of December 31, 2013, the outstanding balance on the Bonds Payable was $4,105,000. For the year ended December 31, 2013, interest expense on the Bonds Payable was $165,498.

Future minimum principal payment requirements over the next five years are as follows:

Year ending December 31,		
2014	$	55,000
2015		55,000
2016		55,000
2017		60,000
2018		60,000
Therafter		3,820,000
Total	$	4,105,000

Note payable

The Company obtained a note payable (the "Note Payable") dated March 26, 2008, from the Authority to finance the construction of the project. The Note Payable is in the amount up to $5,650,000 and bears interest at the greater of the Applicable Federal Rate at the time the proceeds of the Note Payable are disbursed to the Company or 5.75 percent compounded annually. The Note Payable matures on December 31, 2058. The Note Payable is payable from Net Cash Flow, as defined in the Operating Agreement, and is secured by the project. As of December 31, 2013, the outstanding principal balance on the Note Payable was $2,530,000. For the year ended December 31, 2013, interest expense was $171,738.

HOPE VI Loan

The Authority received a HOPE VI grant of $1,045,595 from the Department of Housing and Urban Development and loaned the proceeds of the HOPE VI grant (the “HOPE VI Loan”) to the Company. The HOPE VI Loan bears interest at the greater of the Applicable Federal Rate or 5.75 percent compounded annually. Interest is payable from Net Cash Flow, as defined in the Operating Agreement, and the principal and accrued interest is due and payable at the end of the loan term, December 31, 2058. The HOPE VI Loan is secured by the Project. As of December 31, 2013, the outstanding principal balance on the HOPE VI Loan was $1,045,595. For the year ended December 31, 2013, interest expense on the HOPE VI Loan was $67,040.

Lease agreement

On March 26, 2008, the Company entered into a financing lease agreement (the “Lease Agreement”) with the Authority to lease the buildings and other improvements constructed or to be constructed thereon comprising the project. The Lease Agreement is for the period from March 26, 2008 through December 31, 2097. Pursuant to the guidance for accounting for leases, the Company accounts for the lease of the project as a capital lease. Pursuant to the Lease Agreement, the base rent is one dollar ($1) per year. The Company agrees to make additional payments of up to $24,856,978 in installments tied to the possession of the project. The required additional lease payments were paid off in 2010.

Project-based rental assistance payment contract

On July 15, 2009, the Company entered into a project-based rental assistance payment contract (the HAP Contract) with the Authority for a period of ten years. Pursuant to the HAP Contract, the Authority will make rental assistance payments on behalf of residents for nine units, which has been included in rental income on the accompanying statement of operations.

Regulatory and Operating Agreement

In 2008, the Company entered a Regulatory and Operating Agreement (the “R&O Agreement”) with the Authority. Pursuant to the R&O Agreement, 50 of the total 88 units are to be maintained and operated continuously as public housing units in accordance with Applicable Public Housing Requirements, as defined in the R&O Agreement. The Authority will make operating subsidy payments to the project up to the amount it receives from HUD with respect to the project, provided the 50 units remain in compliance with Applicable Public Housing Requirements. For the year ended December 31, 2013, operating subsidy payments of $162,200 was received from the Authority.

Seola Crossing LLC

Lease agreement

On March 23, 2006, Seola Crossing LLC (“the Company”) entered into a financing lease agreement (the “Lease Agreement”) with the Authority to lease the land, building, land improvements, off-site work, and personal property, constructed or to be constructed thereon, comprising the project. The Lease Agreement is for the period from March 23, 2006 through December 31, 2095. Pursuant to the guidance for accounting for leases, the Company accounts for the lease of the project as a capital lease.

Pursuant to the Lease Agreement, the base rent is one dollar ($1) per year. The Company agrees to make additional payments of up to $44,475,000 in installments tied to the completion of the project. The required additional lease payments were paid off in 2008.

Master Loan Agreement

On March 23, 2006, the Company entered into a master loan agreement with the Authority (the "Master Loan Agreement"). Pursuant to the Master Loan Agreement, the Authority will issue revenue bonds and loan the bond proceeds and a portion of its HOPE VI grant to the Company.

Revenue Bond

During April 2006, the Authority entered into taxable revenue bond trust indenture (the "Revenue Bond") with U.S. Bank National Association. The aggregate principal amount of the Revenue Bond is $6,700,000, with an interest equal to 6.375% per annum. The Revenue Bond is secured by the project and bond proceeds are loaned to the Company through the Master Loan Agreement. Interest is payable semiannually on each June 30 and December 31, commencing on December 31, 2006. Annual principal payments are required in increasing amounts beginning December 31, 2008. Pursuant to the Master Loan Agreement, the Company is required to reimburse the Authority for all out of pocket expenses in connection with the loan. The Revenue Bond matures on December 31, 2046. For the year ended December 31, 2013, the amount reimbursed to the managing member was $0.

As of December 31, 2013, the outstanding principal balance on the Revenue Bond was $6,545,000. As of December 31, 2013, accrued interest on the Revenue Bond was $0. For the year ended December 31, 2013, interest expense on the Revenue Bond was $419,157.

Minimum future principal payments are as follows:

Year ending December 31,		
2014	$	30,000
2015		35,000
2016		35,000
2017		40,000
2018		40,000
Therafter		6,365,000
Total	$	6,545,000

Note payable

The Company secured a note payable (the "Note Payable") from the Authority to finance the acquisition and construction of the project. The Note Payable is in the amount of $250,000 and bears interest at the greater of 4.75 percent compounded annually or the long term applicable federal rate as of the day of the loan. As of the day of the loan, the long term applicable federal rate was 5.31 percent.

The Note Payable requires principal and interest payments to be deferred until the maturity date of December 2058. The Note Payable is secured by the project. As of December 31, 2013, the principal balance on the Note Payable was $250,000. For the year ended December 31, 2013, interest expense was $17,500.

HOPE VI loan

The Authority received a HOPE VI grant from the Department of Housing and Urban Development. Pursuant to the Master Loan Agreement, the Authority will loan up to $7,925,000 of the proceeds of the HOPE VI grant (the "HOPE VI Loan") to the Company. The loan bears compound interest at the long term applicable federal rate as of the date of each loan draw. Interest rates range from 5.02% to 5.36%. Interest is payable from cash flow, and the principal and accrued interest are due and payable at the end of the loan term, December 31, 2058. The HOPE VI Loan is secured by the project. As of December 31, 2013, the outstanding principal balance was $7,925,000. For the year ended December 31, 2013, interest expense on the HOPE VI Loan was $508,866.

Project-based rental assistance payment contract

In 2006, the Company entered a project-based rental assistance payment contract (the "HAP Contract") with the Authority. Pursuant to the HAP Contract, the Authority will make temporary rental assistance payments on behalf of residents for 71 units and permanent payments for 39 units. As of December 31, 2013, there were 44 units receiving temporary rental assistance.

Regulatory and operating agreement

On March 23, 2006, the Company entered a Regulatory and Operating Agreement (the "R&O Agreement") with the Authority. Pursuant to the R&O Agreement, 77 of the total 187 units are obligated to be maintained and operated continuously as public housing units in accordance with applicable public housing requirements, as defined in the R&O Agreement. The Authority will make operating subsidy payments to the project up to the amount it receives from HUD with respect to the project, provided the 77 units remain in compliance with applicable public housing requirements. For the year ended December 31, 2013, operating subsidy payments of $190,140 were received from the Authority.

Soosette Creek LLC

Lease Agreement

On April 30, 2008, Soosette Creek LLC ("the Company") entered into a financing lease agreement (the "Lease Agreement") with the Authority to lease the land, building, land improvements, off-site work, and personal property, constructed or to be constructed thereon, comprising the project. The Lease Agreement is for the period from April 30, 2008 through December 31, 2097. Pursuant to the Lease Agreement, the base rent is one dollar ($1) per year. The Company agrees to make additional payments of up to $24,675,000 in installments equal to $2,500,000 on or before April 30, 2008, and the remaining balance is payable annually from the net cash flow no later than April 1, 2039. As of December 31, 2013, the outstanding principal balance was $22,175,000. As of December 31, 2013, accrued interest on the lease payable to the Authority was $1,153,397. The Lease bears simple interest at a rate of 4.46% per annum, compounded annually. For the year ended December 31, 2013, interest expense on the lease liability was $1,028,335.

Loan A

During August 2008, the Authority entered into tax-exempt revenue bond trust indenture (Housing Authority of the County of King, Revenue Bonds, 2008 Birch Creek Apartments Project) (the "Revenue Bonds") with The Bank of New York Mellon Trust Company, N.A. The proceeds of the Revenue Bonds were loaned by the Authority to the Company ("Loan A"). Loan A is secured by the project. The principal amount of Loan A is $37,500,000. Loan A bears simple interest on the unpaid principal balance at a rate equal to 0.65% per annum. Payments are made from available cash flow, as set forth in the Operating Agreement. Loan A was issued at a discount of $36,178. For the year ended December 31, 2013, amortization of the issuance discount included in interest expense was $724. All unpaid principal and accrued interest on Loan A is due and payable on September 1, 2058. As of December 31, 2013, the outstanding balance, net of unamortized original issuance discount, was $37,467,683.

Loan B

During 2009, the Company entered into a master loan agreement from the Authority ("Loan B") in the maximum amount of $6,000,000 for a term not to exceed 55 years. Loan B accrues simple interest at 0.65% per annum. As of December 31, 2013, the outstanding balance was $3,387,037. For the year ended December 31, 2013, interest expense on Loan B was $22,016.

DOC Loan

During 2009, the Authority entered into a master loan agreement ("DOC Loan") with the State of Washington in the amount of $2,000,000. The Authority then loaned the amount to the Company. The DOC Loan accrues simple interest at 1.00% per annum, commencing July 1, 2010 and continuing through June 30, 2045, at which point interest is accrued at 1.00%, compounded annually through June 30, 2050. Payments of simple interest in the amount of $20,000 are due and payable beginning June 30, 2011 and each June 30th thereafter through June 30, 2045. Annual payments in the amount of $412,079.60 are due and payable beginning June 30, 2046, and each June 30 thereafter through June 30, 2050. As of December 31, 2013, the outstanding balance was $2,000,000. For the year ended December 31, 2013, interest expense on the DOC Loan was $20,000.

HAP contract

In 2008, the Company entered a project-based rental assistance payment contract ("HAP Contract") with the Authority. Pursuant to the HAP Contract, the Authority will make rental assistance payments on behalf of residents for up to 262 units. The contract was executed in stages as the units were renovated and occupied by eligible households. The term of the HAP Contract is ten (10) years from the date of the first stage. The HAP Contract is renewable subject to the availability of sufficient appropriated federal funds and program requirement. As of December 31, 2013, 262 units were under contract.

Due to Managing Member

The Authority as Managing Member pays certain miscellaneous expenses on behalf of the Company. The advances bear no interest and are repayable on demand. The advances are not secured. As of December 31, 2013, due to the Authority was $62,855.

Sixth Place Apartments LLLP

Lease Agreement
On June 22, 2010, Sixth Place Apartments LLLP ("the Partnership") entered into a financing lease agreement (the "Lease Agreement") with the Authority to lease buildings and other improvements comprising the project. The Lease Agreement is for the period from January 29, 2010 through December 31, 2098. The Lease Agreement is treated as a capital lease.

Pursuant to the Lease Agreement, the base rent is one dollar ($1) per year, payable on January 1 of each year commencing January 1, 2011. In addition, the Partnership is responsible for all cost related to constructing the project.

KCHA First Loan and KCHA Second Loan
The Authority received a grant from the Department of Housing and Urban Development. On June 22, 2010, the Authority entered into a master loan agreement (the "Master Loan Agreement") with the Partnership. Pursuant to the Master Loan Agreement, the Authority made two loans (the "KCHA First Loan" and the "KCHA Second Loan") to the Partnership in an amount not to exceed $300,000 and $6,679,129, respectively. The KCHA First Loan and the KCHA Second Loan are evidenced by two promissory notes and are secured by a single leasehold deed of trust. The KCHA First Loan accrues interest at 4.0% compounded annually. The KCHA First Loan is payable from the available Cash Flow, as defined in the Partnership Agreement. The KCHA First Loan matures on June 22, 2060. The KCHA Second Loan accrues no interest and the outstanding principal is due on June 22, 2060.

As of December 31, 2013, the outstanding principal balance and accrued interest on the KCHA First Loan was $113,525 and $6,902, respectively. For the year ended December 31, 2013, interest expense on the KCHA First Loan was $4,631. As of December 31, 2013, the outstanding principal balance on the KCHA Second Loan was $6,679,129.

Regulatory and Operating Agreement
On June 22, 2010, the Partnership entered into a Regulatory and Operating Agreement ("R&O Agreement") with the Authority. Pursuant to the R&O Agreement, all of the project units are obligated to be maintained and operated continuously as public housing units in accordance with applicable public housing requirements, as defined in the R&O Agreement. The Authority will make operating subsidy payments to the project up to the amount it receives from U.S. Department of Housing and Urban Development with respect to the project, provided the units remain in compliance with applicable public housing requirements. For the year ended December 31, 2013, operating subsidy payments of $111,000 was received from the Authority.

Zephyr Apartments LLLP

Lease Agreement
On January 29, 2010, Zephyr Apartments LLLP ("the Partnership") entered into a financing lease agreement (the "Lease Agreement") with the Authority to lease buildings and other improvements comprising the project. The Lease Agreement is for the period from January 29, 2010 through December 31, 2098. The Lease Agreement is treated as a capital lease.

Pursuant to the Lease Agreement, the base rent is one dollar ($1) per year. In addition, the Partnership is responsible for all cost related to constructing the Project.

HOPE VI Funds

The Authority received a HOPE VI grant in the amount of $20,000,000 from the Department of Housing and Urban Development. On January 29, 2010, the Authority entered into a master loan agreement (the “Master Loan Agreement”) with the Partnership. Pursuant to the Master Loan Agreement, the Authority made two loans (the “KCHA Second Loan” and the “KCHA Third Loan”) to the Partnership in an amount not to exceed $5,300,000 and $500,000, respectively. The KCHA Second Loan and the KCHA Third Loan mature on January 31, 2050 and are secured by a single leasehold deed of trust. The KCHA Second Loan and the KCHA Third Loan are evidenced by two promissory notes and accrue interest at 0.2% annually. Interest is paid from available cash flow, as defined in the Partnership Agreement.

As of December 31, 2013, the outstanding principal balance and accrued interest on the KCHA Second Loan was $5,300,000 and $24,694, respectively. For the year ended December 31, 2013, interest expense on the KCHA Second Loan was $10,600.

As of December 31, 2013, the outstanding principal balance and accrued interest on the KCHA Third Loan was $275,000 and $831, respectively. For the year ended December 31, 2013, interest expense on the KCHA Third Loan was $550.

Regulatory and Operating Agreement

On January 29, 2010, the Partnership entered a Regulatory and Operating Agreement (“R&O Agreement”) with the Authority. Pursuant to the R&O Agreement, all of the project units shall be maintained and operated continuously as public housing units in accordance with applicable public housing requirements, as defined in the R&O Agreement. The Authority will make operating subsidy payments to the project up to the amount it receives from HUD with respect to the project, provided the units remain in compliance with applicable public housing requirements. For the year ended December 31, 2013, operating subsidy payments of $108,000 was received from the Authority.

Note 10 – Supplemental Financial Information

Following are details of selected financial statement line items.

Other Revenue:

Portability administrative fee from other authorities		$	1,394,575
Other portability income			25,303,301
Non-dwell rent			514,635
Property Management Fees			1,161,591
Unit upgrade			2,835,459
Other			1,273,339
	Total	**$**	**32,482,900**

Net Gain (Loss) on Disposal of Capital Assets:

Vehicles and Equipment		$	44,374
	Total	**$**	**44,374**

Current Receivables:

Grants: DOE		$	171,833
Grants: HUD, Section 8 program			43,514
Grants: HUD, ROSS			6,434
Grants: HUD, EDI Special Projects			21,750
Grants: HUD, Other			23,362
Grants: HHS			77,505
Grants: State of Washington Matchmaker			183,673
Grants: Bellevue CDBG			23,348
Grants: BPA			145,758
Grants: Other			45,563
Interest: Notes and financing lease			2,304,193
Notes and financing leases			16,915,384
Other Hosuing Authorities - Portability			115,059
Tenants			237,620
Tax Credit Partnerships			304,061
Other			865,936
	Total	**$**	**21,484,993**

Supplemental financial information details continued:

Other Current Assets:			
Prepaid insurance and other		$	661,399
Materials & mobile home inventory			346,966
	Total	**$**	**1,008,365**
Noncurrent Receivables:			
Notes and financing leases			269,363,160
Noncurrent interest			12,221,620
Other			48,796
	Total	**$**	**281,633,576**
Other Noncurrent Assets:			
Investment in tax credit properties		$	2,144,691
Other			11,591
	Total	**$**	**2,156,282**
Other Current Liabilities:			
Accounts payable		$	7,016,823
Interest payable			1,225,949
Accrued compensated absences			2,453,048
Tenant security deposits			1,566,705
Accrued wages and benefits			215,728
Family Self Sufficiency escrow			575,711
Unearned rent			157,399
Other			1,619,277
	Total	**$**	**14,830,640**
Other Noncurrent Liabilities:			
Contract Retentions		$	2,270,766
Noncurrent interest			316,886
Other			51,216
	Total	**$**	**2,638,868**

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 retirement plans.[1] 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 27, *Accounting for Pensions by State and Local Government Employers* and 50*, Pension Disclosures, an Amendment of GASB Statements 25 and 27*.

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

Plan Description

The Legislature established PERS in 1947. Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior courts; employees of legislative committees; employees of district and municipal courts; and employees of local governments. Membership also includes higher education employees not participating in higher education retirement programs. Approximately 49 percent of PERS salaries are accounted for by state employment. PERS retirement benefit provisions are established in Chapters 41.34 and 41.40 RCW and may be amended only by the State Legislature.

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.

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 exercised 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 Plan 3. The option must be exercised within 90 days of employment. Employees who fail to choose within 90 days default to Plan 3.

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

PERS Plan 1 and Plan 2 retirement benefits are financed from a combination of investment earnings and employer and employee contributions. Employee contributions to the PERS Plan 1 and Plan 2 defined benefit plans accrue interest at a rate specified by the Director of DRS. During DRS' Fiscal Year 2013, the rate was five and one-half percent compounded quarterly. Members in PERS Plan 1 and Plan 2 can elect to withdraw total employee contributions and interest thereon, in lieu of any retirement benefit, upon separation from PERS-covered employment.

PERS Plan 1 members are vested after the completion of five years of eligible service.

PERS Plan 1 members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with 25 years of service, or at age 60 with at least 5 years of service. Plan 1 members retiring from inactive status prior to the age of 65 may receive actuarially reduced benefits.

The monthly benefit is 2 percent of the average final compensation (AFC) per year of service, but the benefit may not exceed 60 percent of the AFC. The AFC is the monthly average of the 24 consecutive highest-paid service credit months.

PERS Plan 1 retirement benefits are actuarially reduced to reflect the choice, if made, of a survivor option.

Plan 1 members may 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. The benefit 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, at which time the benefit is converted to the member's service retirement amount.

A member with five years of covered employment is eligible for non-duty disability retirement. Prior to the age of 55, the benefit 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. Plan 1 members may elect to receive an optional 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 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. The AFC is the monthly average of the 60 consecutive highest-paid service months. 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 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, if hired prior to May 1, 2013:

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

PERS Plan 2 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of 5 percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service.

PERS Plan 2 retirement benefits are actuarially reduced to reflect the choice, if made, of a survivor option.

PERS Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component and member contributions finance a defined contribution component. As established by Chapter 41.34 RCW, employee contribution rates to the defined contribution component range from 5 percent to 15 percent of salaries, based on member choice. Members who do not choose a contribution rate default to a 5 percent rate. There are currently no requirements for employer contributions to the defined contribution component of PERS Plan 3.

PERS Plan 3 defined contribution retirement benefits are dependent upon the results of investment activities. Members may elect to self-direct the investment of their contributions. Any expenses incurred in conjunction with self-directed investments are paid by members. Absent a member's self-direction, PERS Plan 3 contributions are invested in the Retirement Strategy Fund that assumes the member will retire at age 65.

For DRS' Fiscal Year 2013, PERS Plan 3 employee contributions were $99.0 million, and plan refunds paid out were $69.4 million.

The defined benefit portion of PERS Plan 3 provides members a monthly benefit that is 1 percent of the AFC per year of service. The AFC is the monthly average of the 60 consecutive highest-paid service months. There is no cap on years of service credit, and Plan 3 provides the same cost-of-living allowance as Plan 2.

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 by 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, and were hired before May 1, 2013, 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.

- If they have 30 service credit years, are at least 55 years old, and were hired after May 1, 2013, they have the option to retire early by accepting a reduction of 5 percent for each year before age 65.

PERS Plan 3 benefits are actuarially reduced to reflect the choice, if made, of a survivor option.

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 members meeting specific eligibility requirements have options available to enhance their retirement benefits. Some of these options are available to their survivors.

A one-time duty-related death benefit is provided to the beneficiary or the estate of a PERS member who dies 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 the member's covered employment, if found eligible by the Department of Labor and Industries.

From January 1, 2007 through December 31, 2007, judicial members of PERS were given the choice to elect participation in the Judicial Benefit Multiplier (JBM) Program enacted in 2006. Justices and judges in PERS Plan 1 and Plan 2 were able to make an irrevocable election to pay increased contributions that would fund a retirement benefit with a 3.5 percent multiplier. The benefit would be capped at 75 percent of AFC. Judges in PERS Plan 3 could elect a 1.6 percent of pay per year of service benefit, capped at 37.5 percent of AFC.

Newly elected or appointed justices and judges who chose to become PERS members on or after January 1, 2007, or who had not previously opted into PERS membership, were required to participate in the JBM Program.

There are 1,176 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2012:

Retirees and Beneficiaries Receiving Benefits	82,242
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	30,515
Active Plan Members Vested	106,317
Active Plan Members Nonvested	44,273
Total	**263,347**

Funding Policy

Each biennium, the state Pension Funding Council adopts PERS Plan 1 employer contribution rates, PERS Plan 2 employer and employee contribution rates, and PERS 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. Under PERS Plan 3, employer contributions finance the defined benefit portion of the plan and member contributions finance the defined contribution portion. The Plan 3 employee contribution rates range from 5 percent to 15 percent.

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, 2013, are as follows:

	PERS Plan 1	*PERS Plan 2*	*PERS Plan 3*
Employer*	9.21%**	9.21%**	9.21%***
Employee	6.00%****	4.92%****	*****

* The employer rates include the employer administrative expense fee currently set at 0.18%.
** The employer rate for state elected officials is 13.73% for Plan 1 and 9.21% 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 4.92% 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**
2013	$ 77,368	$ 1,429,851	$ 231,536
2012	$ 67,080	$ 1,182,664	$ 201,423
2011	$ 60,503	$ 1,002,941	$ 172,803

Note 12 – 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 (HARRP), 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 Continental Western 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 13 – Conduit Debt Obligations

The Authority has issued debt instruments for the purpose of providing capital financing for specific nongovernmental 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	$1,664,506
Seaview Apartments Limited Partnership	Acquisition and rehabilitation of a 72-unit multifamily development in Des Moines, Washington.	December 1, 1998	$1,855,000
St. Andrews Housing Group	Acquisition of a 59-unit apartment complex located on Mercer Island, Washington, known as Ellsworth House.	October 20, 1999	$2,428,426
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	$5,710,235
Angle Lake Apartments	Construction of an 80-unit independent living, senior housing facility located in SeaTac.	November 14, 2002	$3,486,491
Radcliffe Place, LLC	Construction of a 135 unit senior housing facility located in Kent know as Radcliffe Place Senior Apartments	December 22, 2004	$9,487,517
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	$6,920,644
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	$1,543,765
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	$2,580,855
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	$10,125,000

Note 14 –Construction Commitments

At December 31, 2013 the Authority had the following contractual obligations on construction projects:

Project	Spent to Date	Remaining Commitment
Brickman Site Maintenance	$ 22,456	$ 7,523
Campus Court Building Envelope	689,536	101,280
Eastridge Water Line Replacement	208,719	60,251
Eastside Terrace Building Envelope	2,344,711	922
Greenbridge Tenant Improvements	383,983	52,910
Greenbridge V Close-out	30,741	31,259
Greenleaf Civil Upgrades	42,380	238,970
Hidden Village/Spiritwood Community Buildings	2,344,189	144,491
Juanita Court Building Envelope	270,114	1,347,295
Northlake House Site Improvements	97,325	29,755
Northridge II Common Area Ventiliation	136,377	89,506
Northridge Lighting Upgrade	49,357	43,769
Northridge Roofing Project	332,100	424,875
Pickering Court Deck Replacement/Building Envelope	257,946	65,894
Seola Gardens Close-out	-	148,517
Shoreham /Victoria Woods Building Envelope	1,640,957	373,891
Valli Kee Office Remodel	231,063	570,376
Valli Kee Sewer Line Replacement	837,725	1,042,275
Wayland Arms Building and Sewer Upgrades	1,222,011	34,135
Yardley Arms Roof Replacement	197,447	675,553
Total	**$ 11,339,137**	**$ 5,483,447**

Note 15 – Restricted Component of Net Position

The Authority-wide statement of net position reports $41,068,153 of restricted component of net position, of which none is restricted by enabling legislation.

Note 16 – Subsequent Events

On January 1, 2014, the KCHA – Rural Housing Preservation Limited Partnership was dissolved. The Authority acquired the partnership's assets.

In May 2014, the note payable to Key Bank was increased from $65 million to $85 million.

The Authority has entered into a purchase and sale agreement to purchase Gilman Square Apartments in Issaquah, Washington for $23 million. The purchase was financed using a Bank of America non-revolving line of credit and closed in June 2014.

HOUSING AUTHORITY OF THE COUNTY OF KING
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2013

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		-	387,135
RAINIER II	10.415	LOAN		-	537,688
SI VIEW	10.415	LOAN		-	150,553
		TOTAL 10.415		**-**	**1,075,376**
TOTAL - U.S. DEPARTMENT OF AGRICULTURE				**-**	**1,075,376**
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		326,764	-
		TOTAL 14.182		**326,764**	**-**
MULTIFAMILY HOUSING SERVICE COORDINATORS:					
SENIOR HOUSING (2010) - Westminster	14.191	WA19HS10003		74,635	-
		TOTAL 14.191		**74,635**	**-**
SECTION 8 HAP PROGRAM - PROJECT-BASED SECTION 8					
PARKWAY	14.195	WA19M000203		372,454	-
		TOTAL 14.195		**372,454**	**-**
ARRA -SECTION 8 HAP PROGRAM SPECIAL ALLOCATIONS:					
WESTMINSTER MANOR	14.317	WA19M000148		42,476	-
		TOTAL 14.317		**42,476**	**-**
ECONOMIC DEVELOPMENT INITIATIVE: SPECIAL PROJECT, NEIGHBORHOOD INITIATIVE, AND MISCELLANEOUS GRANTS					
HUD EDI Special projects grant	14.251	B10-SP-WA-0234		52,576	-
		TOTAL 14.251		**52,576**	**-**
LOWER INCOME HOUSING ASSISTANCE PROGRAM-SECTION 8 MODERATE REHABILITATION:					
TITUSVILLE	14.856	WA002MR0002		96,603	-
		TOTAL 14.856		**96,603**	**-**
DEMOLITION AND REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING:					
HOPE VI	14.866	WA19URD002I108		1,180,208	-
		TOTAL 14.866		**1,180,208**	**-**
SECTION 8 HOUSING CHOICE VOUCHERS:					
SECTION 8 HOUSING CHOICE VOUCHERS	14.871	WA002		7,823,472	-
		TOTAL 14.871		**7,823,472**	**-**
PUBLIC HOUSING FAMILY SELF SUFFICIENCY UNDER RESIDENT OPPORTUNITY AND SUPPORT SERVICES					
PUBLIC HOUSING FSS- 2011	14.877	WA002RFS006A011		27,743	-
PUBLIC HOUSING FSS- 2012	14.877	WA002RFS006A012		52,548	
		TOTAL 14.877		**80,291**	**-**
MAINSTREAM VOUCHERS					
SECTION 8 MAINSTREAM	14.879	WA002DV0022		2,572,410	
		TOTAL 14.879		**2,572,410**	**-**
MOVING TO WORK DEMONSTRATION PROGRAM:					
SECTION 8 HOUSING CHOICE VOUCHERS	14.881	WA002		93,223,675	-
OPERATING SUBSIDY	14.881	WA002		7,594,266	-
CAPITAL FUND PROGRAM					
CFP-2010	14.881	WA19P002501-10		203,922	
CFP-2013	14.881	WA19P002501-13		316,297	
CFP-2013	14.881	WA19R002501-13		538,840	
CFP-2011	14.881	WA19P002501-11		482,344	
CFP-2013	14.881	WA19R002502-13		221,698	
		TOTAL 14.881		**1,763,102**	**-**
CAPITAL FUND EDUCATION AND TRAINING COMMUNITY FACILITIES PROGRAM:					
Capital Fund Community Facilities Grant (CFCF) - Valli Kee	14.890	WA19C002502-10		11,123	-
Capital Fund Community Facilities Grant (CFCF) - Burndale	14.890	WA19C002503-10		34,456	-
		TOTAL 14.890		**45,579**	**-**
TOTAL - U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)				**115,248,511**	**-**
SUBTOTAL DIRECT ASSISTANCE				**115,248,511**	**1,075,376**

HOUSING AUTHORITY OF THE COUNTY OF KING

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended December 31, 2013

GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	OTHER ID NUMBER	PASS THROUGH ENTITY	CURRENT YEAR EXPENDITURES	DEBT LIABILITY BALANCE
PASS-THROUGH ASSISTANCE					
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)					
COMMUNITY DEVELOPMENT BLOCK GRANT/ENTITLEMENT GRANTS:					
BELLEVUE HOUSING REPAIR (2012)	14.218	CDBG-251	1	256,286	-
BELLEVUE HOUSING REPAIR (2013)	14.218		1	54,814	
		TOTAL 14.218		**311,100**	**-**
ECONOMIC DEVELOPMENT INITIATIVE: SPECIAL PROJECT, NEIGHBORHOOD INITIATIVE, AND MISCELLANEOUS GRANTS					
New Futures	14.251	B-10-SP-WA-0271	2	5,000	-
		TOTAL 14.251		**5,000**	**-**
TOTAL - U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)				**316,100**	**-**
U.S DEPARTMENT OF ENERGY					
WEATHERIZATION ASSISTANCE FOR LOW INCOME PERSONS:					
2012 DOE Grant	81.042	F12-43103-413 DOE	3	280,741	-
2013 DOE Grant	81.042	F13-43103-413 DOE	3	172,475	-
2013 BPA Grant	81.042	F13-43104-413 BPA	3	168,762	
2011 BPA Grant	81.042	F11-43104-413 BPA	3	126,947	
		TOTAL 81.042		**748,925**	**-**
TOTAL - U.S. DEPARTMENT OF ENERGY				**748,925**	**-**
U.S. DEPARTMENT OF HUMAN AND HEALTH SERVICES					
LOW-INCOME HOME ENERGY ASSISTANCE:					
2012 HHS Grant	93.568	F12-43101-413 HHS	3	485,816	-
2013 HHS Grant	93.568	F13-43101-413	3	304,016	
		TOTAL 93.568		**789,832**	**-**
TOTAL U.S. DEPARTMENT OF HUMAN AND HEALTH SERVICES				**789,832**	**-**
SUBTOTAL PASS-THROUGH ASSISTANCE				**1,854,856**	**-**
TOTAL ASSISTANCE				**117,103,367**	**1,075,376**

Pass Through Entity:

1 City of Bellevue, WA

2 New Futures

3 Washington State Department of Commerce

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
Financial Data Schedule (FDS)
Statement of Net Position
As of December 31, 2013

Line Item #	Account Description	10.415 Rural Rental Housing Loans	14.182 Section 8 - New Construction	14.191 Multifamily Housing Service coordinators	14.195 Section 8 - Special Allocation	14.218 Community Development Block Grants/Entitlement Grants
111	Cash - unrestricted	$ -	$ -	$ -	$ -	$ -
113	Cash - other restricted	-	-	-	1,047,952	-
114	Cash - tenant security deposits	-	-	-	12,200	-
115	Cash - restricted for payment of current liability	-	-	-	-	-
100	Total cash	-	-	-	1,060,152	-
121	AR - PHA projects	-	-	-	-	-
122	AR - HUD other projects	-	-	-	-	-
124	Accounts receivable - other government	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-	-
126	Accounts receivable- tenants	-	-	-	4,119	-
126	Allowance for doubtful accounts - tenants	-	-	-	(1,000)	-
127	Notes and mortgages receivable- current	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-
120	Total receivables, net of allowances	-	-	-	3,119	-
131	Investments - unrestricted	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-
142	Prepaid expenses and other assets	-	-	-	3,221	-
143	Inventories	-	-	-	-	-
150	Total Current Assets	-	-	-	1,066,492	-
161	Land	-	-	-	521,854	-
162	Buildings	-	-	-	1,674,450	-
163	Furniture, equipment & machinery - dwellings	-	-	-	-	-
164	Furniture, equipment & machinery - administration	-	-	-	-	-
165	Leasehold improvements		-	-	-	-
166	Accumulated depreciation	-	-	-	(1,583,757)	-
167	Work in progress	-	-	-	-	-
168	Infrastructure	-	-	-	10,600	-
160	Total capital assets, net of depreciation	-	-	-	623,147	-
171	Notes and mortgages receivable - non-current	-	-	-	-	-
174	Other assets	-	-	-	-	-
176	Investment in joint ventures		-	-	-	-
180	Total Noncurrent Assets	-	-	-	623,147	-
190	Total Assets	-	-	-	1,689,639	-
200	Deferred Outflows of Resources	-	-	-	-	-
290	Total Assets and Deferred Outflows of Resources	$ -	$ -	$ -	$ 1,689,639	$ -
311	Bank overdraft	$ -	$ -	$ -	$ -	$ -
312	Accounts payable < 90 days	-	-	-	11,781	-
321	Accrued wage/payroll taxes payable	-	-	-	971	-
322	Accrued compensated absences	-	-	-	6,719	-
325	Accrued interest payable	-	-	-	-	-
332	Accounts Payable - PHA projects	-	-	-	-	-
341	Tenant security deposits	-	-	-	12,200	-
342	Unearned revenue	-	-	-	5,381	-
343	Current portion of L-T debt - capital projects	-	-	-	-	-
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-
345	Other current liabilities	-	-	-	-	-
346	Accrued liabilities - other	-	-	-	-	-
310	Total Current Liabilities	-	-	-	37,052	-
351	Long-term debt, net of current - capital projects	1,075,376	-	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-
353	Non-current liabilities- other	-	-	-	1,330,276	-
350	Total Noncurrent Liabilities	1,075,376	-	-	1,330,276	-
300	Total Liabilities	1,075,376	-	-	1,367,328	-
400	Deferred Inflows of Resources	-	-	-	-	-
508.4	Net Investment in Capital Assets	(1,075,376)	-	-	623,147	-
511.4	Restricted Net Position	-	-	-	1,047,952	-
512.4	Unrestricted Net Position	-	0	0	(1,348,789)	0
513	Total Equity - Net Assets/Position	(1,075,376)	0	0	322,311	0
600	Total Liabilities, Deferred Inflows of Resources, and Equity - Net Assets/Position	$ -	$ 0	$ 0	$ 1,689,639	$ 0

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Net Position
As of December 31, 2013

Line Item #	Account Description	14.317 Section 8 - HAP Program Additional Support	14.856 Section 8 - Moderate Rehabilitation	14.866 Hope VI	14.871 Section 8 Housing Choice Vouchers	14.877 Public Housing Family Self Sufficiency Under Resident Opportunity and
111	Cash - unrestricted	$ -	$ 77,673	$ -	$ 558,470	$ -
113	Cash - other restricted	-	-	-	513,242	-
114	Cash - tenant security deposits	-	-	-	-	-
115	Cash - restricted for payment of current liability	-	-	-	-	-
100	Total cash	-	77,673	-	1,071,711	-
121	AR - PHA projects	-	-	-	115,059	-
122	AR - HUD other projects	-	-	-	27,595	6,434
124	Accounts receivable - other government	-	-	-	20,921	-
125	Accounts receivable - miscellaneous	-	-	-	1,669	-
126	Accounts receivable- tenants	-	-	-	-	-
126	Allowance for doubtful accounts - tenants	-	-	-	-	-
127	Notes and mortgages receivable- current	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-
120	Total receivables, net of allowances	-	-	-	165,245	6,434
131	Investments - unrestricted	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-
142	Prepaid expenses and other assets	-	17	237	26,963	158
143	Inventories	-	-	-	-	-
150	Total Current Assets	-	77,690	237	1,263,919	6,592
161	Land	-	-	-	-	-
162	Buildings	-	-	-	-	-
163	Furniture, equipment & machinery - dwellings	-	-	-	-	-
164	Furniture, equipment & machinery - administration	-	-	-	15,619	-
165	Leasehold improvements	-	-	-	-	-
166	Accumulated depreciation	-	-	-	(4,812)	-
167	Work in progress	-	-	47,479,601	-	-
168	Infrastructure	-	-	-	-	
160	Total capital assets, net of depreciation	-	-	47,479,601	10,807	-
171	Notes and mortgages receivable - non-current	-	-	-	-	-
174	Other assets	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-
180	Total Noncurrent Assets	-	-	47,479,601	10,807	-
190	Total Assets	-	77,690	47,479,837	1,274,727	6,592
200	Deferred Outflows of Resources	-	-	-	-	-
290	Total Assets and Deferred Outflows of Resources	$ -	$ 77,690	$ 47,479,837	$ 1,274,727	$ 6,592
311	Bank overdraft	$ -	$ -	$ -	$ -	$ -
312	Accounts payable < 90 days	-	915	-	81,411	-
321	Accrued wage/payroll taxes payable	-	28	-	36,697	-
322	Accrued compensated absences	-	221	-	411,756	-
325	Accrued interest payable	-	-	-	-	-
332	Accounts Payable - PHA projects	-	-	-	8,584	-
341	Tenant security deposits	-	-	-	-	-
342	Unearned revenue	-	-	-	-	-
343	Current portion of L-T debt - capital projects	-	-	-	-	-
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-
345	Other current liabilities	-	-	-	513,242	-
346	Accrued liabilities - other	-	-	-	-	-
310	Total Current Liabilities	-	1,164	-	1,051,690	-
351	Long-term debt, net of current - capital projects	-	-	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-
353	Non-current liabilities- other	-	-	-	-	-
350	Total Noncurrent Liabilities	-	-	-	-	-
300	Total Liabilities	-	1,164	-	1,051,690	-
400	Deferred Inflows of Resources	-	-	-	-	-
508.4	Net Investment in Capital Assets	-	-	47,479,601	10,807	-
511.4	Restricted Net Position	-	-	-	513,242	-
512.4	Unrestricted Net Position	-	76,527	236	(301,012)	6,592
513	Total Equity - Net Assets/Position	-	76,527	47,479,837	223,037	6,592
600	Total Liabilities, Deferred Inflows of Resources, and Equity - Net Assets/Position	$ -	$ 77,690	$ 47,479,837	$ 1,274,727	$ 6,592

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Net Position
As of December 31, 2013

Line Item #	Account Description	14.879 Mainstream Vouchers	14.881 Moving-To-Work Demonstration Program	State/Local Programs	Business Activities	81.042 Weatherization Assistance for Low Income Persons	93.568 Low Income Home Energy Assistance
111	Cash - unrestricted	$ -	$ 10,488,385	$ 100	$ 25,088,384	$ -	$ -
113	Cash - other restricted	-	9,500,000	-	5,857,350	-	-
114	Cash - tenant security deposits	-	-	-	1,402,845	-	-
115	Cash - restricted for payment of current liability	-	-	-	2,487,921	-	-
100	Total cash	-	19,988,385	100	34,836,500	-	-
121	AR - PHA projects	-	-	-	-	-	-
122	AR - HUD other projects	5,444	8,594	-	-	-	-
124	Accounts receivable - other government	-	-	543,131	22,912	-	77,505
125	Accounts receivable - miscellaneous	-	-	-	2,548,761	-	-
126	Accounts receivable- tenants	-	-	-	219,541	-	-
126	Allowance for doubtful accounts - tenants	-	-	-	(9,088)	-	-
127	Notes and mortgages receivable- current	-	-	-	7,313,117	-	-
129	Accrued interest receivable	-	-	-	1,972,094	-	-
120	Total receivables, net of allowances	5,444	8,594	543,131	12,067,336	-	77,505
131	Investments - unrestricted	-	0	-	13,468,345	-	-
132	Investments - restricted	-	9,020,178	-	1,134,558	-	-
142	Prepaid expenses and other assets	(0)	11,303	13,447	407,510	-	-
143	Inventories	-	-	-	301,846	-	-
150	Total Current Assets	5,444	29,028,460	556,678	62,216,095	-	77,505
161	Land	-	-	-	49,649,601	-	-
162	Buildings	-	-	-	152,983,921	-	-
163	Furniture, equipment & machinery - dwellings	-	-	-	35,400	-	-
164	Furniture, equipment & machinery - administration	-	-	-	746,297	-	-
165	Leasehold improvements	-	-	-	-	-	-
166	Accumulated depreciation	-	-	-	(65,919,216)	-	-
167	Work in progress	-	47,297	-	15,636,418	-	-
168	Infrastructure	-	-	-	7,287,437	-	-
160	Total capital assets, net of depreciation	-	47,297	-	160,419,858	-	-
171	Notes and mortgages receivable - non-current	-	-	209,641	168,695,396	-	-
174	Other assets	-	16,490,982	-	2,632,209	-	-
176	Investment in joint ventures	-	-	-	-	-	-
180	Total Noncurrent Assets	-	16,538,279	209,641	331,747,464	-	-
190	Total Assets	5,444	45,566,740	766,319	393,963,558	-	77,505
200	Deferred Outflows of Resources	-	-	-	-	-	-
290	Total Assets and Deferred Outflows of Resources	$ 5,444	$ 45,566,740	$ 766,319	$393,963,558	$ -	$ 77,505
311	Bank overdraft	$ -	$ -	$ -	$ -	$ -	$ -
312	Accounts payable < 90 days	282	496,634	274,566	3,456,502	-	-
321	Accrued wage/payroll taxes payable	528	18,708	549	33,195	-	-
322	Accrued compensated absences	4,239	150,465	32	335,811	-	-
325	Accrued interest payable	-	-	-	1,043,594	-	-
332	Accounts Payable - PHA projects	-	-	-	-	-	-
341	Tenant security deposits	-	-	-	1,402,845	-	-
342	Unearned revenue	-	-	-	1,111,396	-	-
343	Current portion of L-T debt - capital projects	-	-	-	18,139,422	-	-
344	Current portion of L-T debt - operating borrowings	-	-	-	15,773,681	-	-
345	Other current liabilities	-	-	2,428	473,307	-	-
346	Accrued liabilities - other	-	250,800	-	180,024	-	-
310	Total Current Liabilities	5,048	916,606	277,575	41,949,776	-	-
351	Long-term debt, net of current - capital projects	-	-	-	113,253,083	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	108,292,327	-	-
353	Non-current liabilities- other	-	-	7,399	21,970,550	-	-
350	Total Noncurrent Liabilities	-	-	7,399	243,515,960	-	-
300	Total Liabilities	5,048	916,606	284,974	285,465,736	-	-
400	Deferred Inflows of Resources	-	-	-	-	-	-
508.4	Net Investment in Capital Assets	-	47,297	-	29,027,353	-	-
511.4	Restricted Net Position	-	18,520,178	-	9,479,829	-	-
512.4	Unrestricted Net Position	395	26,082,658	481,345	69,990,639	-	77,505
513	Total Equity - Net Assets/Position	395	44,650,134	481,345	108,497,821	-	77,505
600	Total Liabilities, Deferred Inflows of Resources, and Equity - Net Assets/Position	$ 5,444	$ 45,566,740	$ 766,319	$393,963,558	$ -	$ 77,505

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Net Position
As of December 31, 2013

Line Item #	Account Description	94.006 Americorp	14.251 Other Federal Programs	14.890 Other Federal Programs	COMPONENT UNITS - BLENDED	COCC
111	Cash - unrestricted	$ -	$ -	$ -	$ 30,120	$13,345,772
113	Cash - other restricted	-	-	-		-
114	Cash - tenant security deposits	-	-	-		-
115	Cash - restricted for payment of current liability	-	-	-		-
100	Total cash	-	-	-	30,120	13,345,772
121	AR - PHA projects	-	-	-		-
122	AR - HUD other projects	-	21,750	-		-
124	Accounts receivable - other government	1,730	-	-		-
125	Accounts receivable - miscellaneous	-	-	-		359,767
126	Accounts receivable- tenants	-	-	-		2,591
126	Allowance for doubtful accounts - tenants	-	-	-		(1,716)
127	Notes and mortgages receivable- current	-	-	-		487,485
129	Accrued interest receivable	-	-	-		-
120	Total receivables, net of allowances	1,730	21,750	-	-	848,127
131	Investments - unrestricted	-	-	-	12,000,000	10,967,216
132	Investments - restricted	-	-	-		11,406,591
142	Prepaid expenses and other assets	153	-	-		71,718
143	Inventories	-	-	-		45,121
150	Total Current Assets	1,883	21,750	-	12,030,120	36,684,544
161	Land	-	-	-	5,376,321	4,529,093
162	Buildings	-	-	-	30,664,122	10,999,182
163	Furniture, equipment & machinery - dwellings	-	-	-		-
164	Furniture, equipment & machinery - administration	-	-	-		3,809,657
165	Leasehold improvements	-	-	-	6,697,974	-
166	Accumulated depreciation	-	-	-	(22,798,350)	(5,680,825)
167	Work in progress	-	-	-	5,569,989	244,554
168	Infrastructure	-	-	-		34,438
160	Total capital assets, net of depreciation	-	-	-	25,510,055	13,936,099
171	Notes and mortgages receivable - non-current	-	-	-		20,200,304
174	Other assets	-	-	-		1,219,751
176	Investment in joint ventures	-	-	-		-
180	Total Noncurrent Assets	-	-	-	25,510,055	35,356,153
190	Total Assets	1,883	21,750	-	37,540,175	72,040,697
200	Deferred Outflows of Resources	-	-	-		-
290	Total Assets and Deferred Outflows of Resources	$ 1,883	$ 21,750	$ -	$ 37,540,175	$72,040,697
311	Bank overdraft	$ -	$ -	$ -	$ 46,381	$ -
312	Accounts payable < 90 days	231	-	-	1,562,664	482,421
321	Accrued wage/payroll taxes payable	0	-	-		87,880
322	Accrued compensated absences	-	-	-		1,208,748
325	Accrued interest payable	-	-	-		-
332	Accounts Payable - PHA projects	-	-	-		-
341	Tenant security deposits	-	-	-		-
342	Unearned revenue	-	-	-		-
343	Current portion of L-T debt - capital projects	-	-	-		400,704
344	Current portion of L-T debt - operating borrowings	-	-	-	487,486	900,000
345	Other current liabilities	-	-	-		-
346	Accrued liabilities - other	-	-	-		7,528
310	Total Current Liabilities	231	-	-	2,096,531	3,087,281
351	Long-term debt, net of current - capital projects	-	-	-		17,051,450
352	Long-term debt, net of current - operating borrowings	-	-	-	17,400,333	-
353	Non-current liabilities- other	-	-	-		2,484
350	Total Noncurrent Liabilities	-	-	-	17,400,333	17,053,934
300	Total Liabilities	231	-	-	19,496,863	20,141,214
400	Deferred Inflows of Resources	-	-	-		-
508.4	Net Investment in Capital Assets	-	-	-	25,510,055	(3,516,055)
511.4	Restricted Net Position	-	-	-	-	11,406,591
512.4	Unrestricted Net Position	1,652	21,750	(0)	(7,466,743)	44,008,947
513	Total Equity - Net Assets/Position	1,652	21,750	(0)	18,043,312	51,899,483
600	Total Liabilities, Deferred Inflows of Resources, and Equity - Net Assets/Position	$ 1,883	$ 21,750	$ (0)	$ 37,540,175	$72,040,698

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Line Item #	Account Description	Ballinger Homes WA002000101	Park Royal Apartments WA002000105	Paramount House II WA002000150	The Lake House WA002000152	Northridge II WA002000153
111	Cash - unrestricted	$ 731,470	$ 50,821	$ -	$ 348,288	$ 695,428
113	Cash - other restricted	4,175	87	-	-	-
114	Cash - tenant security deposits	21,580	4,225	-	10,925	12,650
115	Cash - restricted for payment of current liability	-	-	-	-	-
100	Total cash	757,225	55,133	-	359,213	708,078
121	AR - PHA projects	-	-	-	-	-
122	AR - HUD other projects	1,659	280	841	1,682	1,682
124	Accounts receivable - other government	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-	-
126	Accounts receivable- tenants	4,427	2,631	-	1,935	6,727
126	Allowance for doubtful accounts - tenants	(623)	-	-	(312)	(50)
127	Notes and mortgages receivable- current	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-
120	Total receivables, net of allowances	5,462	2,911	841	3,305	8,359
131	Investments - unrestricted	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-
142	Prepaid expenses and other assets	13,532	1,745	53	9,145	10,103
143	Inventories	-	-	-	-	-
150	Total Current Assets	776,220	59,789	894	371,662	726,540
161	Land	1,960,510	541,000	-	246,728	224,064
162	Buildings	8,837,846	1,301,657	-	9,027,464	6,762,187
163	Furniture, equipment & machinery - dwellings	-	-	-	-	-
164	Furniture, equipment & machinery - administration	117,275	-	-	37,773	32,700
165	Leasehold improvements	-	-	-	-	-
166	Accumulated depreciation	(5,784,406)	(143,593)	-	(3,390,970)	(2,970,532)
167	Work in progress	518,081	-	-	23,648	837,712
168	Infrastructure	2,408,304	-	-	143,913	347,939
160	Total capital assets, net of depreciation	8,057,609	1,699,064	-	6,088,556	5,234,069
171	Notes and mortgages receivable - non-current	-	-	2,868,675	-	-
174	Other assets	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-
180	Total Noncurrent Assets	8,057,609	1,699,064	2,868,675	6,088,556	5,234,069
190	Total Assets	8,833,829	1,758,853	2,869,569	6,460,218	5,960,609
200	Deferred Outflows of Resources	-	-	-	-	-
290	Total Assets and Deferred Outflows of Resources	$ 8,833,829	$ 1,758,853	$ 2,869,569	$ 6,460,218	$ 5,960,609
311	Bank overdraft	$ -	$ -	$ -	$ -	$ -
312	Accounts payable < 90 days	96,140	4,732	9	55,311	18,724
321	Accrued wage/payroll taxes payable	3,174	434	35	2,672	3,342
322	Accrued compensated absences	20,201	2,269	84	16,690	10,369
325	Accrued interest payable	-	-	-	-	-
332	Accounts Payable - PHA projects	-	-	-	-	-
341	Tenant security deposits	21,580	4,225	-	10,925	12,650
342	Unearned revenue	10,135	713	-	1,204	3,289
343	Current portion of L-T debt - capital projects	25,804	-	-	10,393	12,902
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-
345	Other current liabilities	4,175	87	-	-	-
346	Accrued liabilities - other	110,494	-	-	-	387,574
310	Total Current Liabilities	291,703	12,460	128	97,195	448,850
351	Long-term debt, net of current - capital projects	88,236	-	-	35,586	44,349
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-
353	Non-current liabilities- other	231	7,139	20,763	275	27,157
350	Total Noncurrent Liabilities	88,467	7,139	20,763	35,861	71,506
300	Total Liabilities	380,170	19,599	20,891	133,057	520,356
400	Deferred Inflows of Resources	-	-	-	-	-
508.4	Net Investment in Capital Assets	7,943,569	1,699,064	-	6,042,576	5,176,817
511.4	Restricted Net Position	4,175	87	-	-	-
512.4	Unrestricted Net Position	505,915	40,102	2,848,678	284,585	263,435
513	Total Equity - Net Assets/Position	8,453,659	1,739,254	2,848,678	6,327,162	5,440,253
600	Total Liabilities, Deferred Inflows of Resources, and Equity - Net Assets/Position	$ 8,833,829	$ 1,758,853	$ 2,869,569	$ 6,460,218	$ 5,960,609

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Line Item #	Account Description	Forest Glen WA002000201	College Place WA002000203	Juanita Court WA002000206	Wellswood WA002000207	Kirkland Place WA002000210	Casa Juanita WA002000251
111	Cash - unrestricted	$ 117,098	$ 400,430	$ -	$ -	$ 14,457	$ 220,149
113	Cash - other restricted	-	402	-	-	-	-
114	Cash - tenant security deposits	3,100	15,575	-	-	3,000	6,200
115	Cash - restricted for payment of current liability	-	-	-	-	-	-
100	Total cash	120,198	416,406	-	-	17,457	226,349
121	AR - PHA projects	-	-	-	-	-	-
122	AR - HUD other projects	467	1,191	-	-	-	958
124	Accounts receivable - other government	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-	-	-
126	Accounts receivable- tenants	2,617	18,187	-	-	50	2,952
126	Allowance for doubtful accounts - tenants	(1,099)	(3,651)	-	-	-	(359)
127	Notes and mortgages receivable- current	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-
120	Total receivables, net of allowances	1,985	15,727	-	-	50	3,550
131	Investments - unrestricted	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-
142	Prepaid expenses and other assets	2,521	9,353	-	-	770	5,300
143	Inventories	-	-	-	-	-	-
150	Total Current Assets	124,704	441,487	-	-	18,277	235,198
161	Land	32,191	901,525	-	-	1,064,290	62,146
162	Buildings	2,744,722	6,630,573	-	-	263,987	3,700,391
163	Furniture, equipment & machinery - dwellings	-	-	-	-	-	-
164	Furniture, equipment & machinery - administration	6,467	71,776	-	-	-	-
165	Leasehold improvements	-	-	-	-	-	-
166	Accumulated depreciation	(993,066)	(4,452,355)	-	-	(15,604)	(2,046,730)
167	Work in progress	31,437	2,637,963	-	-	-	-
168	Infrastructure	132,157	2,473,313	-	-	-	758,293
160	Total capital assets, net of depreciation	1,953,908	8,262,794	-	-	1,312,674	2,474,100
171	Notes and mortgages receivable - non-current	-	-	-	-	-	-
174	Other assets	-	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-	-
180	Total Noncurrent Assets	1,953,908	8,262,794	-	-	1,312,674	2,474,100
190	Total Assets	2,078,613	8,704,281	-	-	1,330,950	2,709,298
200	Deferred Outflows of Resources	-	-	-	-	-	-
290	Total Assets and Deferred Outflows of Resources	$ 2,078,613	$ 8,704,281	$ -	$ -	$ 1,330,950	$ 2,709,298
311	Bank overdraft	$ -	$ -	$ -	$ -	$ -	$ -
312	Accounts payable < 90 days	21,885	32,120	-	-	2,286	24,011
321	Accrued wage/payroll taxes payable	755	2,459	-	-	149	1,474
322	Accrued compensated absences	5,189	10,088	-	-	223	9,875
325	Accrued interest payable	-	-	-	-	-	-
332	Accounts Payable - PHA projects	-	-	-	-	-	-
341	Tenant security deposits	3,100	15,575	-	-	3,000	6,200
342	Unearned revenue	1,906	13,896	-	-	1,035	2,228
343	Current portion of L-T debt - capital projects	6,630	24,550	-	-	-	23,295
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-
345	Other current liabilities	-	164	-	-	-	-
346	Accrued liabilities - other	13,180	-	-	-	-	-
310	Total Current Liabilities	52,645	98,851	-	-	6,692	67,084
351	Long-term debt, net of current - capital projects	23,122	84,357	-	-	-	79,847
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-
353	Non-current liabilities- other	900	235,995	-	-	-	736
350	Total Noncurrent Liabilities	24,022	320,352	-	-	-	80,582
300	Total Liabilities	76,666	419,204	-	-	6,692	147,666
400	Deferred Inflows of Resources	-	-	-	-	-	-
508.4	Net Investment in Capital Assets	1,924,156	8,153,887	-	-	1,312,674	2,370,958
511.4	Restricted Net Position	-	402	-	-	-	-
512.4	Unrestricted Net Position	77,791	130,788	-	-	11,585	190,674
513	Total Equity - Net Assets/Position	2,001,947	8,285,077	-	-	1,324,258	2,561,632
600	Total Liabilities, Deferred Inflows of Resources, and Equity - Net Assets/Position	$ 2,078,613	$ 8,704,281	$ -	$ -	$ 1,330,950	$ 2,709,298

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Line Item #	Account Description	Park Lake Homes I WA002000301	Park Lake Homes II WA002000302	Seola Crossing WA002000340	Eastbridge WA002000341	Salmon Creek WA002000343	Zephyr WA002000344
111	Cash - unrestricted	$ -	$ -	$ 0	$ 185,172	$ 153,327	$ -
113	Cash - other restricted	-	-	-	-	-	-
114	Cash - tenant security deposits	-	-	-	-	2,000	-
115	Cash - restricted for payment of current liability	-	-	-	-	-	-
100	Total cash	-	-	0	185,172	155,327	-
121	AR - PHA projects	-	-	-	-	-	-
122	AR - HUD other projects	-	-	911	164	584	304
124	Accounts receivable - other government	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-	-	7,523
126	Accounts receivable- tenants	-	-	-	-	-	-
126	Allowance for doubtful accounts - tenants	-	-	-	-	-	-
127	Notes and mortgages receivable- current	-	-	30,000	65,000	55,000	-
129	Accrued interest receivable	-	-	145,766	118,755	-	-
120	Total receivables, net of allowances	-	-	176,677	183,919	55,584	7,827
131	Investments - unrestricted	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-
142	Prepaid expenses and other assets	-	-	14,600	869	895	33
143	Inventories	-	-	-	-	-	-
150	Total Current Assets	-	-	191,277	369,959	211,806	7,860
161	Land	-	-	-	-	-	-
162	Buildings	-	-	-	-	-	-
163	Furniture, equipment & machinery - dwellings	-	-	-	-	-	-
164	Furniture, equipment & machinery - administration	-	-	-	-	-	-
165	Leasehold improvements	-	-	-	-	-	-
166	Accumulated depreciation	-	-	-	-	-	-
167	Work in progress	-	-	-	-	307,378	-
168	Infrastructure	-	-	-	-	-	-
160	Total capital assets, net of depreciation	-	-	-	-	307,378	-
171	Notes and mortgages receivable - non-current	-	-	16,781,913	10,391,724	8,524,274	5,600,525
174	Other assets	-	-	200	100	-	100
176	Investment in joint ventures	-	-	-	-	-	-
180	Total Noncurrent Assets	-	-	16,782,113	10,391,824	8,831,652	5,600,625
190	Total Assets	-	-	16,973,390	10,761,783	9,043,457	5,608,485
200	Deferred Outflows of Resources	-	-	-	-	-	-
290	Total Assets and Deferred Outflows of Resources	$ -	$ -	$ 16,973,390	$ 10,761,783	$ 9,043,457	$ 5,608,485
311	Bank overdraft	$ -	$ -	$ -	$ -	$ -	$ -
312	Accounts payable < 90 days	-	-	11,418	7,084	13,382	3,093
321	Accrued wage/payroll taxes payable	-	-	811	115	439	132
322	Accrued compensated absences	-	-	10,978	952	3,641	2,919
325	Accrued interest payable	-	-	-	31,926	82,851	-
332	Accounts Payable - PHA projects	-	-	-	-	-	-
341	Tenant security deposits	-	-	-	-	2,000	-
342	Unearned revenue	-	-	424	-	-	-
343	Current portion of L-T debt - capital projects	-	-	30,000	65,000	55,000	-
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-
345	Other current liabilities	-	-	-	-	-	-
346	Accrued liabilities - other	-	-	-	-	-	-
310	Total Current Liabilities	-	-	53,632	105,077	157,313	6,145
351	Long-term debt, net of current - capital projects	-	-	6,765,000	6,930,000	4,050,000	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-
353	Non-current liabilities- other	-	-	100	-	13,315	-
350	Total Noncurrent Liabilities	-	-	6,765,100	6,930,000	4,063,315	-
300	Total Liabilities	-	-	6,818,732	7,035,077	4,220,628	6,145
400	Deferred Inflows of Resources	-	-	-	-	-	-
508.4	Net Investment in Capital Assets	-	-	(6,795,000)	(6,995,000)	(3,797,622)	-
511.4	Restricted Net Position	-	-	-	-	-	-
512.4	Unrestricted Net Position	-	-	16,949,657	10,721,706	8,620,452	5,602,340
513	Total Equity - Net Assets/Position	-	-	10,154,657	3,726,706	4,822,829	5,602,340
600	Total Liabilities, Deferred Inflows of Resources, and Equity - Net Assets/Position	$ -	$ -	$ 16,973,389	$ 10,761,783	$ 9,043,457	$ 5,608,484

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Line Item #	Account Description	Sixth Place Apartments WA002000345	Fairwind WA002000346	Boulevard Manor WA002000350	Yardley Arms WA002000352	Riverton Terrace WA002000354	Nia WA002000355
111	Cash - unrestricted	$ -	$ 3,637,127	$ 204,674	$ 322,089	$ 273,437	$ 174,768
113	Cash - other restricted	-	-	-	-	37,654	-
114	Cash - tenant security deposits	-	-	5,800	5,750	3,300	2,000
115	Cash - restricted for payment of current liability	-	-	-	-	-	-
100	Total cash	-	3,637,127	210,474	327,839	314,391	176,768
121	AR - PHA projects	-	-	-	-	-	-
122	AR - HUD other projects	280	-	841	1,495	1,238	467
124	Accounts receivable - other government	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	17,065	-	-	107,890	-
126	Accounts receivable- tenants	-	-	1,332	442	2,748	-
126	Allowance for doubtful accounts - tenants	-	-	(81)	(312)	(979)	-
127	Notes and mortgages receivable- current	-	9,417,267	-	-	-	35,000
129	Accrued interest receivable	-	-	-	-	-	67,578
120	Total receivables, net of allowances	280	9,434,332	2,092	1,626	110,896	103,045
131	Investments - unrestricted	-	-	-	-	(0)	-
132	Investments - restricted	-	-	-	-	-	-
142	Prepaid expenses and other assets	251	16	4,981	5,032	2,486	811
143	Inventories	-	-	-	-	-	-
150	Total Current Assets	532	13,071,475	217,546	334,497	427,773	280,625
161	Land	-	-	72,003	227,040	463,210	-
162	Buildings	-	-	5,337,718	4,568,823	3,487,260	-
163	Furniture, equipment & machinery - dwellings	-	-	-	-	-	-
164	Furniture, equipment & machinery - administration	-	-	62,240	-	-	-
165	Leasehold improvements	-	-	-	-	-	-
166	Accumulated depreciation	-	-	(1,979,735)	(2,165,515)	(592,454)	-
167	Work in progress	-	-	3,487	287,160	-	217,002
168	Infrastructure	-	-	797,337	160,031	-	-
160	Total capital assets, net of depreciation	-	-	4,293,050	3,077,539	3,358,015	217,002
171	Notes and mortgages receivable - non-current	6,799,556	3,600,000	-	2,586,867	35,347,910	7,276,522
174	Other assets	-	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-	-
180	Total Noncurrent Assets	6,799,556	3,600,000	4,293,050	5,664,406	38,705,925	7,493,524
190	Total Assets	6,800,088	16,671,475	4,510,596	5,998,903	39,133,698	7,774,149
200	Deferred Outflows of Resources	-	-	-	-	1,124,036	-
290	Total Assets and Deferred Outflows of Resources	$ 6,800,088	$ 16,671,475	$ 4,510,596	$ 5,998,903	$ 40,257,734	$ 7,774,149
311	Bank overdraft	$ -	$ -	$ -	$ -	$ -	$ -
312	Accounts payable < 90 days	1,308	29	23,645	162,609	12,053	120,307
321	Accrued wage/payroll taxes payable	181	24	2,004	2,148	2,823	316
322	Accrued compensated absences	1,512	12,932	13,442	13,459	74,949	3,172
325	Accrued interest payable	-	-	-	-	-	67,578
332	Accounts Payable - PHA projects	-	-	-	-	-	-
341	Tenant security deposits	-	-	5,800	5,750	3,300	2,000
342	Unearned revenue	-	-	1,599	208	2,362	-
343	Current portion of L-T debt - capital projects	-	-	5,197	4,838	-	35,000
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-
345	Other current liabilities	-	-	-	-	-	8,000
346	Accrued liabilities - other	-	-	7,188	-	-	-
310	Total Current Liabilities	3,001	12,984	58,876	189,012	95,487	236,374
351	Long-term debt, net of current - capital projects	-	-	17,793	17,070	-	3,163,000
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-
353	Non-current liabilities- other	-	-	65,943	41,194	28,365	8,741
350	Total Noncurrent Liabilities	-	-	83,736	58,264	28,365	3,171,741
300	Total Liabilities	3,001	12,984	142,612	247,276	123,852	3,408,115
400	Deferred Inflows of Resources	-	-	-	-	-	-
508.4	Net Investment in Capital Assets	-	-	4,270,060	3,055,631	3,358,015	(2,980,998)
511.4	Restricted Net Position	-	-	-	-	37,654	-
512.4	Unrestricted Net Position	6,797,088	16,658,491	97,924	2,695,997	36,738,214	7,347,033
513	Total Equity - Net Assets/Position	6,797,088	16,658,491	4,367,984	5,751,627	40,133,883	4,366,034
600	Total Liabilities, Deferred Inflows of Resources, and Equity - Net Assets/Position	$ 6,800,089	$ 16,671,475	$ 4,510,596	$ 5,998,903	$ 40,257,734	$ 7,774,149

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Line Item #	Account Description	Valli Kee Homes WA002000401	Springwood Apartments WA002000402	Cascade Apartments WA002000403	Pickering Court WA002000404	Youngslake WA002000408	Mardis Gras II WA002000450
111	Cash - unrestricted	$ 1,138,923	$ 25,465	$ 377,549	$ -	$ -	$ -
113	Cash - other restricted	2,652	-	108	-	-	-
114	Cash - tenant security deposits	11,680	-	17,025	-	-	-
115	Cash - restricted for payment of current liability	-	-	-	-	-	-
100	Total cash	1,153,255	25,465	394,682	-	-	-
121	AR - PHA projects	-	-	-	-	-	-
122	AR - HUD other projects	1,285	-	1,285	-	-	724
124	Accounts receivable - other government	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-	-	-
126	Accounts receivable- tenants	8,588	-	7,728	-	-	-
126	Allowance for doubtful accounts - tenants	(4,521)	-	(132)	-	-	-
127	Notes and mortgages receivable- current	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-
120	Total receivables, net of allowances	5,353	-	8,880	-	-	724
131	Investments - unrestricted	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-
142	Prepaid expenses and other assets	13,570	-	10,301	-	-	65
143	Inventories	-	-	-	-	-	-
150	Total Current Assets	1,172,178	25,465	413,863	-	-	789
161	Land	160,827	-	1,909,523	-	-	-
162	Buildings	8,788,100	-	6,303,970	-	-	-
163	Furniture, equipment & machinery - dwellings	-	-	-	-	-	-
164	Furniture, equipment & machinery - administration	93,017	-	74,101	-	-	-
165	Leasehold improvements	-	-	-	-	-	-
166	Accumulated depreciation	(3,772,904)	-	(3,239,999)	-	-	-
167	Work in progress	3,400,803	-	6,037,989	-	-	-
168	Infrastructure	2,147,083	-	352,940	-	-	-
160	Total capital assets, net of depreciation	10,816,925	-	11,438,524	-	-	-
171	Notes and mortgages receivable - non-current	-	-	-	-	-	2,641,058
174	Other assets	-	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-	-
180	Total Noncurrent Assets	10,816,925	-	11,438,524	-	-	2,641,058
190	Total Assets	11,989,103	25,465	11,852,387	-	-	2,641,847
200	Deferred Outflows of Resources	-	-	-	-	-	-
290	Total Assets and Deferred Outflows of Resources	$ 11,989,103	$ 25,465	$ 11,852,387	$ -	$ -	$ 2,641,847
311	Bank overdraft	$ -	$ -	$ -	$ -	$ -	$ -
312	Accounts payable < 90 days	73,449	-	52,979	-	-	10
321	Accrued wage/payroll taxes payable	3,855	-	3,184	-	-	31
322	Accrued compensated absences	23,936	-	21,606	-	-	73
325	Accrued interest payable	-	-	-	-	-	-
332	Accounts Payable - PHA projects	-	-	-	-	-	-
341	Tenant security deposits	11,680	-	17,025	-	-	-
342	Unearned revenue	2,372	-	1,183	-	-	-
343	Current portion of L-T debt - capital projects	-	-	23,833	-	-	-
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-
345	Other current liabilities	2,652	-	108	-	-	-
346	Accrued liabilities - other	453,147	-	3,752	-	-	-
310	Total Current Liabilities	571,092	-	123,670	-	-	114
351	Long-term debt, net of current - capital projects	-	-	81,772	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-
353	Non-current liabilities- other	152,664	-	12,458	-	-	41,618
350	Total Noncurrent Liabilities	152,664	-	94,230	-	-	41,618
300	Total Liabilities	723,756	-	217,900	-	-	41,733
400	Deferred Inflows of Resources	-	-	-	-	-	-
508.4	Net Investment in Capital Assets	10,816,925	-	11,332,919	-	-	-
511.4	Restricted Net Position	2,652	-	108	-	-	-
512.4	Unrestricted Net Position	445,769	25,464	301,460	-	-	2,600,115
513	Total Equity - Net Assets/Position	11,265,346	25,464	11,634,487	-	-	2,600,115
600	Total Liabilities, Deferred Inflows of Resources, and Equity - Net Assets/Position	$ 11,989,103	$ 25,464	$ 11,852,386	$ -	$ -	$ 2,641,847

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Net Position
As of December 31, 2013

Line Item #	Account Description	Eastridge House WA002000451	Green River Homes WA002000502	Firwood Circle WA002000503	Burndale Homes WA002000504	Kings Court WA002000505	Wayland Arms WA002000550
111	Cash - unrestricted	$ -	$ -	$ 342,718	$ 255,036	$ -	$ 550,208
113	Cash - other restricted	-	-	38,529	16,754	-	-
114	Cash - tenant security deposits	-	-	8,400	7,950	-	4,475
115	Cash - restricted for payment of current liability	-	-	-	-	-	-
100	Total cash	-	-	389,647	279,740	-	554,683
121	AR - PHA projects	-	-	-	-	-	-
122	AR - HUD other projects	-	-	584	584	-	1,215
124	Accounts receivable - other government	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-	-	-
126	Accounts receivable- tenants	-	-	1,408	480	-	5,911
126	Allowance for doubtful accounts - tenants	-	-	(12)	(451)	-	(279)
127	Notes and mortgages receivable- current	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-
120	Total receivables, net of allowances	-	-	1,979	613	-	6,847
131	Investments - unrestricted	-	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-	-
142	Prepaid expenses and other assets	-	-	4,961	4,804	-	4,894
143	Inventories	-	-	-	-	-	-
150	Total Current Assets	-	-	396,588	285,157	-	566,424
161	Land	-	-	113,808	154,682	-	70,350
162	Buildings	-	-	3,973,560	3,359,161	-	3,190,495
163	Furniture, equipment & machinery - dwellings	-	-	-	-	-	-
164	Furniture, equipment & machinery - administration	-	-	89,303	44,487	-	-
165	Leasehold improvements	-	-	-	-	-	-
166	Accumulated depreciation	-	-	(2,042,321)	(1,920,050)	-	(1,632,363)
167	Work in progress	-	-	1,519,581	1,554,190	-	1,475,500
168	Infrastructure	-	-	322,380	303,723	-	127,940
160	Total capital assets, net of depreciation	-	-	3,976,310	3,496,192	-	3,231,921
171	Notes and mortgages receivable - non-current	-	-	-	-	-	1,510,209
174	Other assets	-	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-	-
180	Total Noncurrent Assets	-	-	3,976,310	3,496,192	-	4,742,130
190	Total Assets	-	-	4,372,897	3,781,349	-	5,308,554
200	Deferred Outflows of Resources	-	-	-	-	-	-
290	Total Assets and Deferred Outflows of Resources	$ -	$ -	$ 4,372,897	$ 3,781,349	$ -	$ 5,308,554
311	Bank overdraft	$ -	$ -	$ -	$ -	$ -	$ -
312	Accounts payable < 90 days	-	-	41,261	27,841	-	372,915
321	Accrued wage/payroll taxes payable	-	-	1,459	1,761	-	1,573
322	Accrued compensated absences	-	-	15,223	18,612	-	14,792
325	Accrued interest payable	-	-	-	-	-	-
332	Accounts Payable - PHA projects	-	-	-	-	-	-
341	Tenant security deposits	-	-	8,400	7,950	-	4,475
342	Unearned revenue	-	-	7,624	475	-	547
343	Current portion of L-T debt - capital projects	-	-	11,289	11,648	-	6,989
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-	-
345	Other current liabilities	-	-	38,529	16,754	-	-
346	Accrued liabilities - other	-	-	16,316	13,101	-	-
310	Total Current Liabilities	-	-	140,101	98,141	-	401,291
351	Long-term debt, net of current - capital projects	-	-	38,527	40,088	-	24,391
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-	-
353	Non-current liabilities- other	-	-	381	406	-	76,864
350	Total Noncurrent Liabilities	-	-	38,908	40,495	-	101,255
300	Total Liabilities	-	-	179,010	138,636	-	502,545
400	Deferred Inflows of Resources	-	-	-	-	-	-
508.4	Net Investment in Capital Assets	-	-	3,926,494	3,444,456	-	3,200,541
511.4	Restricted Net Position	-	-	38,529	16,754	-	-
512.4	Unrestricted Net Position	-	-	228,865	181,503	-	1,605,468
513	Total Equity - Net Assets/Position	-	-	4,193,888	3,642,713	-	4,806,010
600	Total Liabilities, Deferred Inflows of Resources, and Equity - Net Assets/Position	$ -	$ -	$ 4,372,897	$ 3,781,349	$ -	$ 5,308,555

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Net Position
As of December 31, 2013

Line Item #	Account Description	Plaza Seventeen II WA002000551	Southridge House WA002000552	Casa Madrona II WA002000553	Subtotal
111	Cash - unrestricted	$ -	$ 264,924	$ -	$ 60,072,459
113	Cash - other restricted	-	-	-	17,018,904
114	Cash - tenant security deposits	-	6,025	-	1,566,705
115	Cash - restricted for payment of current liability	-	-	-	2,487,921
100	Total cash	-	270,949	-	81,145,990
121	AR - PHA projects	-	-	-	115,059
122	AR - HUD other projects	841	958	841	93,180
124	Accounts receivable - other government	-	-	-	666,199
125	Accounts receivable - miscellaneous	-	-	-	3,042,675
126	Accounts receivable- tenants	-	219	-	294,632
126	Allowance for doubtful accounts - tenants	-	(85)	-	(24,753)
127	Notes and mortgages receivable- current	-	-	-	17,402,869
129	Accrued interest receivable	-	-	-	2,304,193
120	Total receivables, net of allowances	841	1,092	841	23,894,054
131	Investments - unrestricted	-	-	-	36,435,561
132	Investments - restricted	-	-	-	21,561,327
142	Prepaid expenses and other assets	66	6,273	66	662,221
143	Inventories	-	-	-	346,966
150	Total Current Assets	907	278,314	907	164,046,119
161	Land	-	66,167	-	68,346,933
162	Buildings	-	7,815,839	-	282,415,427
163	Furniture, equipment & machinery - dwellings	-	-	-	35,400
164	Furniture, equipment & machinery - administration	-	-	-	5,200,712
165	Leasehold improvements	-	-	-	6,697,974
166	Accumulated depreciation	-	(2,711,276)	-	(135,840,834)
167	Work in progress	-	-	-	87,829,787
168	Infrastructure	-	146,656	-	17,954,481
160	Total capital assets, net of depreciation	-	5,317,386	-	332,639,880
171	Notes and mortgages receivable - non-current	2,865,061	-	3,085,450	298,985,086
174	Other assets	-	-	-	20,343,342
176	Investment in joint ventures	-	-	-	-
180	Total Noncurrent Assets	2,865,061	5,317,386	3,085,450	651,968,308
190	Total Assets	2,865,968	5,595,701	3,086,357	816,014,428
200	Deferred Outflows of Resources	-	-	-	1,124,036
290	Total Assets and Deferred Outflows of Resources	$ 2,865,968	$ 5,595,701	$ 3,086,357	$ 817,138,464
311	Bank overdraft	$ -	$ -	$ -	$ 46,381
312	Accounts payable < 90 days	9	20,083	14	7,566,114
321	Accrued wage/payroll taxes payable	36	1,750	35	215,728
322	Accrued compensated absences	86	27,703	84	2,453,048
325	Accrued interest payable	-	-	-	1,225,949
332	Accounts Payable - PHA projects	-	-	-	8,584
341	Tenant security deposits	-	6,025	-	1,566,705
342	Unearned revenue	-	0	-	1,167,977
343	Current portion of L-T debt - capital projects	-	6,093	-	18,898,587
344	Current portion of L-T debt - operating borrowings	-	-	-	17,161,166
345	Other current liabilities	-	-	-	1,059,446
346	Accrued liabilities - other	-	-	-	1,443,103
310	Total Current Liabilities	131	61,654	133	52,812,789
351	Long-term debt, net of current - capital projects	-	20,672	-	152,883,719
352	Long-term debt, net of current - operating borrowings	-	-	-	125,692,659
353	Non-current liabilities- other	24,971	614	81,955	24,153,495
350	Total Noncurrent Liabilities	24,971	21,286	81,955	302,729,874
300	Total Liabilities	25,102	82,940	82,087	355,542,662
400	Deferred Inflows of Resources	-	-	-	-
508.4	Net Investment in Capital Assets	-	5,290,622	-	160,857,574
511.4	Restricted Net Position	-	-	-	41,068,153
512.4	Unrestricted Net Position	2,840,866	222,138	3,004,270	259,670,076
513	Total Equity - Net Assets/Position	2,840,866	5,512,760	3,004,270	461,595,802
600	Total Liabilities, Deferred Inflows of Resources, and Equity - Net Assets/Position	$ 2,865,968	$ 5,595,700	$ 3,086,357	$ 817,138,464

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Net Position
As of December 31, 2013

Line Item #	Account Description	Elimination	Total Authority	COMPONENT UNITS - DISCRETELY PRESENTED
111	Cash - unrestricted		$ 60,072,459	$ 7,468,642
113	Cash - other restricted		17,018,904	9,815,556
114	Cash - tenant security deposits		1,566,705	-
115	Cash - restricted for payment of current liability		2,487,921	-
100	Total cash	-	81,145,990	17,284,198
121	AR - PHA projects		115,059	-
122	AR - HUD other projects		93,180	-
124	Accounts receivable - other government		666,199	-
125	Accounts receivable - miscellaneous	(1,922,397)	1,120,279	66,115
126	Accounts receivable- tenants		294,632	69,344
126	Allowance for doubtful accounts - tenants		(24,753)	-
127	Notes and mortgages receivable- current	(487,486)	16,915,383	-
129	Accrued interest receivable		2,304,193	-
120	Total receivables, net of allowances	(2,409,883)	21,484,171	135,459
131	Investments - unrestricted		36,435,561	1,445,293
132	Investments - restricted		21,561,327	-
142	Prepaid expenses and other assets		662,221	414,532
143	Inventories		346,966	-
150	Total Current Assets	(2,409,883)	161,636,237	19,279,482
161	Land		68,346,933	35,825,299
162	Buildings		282,415,427	413,047,609
163	Furniture, equipment & machinery - dwellings		35,400	14,249,378
164	Furniture, equipment & machinery - administration		5,200,712	-
165	Leasehold improvements		6,697,974	-
166	Accumulated depreciation		(135,840,834)	(87,847,475)
167	Work in progress		87,829,787	135,604
168	Infrastructure		17,954,481	-
160	Total capital assets, net of depreciation		332,639,880	375,410,415
171	Notes and mortgages receivable - non-current	(17,400,333)	281,584,753	-
174	Other assets	(18,138,239)	2,205,103	3,488,873
176	Investment in joint ventures		-	-
180	Total Noncurrent Assets	(35,538,572)	616,429,735	378,899,288
190	Total Assets	(37,948,455)	778,065,975	398,178,770
200	Deferred Outflows of Resources		1,124,036	
290	Total Assets and Deferred Outflows of Resources	$ (37,948,455)	$ 779,190,009	$ 398,178,770
311	Bank overdraft		46,381	$ -
312	Accounts payable < 90 days	(1,562,629)	6,003,485	1,457,024
321	Accrued wage/payroll taxes payable		215,728	1,134
322	Accrued compensated absences		2,453,048	-
325	Accrued interest payable		1,225,949	1,499,320
332	Accounts Payable - PHA projects		8,584	-
341	Tenant security deposits		1,566,705	-
342	Unearned revenue		1,167,977	49,423
343	Current portion of L-T debt - capital projects	(487,486)	18,411,101	14,400,449
344	Current portion of L-T debt - operating borrowings		17,161,166	-
345	Other current liabilities	(359,768)	699,678	1,386,951
346	Accrued liabilities - other		1,443,103	1,508,143
310	Total Current Liabilities	(2,409,883)	50,402,906	20,302,444
351	Long-term debt, net of current - capital projects	(17,400,333)	135,483,386	257,665,782
352	Long-term debt, net of current - operating borrowings		125,692,659	-
353	Non-current liabilities- other	(18,138,239)	6,015,258	14,128,296
350	Total Noncurrent Liabilities	(35,538,572)	267,191,302	271,794,078
300	Total Liabilities	(37,948,455)	317,594,207	292,096,522
400	Deferred Inflows of Resources			
508.4	Net Investment in Capital Assets		160,857,574	103,344,184
511.4	Restricted Net Position		41,068,153	9,815,556
512.4	Unrestricted Net Position		259,670,076	(7,077,492)
513	Total Equity - Net Assets/Position	-	461,595,802	106,082,248
600	Total Liabilities, Deferred Inflows of Resources, and Equity - Net Assets/Position	$ (37,948,455)	$ 779,190,009	$ 398,178,770

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Revenues, Expenses, and Changes in Net Position
For the 12 Month Period Ending December 31 , 2013

Line Item #	Accout Description	14.CFP Capital Fund Program	14.HCV Section 8 Housing Choice Voucher	14.OPS Low Rent Public Housing	10.415 Rural Rental Housing Loans	14.182 Section 8 - New Construction	14.191 Multifamily Housing Service coordinators
70300	Net tenant rental revenue	$ -	$ -	$ -	$ -	$ 207,924	$ -
70400	Tenant revenue - other	-	-	-	-	3,630	-
70500	Total tenant revenue	-	-	-	-	211,554	-
70600	HUD PHA Operating Grants	1,763,102	93,223,675	7,594,266	-	326,764	74,635
70610	Capital Grants	(0)	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-	-
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	-	-	-	-	830	-
71600	Gain (loss) on the sale of capital assets	-	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	168	-
70000	Total Revenue	1,763,102	93,223,675	7,594,266	-	539,316	74,635
91100	Administrative salaries	-	-	-	-	44,357	0
91200	Auditing fees	-	-	-	-	-	-
91300	Management fees	-	-	-	-	26,418	-
91310	Book-keeping Fee	-	-	-	-	-	-
91400	Advertising and Marketing	-	-	-	-	77	-
91500	Employee benefit contributions - administrative	-	-	-	-	30,719	0
91600	Office Expenses	-	-	-	-	1,807	1,724
91700	Legal expense	-	-	-	-	203	-
91800	Travel	-	-	-	-	2,821	2,300
91900	Other	-	-	-	-	12,566	1,162
91000	Total Operating - Administrative	-	-	-	-	118,967	5,187
92000	Asset Management Fee	-	-	-	-	-	-
92100	Tenant services - salaries	-	-	-	-	7,035	49,022
92200	Relocation costs	-	-	-	-	990	-
92300	Employee benefits	-	-	-	-	-	17,893
92400	Tenant services - other	-	-	-	-	538	6,200
92500	Total Tenant Services	-	-	-	-	8,563	73,116
93100	Water	-	-	-	-	13,774	-
93200	Electricity	-	-	-	-	8,047	-
93300	Gas	-	-	-	-	3,294	-
93400	Fuel	-	-	-	-	-	-
93600	Sewer	-	-	-	-	6,773	-
93800	Other utilities expense	-	-	-	-	8,017	-
93000	Total Utilities	-	-	-	-	39,904	-
94100	Ordinary maintenance and operations - labor	-	-	-	-	66,809	-
94200	Ordinary maintenance and operations - material and other	-	-	-	-	60,326	4,974
94300	Ordinary maintenance and operations - contracts	-	-	-	-	20,291	-
94500	Employee benefit contributions - ordinary maintenance	-	-	-	-	-	-
94000	Total Maintenance	-	-	-	-	147,426	4,974
96110	Property Insurance	-	-	-	-	-	-
96120	Liability Insurance	-	-	-	-	-	186
96100	Total Insurance Premiums	-	-	-	-	-	186

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Revenues, Expenses, and Changes in Net Position
For the 12 Month Period Ending December 31 , 2013

Line Item #	Accout Description	14.CFP Capital Fund Program	14.HCV Section 8 Housing Choice Voucher	14.OPS Low Rent Public Housing	10.415 Rural Rental Housing Loans	14.182 Section 8 - New Construction	14.191 Multifamily Housing Service coordinators
96200	Other General Expenses	-	-	-	-	-	-
96210	Compensated absences	-	-	-	-	-	-
96300	Payments in lieu of taxes	-	-	-	-	-	-
96000	Total Other General Expenses	-	-	-	-	-	-
96710	Interest on mortgage (or bonds) payable	-	-	-	-	-	-
96720	Interest on notes payable (short and long term)	-	-	-	-	-	-
96730	Amortization of bond issue costs	-	-	-	-	-	-
96700	Total interest expense and amortization cost	-	-	-	-	-	-
96900	Total Operating Expenses	-	-	-	-	314,860	83,463
97000	Excess Operating Revenue over Operating Expenses	1,763,102	93,223,675	7,594,266	-	224,456	(8,827)
97200	Casualty losses - non-capitalized	-	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	-	-
97350	HAP Portability-In	-	-	-	-	-	-
97400	Depreciation expense	-	-	-	-	-	-
90000	Total Expenses	-	-	-	-	314,860	83,463
10010	Operating transfers in	-	-	-	28,039	-	7,176
10020	Operating transfers out	(1,763,102)	(93,223,675)	(7,594,266)	-	(326,764)	(21,325)
10100	Total Other Financing Sources	(1,763,102)	(93,223,675)	(7,594,266)	28,039	(326,764)	(14,149)
	Excess (Deficiency) Of Total Revenue Over (Under) Total Expenses	$ -	$ -	$ -	$ 28,039	$ (102,308)	$ (22,977)
11020	Required annual debt principal payments	-	-	-	-	-	-
11030	Beginning of year equity	-	-	-	(1,103,415)	6,078,401	22,977
11040	Prior period adjustments, equity	-	-	-	-	(5,976,093)	-
11170	Administrative Fee Equity	-	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-	-
11190	Unit Months Available	-	-	-	-	714	-
11210	Number of unit months leased	-	-	-	-	708	-
11270	Excess cash	-	-	-	-	-	-
11610	Land Purchases	-	-	-	-	-	-
11620	Building Purchases	-	-	-	-	-	-
11630	Furniture and Equipment - dwelling purchases	-	-	-	-	-	-
11640	Furniture and equipment - administrative purchases	-	-	-	-	-	-
11650	Leasehold improvements purchases	-	-	-	-	-	-
11660	Infrastructure purchases	-	-	-	-	-	-
13510	CFFP debt service payments	-	-	-	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-	-

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Revenues, Expenses, and Changes in Net Position
For the 12 Month Period Ending December 31 , 2013

Line Item #	Accout Description	14.195 Section 8 - Special Allocation	14.218 Community Development Block Grants/Entitlement Grants	14.317 Section 8 - HAP Program Additional Support	14.856 Section 8 - Moderate Rehabilitation	14.866 Hope VI	14.871 Section 8 Housing Choice Vouchers
70300	Net tenant rental revenue	$ 161,852	$ -	$ -	$ -	$ -	$ -
70400	Tenant revenue - other	8,051	-	-	141	-	134,526
70500	Total tenant revenue	169,904	-	-	141	-	134,526
70600	HUD PHA Operating Grants	372,454	-	42,476	96,603	-	7,823,472
70610	Capital Grants	-	-	-	-	1,180,208	-
70710	Management Fee	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-
70800	Other Government Grants	-	256,286	-	-	-	102,139
71100	Investment Income - unrestricted	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-	-
71500	Other Revenue	5,866	-	-	1	-	25,453,250
71600	Gain (loss) on the sale of capital assets	-	-	-	-	-	-
72000	Investment income - restricted	252	-	-	67	-	2,743
70000	Total Revenue	548,476	256,286	42,476	96,813	1,180,208	33,516,130
91100	Administrative salaries	69,804	8,906	-	2,047	(0)	214,097
91200	Auditing fees	-	-	-	49	-	-
91300	Management fees	29,259	-	-	2,160	-	114,064
91310	Book-keeping Fee	-	-	-	1,350	-	77,510
91400	Advertising and Marketing	35	-	-	1	-	129
91500	Employee benefit contributions - administrative	23,956	2,369	-	834	41,307	91,949
91600	Office Expenses	1,221	100	-	501	310	18,163
91700	Legal expense	11,317	-	-	0	432	2,005
91800	Travel	2,915	-	-	60	473	2,601
91900	Other	14,706	-	-	298	3,945	51,775
91000	Total Operating - Administrative	153,214	11,375	-	7,300	46,467	572,293
92000	Asset Management Fee	-	-	-	-	-	-
92100	Tenant services - salaries	379	-	-	-	138,071	9,994
92200	Relocation costs	1,203	-	-	-	3,750	8,105
92300	Employee benefits	183	-	-	-	-	-
92400	Tenant services - other	5,874	-	-	2	151,961	88,513
92500	Total Tenant Services	7,639	-	-	2	293,782	106,612
93100	Water	13,431	-	-	9	-	285
93200	Electricity	3,738	-	-	31	410	1,014
93300	Gas	-	-	-	-	-	8
93400	Fuel	-	-	-	-	-	-
93600	Sewer	14,546	-	-	2	-	70
93800	Other utilities expense	15,335	-	-	4	-	114
93000	Total Utilities	47,051	-	-	47	410	1,492
94100	Ordinary maintenance and operations - labor	39,555	-	-	0	-	9
94200	Ordinary maintenance and operations - material and other	44,242	217,191	-	23	-	781
94300	Ordinary maintenance and operations - contracts	35,547	-	-	79	-	2,814
94500	Employee benefit contributions - ordinary maintenance	22,194	-	-	-	-	-
94000	Total Maintenance	141,539	217,191	-	103	-	3,604
96110	Property Insurance	1,975	-	-	4	-	291
96120	Liability Insurance	2,637	-	-	18	79	2,322
96100	Total Insurance Premiums	4,611	-	-	22	79	2,613

Housing Authority of the County of King
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For the 12 Month Period Ending December 31 , 2013

Line Item #	Accout Description	14.195 Section 8 - Special Allocation	14.218 Community Development Block Grants/Entitlement Grants	14.317 Section 8 - HAP Program Additional Support	14.856 Section 8 - Moderate Rehabilitation	14.866 Hope VI	14.871 Section 8 Housing Choice Vouchers
96200	Other General Expenses	-	-	-	-	-	30,701
96210	Compensated absences	15,015	-	-	227	-	32,793
96300	Payments in lieu of taxes	-	-	-	-	-	-
96000	Total Other General Expenses	15,015	-	-	227	-	63,494
96710	Interest on mortgage (or bonds) payable	-	-	-	-	-	-
96720	Interest on notes payable (short and long term)	85,122	-	-	-	-	-
96730	Amortization of bond issue costs	-	-	-	-	-	-
96700	Total interest expense and amortization cost	85,122	-	-	-	-	-
96900	Total Operating Expenses	454,191	228,566	-	7,700	340,737	750,108
97000	Excess Operating Revenue over Operating Expenses	94,285	27,719	42,476	89,113	839,471	32,766,022
97200	Casualty losses - non-capitalized	-	-	-	-	-	-
97300	Housing assistance payments	-	-	-	81,062	-	6,962,354
97350	HAP Portability-In	-	-	-	-	-	25,303,301
97400	Depreciation expense	12,135	-	-	-	-	1,562
90000	Total Expenses	466,326	228,566	-	88,762	340,737	33,017,325
10010	Operating transfers in	72,396	-	-	-	-	0
10020	Operating transfers out	-	-	-	-	(378,045)	-
10100	Total Other Financing Sources	72,396	-	-	-	(378,045)	0
	Excess (Deficiency) Of Total Revenue Over (Under) Total Expenses	$ 154,546	$ 27,719	$ 42,476	$ 8,050	$ 461,426	$ 498,805
11020	Required annual debt principal payments	-	-	-	-	-	-
11030	Beginning of year equity	167,765	72,962	(15,575)	68,476	47,070,504	6,964,834
11040	Prior period adjustments, equity	-	(100,681)	(26,901)	-	(52,093)	(7,240,602)
11170	Administrative Fee Equity	-	-	-	-	-	(290,205)
11180	Housing Assistance Fee Equity	-	-	-	-	-	513,242
11190	Unit Months Available	480	-	-	180	-	10,020
11210	Number of unit months leased	465	-	-	164	-	9,526
11270	Excess cash	-	-	-	-	-	-
11610	Land Purchases	-	-	-	-	-	-
11620	Building Purchases	-	-	-	-	-	-
11630	Furniture and Equipment - dwelling purchases	-	-	-	-	-	-
11640	Furniture and equipment - administrative purchases	-	-	-	-	-	-
11650	Leasehold improvements purchases	-	-	-	-	-	-
11660	Infrastructure purchases	-	-	-	-	-	-
13510	CFFP debt service payments	-	-	-	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-	-

Housing Authority of the County of King
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For the 12 Month Period Ending December 31 , 2013

Line Item #	Accout Description	14.877 Public Housing Family Self Sufficiency Under Resident Opportunity and Support Services	14.879 Mainstream Vouchers	14.881 Moving-To-Work Demonstration Program	State/Local Programs	Business Activities	81.042 Weatherization Assistance for Low Income Persons
70300	Net tenant rental revenue	$ -	$ -	$ -	$ -	$ 40,966,625	$ -
70400	Tenant revenue - other	-	2,278	116,765	-	1,169,271	-
70500	Total tenant revenue	-	2,278	116,765	-	42,135,895	-
70600	HUD PHA Operating Grants	80,291	2,572,410	0	-	-	-
70610	Capital Grants	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-
70800	Other Government Grants	-	-	143,638	2,734,791	852,587	-
71100	Investment Income - unrestricted	-	-	-	-	1,940,047	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	5,975,729	-
71310	Cost of Sale of Assets	-	-	-	-	(6,497,184)	-
71500	Other Revenue	-	671	1,392,502	62,758	1,535,869	-
71600	Gain (loss) on the sale of capital assets	-	-	-	-	3,187	-
72000	Investment income - restricted	-	415	78,853	-	6,253,876	-
70000	Total Revenue	80,291	2,575,775	1,731,759	2,797,549	52,200,005	-
91100	Administrative salaries	-	97,106	3,466,979	608,811	2,477,201	-
91200	Auditing fees	-	901	23,427	2,846	22,859	-
91300	Management fees	-	50,243	1,539,297	-	1,735,975	-
91310	Book-keeping Fee	-	31,639	963,570	-	533,580	-
91400	Advertising and Marketing	-	57	3,140	2,924	174,450	-
91500	Employee benefit contributions - administrative	-	40,502	1,285,400	246,846	1,358,871	-
91600	Office Expenses	-	7,703	255,859	10,246	245,868	-
91700	Legal expense	-	883	28,872	9,014	351,618	-
91800	Travel	-	1,146	40,325	17,959	84,243	-
91900	Other	-	22,806	822,551	24,978	1,158,026	-
91000	Total Operating - Administrative	-	252,985	8,429,421	923,625	8,142,691	-
92000	Asset Management Fee	-	-	-	-	920,340	-
92100	Tenant services - salaries	54,194	4,732	432,865	-	403,828	-
92200	Relocation costs	-	3,537	107,025	-	140,242	-
92300	Employee benefits	26,097	-	166,883	-	198,072	-
92400	Tenant services - other	-	4,092	2,152,965	110	824,052	-
92500	Total Tenant Services	80,291	12,360	2,859,738	110	1,566,194	-
93100	Water	-	126	3,804	803	1,515,891	-
93200	Electricity	-	447	13,630	2,637	612,014	-
93300	Gas	-	3	100	-	43,066	-
93400	Fuel	-	-	-	-	4,490	-
93600	Sewer	-	31	939	198	1,976,190	-
93800	Other utilities expense	-	222	1,524	354	1,086,747	-
93000	Total Utilities	-	829	19,997	3,993	5,238,399	-
94100	Ordinary maintenance and operations - labor	-	4	122	28	2,511,739	-
94200	Ordinary maintenance and operations - material and other	-	344	10,414	1,877,219	4,278,812	-
94300	Ordinary maintenance and operations - contracts	-	1,240	37,511	445,376	1,893,622	-
94500	Employee benefit contributions - ordinary maintenance	-	-	33,441	-	343,788	-
94000	Total Maintenance	-	1,588	81,488	2,322,623	9,027,961	-
96110	Property Insurance	-	128	3,877	274	290,479	-
96120	Liability Insurance	187	1,023	32,675	12,713	264,333	-
96100	Total Insurance Premiums	187	1,151	36,551	12,987	554,812	-

Housing Authority of the County of King
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Line Item #	Accout Description	14.877 Public Housing Family Self Sufficiency Under Resident Opportunity and Support Services	14.879 Mainstream Vouchers	14.881 Moving-To-Work Demonstration Program	State/Local Programs	Business Activities	81.042 Weatherization Assistance for Low Income Persons
96200	Other General Expenses	-	-	0	15,259	712,986	-
96210	Compensated absences	-	11,315	295,140	70,442	317,395	-
96300	Payments in lieu of taxes	-	-	-	-	53,119	-
96000	Total Other General Expenses	-	11,315	295,140	85,701	1,083,500	-
96710	Interest on mortgage (or bonds) payable	-	-	-	-	7,106,256	-
96720	Interest on notes payable (short and long term)	-	-	-	-	2,174,617	-
96730	Amortization of bond issue costs	-	-	-	-	-	-
96700	Total interest expense and amortization cost	-	-	-	-	9,280,873	-
96900	Total Operating Expenses	80,478	280,228	11,722,335	3,349,040	35,814,769	-
97000	Excess Operating Revenue over Operating Expenses	(187)	2,295,547	(9,990,577)	(551,492)	16,385,236	-
97200	Casualty losses - non-capitalized	-	-	-	8,288	30,037	-
97300	Housing assistance payments	-	2,210,989	79,315,424	-	-	-
97350	HAP Portability-In	-	-	-	-	-	-
97400	Depreciation expense	-	-	-	-	4,422,980	-
90000	Total Expenses	80,478	2,491,217	91,037,759	3,357,329	40,267,786	-
10010	Operating transfers in	6,846	-	105,256,602	972,427	20,540,130	-
10020	Operating transfers out	-	(19)	(23,833,506)	(667,346)	(41,566,360)	-
10100	Total Other Financing Sources	6,846	(19)	81,423,096	305,081	(21,026,229)	-
	Excess (Deficiency) Of Total Revenue Over (Under) Total Expenses	$ 6,659	$ 84,539	$ (7,882,905)	$ (254,699)	$ (9,094,010)	$ -
11020	Required annual debt principal payments	-	-	-	-	6,256,276	-
11030	Beginning of year equity	(67)	13,531	47,173,161	386,230	119,122,285	76,999
11040	Prior period adjustments, equity	-	(97,674)	5,359,878	349,814	(1,530,455)	(76,999)
11170	Administrative Fee Equity	-	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-	-
11190	Unit Months Available	-	4,200	92,494	-	35,676	-
11210	Number of unit months leased	-	4,196	97,617	-	35,177	-
11270	Excess cash	-	-	-	-	-	-
11610	Land Purchases	-	-	-	-	-	-
11620	Building Purchases	-	-	-	-	-	-
11630	Furniture and Equipment - dwelling purchases	-	-	-	-	-	-
11640	Furniture and equipment - administrative purchases	-	-	-	-	-	-
11650	Leasehold improvements purchases	-	-	-	-	-	-
11660	Infrastructure purchases	-	-	-	-	-	-
13510	CFFP debt service payments	-	-	-	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-	-

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Revenues, Expenses, and Changes in Net Position
For the 12 Month Period Ending December 31 , 2013

Line Item #	Accout Description	93.568 Low Income Home Energy Assistance	94.006 Americorp	14.251 Other Federal Programs	14.890 Other Federal Programs	COMPONENT UNITS - BLENDED	COCC
70300	Net tenant rental revenue	$ -	$ -	$ -	$ -	$ -	$ -
70400	Tenant revenue - other	-	-	-	-	-	-
70500	Total tenant revenue	-	-	-	-	-	-
70600	HUD PHA Operating Grants	-	-	52,576	(0)	-	-
70610	Capital Grants	-	-	-	45,579	-	-
70710	Management Fee	-	-	-	-	-	4,362,608
70720	Asset Management Fee	-	-	-	-	-	1,160,460
70730	Book-keeping Fee	-	-	-	-	-	1,808,747
70700	Total Fee Revenue	-	-	-	-	-	7,331,814
70800	Other Government Grants	789,832	3,152	-	-	-	-
71100	Investment Income - unrestricted	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	39,600
71310	Cost of Sale of Assets	-	-	-	-	-	-
71500	Other Revenue	-	9,000	-	-	369,678	4,375,486
71600	Gain (loss) on the sale of capital assets	-	-	-	-	-	16,878
72000	Investment income - restricted	-	-	-	-	1,712	246,764
70000	Total Revenue	789,832	12,152	52,576	45,579	371,390	12,010,542
91100	Administrative salaries	2,017	-	-	-	-	5,686,985
91200	Auditing fees	-	-	-	-	-	23,485
91300	Management fees	-	-	-	-	-	-
91310	Book-keeping Fee	-	-	-	-	-	-
91400	Advertising and Marketing	-	-	-	-	-	6,179
91500	Employee benefit contributions - administrative	408	(0)	-	-	-	1,900,576
91600	Office Expenses	-	1,125	-	-	-	534,035
91700	Legal expense	-	-	-	-	33,743	119,374
91800	Travel	453	4,493	-	-	-	204,313
91900	Other	6,274	28,796	-	-	3,178	807,411
91000	Total Operating - Administrative	9,153	34,414	-	-	36,921	9,282,358
92000	Asset Management Fee	-	-	-	-	-	-
92100	Tenant services - salaries	-	65,515	-	-	-	-
92200	Relocation costs	-	-	-	-	-	-
92300	Employee benefits	-	24,046	-	-	-	-
92400	Tenant services - other	-	-	-	-	-	1,200
92500	Total Tenant Services	-	89,561	-	-	-	1,200
93100	Water	-	-	-	-	-	8,563
93200	Electricity	-	-	-	-	-	59,543
93300	Gas	-	-	-	-	-	22
93400	Fuel	-	-	-	-	-	-
93600	Sewer	-	-	-	-	-	3,134
93800	Other utilities expense	-	-	-	-	-	19,061
93000	Total Utilities	-	-	-	-	-	90,324
94100	Ordinary maintenance and operations - labor	-	-	-	-	-	1,284,289
94200	Ordinary maintenance and operations - material and other	372,165	-	-	-	77,291	125,140
94300	Ordinary maintenance and operations - contracts	167,954	-	-	-	-	104,087
94500	Employee benefit contributions - ordinary maintenance	-	-	-	-	-	463,917
94000	Total Maintenance	540,119	-	-	-	77,291	1,977,433
96110	Property Insurance	-	-	-	-	-	8,584
96120	Liability Insurance	-	215	-	-	-	75,368
96100	Total Insurance Premiums	-	215	-	-	-	83,952

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Line Item #	Accout Description	93.568 Low Income Home Energy Assistance	94.006 Americorp	14.251 Other Federal Programs	14.890 Other Federal Programs	COMPONENT UNITS - BLENDED	COCC
96200	Other General Expenses	-	-	-	-	8,168	8,168
96210	Compensated absences	-	-	-	-	-	753,470
96300	Payments in lieu of taxes	-	-	-	-	-	-
96000	Total Other General Expenses	-	-	-	-	8,168	761,638
96710	Interest on mortgage (or bonds) payable	-	-	-	-	257,467	-
96720	Interest on notes payable (short and long term)	-	-	-	-	-	294,950
96730	Amortization of bond issue costs	-	-	-	-	-	-
96700	Total interest expense and amortization cost	-	-	-	-	257,467	294,950
96900	Total Operating Expenses	549,272	124,191	-	-	379,847	12,491,854
97000	Excess Operating Revenue over Operating Expenses	240,560	(112,039)	52,576	45,579	(8,457)	(481,312)
97200	Casualty losses - non-capitalized	-	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	-	-
97350	HAP Portability-In	-	-	-	-	-	-
97400	Depreciation expense	-	-	-	-	748,969	1,227,492
90000	Total Expenses	549,272	124,191	-	-	1,128,816	13,719,346
10010	Operating transfers in	9,882	128,970	20	72,768	-	10,796,635
10020	Operating transfers out	(288,231)	-	-	-	-	(1,345,461)
10100	Total Other Financing Sources	(278,349)	128,970	20	72,768	-	9,451,173
	Excess (Deficiency) Of Total Revenue Over (Under) Total Expenses	$ (37,789)	$ 16,931	$ 52,596	$ 118,347	$ (757,426)	$ 7,742,369
11020	Required annual debt principal payments	-	-	-	-	-	169,214
11030	Beginning of year equity	287,428	(15,279)	3,784,647	1,147,231	-	44,125,248
11040	Prior period adjustments, equity	(172,134)	-	(3,815,493)	(1,265,578)	18,800,738	31,866
11170	Administrative Fee Equity	-	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-	-
11190	Unit Months Available	-	-	-	-	-	-
11210	Number of unit months leased	-	-	-	-	-	-
11270	Excess cash	-	-	-	-	-	-
11610	Land Purchases	-	-	-	-	-	-
11620	Building Purchases	-	-	-	-	-	-
11630	Furniture and Equipment - dwelling purchases	-	-	-	-	-	-
11640	Furniture and equipment - administrative purchases	-	-	-	-	-	-
11650	Leasehold improvements purchases	-	-	-	-	-	-
11660	Infrastructure purchases	-	-	-	-	-	-
13510	CFFP debt service payments	-	-	-	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-	-

Housing Authority of the County of King
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Line Item #	Accout Description	Ballinger Homes WA002000101	Park Royal Apartments WA002000105	Paramount House II WA002000150	The Lake House WA002000152	Northridge II WA002000153	Forest Glen WA002000201
70300	Net tenant rental revenue	$ 531,787	$ 65,968	$ -	$ 315,949	$ 344,545	$ 74,860
70400	Tenant revenue - other	14,086	5,387	-	6,548	11,591	2,367
70500	Total tenant revenue	545,872	71,355	-	322,497	356,135	77,228
70600	HUD PHA Operating Grants	-	-	-	-	-	-
70610	Capital Grants	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-	-
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	59,560	-	-	1,650	1,748	598
71600	Gain (loss) on the sale of capital assets	-	-	-	7,102	3,044	(0)
72000	Investment income - restricted	1,047	81	140,501	540	706	399
70000	Total Revenue	606,478	71,436	140,501	331,789	361,633	78,224
91100	Administrative salaries	96,157	12,609	7,712	82,124	73,468	22,623
91200	Auditing fees	3,563	609	-	3,563	3,563	1,031
91300	Management fees	234,694	26,857	-	123,569	217,279	35,991
91310	Book-keeping Fee	12,518	1,973	6,300	12,533	12,570	3,593
91400	Advertising and Marketing	14	2	-	13	902	4
91500	Employee benefit contributions - administrative	45,640	4,976	1,686	35,155	28,889	13,131
91600	Office Expenses	8,651	943	405	7,503	5,346	1,292
91700	Legal expense	2,047	1,323	-	2,114	3,009	8,249
91800	Travel	9,686	1,095	386	4,611	5,332	3,847
91900	Other	27,108	3,808	170,285	23,780	25,246	6,063
91000	Total Operating - Administrative	440,077	54,195	186,773	294,965	375,604	95,823
92000	Asset Management Fee	16,800	2,640	8,400	16,800	16,800	4,800
92100	Tenant services - salaries	34,284	4,395	16,987	49,408	47,434	7,146
92200	Relocation costs	6,899	0	-	6,398	6,328	0
92300	Employee benefits	12,314	1,462	6,348	20,882	16,727	2,271
92400	Tenant services - other	48,868	617	2,235	7,849	11,284	4,859
92500	Total Tenant Services	102,365	6,474	25,571	84,537	81,773	14,276
93100	Water	72,429	17,687	-	30,732	32,777	11,985
93200	Electricity	15,739	2,098	-	21,337	23,356	4,715
93300	Gas	-	-	-	-	6,936	-
93400	Fuel	-	-	-	-	-	-
93600	Sewer	72,176	17,006	-	55,958	41,765	10,445
93800	Other utilities expense	53,559	4,716	-	19,380	23,740	5,324
93000	Total Utilities	213,903	41,508	-	127,407	128,573	32,469
94100	Ordinary maintenance and operations - labor	122,597	17,599	-	78,357	63,927	34,308
94200	Ordinary maintenance and operations - material and other	51,150	6,186	-	30,663	29,539	7,508
94300	Ordinary maintenance and operations - contracts	27,029	4,566	-	63,493	35,398	5,674
94500	Employee benefit contributions - ordinary maintenance	44,433	4,771	1,131	33,932	27,664	12,790
94000	Total Maintenance	245,210	33,123	1,131	206,445	156,528	60,280
96110	Property Insurance	11,101	1,101	1,391	4,916	7,191	1,227
96120	Liability Insurance	9,025	1,278	767	8,354	8,957	2,483
96100	Total Insurance Premiums	20,126	2,379	2,157	13,270	16,148	3,711

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Line Item #	Accout Description	Ballinger Homes WA002000101	Park Royal Apartments WA002000105	Paramount House II WA002000150	The Lake House WA002000152	Northridge II WA002000153	Forest Glen WA002000201
96200	Other General Expenses	-	-	-	-	-	-
96210	Compensated absences	17,280	1,407	2,498	12,545	15,351	4,603
96300	Payments in lieu of taxes	-	-	-	-	-	-
96000	Total Other General Expenses	17,280	1,407	2,498	12,545	15,351	4,603
96710	Interest on mortgage (or bonds) payable	-	-	-	-	-	-
96720	Interest on notes payable (short and long term)	4,992	-	963	2,011	2,496	1,283
96730	Amortization of bond issue costs	-	-	-	-	-	-
96700	Total interest expense and amortization cost	4,992	-	963	2,011	2,496	1,283
96900	Total Operating Expenses	1,060,752	141,725	227,493	757,980	793,273	217,244
97000	Excess Operating Revenue over Operating Expenses	(454,274)	(70,289)	(86,993)	(426,191)	(431,640)	(139,020)
97200	Casualty losses - non-capitalized	19,346	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	-	-
97350	HAP Portability-In	-	-	-	-	-	-
97400	Depreciation expense	310,238	46,319	-	262,453	211,450	87,532
90000	Total Expenses	1,390,336	188,044	227,493	1,020,433	1,004,723	304,776
10010	Operating transfers in	1,819,027	161,770	238,364	624,806	1,592,038	171,668
10020	Operating transfers out	(42,205)	(1,891)	-	(2,117)	(139,964)	(150,509)
10100	Total Other Financing Sources	1,776,822	159,879	238,364	622,689	1,452,074	21,159
	Excess (Deficiency) Of Total Revenue Over (Under) Total Expenses	$ 992,964	$ 43,271	$ 151,372	$ (65,954)	$ 808,984	$ (205,393)
11020	Required annual debt principal payments	24,819	-	-	9,996	12,409	6,377
11030	Beginning of year equity	7,460,695	1,695,983	2,702,233	6,393,116	4,631,269	2,207,340
11040	Prior period adjustments, equity	-	-	(4,926)	-	-	-
11170	Administrative Fee Equity	-	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-	-
11190	Unit Months Available	1,607	230	-	1,678	1,672	480
11210	Number of unit months leased	1,564	223	-	1,652	1,668	478
11270	Excess cash	382,440	34,365	(17,633)	206,227	205,551	52,591
11610	Land Purchases	-	-	-	-	-	-
11620	Building Purchases	48,322	8,140	7,341	48,842	48,842	13,884
11630	Furniture and Equipment - dwelling purchases	-	-	-	-	-	-
11640	Furniture and equipment - administrative purchases	-	-	-	-	-	-
11650	Leasehold improvements purchases	-	-	-	-	-	-
11660	Infrastructure purchases	-	-	-	-	-	-
13510	CFFP debt service payments	-	-	-	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-	-

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Line Item #	Accout Description	College Place WA002000203	Kirkland Place WA002000210	Casa Juanita WA002000251	Park Lake Homes II WA002000302	Seola Crossing WA002000340	Eastbridge WA002000341
70300	Net tenant rental revenue	$ 378,107	$ 63,551	$ 219,501	$ -	$ -	$ -
70400	Tenant revenue - other	5,327	1,548	4,593	-	-	-
70500	Total tenant revenue	383,434	65,099	224,093	-	-	-
70600	HUD PHA Operating Grants	-	-	-	-	-	-
70610	Capital Grants	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-
70800	Other Government Grants	-	-	-	-	235	40
71100	Investment Income - unrestricted	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-	-
71500	Other Revenue	1,141	1	702	-	8,441	-
71600	Gain (loss) on the sale of capital assets	5,352	137	-	-	-	-
72000	Investment income - restricted	988	28	455	-	945,368	607,384
70000	Total Revenue	390,915	65,266	225,250	-	954,044	607,423
91100	Administrative salaries	62,797	1,725	50,764	-	15,863	4,350
91200	Auditing fees	2,578	234	2,063	-	-	-
91300	Management fees	276,220	13,005	80,382	-	-	-
91310	Book-keeping Fee	9,113	803	7,148	-	16,740	8,100
91400	Advertising and Marketing	403	36	8	-	-	-
91500	Employee benefit contributions - administrative	32,527	2,331	22,705	-	2,527	804
91600	Office Expenses	4,599	223	3,240	-	1,112	427
91700	Legal expense	2,368	302	1,351	-	-	637
91800	Travel	12,996	1,026	4,260	-	1,085	145
91900	Other	17,234	796	15,267	-	220,635	61,890
91000	Total Operating - Administrative	420,836	20,481	187,186	-	257,962	76,353
92000	Asset Management Fee	12,120	1,080	9,480	-	11,160	5,400
92100	Tenant services - salaries	18,739	1,270	19,918	-	58,421	12,237
92200	Relocation costs	4,806	0	1	-	1,239	-
92300	Employee benefits	6,882	398	6,082	-	22,088	4,943
92400	Tenant services - other	10,431	288	5,536	-	107,820	40,715
92500	Total Tenant Services	40,859	1,956	31,536	-	189,568	57,895
93100	Water	59,012	3,569	27,001	-	134	134
93200	Electricity	11,480	1,027	34,981	-	-	-
93300	Gas	-	-	19,358	-	-	-
93400	Fuel	-	-	-	-	-	-
93600	Sewer	49,962	3,595	43,256	-	-	-
93800	Other utilities expense	36,268	3,755	11,781	-	-	-
93000	Total Utilities	156,722	11,945	136,377	-	134	134
94100	Ordinary maintenance and operations - labor	60,248	6,678	70,257	-	-	157
94200	Ordinary maintenance and operations - material and other	26,663	2,785	17,995	-	-	-
94300	Ordinary maintenance and operations - contracts	41,521	4,002	14,831	-	2,025	251
94500	Employee benefit contributions - ordinary maintenance	31,658	2,323	22,006	-	1,925	695
94000	Total Maintenance	160,090	15,788	125,089	-	3,950	1,103
96110	Property Insurance	5,905	616	2,525	-	1,788	1,808
96120	Liability Insurance	7,512	497	4,787	-	1,783	1,255
96100	Total Insurance Premiums	13,417	1,113	7,311	-	3,571	3,063

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Line Item #	Accout Description	College Place WA002000203	Kirkland Place WA002000210	Casa Juanita WA002000251	Park Lake Homes II WA002000302	Seola Crossing WA002000340	Eastbridge WA002000341
96200	Other General Expenses	-	-	-	-	-	-
96210	Compensated absences	18,209	13	4,797	-	47	1,813
96300	Payments in lieu of taxes	-	-	-	-	-	-
96000	Total Other General Expenses	18,209	13	4,797	-	47	1,813
96710	Interest on mortgage (or bonds) payable	-	-	-	-	419,160	385,348
96720	Interest on notes payable (short and long term)	4,749	-	4,507	-	-	-
96730	Amortization of bond issue costs	-	-	-	-	-	-
96700	Total interest expense and amortization cost	4,749	-	4,507	-	419,160	385,348
96900	Total Operating Expenses	827,001	52,376	506,283	-	885,553	531,109
97000	Excess Operating Revenue over Operating Expenses	(436,085)	12,890	(281,033)	-	68,491	76,314
97200	Casualty losses - non-capitalized	-	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	-	-
97350	HAP Portability-In	-	-	-	-	-	-
97400	Depreciation expense	212,334	6,040	120,429	-	-	-
90000	Total Expenses	1,039,335	58,416	626,712	-	885,553	531,109
10010	Operating transfers in	2,497,384	1,335,606	454,871	-	461,672	90,024
10020	Operating transfers out	(269,434)	(18,198)	(40,669)	(2,013)	(124,506)	-
10100	Total Other Financing Sources	2,227,950	1,317,408	414,202	(2,013)	337,166	90,024
	Excess (Deficiency) Of Total Revenue Over (Under) Total Expenses	$ 1,579,530	$ 1,324,258	$ 12,740	$ (2,013)	$ 405,657	$ 166,339
11020	Required annual debt principal payments	23,612	-	22,406	-	30,000	65,000
11030	Beginning of year equity	6,705,547	-	2,548,892	38,693	9,749,000	3,560,367
11040	Prior period adjustments, equity	-	-	-	(36,680)	-	-
11170	Administrative Fee Equity	-	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-	-
11190	Unit Months Available	1,181	55	960	-	-	-
11210	Number of unit months leased	1,174	55	953	-	-	-
11270	Excess cash	266,861	6,450	122,929	-	49,912	219,873
11610	Land Purchases	-	-	-	-	-	-
11620	Building Purchases	34,755	-	27,655	-	7,953	1,427
11630	Furniture and Equipment - dwelling purchases	-	-	-	-	-	-
11640	Furniture and equipment - administrative purchases	-	-	-	-	-	-
11650	Leasehold improvements purchases	-	-	-	-	-	-
11660	Infrastructure purchases	-	-	-	-	-	-
13510	CFFP debt service payments	-	-	-	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-	-

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Line Item #	Accout Description	Salmon Creek WA002000343	Zephyr WA002000344	Sixth Place Apartments WA002000345	Fairwind WA002000346	Boulevard Manor WA002000350	Yardley Arms WA002000352
70300	Net tenant rental revenue	$ -	$ -	$ -	$ -	$ 173,886	$ 159,881
70400	Tenant revenue - other	-	-	-	-	5,198	4,178
70500	Total tenant revenue	-	-	-	-	179,084	164,060
70600	HUD PHA Operating Grants	-	-	-	-	-	-
70610	Capital Grants	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-
70800	Other Government Grants	153	-	73	-	-	-
71100	Investment Income - unrestricted	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-	-
71500	Other Revenue	20,558	-	-	-	1,057	956
71600	Gain (loss) on the sale of capital assets	-	-	-	-	-	-
72000	Investment income - restricted	404,485	11,124	4,594	447	695	126,978
70000	Total Revenue	425,196	11,124	4,667	447	180,836	291,994
91100	Administrative salaries	8,307	3,805	1,308	19,116	41,742	54,987
91200	Auditing fees	-	-	-	-	1,782	1,735
91300	Management fees	-	-	-	-	74,004	94,770
91310	Book-keeping Fee	7,830	2,250	2,160	-	6,263	11,378
91400	Advertising and Marketing	-	-	-	-	7	7
91500	Employee benefit contributions - administrative	1,440	915	185	1,255	21,178	29,410
91600	Office Expenses	586	4	55	-	3,790	2,403
91700	Legal expense	-	-	-	-	1,789	78
91800	Travel	307	183	112	-	2,963	3,025
91900	Other	271,832	109,685	113,098	70,470	16,084	185,670
91000	Total Operating - Administrative	290,302	116,841	116,918	90,842	169,601	383,462
92000	Asset Management Fee	5,220	3,000	1,440	-	8,400	15,120
92100	Tenant services - salaries	24,326	5,783	10,064	-	22,167	41,950
92200	Relocation costs	1,491	13	-	5,887	1	4,567
92300	Employee benefits	10,282	2,428	4,315	-	7,387	7,262
92400	Tenant services - other	56,566	1,594	18,616	10	11,753	9,687
92500	Total Tenant Services	92,665	9,817	32,995	5,897	41,307	63,466
93100	Water	134	-	134	-	19,891	19,804
93200	Electricity	-	-	-	-	10,888	19,198
93300	Gas	-	-	-	-	-	5,755
93400	Fuel	-	-	-	-	-	-
93600	Sewer	-	-	-	-	38,122	7,826
93800	Other utilities expense	-	-	-	-	9,638	7,825
93000	Total Utilities	134	-	134	-	78,538	60,407
94100	Ordinary maintenance and operations - labor	-	1,017	-	1,096	50,203	50,549
94200	Ordinary maintenance and operations - material and other	-	-	-	-	45,772	12,998
94300	Ordinary maintenance and operations - contracts	969	2,097	464	4,814	29,430	39,591
94500	Employee benefit contributions - ordinary maintenance	1,053	715	-	1,254	20,520	20,251
94000	Total Maintenance	2,022	3,829	464	7,164	145,925	123,389
96110	Property Insurance	1,748	497	477	-	2,621	3,996
96120	Liability Insurance	1,311	276	369	5	4,806	5,074
96100	Total Insurance Premiums	3,059	772	846	5	7,426	9,070

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Line Item #	Accout Description	Salmon Creek WA002000343	Zephyr WA002000344	Sixth Place Apartments WA002000345	Fairwind WA002000346	Boulevard Manor WA002000350	Yardley Arms WA002000352
96200	Other General Expenses	-	-	-	-	-	-
96210	Compensated absences	3,455	930	1,182	315	9,568	10,631
96300	Payments in lieu of taxes	-	-	-	-	-	-
96000	Total Other General Expenses	3,455	930	1,182	315	9,568	10,631
96710	Interest on mortgage (or bonds) payable	165,701	-	-	-	-	-
96720	Interest on notes payable (short and long term)	-	-	-	-	1,005	1,871
96730	Amortization of bond issue costs	-	-	-	-	-	-
96700	Total interest expense and amortization cost	165,701	-	-	-	1,005	1,871
96900	Total Operating Expenses	562,558	135,190	153,979	104,223	461,770	667,416
97000	Excess Operating Revenue over Operating Expenses	(137,362)	(124,066)	(149,312)	(103,776)	(280,934)	(375,422)
97200	Casualty losses - non-capitalized	-	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	-	-
97350	HAP Portability-In	-	-	-	-	-	-
97400	Depreciation expense	-	-	-	-	207,895	128,076
90000	Total Expenses	562,558	135,190	153,979	104,223	669,665	795,493
10010	Operating transfers in	729,644	133,367	151,532	20,412,267	435,436	958,698
10020	Operating transfers out	-	-	-	(3,650,000)	(230,981)	(21,175)
10100	Total Other Financing Sources	729,644	133,367	151,532	16,762,267	204,455	937,523
	Excess (Deficiency) Of Total Revenue Over (Under) Total Expenses	$ 592,282	$ 9,302	$ 2,220	$ 16,658,491	$ (284,373)	$ 434,024
11020	Required annual debt principal payments	50,000	65,000	-	-	4,998	4,654
11030	Beginning of year equity	4,230,547	5,593,038	13,479,881	-	4,652,357	5,317,603
11040	Prior period adjustments, equity	-	-	(6,685,013)	-	-	-
11170	Administrative Fee Equity	-	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-	-
11190	Unit Months Available	-	-	-	-	840	1,522
11210	Number of unit months leased	-	-	-	-	835	1,501
11270	Excess cash	7,142	(9,363)	(15,348)	13,049,790	117,244	87,267
11610	Land Purchases	-	-	-	-	-	-
11620	Building Purchases	5,098	2,651	2,447	-	24,421	29,182
11630	Furniture and Equipment - dwelling purchases	-	-	-	-	-	-
11640	Furniture and equipment - administrative purchases	-	-	-	-	-	-
11650	Leasehold improvements purchases	-	-	-	-	-	-
11660	Infrastructure purchases	-	-	-	-	-	-
13510	CFFP debt service payments	-	-	-	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-	-

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Line Item #	Accout Description	Riverton Terrace WA002000354	Nia WA002000355	Valli Kee Homes WA002000401	Springwood Apartments WA002000402	Cascade Apartments WA002000403	Mardis Gras II WA002000450
70300	Net tenant rental revenue	$ 71,934	$ -	$ 408,778	$ -	$ 349,533	$ -
70400	Tenant revenue - other	3,962	$ -	13,154	-	31,739	-
70500	Total tenant revenue	75,896	-	421,932	-	381,273	-
70600	HUD PHA Operating Grants	-	-	-	-	-	-
70610	Capital Grants	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-
70800	Other Government Grants	-	-	13,559	-	-	-
71100	Investment Income - unrestricted	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-	-
71500	Other Revenue	713	6,209	8,511	-	930	-
71600	Gain (loss) on the sale of capital assets	-	-	-	-	7,502	-
72000	Investment income - restricted	203,655	331,092	416	-	562	129,351
70000	Total Revenue	280,264	337,301	444,417	-	390,267	129,351
91100	Administrative salaries	27,226	6,998	84,318	-	97,891	11,036
91200	Auditing fees	844	-	3,282	-	2,766	-
91300	Management fees	26,756	-	301,459	-	101,894	-
91310	Book-keeping Fee	9,518	7,290	10,178	-	9,585	5,490
91400	Advertising and Marketing	3	-	12	-	11	-
91500	Employee benefit contributions - administrative	13,306	1,208	59,280	-	47,648	1,589
91600	Office Expenses	1,366	207	5,486	-	5,108	33
91700	Legal expense	1,992	-	1,272	-	5,517	-
91800	Travel	3,518	376	9,913	-	4,360	1,554
91900	Other	308,110	113,272	26,692	-	17,057	194,688
91000	Total Operating - Administrative	392,637	129,351	501,891	-	291,837	214,390
92000	Asset Management Fee	12,720	4,860	13,440	-	12,720	7,320
92100	Tenant services - salaries	30,793	20,763	27,750	-	24,896	16,344
92200	Relocation costs	4,905	2,970	2,456	-	1	1,980
92300	Employee benefits	10,092	5,997	11,377	-	10,410	7,698
92400	Tenant services - other	66,542	3,971	90,816	-	89,968	1,032
92500	Total Tenant Services	112,331	33,702	132,398	-	125,275	27,054
93100	Water	10,234	134	61,921	-	40,111	-
93200	Electricity	5,914	-	16,402	-	17,768	-
93300	Gas	-	-	21,253	-	-	-
93400	Fuel	-	-	-	-	-	-
93600	Sewer	19,242	-	73,394	-	71,124	-
93800	Other utilities expense	4,729	-	43,245	-	26,060	-
93000	Total Utilities	40,120	134	216,216	-	155,062	-
94100	Ordinary maintenance and operations - labor	26,157	-	132,422	-	104,172	-
94200	Ordinary maintenance and operations - material and other	6,311	-	53,889	-	31,313	-
94300	Ordinary maintenance and operations - contracts	5,170	-	54,349	-	41,758	-
94500	Employee benefit contributions - ordinary maintenance	12,311	900	58,329	-	46,713	1,108
94000	Total Maintenance	49,949	900	298,989	-	223,956	1,108
96110	Property Insurance	3,202	1,669	6,642	-	7,048	1,192
96120	Liability Insurance	3,150	1,181	8,683	-	8,025	656
96100	Total Insurance Premiums	6,353	2,850	15,325	-	15,072	1,848

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Revenues, Expenses, and Changes in Net Position
For the 12 Month Period Ending December 31 , 2013

Line Item #	Accout Description	Riverton Terrace WA002000354	Nia WA002000355	Valli Kee Homes WA002000401	Springwood Apartments WA002000402	Cascade Apartments WA002000403	Mardis Gras II WA002000450
96200	Other General Expenses	6,812	-	-	-	-	-
96210	Compensated absences	5,285	1,749	25,665	-	26,285	2,830
96300	Payments in lieu of taxes	-	-	14,859	-	15,417	-
96000	Total Other General Expenses	12,097	1,749	40,524	-	41,702	2,830
96710	Interest on mortgage (or bonds) payable	-	135,155	-	-	-	-
96720	Interest on notes payable (short and long term)	82,879	-	3,810	-	4,611	1,815
96730	Amortization of bond issue costs	-	-	-	-	-	-
96700	Total interest expense and amortization cost	82,879	135,155	3,810	-	4,611	1,815
96900	Total Operating Expenses	709,086	308,700	1,222,594	-	870,236	256,364
97000	Excess Operating Revenue over Operating Expenses	(428,823)	28,600	(778,177)	-	(479,969)	(127,013)
97200	Casualty losses - non-capitalized	-	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	-	-
97350	HAP Portability-In	-	-	-	-	-	-
97400	Depreciation expense	126,788	-	351,572	-	196,326	-
90000	Total Expenses	835,874	308,700	1,574,166	-	1,066,562	256,364
10010	Operating transfers in	536,884	377,829	3,299,748	-	807,669	247,575
10020	Operating transfers out	(67,157)	-	(533,695)	(2,372,703)	(37,738)	-
10100	Total Other Financing Sources	469,727	377,829	2,766,053	(2,372,703)	769,931	247,575
	Excess (Deficiency) Of Total Revenue Over (Under) Total Expenses	$ (85,883)	$ 406,429	$ 1,636,304	$ (2,372,703)	$ 93,636	$ 120,562
11020	Required annual debt principal payments	-	35,000	-	-	22,923	-
11030	Beginning of year equity	40,257,784	3,959,605	8,976,343	2,398,167	11,540,851	2,460,715
11040	Prior period adjustments, equity	(38,018)	-	652,699	-	-	18,838
11170	Administrative Fee Equity	-	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-	-
11190	Unit Months Available	1,247	-	1,212	-	1,284	-
11210	Number of unit months leased	1,230	-	1,189	-	1,266	-
11270	Excess cash	234,615	18,055	486,261	25,465	210,387	(20,227)
11610	Land Purchases	-	-	-	-	-	-
11620	Building Purchases	18,715	4,078	39,366	482,344	37,468	6,322
11630	Furniture and Equipment - dwelling purchases	-	-	-	-	-	-
11640	Furniture and equipment - administrative purchases	-	-	-	-	-	-
11650	Leasehold improvements purchases	-	-	-	-	-	-
11660	Infrastructure purchases	-	-	-	-	-	-
13510	CFFP debt service payments	-	-	-	-	-	-
13901	Replacement housing factor funds	-	-	-	760,538	-	-

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Revenues, Expenses, and Changes in Net Position
For the 12 Month Period Ending December 31 , 2013

Line Item #	Accout Description	Firwood Circle WA002000503	Burndale Homes WA002000504	Wayland Arms WA002000550	Plaza Seventeen II WA002000551	Southridge House WA002000552	Casa Madrona II WA002000553
70300	Net tenant rental revenue	$ 198,279	$ 216,636	$ 148,317	$ -	$ 175,756	$ -
70400	Tenant revenue - other	2,246	6,943	3,029	-	3,485	-
70500	Total tenant revenue	200,524	223,580	151,346	-	179,241	-
70600	HUD PHA Operating Grants	-	-	-	-	-	-
70610	Capital Grants	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-	-
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	749	431	1,633	-	12,935	-
71600	Gain (loss) on the sale of capital assets	1,171	-	-	-	-	-
72000	Investment income - restricted	354	271	74,187	140,323	454	151,117
70000	Total Revenue	202,799	224,281	227,166	140,323	192,630	151,117
91100	Administrative salaries	45,052	37,530	35,820	8,847	38,626	10,539
91200	Auditing fees	1,266	1,266	1,735	-	2,063	-
91300	Management fees	44,273	43,265	217,717	-	81,933	-
91310	Book-keeping Fee	4,448	4,485	9,075	6,300	7,163	6,300
91400	Advertising and Marketing	5	5	7	-	8	-
91500	Employee benefit contributions - administrative	21,486	21,948	26,868	1,741	20,438	1,686
91600	Office Expenses	3,060	3,125	1,813	57	2,878	40
91700	Legal expense	480	2,055	878	-	415	-
91800	Travel	8,050	2,707	4,464	522	8,752	1,627
91900	Other	24,623	19,004	112,237	216,585	17,178	191,543
91000	Total Operating - Administrative	152,742	135,389	410,613	234,051	179,452	211,735
92000	Asset Management Fee	6,000	6,000	12,240	8,400	9,360	8,400
92100	Tenant services - salaries	21,900	22,584	52,801	22,964	39,768	16,722
92200	Relocation costs	1	1	464	3,076	1	-
92300	Employee benefits	8,255	8,255	10,903	8,367	12,619	7,685
92400	Tenant services - other	92,265	92,597	3,404	815	2,534	386
92500	Total Tenant Services	122,421	123,436	67,572	35,222	54,921	24,793
93100	Water	23,516	26,044	9,181	-	14,797	-
93200	Electricity	9,322	12,871	13,215	-	20,260	-
93300	Gas	20,865	29,271	18,093	-	18,264	-
93400	Fuel	-	-	-	-	-	-
93600	Sewer	34,452	35,448	17,974	-	22,609	-
93800	Other utilities expense	19,264	19,623	9,947	-	8,300	-
93000	Total Utilities	107,419	123,257	68,410	-	84,230	-
94100	Ordinary maintenance and operations - labor	58,623	57,091	47,199	-	62,245	-
94200	Ordinary maintenance and operations - material and other	62,288	10,969	8,269	-	17,124	-
94300	Ordinary maintenance and operations - contracts	64,394	11,038	8,824	-	30,886	-
94500	Employee benefit contributions - ordinary maintenance	21,062	21,522	16,528	1,186	19,699	1,131
94000	Total Maintenance	206,367	100,620	80,820	1,186	129,953	1,131
96110	Property Insurance	2,976	3,641	3,672	1,391	3,597	1,391
96120	Liability Insurance	4,294	3,684	4,775	782	5,775	757
96100	Total Insurance Premiums	7,270	7,325	8,446	2,173	9,373	2,148

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Revenues, Expenses, and Changes in Net Position
For the 12 Month Period Ending December 31 , 2013

Line Item #	Accout Description	Firwood Circle WA002000503	Burndale Homes WA002000504	Wayland Arms WA002000550	Plaza Seventeen II WA002000551	Southridge House WA002000552	Casa Madrona II WA002000553
96200	Other General Expenses	-	-	-	-	-	-
96210	Compensated absences	17,130	11,986	12,689	3,289	10,893	2,783
96300	Payments in lieu of taxes	5,784	5,697	5,960	-	-	-
96000	Total Other General Expenses	22,914	17,683	18,649	3,289	10,893	2,783
96710	Interest on mortgage (or bonds) payable	-	-	-	-	-	-
96720	Interest on notes payable (short and long term)	2,184	2,253	1,994	1,089	1,179	3,573
96730	Amortization of bond issue costs	-	-	-	-	-	-
96700	Total interest expense and amortization cost	2,184	2,253	1,994	1,089	1,179	3,573
96900	Total Operating Expenses	627,317	515,964	668,746	285,410	479,360	254,563
97000	Excess Operating Revenue over Operating Expenses	(424,518)	(291,682)	(441,580)	(145,087)	(286,731)	(103,446)
97200	Casualty losses - non-capitalized	-	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	-	-
97350	HAP Portability-In	-	-	-	-	-	-
97400	Depreciation expense	131,110	101,400	77,052	-	235,877	-
90000	Total Expenses	758,427	617,364	745,797	285,410	715,237	254,563
10010	Operating transfers in	856,967	469,125	2,225,395	284,185	486,740	257,203
10020	Operating transfers out	(701,612)	(543,760)	(41,124)	-	(9,833)	-
10100	Total Other Financing Sources	155,355	(74,635)	2,184,271	284,185	476,907	257,203
	Excess (Deficiency) Of Total Revenue Over (Under) Total Expenses	$ (400,273)	$ (467,718)	$ 1,665,640	$ 139,098	$ (45,701)	$ 153,757
11020	Required annual debt principal payments	10,858	11,203	6,722	-	5,860	-
11030	Beginning of year equity	3,436,028	3,275,193	3,140,370	2,693,965	5,558,461	2,834,209
11040	Prior period adjustments, equity	1,158,133	835,238	-	7,803	-	16,303
11170	Administrative Fee Equity	-	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-	-
11190	Unit Months Available	600	600	1,160	-	954	-
11210	Number of unit months leased	592	595	1,119	-	940	-
11270	Excess cash	162,146	123,887	106,738	(22,462)	172,745	(19,893)
11610	Land Purchases	-	-	-	-	-	-
11620	Building Purchases	17,117	17,117	26,735	7,341	27,655	7,341
11630	Furniture and Equipment - dwelling purchases	-	-	-	-	-	-
11640	Furniture and equipment - administrative purchases	-	-	-	-	-	-
11650	Leasehold improvements purchases	-	-	-	-	-	-
11660	Infrastructure purchases	-	-	-	-	-	-
13510	CFFP debt service payments	-	-	-	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-	-

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Revenues, Expenses, and Changes in Net Position
For the 12 Month Period Ending December 31 , 2013

Line Item #	Accout Description	SUBTOTAL	Elimination	TOTAL AUTHORITY	COMPONENT UNITS - DISCRETELY PRESENTED
70300	Net tenant rental revenue	$ 45,233,671	$ -	$ 45,233,671	$ 23,148,328
70400	Tenant revenue - other	1,560,041	-	1,560,041	420,394
70500	Total tenant revenue	46,793,712	-	46,793,712	23,568,722
70600	HUD PHA Operating Grants	114,022,724	-	114,022,724	-
70610	Capital Grants	1,225,787	-	1,225,787	-
70710	Management Fee	4,362,608	(4,362,608)	-	-
70720	Asset Management Fee	1,160,460	(1,160,460)	-	-
70730	Book-keeping Fee	1,808,747	(1,808,747)	-	-
70700	Total Fee Revenue	7,331,814	(7,331,814)	-	-
70800	Other Government Grants	4,896,483	-	4,896,483	-
71100	Investment Income - unrestricted	1,940,047	-	1,940,047	528,601
71300	Proceeds from disposition of assets held for sale	6,015,329	-	6,015,329	-
71310	Cost of Sale of Assets	(6,497,184)	-	(6,497,184)	-
71500	Other Revenue	33,334,434	(369,678)	32,964,756	3,930,732
71600	Gain (loss) on the sale of capital assets	44,374	-	44,374	-
72000	Investment income - restricted	9,862,450	(257,467)	9,604,983	630
70000	Total Revenue	218,969,970	(7,958,959)	211,011,010	28,028,685
91100	Administrative salaries	13,641,647	-	13,641,647	1,456,663
91200	Auditing fees	107,510	-	107,510	15,778
91300	Management fees	5,491,483	(4,362,608)	1,128,875	1,508,018
91310	Book-keeping Fee	1,808,747	(1,808,747)	-	-
91400	Advertising and Marketing	188,436	-	188,436	58,465
91500	Employee benefit contributions - administrative	5,485,689	-	5,485,689	881,905
91600	Office Expenses	1,142,414	-	1,142,414	364,625
91700	Legal expense	593,338	-	593,338	145,491
91800	Travel	461,003	-	461,003	6,634
91900	Other	5,538,412	-	5,538,412	569,504
91000	Total Operating - Administrative	34,458,679	(6,171,354)	28,287,325	5,007,083
92000	Asset Management Fee	1,160,460	(1,160,460)	-	-
92100	Tenant services - salaries	1,837,448	-	1,837,448	-
92200	Relocation costs	318,334	-	318,334	-
92300	Employee benefits	666,903	-	666,903	-
92400	Tenant services - other	4,018,566	-	4,018,566	-
92500	Total Tenant Services	6,841,252	-	6,841,252	-
93100	Water	2,038,048	-	2,038,048	897,917
93200	Electricity	942,083	-	942,083	386,829
93300	Gas	186,288	-	186,288	165,986
93400	Fuel	4,490	-	4,490	-
93600	Sewer	2,616,238	-	2,616,238	1,129,729
93800	Other utilities expense	1,438,532	-	1,438,532	703,440
93000	Total Utilities	7,225,679	-	7,225,679	3,283,901
94100	Ordinary maintenance and operations - labor	4,947,458	-	4,947,458	1,506,622
94200	Ordinary maintenance and operations - material and other	7,490,347	-	7,490,347	1,419,252
94300	Ordinary maintenance and operations - contracts	3,201,095	-	3,201,095	1,832,784
94500	Employee benefit contributions - ordinary maintenance	1,290,950	-	1,290,950	222,691
94000	Total Maintenance	16,929,850	-	16,929,850	4,981,349
96110	Property Insurance	390,938	-	390,938	541,128
96120	Liability Insurance	492,056	-	492,056	62,287
96100	Total Insurance Premiums	882,994	-	882,994	603,415

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Revenues, Expenses, and Changes in Net Position
For the 12 Month Period Ending December 31 , 2013

Line Item #	Accout Description	SUBTOTAL	Elimination	TOTAL AUTHORITY	COMPONENT UNITS - DISCRETELY PRESENTED
96200	Other General Expenses	782,094	(369,678)	412,416	576,624
96210	Compensated absences	1,721,025	-	1,721,025	-
96300	Payments in lieu of taxes	100,837	-	100,837	51,052
96000	Total Other General Expenses	2,603,956	(369,678)	2,234,278	627,676
96710	Interest on mortgage (or bonds) payable	8,469,087	-	8,469,087	3,342,195
96720	Interest on notes payable (short and long term)	2,683,951	(257,467)	2,426,484	4,687,491
96730	Amortization of bond issue costs	-	-	-	30,981
96700	Total interest expense and amortization cost	11,153,038	(257,467)	10,895,571	8,060,667
96900	Total Operating Expenses	81,255,907	(7,958,959)	73,296,948	22,564,091
97000	Excess Operating Revenue over Operating Expenses	137,714,062	-	137,714,062	5,464,594
97200	Casualty losses - non-capitalized	57,671	-	57,671	-
97300	Housing assistance payments	88,569,829	-	88,569,829	-
97350	HAP Portability-In	25,303,301	-	25,303,301	-
97400	Depreciation expense	9,226,029	-	9,226,029	12,646,056
90000	Total Expenses	204,412,737	(7,958,959)	196,453,778	35,210,147
10010	Operating transfers in	180,009,383	(180,009,383)	-	-
10020	Operating transfers out	(180,009,383)	180,009,383	-	-
10100	Total Other Financing Sources	(0)	(0)	0	-
	Excess (Deficiency) Of Total Revenue Over (Under) Total Expenses	$ 14,557,233	$ (0)	$ 14,557,234	$ (7,181,462)
11020	Required annual debt principal payments	6,837,327	-	6,837,327	1,208,124
11030	Beginning of year equity	446,926,595	-	446,926,595	119,009,817
11040	Prior period adjustments, equity	111,970	-	111,970	(5,746,115)
11170	Administrative Fee Equity	(290,205)	-	(290,205)	-
11180	Housing Assistance Fee Equity	513,242	-	513,242	-
11190	Unit Months Available	161,046	-	161,046	25,236
11210	Number of unit months leased	164,887	-	164,887	24,883
11270	Excess cash	16,244,014	-	16,244,014	-
11610	Land Purchases	-	-	-	-
11620	Building Purchases	1,002,559	-	1,002,559	-
11630	Furniture and Equipment - dwelling purchases	-	-	-	-
11640	Furniture and equipment - administrative purchases	-	-	-	-
11650	Leasehold improvements purchases	-	-	-	-
11660	Infrastructure purchases	-	-	-	-
13510	CFFP debt service payments	-	-	-	-
13901	Replacement housing factor funds	760,538	-	760,538	-

Assistance Award/Amendment

U.S. Department of Housing and Urban Development
Office of Administration

1. Assistance Instrument [ ] Cooperative Agreement [X] Grant		2. Type of Action [ ] Award [ ] Amendment	
3. Instrument Number WA002RFS006A011	4. Amendment Number CLOSEOUT	5. Effective Date of this Action	6. Control Number 91-6000978
7. Name and Address of Recipient KING COUNTY HOUSING AUTHORITY 600 ANDOVER PARK WEST TUKWILA, WA 98188-3326		8. HUD Administering Office OFFICE OF PUBLIC HOUSING 909 FIRST AVENUE, SUITE 360 SEATTLE, WA 98104-1000	
		8a. Name of Administrator ANN BECKER	8b. Telephone Number 206-220-6235
10. Recipient Project Manager MS. CONNIE DAVIS		9. HUD Government Technical Representative	
11. Assistance Arrangement [X] Cost Reimbursement [ ] Cost Sharing [ ] Fixed Price	12. Payment Method [ ] Treasury Check Reimbursement [ ] Advance Check [X] Automated Clearinghouse	13. HUD Payment Office HUD LOCCS-VRS	

14. Assistance Amount		
Previous HUD Amount	$	68,861.00
HUD Amount this action	$	
Total HUD Amount	$	68,861.00
Recipient Amount	$	
Total Instrument Amount	$	68,861.00

15. HUD Accounting and Appropriation Data	
15a. Appropriation Number	15b. Reservation Number
Amount Previously Obligated	$
Obligation by this action	$
Total Obligation	$

16. Description

CLOSEOUT OF ROSS FY2011 PUBLIC HOUSING FAMILY SELF-SUFFICIENCY GRANT.

17. [ ] Recipient is required to sign and return three (3) copies of this document to the HUD Administering Office		18. [X] Recipient is not required to sign this document.	
19. Recipient (By Name)		20. HUD (By Name) Harlan Stewart	
Signature & Title	Date (mm/dd/yyyy)	Signature & Title Harlan Stewart Director, Office of Public Housing	Date (mm/dd/yyyy) 04-17-2013

Previous editions are obsolete.

form HUD-1044 (8/90)
ref. Handbook 2210.17

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:	Modernization Project Number:
HA COUNTY OF KING	WA19P002501-02

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	$ 6,725,480.00
B. Funds Disbursed	$ 6,725,480.00
C. Funds Expended (Actual Modernization Cost)	$ 6,725,480.00
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 L. Keil — 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 HOPE VI Cost Certificate

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

OMB Approval No. 2577-0208 (exp. 9/30/2014)

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. 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.
This collection of information requires that each Grantee submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the HOPE VI 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 the HOPE VI Grant Agreement. The information requested does not lend itself to confidentiality.

Grantee Name	HOPE VI Grant Number
King County Housing Authority	WA 19URD002I108

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

1. That the Actual Program Cost of the HOPE VI Grant is as shown below:

A. Original Funds Approved	$	20,000,000.00
B. Funds Disbursed	$	20,000,000.00
C. Funds Expended (Actual Program Cost)	$	20,000,000.00
D. Amount to be Recaptured (A–C)	$	0.00
E. Excess of Funds Disbursed (B-C)	$	0.00

2. That all work in connection with the HOPE VI Grant has been completed;
3. That the entire Actual Program Cost or liabilities therefor incurred by the Grantee have been fully paid;
4. That there are no undischarged mechanics', laborers', contractors', or materialmen's liens against such Program work on file in any public office where the same should be filed in order to be valid against such Program 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 [signature]

Date (mm/dd/yyyy) 02/06/2014

For HUD Use Only

The Cost Certificate is approved for audit (signature of approving official)
Susan A. Wilson
Date (mm/dd/yyyy) 3/20/14

The audited costs agree with the costs shown above
Verified (signature) [signature] CK4
Date (mm/dd/yyyy) 04-23-2014

Approved (signature) Susan A. Wilson
Date (mm/dd/yyyy) 5/22/14

Previous editions are obsolete

form HUD-53001-A (08/2003)

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.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

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.

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 as well as fraud, state whistleblower and citizen hotline investigations.

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We take our role as partners in accountability seriously, and provide training and technical assistance to governments, and have an extensive quality assurance program.

Contact information for the State Auditor's Office	
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Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov

King County Housing Authority

TO: Board of Commissioners

FROM: Linda Riley

DATE: October 22, 2014

RE: **3rd Quarter 2014 Summary Write-Offs**

For the 3rd Quarter of 2014, total routine write-offs are $19,120.45 compared to $23,457.12 in the same period last year. Twelve accounts were written off with two of the accounts representing almost 60% of the write-off amount. A breakdown for accounts written off is listed below. The net collections remitted from our collection agency are $966.30 or approximately $106.00 lower than this period last year.

	TOTAL WRITE-OFFS
Rent Balance Forward to Vacate Month	7,084.42
VACATE CHARGES:	
Rent Delinquent in Vacate Month	779.86
Cleaning & Damages	12,776.42
Paper Service & Court Costs	1,057.47
Miscellaneous Charges	291.69
Total Charges	21,989.86
CREDITS:	
Security Deposits	(1,600.00)
Miscellaneous Payments & Credits	(1,269.41)
Total Credits	(2,869.41)
TOTAL	**$ 19,120.45**
Public Housing	17,690.79
Asset Management	-
Preservation	-
Harrison House	1,258.87
Green River	-
Green River II	-
Egis	170.79
Soosette Creek	-
	$ 19,120.45

* for those properties which have accounts written off.

Write-off and Collection Summary
2012 - 2014

NET WRITE-OFFS

	2014	2013	2012
January to March	40,825.34	5,427.11	14,364.63
April to June	23,983.44	11,417.43	23,231.03
July to September	19,120.45	23,457.12	44,645.46
October to December		41,413.64	36,720.43
TOTAL	83,929.23	81,715.30	118,961.55

NET COLLECTIONS

	2014	2013	2012
January to March	1,175.65	530.51	1,647.38
April to June	2,013.79	1,029.32	699.56
July to September	966.30	1,073.05	297.50
October to December		2,522.43	246.84
TOTAL	4,155.74	5,155.31	2,891.28

******Detail by tenant is available by request.**

King County Housing Authority

To: Board of Commissioners

From: Craig Violante, Director of Finance

Date: November 10, 2014

Re: New Bank Accounts

Since the last Board meeting KCHA has opened 2 new bank accounts.

- **Windsor Heights Operating Account**
- **Windsor Heights Security Deposit Account**

Bank: Bank of America

Purpose: KCHA acquired Windsor Heights from The KCHA-Seatac Limited Partnership in October, 2014. As a result, two new business checking accounts were opened.

The Operating Account will be used to pay operating expenses related to the property. The account will primarily receive wires from the Depository Account and issue checks.

The Security Deposit Account will be used to hold tenant security deposits. Transactions will include and be limited to deposits from the depository account and transfers to the operating account for tenant refunds. KCHA policy requires tenant security deposits and the practice is to hold security deposits in separate bank accounts.

To: Board of Commissioners

From: Craig Violante, Director of Finance

Date: November 12, 2014

Re: Third Quarter 2014 Financial Statements

EXECUTIVE SUMMARY

Operations for the first nine months have met or exceeded budget projections, with 100.2% of expected operating revenues received and 97.1% of operating expenditures incurred.

Cash reserves grew by $14.1 million during the quarter, attributable to the sale of 54 lots at Seola Gardens, the receipt of equity from the Green River tax credit partner and the sale of the Hopkins Building. A complete listing of cash reserve balances is found on page 10.

The final proration for the Public Housing Operating Fund is 88.79% prorate vs. the midyear budget forecast of 89%. This funding is $620,000 higher than the amount forecast at the beginning of the year when staff estimated an 82% prorate.

The Department of Housing and Urban Development (HUD) is now nearly current in releasing cash for block grant funding and KCHA has received almost all cash obligated by HUD through the third quarter.

Major Transactions

Two tax credit investor equity payments were received in the quarter: $4.8 million for the Green River development and $11.3 million for the Fairwind phase of Seola Gardens. The Green River payment is earmarked for future debt payments, while the Fairwind payment has already been used to retire debt.

The Hopkins building sale to the Cowlitz Tribe, the building's sole tenants since 2012, closed on August 4th. KCHA's net proceeds from the sale were $1.5 million.

The final 54 lots at Seola Gardens were sold to Richmond American Homes in August for $5.6 million. While some of this revenue will be used to retire debt, about $3.2 million is restricted to future uses within the Housing Choice Voucher and Public Housing programs.

During the third quarter, total working capital increased by $31.5 million:

THIRD QUARTER SUMMARY OF KEY WORKING CAPITAL ACTIVITY
(In millions of dollars)

Change to KCHA-Wide Working Capital		***An increase of $31.5 million***
Description	Fund Group	Amount
Proceeds from lot sales	Development	$5.9
Hope VI and lot sales program income designated for future costs	Development	($5.2)
Release of restriction from Chaussee earnest money	Development	$1.0
Sale of Hopkins Building	Other Federal (KCHA)	$1.5
Green River II Equity Contribution	Other Federal (Other)	$4.8
LOC borrowings (loaned to Wonderland Estates) refinanced to long term	Local (Other)	$7.7
Fairwind Limited Partner Equity Contribution	Public Housing (Other)	$11.3
Net increase in MTW fund	MTW	$2.6
Net of all other sources/(uses)	All others	$1.9

Year-t0-date, KCHA's overall working capital is $9.3 million higher than anticipated in the midyear budget, due primarily to the long-term extension of the line of credit whose proceeds are loaned to Wonderland Estates and to timing differences of outgoing loans from the MTW fund that have been delayed to the fourth quarter (Eastwood Square) and to 2015 (Plum Court).

CASH AND INVESTMENT SUMMARIES

Overall cash balances increased by $14.1 million during the quarter, driven by several factors, including the sale of Seola Gardens lots ($5.9 million), Green River equity payment ($4.8 million), sale of the Hopkins building ($1.5 million), and the net increase in the MTW fund ($2.6 million). For a complete report on cash, please see page 10.

Cash Summaries (in millions)

Restriction Type	9/30/2014	6/30/2014	Change
Unrestricted	$38.5	$29.4	$9.1
Restricted to Program Uses	16.0	14.3	1.6
Designated/Committed for Specific Uses	39.8	36.0	3.8
Externally Restricted	42.4	42.9	(0.5)
Externally Restricted to pay for short-term liabilities	3.1	3.1	0.0
Total	$139.8	$125.7	$14.1

Using the weighted average approach, the overall Return on Investment (ROI) on KCHA investments was 0.35% this quarter, the same as one year ago and as last quarter. The Washington State Treasurer's Local Government Investment Pool

(LGIP) average interest rate for September was 0.10%, while the projected rate as of October 1st was 0.08%.

Investment Summaries (in millions)	Amount	Yield
Invested in the Local Government Investment Pool	$60.1	0.10%
Invested by KCHA	45.9	0.85%
Cash held by trustees	16.8	0.10% *
Cash held in checking and savings accounts	16.9	0.10% *
Invested by KCHA	$139.8	0.35%
Cash loaned to low income housing properties	1.3	6.25%
Loaned by KCHA	1.3	6.25%
Total	$141.1	0.40%

*Estimate

Using the weighted average approach, the quarterly ROI on KCHA's internal pool was 0.85%. Using the Total Rate of Return approach, whereby KCHA will occasionally sell investments prior to maturity to either secure a gain or increase interest rates, ROI was slightly higher at 0.86%.

Balances and quarterly activity for MTW and COCC cash reserves are below. It is projected that MTW working capital will be at or near zero by the end of the year.

MTW Reserve Balances
(in millions of dollars)

MTW Cash, Beginning of Quarter	$26.9
Quarterly change:	
Block grant subsidy payments from HUD in excess of direct expenses	3.6
Payment received for internal loan	1.1
Transfer of Burien Park/Northwood NRA	0.8
Capital construction projects	(3.1)
Direct social service expenses	(0.3)
Other net changes	0.6
MTW Cash, End of Quarter	$29.6
Less Reserves:	
Restricted Reserve-Green River Collateral	(9.5)
HAP Reserve (also used as FHLB collateral)	(6.6)
Additional investments pledged as collateral with the FHLB	(3.0)
Supportive Housing Reserve	(0.6)
Technology Reserve	(2.1)
PERS Reserve	(0.4)
MTW Working Capital Cash, End of Quarter	$7.4

COCC Reserve Balances
(in millions of dollars)

COCC Cash, Beginning of Quarter	$33.4
Quarterly change:	
Excess cash transferred in from bond properties	2.5
Excess cash transferred in from tax credit partnerships	1.0
Other uses of cash	(0.4)
COCC Cash, End of Quarter	$36.5
Less Reserves:	
Investments pledged as collateral with the FHLB	(11.4)
Liquidity Reserves for King County credit enhancement	(9.0)
PERS Reserve	(0.2)
COCC Working Capital Cash, End of Quarter	$15.9

CAPITAL INVESTMENTS (Including tax credit partnerships)

The following schedule shows the budget versus actual costs of both KCHA-owned properties and KCHA-managed tax credit partnerships' capital projects through the third quarter.

	Actuals Thru 9/30/2014	Budget Thru 9/30/2014	Percent of Annual Budget	2014 Annual Budget
CONSTRUCTION ACTIVITIES				
Managed by Capital Construction Department (1)				
Public Housing	$4,161,110	$4,883,383	70.1%	$5,932,341
509 Properties	3,570,159	4,991,193	56.3%	6,344,241
Other Properties	897,846	1,674,697	41.6%	2,158,469
Community Buildings	35,164	88,701	39.6%	88,701
	8,664,279	11,637,974	59.7%	14,523,752
Managed by Housing Management Department (2)				
Unit Upgrade Program	3,873,757	3,982,537	72.9%	5,311,631
Other Projects	83,287	205,491	21.8%	382,604
	3,957,045	4,188,028	69.5%	5,694,235
Managed by Asset Management Department (3)				
Bond Properties-managed by KCHA staff	1,314,282	4,465,000	26.1%	5,040,000
Bond Properties-managed by outside property managers	3,554,504	4,037,572	57.0%	6,239,589
Other Properties	389,011	382,800	88.7%	438,800
	5,257,797	8,885,372	44.9%	11,718,389
Subtotal Construction Activities	**17,879,120**	**24,711,374**	**56.0%**	**31,936,376**
DEVELOPMENT ACTIVITY				
Managed by Hope VI Department (4)				
Seola Gardens	637,767	779,893	68.5%	930,786
Greenbridge	291,415	673,379	31.4%	927,648
Salmon Creek/Nia	264,122	278,789	61.7%	428,157
	1,193,305	1,732,061	52.2%	2,286,591
Managed by Development Department				
Vantage Point	3,494,168	5,174,799	42.1%	8,306,155
Notch	152,620	340,733	37.5%	407,184
	3,646,788	5,515,532	41.9%	8,713,339
Subtotal Development Activity	**4,840,093**	**7,247,593**	**44.0%**	**10,999,930**
TOTAL CONSTRUCTION & DEVELOPMENT	**$22,719,213**	**$31,958,967**	**52.9%**	**$42,936,306**
PROPERTY ACQUISITIONS & OTHER ASSETS				
Acquisitions	27,399,890			
Other Assets	821,060			
TOTAL PER WORKING CAPITAL REPORT	**$50,940,163**			

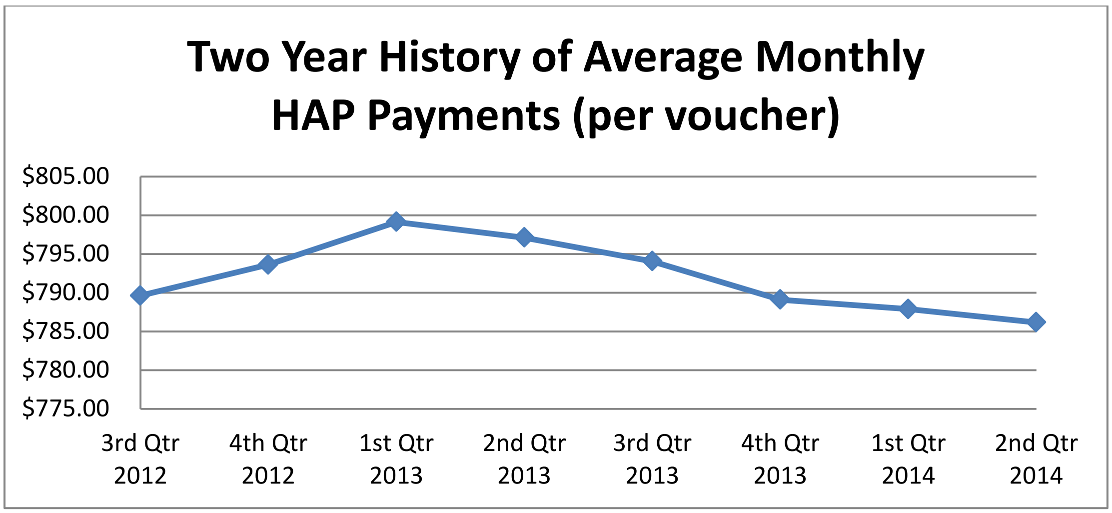
1) 95% of planned 2014 work is under contract and obligated but only 80% to 85% will be expended by year end. Start of construction and construction progress has been delayed by various regulatory, staff and contractor issues.
2) Unit upgrades are on target. Expenditures on other projects will be approximately 50% of budget by year end due to a comination of deferrals, cancellations and timing.
3) For KCHA-managed projects, there is approximately $2.5 million of projects in various states of completion; some projects have been deferred to 2015 and others have seen reductions due to scope changes and favorable bid results. Routine capital work at outside property-managed sites is driven primarily by turnover which has been low this year.
4) The bulk of spending at Greenbridge was intentionally deferred to 2015

PROGRAM ACTIVITIES

HOUSING CHOICE VOUCHERS

Landlord Subsidy Levels (HAP)

Household size, household income and KCHA's payment standards' relationship to actual market rents all interact to influence per unit HAP subsidy levels, total tenant payments and household shelter burdens. The average quarterly HAP payment to landlords for all Housing Choice Vouchers (HCV) was $785.59, compared to $786.17 last quarter and $794.06 one year ago:



The downward trend in KCHA's average HAP costs could be influenced by a number of factors. One factor is the higher number of senior and disabled vouchers in our portfolio compared to last year as KCHA has received incremental vouchers for Veterans Affairs Supportive Housing (VASH) and Section 8 opt-outs such as Burien Park, Northwood, Westminster, and Bellevue Manor. These vouchers tend to be used by smaller household sizes needing lower HAP support. A second factor is rising tenant incomes. Over the last year, incomes for seniors have increased 2% while incomes for families have increased by 10%.

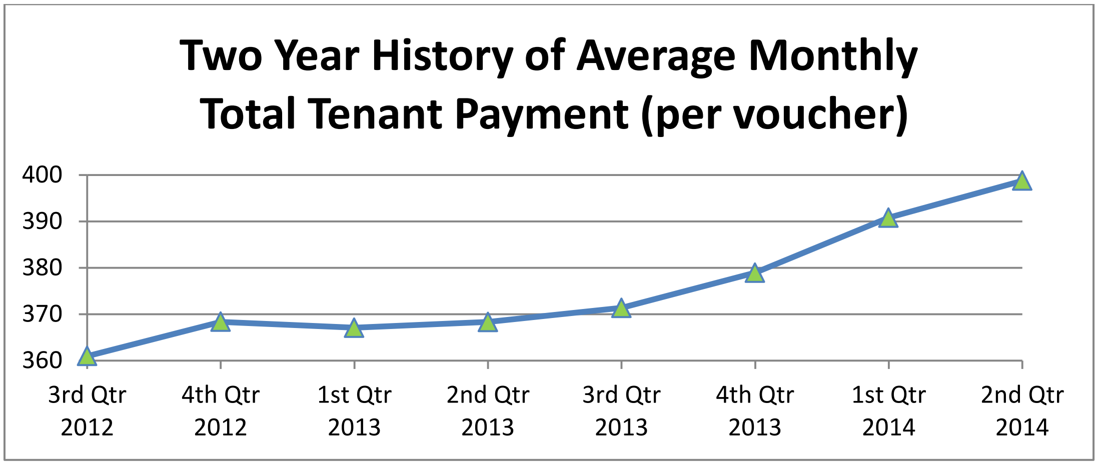
Tenant Shelter Burden

Households are also paying a higher Total Tenant Payments (TTP) and are, in an increasing number of instances, paying greater than 30% income for rent and utilities.

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-13	Sep-14	Sep-13	Sep-14	Sep-13	Sep-14
2,934	3,039	1,083	1,280	1,121	1,234

Average TTP during the quarter was $408.56, up from $405.55 the previous quarter and $378.93 one year ago.



The most likely explanations for increasing TTPs include rising tenant income and the current payment standard, which is the maximum amount KCHA is willing to pay for units of various sizes and types. As rents rise, tenants "max out" the payment standard, and any rent increases become the family's responsibility. The payment standard has not been revised since 2009. In response to sequestration, the Authority deferred any change in the payment standard last year. The Board will be briefed on a payment standard proposal in the near future.

MTW PROGRAM

In the *MOVING TO WORK (MTW) FUND*, KCHA combines certain HUD Public Housing revenues with HCV 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***

  Although overall HCV block grant funding for 2014 is $101.2 million, HUD does not make this available evenly throughout the year. Subsequently, funding for the first nine months has been slightly below budgeted levels.

(In thousands of dollars)	Actual	Budget	Variance	%Var	
HCV Block Grant Revenue	$75,139.6	$75,700.7	($561.1)	(0.7%)	(1)
Funding of HAP Payments to Landlords	(58,749.9)	(59,954.4)	(1,204.4)	2.0%	(2)
Funding of Section 8 Administrative Costs	(5,992.0)	(6,044.0)	(51.9)	0.9%	
Excess of HCV Block Grant Funding over Expenses	$10,397.7	$9,702.4	$695.3	7.2%	

1) KCHA has drawn all available funds for the first nine months and is now nearly on budget. All amounts will be drawn by the end of the year.
2) Below budget due to lower-than-expected average HAP costs

- ***Payments to Public Housing sites to subsidize the difference between operating costs and tenant revenue and to cover certain costs outside of what tax credit partnerships will pay***

  Through the first nine months, the transfer of MTW revenues (consisting of certain Public Housing revenues and block-granted Housing Choice Voucher subsidy) from MTW to Public Housing have been below budget. The variance is mostly due to timing and will smooth out by year end, although it is expected that total transfers for the year will remain below budget as personal service costs lag projections due to open positions.

(In thousands of dollars)	Actual	Budget	Variance	%Var	
Additional Transfers (to) from PH AMPs Based on Need	$473.5	$1,634.2	($1,160.7)	(71.0%)	(1)

1) Variance is mostly timing--$880k was budgeted to be transferred out of of MTW to cover resident service and other costs at tax credit sites that are outside the scope of what the partnership will pay for--but transfers will not occur until fourth quarter

- ***Expenditures for special MTW programs***

  Two of the initiatives currently being funded out of MTW working capital are Supportive Housing and certain Resident Services programs (such as the Resident Opportunities Plan and the Educational Initiative). Following are year-to-date uses and budget:

(In thousands of dollars)	Actual	Budget	Variance	%Var	
Supportive Housing	$996.8	$1,301.5	($304.7)	(23.4%)	(1)
Resident-based Initiatives	740.2	697.1	$43.1	6.2%	
Use of MTW Funds for Special Programs	$1,737.0	$1,998.6	($261.6)	(13.1%)	

1) Variance is due to a combination of underleasing and slow billing by partner agencies

- ***Other uses of MTW funds***

  MTW 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	$9,211.56	$10,481.49	($1,269.9)	(13.8%)	(1)
Misc. Other Uses	1,298.9	1,223.3	75.6	5.8%	
	$10,510.5	$11,704.8	($1,194.3)	(11.4%)	

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.

- ***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 $618,000 or 0.81% of program gross revenues. Expenses are below the budget of $692,000.

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. Of note during the year is the unbudgeted payoff of debt on the 700 building using proceeds from the new 2013 pool. Since the long-term debt on the building has been extinguished, the COCC fund groups reflects a large increase in working capital. The chart below reflects a summary of COCC activity, excluding Regional Maintenance crews.

(In thousands of dollars)

Revenues	YTD Actual	YTD Budget	Variance	%Var	
Management fees	$6,149.2	$6,217.5	($68.3)	(1.1%)	
Cash transferred-in from local properties	3,507.6	1,988.6	$1,519.0	43.3%	
Transfers-in for other reasons	7,195.1	0.0	7,195.1	100.0%	(1)
Investment income	1,019.1	974.1	45.1	4.4%	
Other income	1,901.9	1,643.7	258.3	13.6%	(2)
	$19,773.0	$10,823.8	$8,949.2	45.3%	
Expenses					
Salaries & Benefits	$6,655.1	$6,758.8	($103.7)	(1.6%)	
Administrative Expenses	1,210.8	1,967.9	(757.1)	(62.5%)	(3)
Occupancy Expenses	194.5	236.4	(41.9)	(21.5%)	
Other Expenses	532.7	534.7	(2.0)	(0.4%)	
	$8,593.2	$9,497.8	($904.6)	(10.5%)	
Net Change in Available COCC Resources	$11,179.8	$1,325.9	$9,853.8		

1) Transfer-in of funds to pay off the 700 building debt with proceeds from the new 2013 pool as well as transfer received from development fund group to pay internal loan.
2) Higher than anticipated excess cash transfers from tax credit and local properties.
3) Administrative contracts, professional services, training and publication expenses were less than anticipated in the budget through the 3rd quarter

REPORTS TABLE OF CONTENT

King County Housing Authority
Consolidated Cash Report
As of 9/30/2014

	KCHA-Owned Cash					
	Oper Cash & State Pool 9/30/2014	Outside Investments 9/30/2014	Other Cash Accounts 9/30/2014	Total Cash 9/30/2014	Total Cash 6/30/2014	Cash of Other Entities 9/30/2014
Cash-Unrestricted						
Public Housing	14,853	0	0	14,853	0	0
COCC	11,712,022	4,233,507	50	15,945,579	12,795,586	0
Other Funds	13,146,143	1,001,751	8,345,319	22,493,212	16,587,632	2,489,208
Total Cash-Unrestricted	24,873,017	5,235,258	8,345,369	38,453,644	29,383,218	2,489,208
Cash for Use Within Specific Programs						
MTW	6,377,134	1,007,169	12,603	7,396,906	4,274,081	0
Public Housing	4,165,577	0	50	4,165,627	3,912,772	392,060
Section 8	(320,603)	0	1,255,596	934,993	2,251,183	0
Other Funds	3,511,890	0	95	3,511,984	3,824,386	0
Total Cash for Use Within Specific Programs	13,733,998	1,007,169	1,268,343	16,009,511	14,262,422	392,060
Cash Set-aside to Pay Short-term Debt (P & I Reserves)						
Other Funds	2,247,758	239,763	632,478	3,119,999	3,091,081	0
Total Cash Set-aside to Pay Short-term Debt	2,247,758	239,763	632,478	3,119,999	3,091,081	0
Cash Dedicated for Specific Purposes						
MTW	3,704,463	0	0	3,704,463	4,090,185	0
COCC	2,171,486	7,006,732	0	9,178,218	9,178,218	0
Other Funds	11,567,164	11,736,574	3,615,000	26,918,738	22,759,189	7,571,248
Total Cash Dedicated for Specific Purposes	17,443,113	18,743,306	3,615,000	39,801,419	36,027,592	7,571,248
Cash Restricted by Outside Entities						
MTW	0	9,003,898	9,500,000	18,503,898	18,503,898	0
Public Housing	275,194	0	0	275,194	269,556	9,051
Section 8	686,975	0	0	686,975	636,431	0
COCC	0	11,406,590	6,800	11,413,390	11,413,390	0
Other Funds	870,540	277,325	10,405,466	11,553,331	12,080,160	3,117,561
Total Cash Restricted by Outside Entities	1,832,708	20,687,814	19,912,266	42,432,788	42,903,435	3,126,612
TOTAL CASH BALANCES	60,130,594	45,913,310	33,773,457	139,817,361	125,667,748	13,579,128

	Total Cash 9/30/2014	Total Cash 6/30/2014
Detail of Cash Dedicated for Specific Purposes		
Project Reserves	3,615,000	3,615,000
Exit Tax Designation-Reserves	6,052,827	6,052,827
HAP Reserves	600,000	600,000
Program Income from Hope VI Loans	493,851	0
Revenue	400,000	400,000
Program Income from Hope VI Lot Sales	4,917,930	0
PERS Designation Reserves	600,192	600,192
Replacement Reserves	10,775,162	10,691,363
Operations Reserves	0	0
Technology Reserves	2,122,208	2,324,734
Liquidity Reserves	9,006,732	9,006,731
Supportive Housing Reserves	553,550	736,745
Development	663,968	2,000,000
Total Cash-Dedicated for Specific Purposes	39,801,419	36,027,592
Detail of Restricted Cash		
Excess Cash Reserves	2,222,560	2,287,419
Project Reserves	50	50
Endowment Reserves	606,177	631,949
Replacement Reserves	5,791,943	5,542,936
Operations Reserves	416,416	416,394
Bond Reserves-1 Yr Payment	433,488	433,488
Residual Receipt Reserves	551,047	550,992
FSS-Reserves	771,205	716,527
Collateral Reserves	23,910,486	23,910,488
Security Deposits_identified	411,348	0
HAP Reserves Used as Collateral	6,000,000	6,000,000
Security Deposits & Escrow Accounts	1,729,417	2,413,192
Total Restricted Cash	42,432,788	42,903,435

KING COUNTY HOUSING AUTHORITY
Statements of Financial Position
(In $1,000's; excludes non-KCHA-managed component units)
For the Period Ended September 30, 2014

	FEDERALLY-SUPPORTED PROGRAMS (managed by KCHA)						LOCAL PROGRAMS						
	Public Housing		Other Housing		Other Programs		KCHA	Outside	Tax Credit				Memo:
ASSETS	KCHA	Outside	KCHA	Outside	Section 8	MTW	Owned	Owned	Gen Prtnr	Develop			**KCHA**
Working Capital Assets	Owned	Owned	Owned	Owned	Program	Program	Housing	Housing	Activity	Activity	Other	COCC	**COMBINED**
Cash-Unrestricted	$14.9	$330.6	$4,786.1	$8,990.1	$.0	$.0	$7,494.7	$2,200.0	$285.5	$(438.1)	$960.2	$15,945.6	$40,569.4
Cash-Restricted Within Program	4,165.6	392.1	.0	.0	935.0	7,396.9	83.6	.0	.0	3,836.5	(408.1)	.0	16,401.6
Cash-Restricted for WC Purposes	.0	.0	.0	2,487.5	.0	.0	537.0	.0	95.4	.0	.0	.0	3,120.0
Accounts Receivables	(7.3)	615.0	39.1	2,202.5	293.4	.0	109.0	566.2	5,354.2	2,316.7	455.5	1,151.2	13,095.5
Prepaid Assets & Inventory	(.6)	(.8)	3.7	(9.6)	13.1	.1	392.1	(.0)	(15.0)	30.8	6.6	69.0	489.6
Total Working Capital Assets	4,172.6	1,336.8	4,828.9	13,670.5	1,241.5	7,397.0	8,616.4	2,766.2	5,720.2	5,745.9	1,014.2	17,165.8	73,676.1
Liabilities Offsetting Working Capital Assets													
Accounts Payable	(568.9)	(182.0)	(257.7)	(1,013.2)	(3.9)	(15.2)	(783.7)	(60.3)	(1.9)	(29.4)	(462.9)	(85.9)	(3,465.0)
Payroll Liabilities	(256.7)	(142.7)	(65.8)	(240.5)	(573.0)	(43.2)	(36.3)	(35.6)	.0	(11.8)	(496.2)	(1,285.3)	(3,187.1)
Accrued Liabilities	(130.4)	(234.8)	(12.9)	(1,157.5)	(72.1)	(609.5)	(262.3)	(216.1)	(903.6)	(267.6)	(44.8)	.0	(3,911.6)
Deferrals	.0	.0	.0	.0	(790.5)	.0	(61.6)	.0	(95.4)	(1,336.0)	(6.5)	.0	(2,290.1)
Current Portion of Long-term debt	(173.5)	(190.7)	(61.5)	(4,529.0) (1)	.0	.0	(3,957.1) (2)	(73.1)	(4,601.2)	.0	.0	(1,078.4)	(14,664.5)
Total Offsetting Liabilities	(1,129.4)	(750.2)	(397.9)	(6,940.3)	(1,439.5)	(667.9)	(5,101.0)	(385.0)	(5,602.2)	(1,644.8)	(1,010.4)	(2,449.6)	(27,518.3)
Working Capital	3,043.3	586.6	4,431.0	6,730.2	(198.0)	6,729.1	3,515.4	2,381.1	117.9	4,101.1	3.9	14,716.2	46,157.8
Other Assets													
Cash-Designated	.0	3,031.7	2,223.6	10,704.4	.0	3,704.5	11,845.6	202.9	.0	6,075.7	400.0	9,178.2	47,366.7
Cash-Restricted	275.2	1,325.5	1,345.6	896.4	687.0	18,503.9	7,008.6	806.1	2,499.9	618.8	.0	11,413.4	45,380.3
Receivables	.0	111,504.9	.0	76,838.0	.0	14,909.7	3.8	30,764.2	52,569.7	351.8	209.6	21,380.0	308,531.8
Capital Assets	63,351.5	88,440.2	21,582.0	155,838.5	(.1)	.0	150,010.3	12,285.9	.0	3,254.0	.0	14,039.8	508,802.2
Work-in-Process	22,689.6	130.1	3,720.8	9,441.0	.0	382.5	465.9	.9	.0	59,142.7	.0	322.0	96,295.3
Suspense	.0	(.0)	.0	(.7)	(.1)	.0	(92.8)	.0	.0	16.9	.0	434.8	358.1
Other Assets	.0	2,533.8	170.6	922.6	.0	.0	(3,362.0) (3)	251.2	2,050.8	49.7	.0	.0	2,616.7
Total Other Assets	86,316.3	206,966.1	29,042.6	254,640.2	686.8	37,500.6	165,879.4	44,311.3	57,120.4	69,509.6	609.6	56,768.2	1,009,351.1
TOTAL ASSETS (net of WC offsets)	$89,359.6	$207,552.7	$33,473.6	$261,370.4	$488.7	$44,229.7	$169,394.8	$46,692.4	$57,238.4	$73,610.7	$613.5	$71,484.4	$1,055,508.9
LIABILITIES & EQUITY													
Other Liabilities													
Deferrals-Related to Restr Cash	$237.5	$67.4	$104.6	$133.1	$687.0	$.0	$1,387.4	$34.9	$972.5	$12.6	$.0	$6.8	$3,643.8
Debt	466.3	82,895.0	12,964.7	129,808.3	.0	.0	155,015.5	16,641.4	45,794.9	1,687.0	.0	16,243.5	461,516.7
Other Liabilities	74.0	5,157.0	1,276.3	1,786.0	.0	.0	.0	1,846.8	117.7	14,909.7	.0	.0	25,167.5
	777.9	88,119.4	14,345.6	131,727.4	687.0	.0	156,402.9	18,523.0	46,885.1	16,609.3	.0	16,250.3	490,328.0
Equity													
Equity	88,581.7	119,433.2	19,128.0	129,643.1	(198.3)	44,229.7	12,991.8	28,169.4	10,353.2	57,001.4	613.5	55,234.1	565,180.9
	88,581.7	119,433.2	19,128.0	129,643.1	(198.3)	44,229.7	12,991.8	28,169.4	10,353.2	57,001.4	613.5	55,234.1	565,180.9
TOTAL LIAB & EQ (net of curr liab)	$89,359.6	$207,552.7	$33,473.6	$261,370.4	$488.7	$44,229.7	$169,394.8	$46,692.4	$57,238.4	$73,610.7	$613.5	$71,484.4	$1,055,508.9

1) In 2015, $2.2M is due on Birch Creek bonds as well as $863K on Green River Homes II bonds. Source of payment is debt service reserves and funds collected from the partnership in the form of lease payments .
2) Current portion of bond payments; source of funding will be P & I reserves
3) Fair market value of derivatives at year end 2013 was $3.4 million-required by Generally Accepted Accounting Principles (GAAP)

KING COUNTY HOUSING AUTHORITY
Working Capital Statements
(In $1,000's; excludes non-KCHA-managed component units)
For the Period Ended September 30, 2014

	FEDERALLY-SUPPORTED PROGRAMS (managed by KCHA)						LOCAL PROGRAMS						
	Public Housing		Other Housing		Other Programs								
	KCHA Owned	Outside Owned	KCHA Owned	Outside Owned	Section 8 Program	MTW Program	KCHA Owned Housing	Outside Owned Housing	Tax Credit Gen Prtnr Activity	Develop Activity	Other	COCC	**Memo: KCHA COMBINED**
Revenues													
Tenant Revenue	$3,040.2	$1,282.3	$3,746.3	$8,212.1	$130.5	$.0	$28,899.9	$1,050.5	$.0	$.0	$.0	$.0	$46,361.8
Operating Fund Subsidy from HUD	3,144.0	3,272.0	.0	.0	.0	988.7	.0	.0	.0	.0	.0	.0	7,404.7
Section 8 Subsidy from HUD	.0	.0	261.0	.0	73,125.9	10,397.7	.0	.0	.0	.0	.0	.0	83,784.5
Other Operating Revenue	18.9	67.8	294.4	1,418.5	20,967.8	.0	187.2	82.3	356.0	115.8	2,264.3	9,084.6	34,857.6
Non-operating Revenue	867.9	2,949.5	16.5	1,148.4	.2	72.4	1,033.3	591.8	2,088.5	4,315.2	(.0)	1,114.7	14,198.4
Total Revenues	7,071.1	7,571.5	4,318.2	10,778.9	94,224.4	11,458.8	30,120.4	1,724.7	2,444.5	4,431.0	2,264.3	10,199.3	186,607.1
Expenses													
Salaries & Benefits	1,503.7	761.8	525.1	1,113.1	4,176.3	467.6	2,467.4	271.5	1.6	126.4	762.7	7,339.3	19,516.3
Routine Maintenance, Utilities, Taxes & Insurance	2,972.0	1,399.0	1,128.4	2,199.1	203.5	.0	6,887.4	337.5	13.7	.3	8.1	1,361.4	16,510.4
Direct Social Service Salaries & Benefits	355.7	260.9	112.4	182.1	289.6	203.9	30.1	27.9	3.2	21.4	93.6	.0	1,580.6
Other Social Service Support Expenses & HAP	542.1	2,105.9	49.8	299.9	86,184.7	1,533.1	79.5	89.5	.0	176.5	1,647.7	.0	92,708.7
Administrative Support Expenses	2,091.0	669.8	479.8	924.6	2,795.4	120.7	2,902.7	158.8	408.1	35.6	105.2	1,405.2	12,097.2
Non-operating Expenses	39.3	2,003.1	246.1	4,186.0	(6.0)	51.7	3,781.6	468.2	1,069.7	12.9	.0	571.1	12,423.7
Total Expenses	7,503.9	7,200.5	2,541.5	8,904.9	93,643.5	2,377.0	16,148.7	1,353.3	1,496.3	373.0	2,617.4	10,677.0	154,836.9
Net Income	(432.8)	371.1	1,776.7	1,874.1	580.9	9,081.8	13,971.7	371.3	948.1	4,058.0	(353.1)	(477.6)	31,770.1
Other Sources/(Uses) of Working Capital													
(Increase) in Restricted/Designated Cash	(27.2)	(401.6)	(46.6)	(292.2)	(173.7)	(600.0)	(1,412.7)	(48.1)	(709.7)	(5,345.9)	.0	(6.8)	(9,064.5)
Decrease in Restricted/Designated Cash	.0	.0	14.9	4,578.1	.0	3,170.7	.0	.0	300.0	2,458.8	.0	20.3	10,542.7
(Increase) in LT Receivables	.0	(1,842.9)	.0	(2,085.6)	.0	.0	.0	(317.8)	(33.4)	.0	.0	(.0)	(4,279.7)
Decrease in LT Receivables	.0	217.8	.0	5,515.8	.0	1,581.2	.0	328.9	3,703.4	1,006.0	.0	467.6	12,820.7
Acquisition of Capital Assets	(6,555.5)	(611.1)	(773.6)	(4,292.8)	(.7)	(335.2)	(33,603.5)	(33.5)	.0	(4,356.7)	(.0)	(377.5)	(50,940.2)
Disposition of Capital Assets	.0	.0	1,650.0	.0	.0	.0	82.5	.0	.0	5,408.8	.0	4.0	7,145.4
Change in Suspense	.5	.0	.0	.8	.1	.0	58.3	.3	.0	(16.9)	.0	(434.8)	(391.6)
Change in Other Assets	.0	(658.3)	.0	.0	.0	.0	(17.2)	(.0)	.0	.0	.0	.0	(675.4)
Change in Deferrals	27.4	1.4	(14.9)	2.5	173.7	.0	139.1	1.4	.0	2.6	.0	6.8	340.1
Increase in LT Debt	.0	.0	.0	.5	.0	.0	51,011.2	7,716.2	.0	1,667.0	.0	.0	60,394.9
(Decrease) in LT Debt	(129.5)	(4.3)	(1,117.5)	(8,728.2)	.0	.0	(20,013.7)	(73.1)	(2,938.1)	(1,000.0)	.0	(6,949.2)	(40,953.4)
Change in Other Liabilities	(27.2)	887.3	(67.4)	255.6	.0	.0	(21.6)	70.7	(199.1)	(1,581.2)	.0	.0	(682.9)
Other Non-Working Capital Inc/Exp	266.4	766.1	77.4	1,686.0	10.7	.0	.0	.0	.0	.0	.0	(435.8)	2,370.7
Non Income/Expense Change in Equity	(166.2) (1)	11,344.6	.8	4,867.1	.0	119.2	464.6	(.8)	(580.0)	161.9	(22.1)	118.3	16,307.4
Total Other Sources/(Uses) of Working Capital	(6,611.2)	9,699.0	(276.9)	1,507.8	10.0	3,935.9	(3,312.8)	7,644.3	(456.8)	(1,595.7)	(22.1)	(7,587.2)	2,934.3
Transfer In from (Out to) Other Funds													
Transfers In from Other Funds	6,908.3	1,726.4	1,000.5	4,321.8	.0	1,819.5	17,127.7	.0	.0	16,014.7	851.8	11,659.3	61,430.0
Transfers Out to Other Funds	(227.4)	(14,922.4)	(77.5)	(1,557.7)	(976.8)	(11,595.8)	(25,429.2)	(299.0)	(903.0)	(2,517.5)	(747.4)	(2,176.3)	(61,430.0)
Net Transfer In/(Out)	6,681.0	(13,195.9) (3)	923.0	2,764.0	(976.8)	(9,776.3)	(8,301.5)	(299.0)	(903.0)	13,497.2 (3)	104.4	9,483.0	.0
Net Change in Working Capital	(363.0) (2)	(3,125.9) (3)	2,422.8	6,145.9 (4)	(385.8) (5)	3,241.5	2,357.4	7,716.6	(411.7)	15,959.5 (3)	(270.8)	1,418.1	34,704.4
Working Capital, 12/31/2013	3,406.3	3,712.4	2,008.2	584.3	187.8	3,487.7	1,158.0	(5,335.5)	529.6	(11,858.3)	274.7	13,298.1	11,453.4
Working Capital, 9/30/2014	$3,043.3	$586.6	$4,431.0	$6,730.2	$(198.0)	$6,729.1	$3,515.4	$2,381.1	$117.9	$4,101.1	$3.9	$14,716.2	$46,157.8

1) Some remaining equity from former 509 properties was transferred to the current 509 funds
2) Transfer of vehicles to Central Vehicle Fund; also see note (1)
3) Transfer to development fund to make payment on Fairwind LOC plus an increase in LT receivable interest for tax credit partnerships.
4) Gain on sale of land to Vantage Point partnership in addition to Green River II investor equity pay-in.
5) Westminster, Burien Park, and Northwood equity transferred to MTW as vouchers are now part of the block grant

KCHA Combined
Working Capital Budget vs. Actual Report
For the Period Ended 9/30/2014

	Quarter Ended September 30, 2014				Year-to-Date				2014 Annual Budget	Remainder to Receive/ Spend	(n/m= not meaningful) Percent of Annual Budget	
Revenues	Actual	Budget	$ Var	% Var	Actual	Budget	$ Var	% Var				
Tenant Revenue	$15,930,946	$15,568,996	$361,950	2.3%	$46,361,836	$45,488,417	$873,419	1.9%	$61,106,807	$14,744,971	75.9%	
Operating Fund Subsidy from HUD	2,526,316	2,503,407	22,909	0.9%	7,404,747	7,510,169	(105,422)	(1.4%)	10,013,576	2,608,829	73.9%	
Section 8 Subsidy from HUD	29,736,596	28,020,593	1,716,003	6.1%	83,784,510	83,377,225	407,285	0.5%	111,498,881	27,714,371	75.1%	
Other Operating Revenue	10,559,288	12,070,486	(1,511,198)	(12.5%)	34,857,551	35,574,914	(717,363)	(2.0%)	47,288,440	12,430,889	73.7%	
Non-operating Revenue	7,188,676	3,835,405	3,353,271	87.4%	14,198,421	11,197,221	3,001,200	26.8%	14,213,612	15,191	99.9%	
Total Revenues	65,941,822	61,998,887	3,942,935	6.4%	186,607,065	183,147,946	3,459,119	1.9%	244,121,316	57,514,251	76.4%	
Expenses												
Salaries & Benefits	6,764,616	7,073,406	(308,790)	(4.4%)	19,516,298	20,130,996	(614,698)	(3.1%)	26,458,156	6,941,858	73.8%	
Routine Maintenance, Utilities, Taxes & Insurance	5,856,374	6,102,517	(246,143)	(4.0%)	16,510,437	17,268,472	(758,035)	(4.4%)	23,016,509	6,506,072	71.7%	
Direct Social Service Salaries & Benefits	571,169	581,347	(10,178)	(1.8%)	1,580,616	1,602,328	(21,712)	(1.4%)	2,090,833	510,217	75.6%	
Other Social Service Support Expenses & HAP	30,932,354	31,385,416	(453,062)	(1.4%)	92,708,713	93,884,673	(1,175,960)	(1.3%)	125,938,749	33,230,036	73.6%	
Administrative Support Expenses	4,085,815	4,705,273	(619,458)	(13.2%)	12,097,172	13,741,691	(1,644,519)	(12.0%)	17,936,978	5,839,806	67.4%	(1)
Non-operating Expenses	4,301,220	3,990,445	310,775	7.8%	12,423,704	11,927,072	496,632	4.2%	16,048,756	3,625,052	77.4%	
Total Expenses	52,511,549	53,838,404	(1,326,855)	(2.5%)	154,836,941	158,555,232	(3,718,291)	(2.3%)	211,489,981	56,653,040	73.2%	
Net Income	13,430,273	8,160,483	5,269,790	64.6%	31,770,124	24,592,714	7,177,410	29.2%	32,631,335	861,211	97.4%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(5,763,268)	(1,087,915)	(4,675,353)	429.8%	(9,064,457)	(2,528,734)	(6,535,723)	258.5%	(8,516,382)	548,075	106.4%	(2)
Decrease in Restricted/Designated Cash	2,759,709	15,120,679	(12,360,970)	(81.7%)	10,542,735	22,323,494	(11,780,759)	(52.8%)	32,556,350	22,013,615	32.4%	(3)
(Increase) in LT Receivables	(2,455,276)	(4,088,430)	1,633,154	(39.9%)	(4,279,685)	(13,120,764)	8,841,079	(67.4%)	(15,423,822)	(11,144,137)	27.7%	(4)
Decrease in LT Receivables	5,302,365	4,514,247	788,118	17.5%	12,820,662	8,836,765	3,983,897	45.1%	10,866,906	(1,953,756)	118.0%	(5)
Acquisition of Capital Assets	(5,333,576)	(7,433,241)	2,099,665	(28.2%)	(41,805,784)	(47,948,946)	6,143,162	(12.8%)	(55,318,600)	(13,512,816)	75.6%	
Maintenance Projects	(3,829,318)	(6,001,226)	2,171,908	(36.2%)	(9,134,378)	(14,073,400)	4,939,022	(35.1%)	(17,412,624)	(8,278,246)	52.5%	
Acquisition of Capital Assets	(9,162,894)	(13,434,467)	4,271,573	(31.8%)	(50,940,162)	(62,022,346)	11,082,184	(17.9%)	(72,731,224)	(21,791,062)	70.0%	(6)
Disposition of Capital Assets	6,959,029	2,681,470	4,277,559	159.5%	7,332,991	3,400,466	3,932,525	115.6%	4,545,704	(2,787,287)	161.3%	(7)
Change in Suspense	(315,516)	0	(315,516)	n/m	(391,613)	0	(391,613)	n/m	0	391,613	n/m	
Change in Other Assets	(699,670)	(500,000)	(199,670)	39.9%	(675,416)	(500,000)	(175,416)	35.1%	(500,000)	175,416	135.1%	
Change in Other Deferrals	122,187	0	122,187	n/m	340,117	0	340,117	n/m	0	(340,117)	n/m	
Increase in LT Debt	9,202,252	21,958,348	(12,756,096)	(58.1%)	60,394,922	53,228,007	7,166,915	13.5%	57,538,798	(2,856,124)	105.0%	(8)
(Decrease) in LT Debt	(5,594,738)	(1,445,817)	(4,148,921)	287.0%	(40,953,388)	(30,285,410)	(10,667,978)	35.2%	(32,776,132)	8,177,256	124.9%	(9)
Change in Other Liabilities	(617,632)	90,017	(707,649)	n/m	(682,898)	281,343	(964,241)	n/m	377,042	1,059,940	n/m	
Other Non-Working Capital Income/Expense Items	2,396,095	0	2,396,095	n/m	2,370,717	1,630,000	740,717	45.4%	1,630,000	(740,717)	145.4%	
Non Income/Expense Change in Equity	16,143,429	11,346,028	4,797,401	42.3%	16,307,429	19,739,028	(3,431,599)	(17.4%)	19,739,028	3,431,599	82.6%	
Total Other Sources/(Uses) of Working Capital	18,276,073	35,154,160	(16,878,087)	(48.0%)	3,121,955	981,849	2,140,106	218.0%	(2,693,732)	(5,815,687)	n/m	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	22,123,476	21,594,657	528,819	2.4%	61,429,973	38,968,714	22,461,259	57.6%	47,260,322	(14,169,651)	130.0%	(10)
Transfers Out to Other Funds	(22,092,538)	(21,594,654)	(497,884)	2.3%	(61,429,973)	(38,968,717)	(22,461,256)	57.6%	(47,260,322)	14,169,651	130.0%	(10)
Net Transfer In/(Out)	30,938	3	30,935	1031166.3%	(0)	(3)	3	(99.7%)	0	0	n/m	
Net Change in Working Capital	$31,737,284	$43,314,646	($11,577,362)	(26.7%)	$34,892,079	$25,574,560	$9,317,519	36.4%	$29,937,603	($4,954,476)	116.5%	
Working Capital, Beginning of Period	14,608,170				11,453,375							
Working Capital, 9/30/2014	$46,345,454				$46,345,454							

1) Administrative costs generally under budget for the first three quarters; Birch Creek projects such as landscaping and playground upgrade were budgeted as administrative expenses and have just begun in the 3rd quarter.
2) Unbudgeted reclassification of lot sales and Hope 6 program income proceeds from unrestricted to restricted.
3) $9M release from restriction of the Federal Home Loan Bank collateral reserve which was budgeted for the 3rd quarter but is expected to occur in the 4th quarter.
4) Loans for Vantage Point development and Eastwood square refinance not yet made but will be made in the 4th quarter
5) Repayment of Green River II lease payable totaling $4.03 million from proceeds of the investor contribution; unbudgeted.
6) Several asset-managed properties have not yet begun budgeted projects; Vantage Point developments costs are expected to increase in the 4th quarter.
7) The last 54 lots at Seola Gardens were sold ; sales volume was well above budgeted levels
8) $7.7M short-term LOC related to Wonderland New Market Tax Credit was extended 18 months to May 2016.
9) Repayment of Green River II lease payable and payoff of 700 building debt.

Public Housing (KCHA)
Working Capital Budget vs. Actual Report
For the Period Ended 9/30/2014

	Quarter Ended September 30, 2014				Year-to-Date				2014 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget	
Revenues	Actual	Budget	$ Var	% Var	Actual	Budget	$ Var	% Var				
Tenant Revenue	$1,020,998	$979,464	$41,534	4.2%	$3,040,230	$2,938,358	$101,872	3.5%	$3,917,822	$877,592	77.6%	
Operating Fund Subsidy from HUD	1,048,285	1,061,706	(13,421)	(1.3%)	3,143,988	3,185,084	(41,096)	(1.3%)	4,246,790	1,102,802	74.0%	
Section 8 Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Operating Revenue	7,417	5,685	1,732	30.5%	18,913	16,879	2,034	12.1%	22,564	3,651	83.8%	
Non-operating Revenue	173,089	577,927	(404,838)	(70.1%)	867,928	975,324	(107,396)	(11.0%)	977,465	109,537	88.8%	
Total Revenues	2,249,789	2,624,782	(374,993)	(14.3%)	7,071,059	7,115,645	(44,586)	(0.6%)	9,164,641	2,093,582	77.2%	
Expenses												
Salaries & Benefits	514,438	559,895	(45,457)	(8.1%)	1,503,661	1,613,620	(109,959)	(6.8%)	2,105,821	602,160	71.4%	
Routine Maintenance, Utilities, Taxes & Insurance	1,068,547	1,056,319	12,228	1.2%	2,971,998	3,036,241	(64,243)	(2.1%)	4,122,273	1,150,275	72.1%	
Direct Social Service Salaries & Benefits	127,182	132,250	(5,068)	(3.8%)	355,742	368,307	(12,565)	(3.4%)	476,301	120,559	74.7%	
Other Social Service Support Expenses & HAP	194,275	215,526	(21,251)	(9.9%)	542,122	634,676	(92,554)	(14.6%)	850,654	308,532	63.7%	(1)
Administrative Support Expenses	605,799	1,029,676	(423,877)	(41.2%)	2,091,037	2,313,198	(222,161)	(9.6%)	2,933,388	842,351	71.3%	(2)
Non-operating Expenses	19,101	7,497	11,604	154.8%	39,297	22,491	16,806	74.7%	29,988	(9,309)	131.0%	
Total Expenses	2,529,342	3,001,163	(471,821)	(15.7%)	7,503,857	7,988,533	(484,676)	(6.1%)	10,518,425	3,014,568	71.3%	
Net Income	(279,553)	(376,381)	96,828	(25.7%)	(432,798)	(872,888)	440,090	(50.4%)	(1,353,784)	(920,986)	32.0%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(5,638)	(18)	(5,620)	31223.5%	(27,173)	(54)	(27,119)	50220.8%	(72)	27,101	37740.6%	
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	(1,844,484)	(2,539,905)	695,421	(27.4%)	(6,555,481)	(7,643,931)	1,088,450	(14.2%)	(9,614,187)	(3,058,706)	68.2%	(3)
Disposition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Suspense	453	0	453	n/m	543	0	543	n/m	0	(543)	n/m	
Change in Other Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Deferrals	5,625	0	5,625	n/m	27,376	0	27,376	n/m	0	(27,376)	n/m	
Increase in LT Debt	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
(Decrease) in LT Debt	(43,574)	(45,084)	1,510	(3.3%)	(129,461)	(135,252)	5,791	(4.3%)	(180,336)	(50,875)	71.8%	
Change in Other Liabilities	(5,203)	(4,926)	(277)	5.6%	(27,229)	(14,778)	(12,451)	84.3%	(19,704)	7,525	138.2%	
Other Non-Working Capital Income/Expense Items	0	0	0	n/m	266,386	0	266,386	n/m	0	(266,386)	n/m	(4)
Non Income/Expense Change in Equity	(0)	0	(0)	n/m	(166,159)	0	(166,159)	n/m	0	166,159	n/m	(5)
Total Other Sources/(Uses) of Working Capital	(1,892,821)	(2,589,933)	697,112	(26.9%)	(6,611,198)	(7,794,015)	1,182,817	(15.2%)	(9,814,299)	(3,203,101)	67.4%	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	2,362,264	3,452,779	(1,090,515)	(31.6%)	6,908,336	8,602,683	(1,694,347)	(19.7%)	11,438,617	4,530,281	60.4%	(3)
Transfers Out to Other Funds	(0)	0	(0)	n/m	(227,371)	0	(227,371)	n/m	0	227,371	n/m	(4)
Net Transfer In/(Out)	2,362,263	3,452,779	(1,090,516)	(31.6%)	6,680,964	8,602,683	(1,921,719)	(22.3%)	11,438,617	4,757,653	58.4%	
Net Change in Working Capital	$189,889	$486,465	($296,576)	(61.0%)	($363,032)	($64,220)	($298,812)	465.3%	$270,534	$633,566	n/m	
Working Capital, Beginning of Period	2,853,368				3,406,289							
Working Capital, 9/30/2014	$3,043,257				$3,043,257							

1) General relocation expense at public housing properties less than anticipated .
2) Due to lower management fee expenses and expenditures below budget in several other categories
3) Construction expenditures have been less than anticipated through the third quarter (both capital construction and unit upgrades), resulting in fewer management fees charged and lower MTW transfers.
4) Variance due to transfer of vehicles to Central Vehicle Fund.
5) Transfer of some remaining equity from former 509 property funds to current 509 properties fund.

Public Housing (Other)
Working Capital Budget vs. Actual Report
For the Period Ended 9/30/2014

	Quarter Ended September 30, 2014				Year-to-Date				2014 Annual Budget	Remainder to Receive/ Spend	Percent of Annual Budget	
Revenues	Actual	Budget	$ Var	% Var	Actual	Budget	$ Var	% Var				
Tenant Revenue	$430,631	$416,595	$14,036	3.4%	$1,282,256	$1,249,779	$32,477	2.6%	$1,666,374	$384,118	76.9%	
Operating Fund Subsidy from HUD	1,149,528	1,114,059	35,469	3.2%	3,272,036	3,342,155	(70,119)	(2.1%)	4,456,214	1,184,178	73.4%	
Section 8 Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Other Operating Revenue	46,573	20,273	26,300	129.7%	67,751	64,398	3,353	5.2%	84,671	16,920	80.0%	
Non-operating Revenue	809,052	990,770	(181,718)	(18.3%)	2,949,469	2,985,461	(35,992)	(1.2%)	3,976,232	1,026,763	74.2%	
Total Revenues	2,435,783	2,541,697	(105,914)	(4.2%)	7,571,511	7,641,793	(70,282)	(0.9%)	10,183,491	2,611,980	74.4%	
Expenses												
Salaries & Benefits	247,478	266,383	(18,905)	(7.1%)	761,797	771,138	(9,341)	(1.2%)	1,009,472	247,675	75.5%	
Routine Maintenance, Utilities, Taxes & Insurance	468,792	472,517	(3,725)	(0.8%)	1,399,013	1,363,778	35,235	2.6%	1,844,983	445,970	75.8%	
Direct Social Service Salaries & Benefits	90,975	90,958	17	0.0%	260,853	259,893	960	0.4%	337,861	77,008	77.2%	
Other Social Service Support Expenses & HAP	711,457	684,370	27,087	4.0%	2,105,882	2,052,867	53,015	2.6%	2,737,224	631,342	76.9%	
Administrative Support Expenses	222,217	226,134	(3,917)	(1.7%)	669,798	642,552	27,246	4.2%	853,023	183,225	78.5%	
Non-operating Expenses	652,661	654,384	(1,723)	(0.3%)	2,003,110	1,958,978	44,132	2.3%	2,613,362	610,252	76.6%	
Total Expenses	2,393,579	2,394,746	(1,167)	(0.0%)	7,200,452	7,049,206	151,246	2.1%	9,395,925	2,195,473	76.6%	
Net Income	42,204	146,951	(104,747)	(71.3%)	371,059	592,587	(221,528)	(37.4%)	787,566	416,507	47.1%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(311,616)	(41,422)	(270,194)	652.3%	(401,630)	(124,256)	(277,374)	223.2%	(165,681)	235,949	242.4%	(1)
Decrease in Restricted/Designated Cash	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
(Increase) in LT Receivables	(636,158)	(556,308)	(79,850)	14.4%	(1,842,869)	(1,673,098)	(169,771)	10.1%	(2,229,406)	(386,537)	82.7%	(2)
Decrease in LT Receivables	21,882	0	21,882	n/m	217,757	195,875	21,882	11.2%	395,875	178,118	55.0%	
Acquisition of Capital Assets	(67,858)	(173,388)	105,530	(60.9%)	(611,140)	(711,853)	100,713	(14.1%)	(981,560)	(370,420)	62.3%	(3)
Disposition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Suspense	591	0	591	n/m	19	0	19	n/m	0	(19)	n/m	
Change in Other Assets	(699,130)	0	(699,130)	n/m	(658,256)	0	(658,256)	n/m	0	658,256	n/m	(4)
Change in Deferrals	315	0	315	n/m	1,436	0	1,436	n/m	0	(1,436)	n/m	
Increase in LT Debt	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
(Decrease) in LT Debt	(1,441)	(1,491)	50	(3.4%)	(4,280)	(4,473)	193	(4.3%)	(205,964)	(201,684)	2.1%	
Change in Other Liabilities	295,767	239,277	56,490	23.6%	887,342	717,831	169,511	23.6%	957,108	69,766	92.7%	(2)
Other Non-Working Capital Income/Expense Items	766,095	0	766,095	n/m	766,095	0	766,095	n/m	0	(766,095)	n/m	(4)
Non Income/Expense Change in Equity	11,344,562	11,346,028	(1,466)	(0.0%)	11,344,562	14,996,028	(3,651,466)	(24.3%)	14,996,028	3,651,466	75.7%	(5)
Total Other Sources/(Uses) of Working Capital	10,713,009	10,812,696	(99,687)	(0.9%)	9,699,036	13,396,054	(3,697,018)	(27.6%)	12,766,400	3,067,364	76.0%	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	1,479,873	540,429	939,444	173.8%	1,726,404	960,079	766,325	79.8%	1,712,378	(14,026)	100.8%	(6)
Transfers Out to Other Funds	(11,075,723)	(11,083,340)	7,617	(0.1%)	(14,922,352)	(14,783,884)	(138,468)	0.9%	(14,783,884)	138,468	100.9%	
Net Transfer In/(Out)	(9,595,850)	(10,542,911)	947,061	(9.0%)	(13,195,948)	(13,823,805)	627,857	(4.5%)	(13,071,506)	124,442	101.0%	
Net Change in Working Capital	$1,159,363	$416,736	$742,627	178.2%	($3,125,853)	$164,836	($3,290,689)	n/m	$482,460	$3,608,313	n/m	
Working Capital, Beginning of Period	(572,804)				3,712,412							
Working Capital, 9/30/2014	$586,559				$586,559							

1) Unbudgeted Fairwind special purpose reserve funding from investor contribution.
2) Variance due to budgeting error on Fairwind King County and Hope VI loan interest.
3) CFP grant-funded unit upgrades at Sedro less than anticipated through the third quarter but will be completed by year -end. In addition, unit upgrade costs at Egis properties were less than antcipated but expected to catch up to budget by year end.
4) Due to reclassification of Salmon Creek and Nia commercial tenant improvement cost from work - in-process to Other Asset as leasehold improvement.
5) First installment of the Fairwind Investor equity contribution was budgeted for January 2014, but received in December 2013 .
6) Due to an unbudgeted transfer of Fairwind development cost to lease receivable. In addition, the budgeted operating fund sub sidy transfer to general partner ledgers of Egis , Seola Crossing and Salmon Creek will be made later in the fourth quarter

Other Federally-supported (KCHA)
Working Capital Budget vs. Actual Report
For the Period Ended 9/30/2014

	Quarter Ended September 30, 2014				Year-to-Date				2014 Annual Budget	Remainder to Receive/ Spend	(n/m= not meaningful) Percent of Annual Budget	
Revenues	Actual	Budget	$ Var	% Var	Actual	Budget	$ Var	% Var				
Tenant Revenue	$1,233,886	$1,251,405	($17,519)	(1.4%)	$3,746,324	$3,754,209	($7,885)	(0.2%)	$5,005,614	$1,259,290	74.8%	
Operating Fund Subsidy from HUD	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Section 8 Subsidy from HUD	83,728	95,751	(12,023)	(12.6%)	260,961	287,249	(26,288)	(9.2%)	383,000	122,039	68.1%	
Other Operating Revenue	44,340	113,298	(68,958)	(60.9%)	294,416	360,817	(66,401)	(18.4%)	453,205	158,789	65.0%	
Non-operating Revenue	5,425	5,200	225	4.3%	16,517	15,589	928	6.0%	20,792	4,275	79.4%	
Total Revenues	1,367,378	1,465,654	(98,276)	(6.7%)	4,318,217	4,417,864	(99,647)	(2.3%)	5,862,611	1,544,394	73.7%	
Expenses												
Salaries & Benefits	184,669	198,803	(14,134)	(7.1%)	525,082	571,077	(45,995)	(8.1%)	745,027	219,945	70.5%	
Routine Maintenance, Utilities, Taxes & Insurance	372,563	393,352	(20,789)	(5.3%)	1,128,446	1,154,813	(26,367)	(2.3%)	1,551,296	422,850	72.7%	
Direct Social Service Salaries & Benefits	38,877	39,120	(243)	(0.6%)	112,354	111,778	576	0.5%	145,311	32,957	77.3%	
Other Social Service Support Expenses & HAP	16,484	21,441	(4,957)	(23.1%)	49,771	64,339	(14,568)	(22.6%)	85,772	36,001	58.0%	
Administrative Support Expenses	184,387	163,171	21,216	13.0%	479,818	469,291	10,527	2.2%	627,082	147,264	76.5%	
Non-operating Expenses	157,232	37,552	119,680	318.7%	246,074	125,752	120,322	95.7%	163,173	(82,901)	150.8%	(1)
Total Expenses	954,213	853,439	100,774	11.8%	2,541,546	2,497,050	44,496	1.8%	3,317,661	776,115	76.6%	
Net Income	413,164	612,215	(199,051)	(32.5%)	1,776,670	1,920,814	(144,144)	(7.5%)	2,544,950	768,280	69.8%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(24,752)	(21,535)	(3,217)	14.9%	(46,569)	(64,590)	18,021	(27.9%)	(86,128)	(39,559)	54.1%	
Decrease in Restricted/Designated Cash	14,865	0	14,865	n/m	14,865	0	14,865	n/m	0	(14,865)	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	(242,925)	(498,832)	255,907	(51.3%)	(357,109)	(927,579)	570,470	(61.5%)	(1,361,351)	(1,004,242)	26.2%	
Maintenance Projects	(180,147)	(180,039)	(108)	0.1%	(416,498)	(537,104)	120,606	(22.5%)	(836,143)	(419,645)	49.8%	
Acquisition of Capital Assets	(423,072)	(678,871)	255,799	(37.7%)	(773,607)	(1,464,683)	691,076	(47.2%)	(2,197,494)	(1,423,887)	35.2%	(2)
Disposition of Capital Assets	1,837,640	1,851,980	(14,340)	(0.8%)	1,837,640	1,851,980	(14,340)	(0.8%)	1,851,980	14,340	99.2%	
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	(13,632)	0	(13,632)	n/m	(14,865)	0	(14,865)	n/m	0	14,865	n/m	
Increase in LT Debt	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
(Decrease) in LT Debt	(8,392)	(14,237)	5,845	(41.1%)	(1,117,470)	(624,290)	(493,180)	79.0%	(653,118)	464,352	171.1%	(3)
Change in Other Liabilities	(16,950)	(16,950)	(0)	0.0%	(67,394)	(50,850)	(16,544)	32.5%	(67,800)	(406)	99.4%	
Other Non-Working Capital Income/Expense Items	0	0	0	n/m	77,383	0	77,383	n/m	0	(77,383)	n/m	(4)
Non Income/Expense Change in Equity	0	0	0	n/m	773	0	773	n/m	0	(773)	n/m	
Total Other Sources/(Uses) of Working Capital	1,365,708	1,120,387	245,321	21.9%	(89,243)	(352,433)	263,190	(74.7%)	(1,152,560)	(1,063,317)	7.7%	
Transfer In from (Out to) Other Funds												
Net Transfer In/(Out)	81,674	367,264	(285,590)	(77.8%)	922,982	918,052	4,930	0.5%	1,226,247	303,265	75.3%	
Net Change in Working Capital	$1,860,546	$2,099,866	($239,320)	(11.4%)	$2,610,409	$2,486,433	$123,976	5.0%	$2,618,637	$8,228	99.7%	
Working Capital, Beginning of Period	2,758,075				2,008,212							
Working Capital, 9/30/2014	$4,618,621				$4,618,621							

1) Variance due to a rent credit applied to the sales price of the Hopkins building.
2) Unit upgrade cost was less than anticipated at Hidden Village, Newport, Burien Park and Northwood apartments due to lack of availability. Upgrades were done in other portfolios.
3) Difference due to unbudgeted reallocation of the Hidden Village 2013 Pool debt.
4) Variance due to transfer of vehicles to Central Vehicle Fund.

Other Federally-supported (Other)
Working Capital Budget vs. Actual Report
For the Period Ended 9/30/2014

	Quarter Ended September 30, 2014				Year-to-Date				2014 Annual Budget	Remainder to Receive/ Spend	(n/m= not meaningful) Percent of Annual Budget	
Revenues	Actual	Budget	$ Var	% Var	Actual	Budget	$ Var	% Var				
Tenant Revenue	$2,788,502	$2,743,056	$45,446	1.7%	$8,212,087	$8,228,974	($16,887)	(0.2%)	$10,972,123	$2,760,036	74.8%	
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	442,153	393,466	48,687	12.4%	1,418,483	1,462,493	(44,010)	(3.0%)	1,850,959	432,476	76.6%	
Non-operating Revenue	331,211	330,928	283	0.1%	1,148,358	994,846	153,512	15.4%	1,327,624	179,266	86.5%	(1)
Total Revenues	3,561,866	3,467,450	94,416	2.7%	10,778,928	10,686,313	92,615	0.9%	14,150,706	3,371,778	76.2%	
Expenses												
Salaries & Benefits	387,937	390,425	(2,488)	(0.6%)	1,113,104	1,126,076	(12,972)	(1.2%)	1,470,534	357,430	75.7%	
Routine Maintenance, Utilities, Taxes & Insurance	812,253	854,102	(41,849)	(4.9%)	2,199,148	2,390,382	(191,234)	(8.0%)	3,228,638	1,029,490	68.1%	
Direct Social Service Salaries & Benefits	54,948	80,098	(25,150)	(31.4%)	182,077	227,030	(44,953)	(19.8%)	293,673	111,596	62.0%	
Other Social Service Support Expenses & HAP	93,354	115,623	(22,269)	(19.3%)	299,887	342,730	(42,843)	(12.5%)	458,328	158,441	65.4%	
Administrative Support Expenses	321,142	341,446	(20,304)	(5.9%)	924,628	1,462,450	(537,822)	(36.8%)	1,814,573	889,945	51.0%	(2)
Non-operating Expenses	1,398,920	1,356,891	42,029	3.1%	4,186,025	4,219,934	(33,909)	(0.8%)	5,716,496	1,530,471	73.2%	
Total Expenses	3,068,554	3,138,585	(70,031)	(2.2%)	8,904,869	9,768,602	(863,733)	(8.8%)	12,982,242	4,077,373	68.6%	
Net Income	493,312	328,865	164,447	50.0%	1,874,059	917,711	956,348	104.2%	1,168,464	(705,595)	160.4%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(169,971)	(57,842)	(112,129)	193.9%	(292,203)	(173,442)	(118,761)	68.5%	(231,293)	60,910	126.3%	(3)
Decrease in Restricted/Designated Cash	1,212,398	1,324,654	(112,256)	(8.5%)	4,578,144	4,643,273	(65,129)	(1.4%)	7,906,241	3,328,097	57.9%	
(Increase) in LT Receivables	(1,715,191)	(2,584,542)	869,351	(33.6%)	(2,085,574)	(4,584,930)	2,499,356	(54.5%)	(5,777,271)	(3,691,697)	36.1%	(4)
Decrease in LT Receivables	4,030,000	0	4,030,000	n/m	5,515,805	1,519,497	3,996,308	263.0%	1,519,497	(3,996,308)	363.0%	(5)
Acquisition of Capital Assets	(659,893)	(1,909,920)	1,250,027	(65.4%)	(3,821,742)	(5,024,693)	1,202,951	(23.9%)	(6,377,741)	(2,555,999)	59.9%	
Maintenance Projects	(101,871)	(221,887)	120,016	(54.1%)	(471,078)	(667,208)	196,130	(29.4%)	(890,539)	(419,461)	52.9%	
Acquisition of Capital Assets	(761,764)	(2,131,807)	1,370,043	(64.3%)	(4,292,820)	(5,691,901)	1,399,081	(24.6%)	(7,268,280)	(2,975,460)	59.1%	(6)
Disposition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Suspense	933	0	933	n/m	849	0	849	n/m	0	(849)	n/m	
Change in Other Assets	0	0	0	n/m	0	0	0	n/m	0	(0)	n/m	
Change in Deferrals	(117)	0	(117)	n/m	2,549	0	2,549	n/m	0	(2,549)	n/m	
Increase in LT Debt	181	467,680	(467,499)	(100.0%)	543	468,040	(467,497)	(99.9%)	1,573,320	1,572,777	0.0%	(7)
(Decrease) in LT Debt	(4,152,769)	(121,872)	(4,030,897)	3307.5%	(8,728,214)	(3,892,110)	(4,836,104)	124.3%	(4,013,982)	4,714,232	217.4%	(8)
Change in Other Liabilities	85,191	85,194	(3)	(0.0%)	255,574	255,582	(8)	(0.0%)	340,776	85,202	75.0%	
Other Non-Working Capital Income/Expense Items	1,630,000	0	1,630,000	n/m	1,686,003	1,630,000	56,003	3.4%	1,630,000	(56,003)	103.4%	(9)
Non Income/Expense Change in Equity	4,798,867	0	4,798,867	n/m	4,867,148	4,580,000	287,148	6.3%	4,580,000	(287,148)	106.3%	(10)
Total Other Sources/(Uses) of Working Capital	4,957,756	(3,018,535)	7,976,291	n/m	1,507,802	(1,245,991)	2,753,793	n/m	259,008	(1,248,794)	582.1%	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	1,090,743	3,242,015	(2,151,272)	(66.4%)	4,321,765	6,559,144	(2,237,379)	(34.1%)	8,005,204	3,683,439	54.0%	(11)
Transfers Out to Other Funds	(90,742)	(210,373)	119,631	(56.9%)	(1,557,737)	(631,129)	(926,608)	146.8%	(841,500)	716,237	185.1%	(12)
Net Transfer In/(Out)	1,000,001	3,031,642	(2,031,641)	(67.0%)	2,764,028	5,928,015	(3,163,987)	(53.4%)	7,163,704	4,399,676	38.6%	
Net Change in Working Capital	$6,451,068	$341,972	$6,109,096	1786.4%	$6,145,888	$5,599,735	$546,153	9.8%	$8,591,176	$2,445,288	71.5%	
Working Capital, Beginning of Period	279,137				584,317							
Working Capital, 9/30/2014	$6,730,205				$6,730,205							

1) During the second quarter, made an unbudgeted draw of $132k from RHF grant to reimburse COCC for 2013 Green River Homes 2 interest payment.
2) Expenses related to Birch Creek projects such as the playground upgrade were budgeted as administrative expense. The Birch Creek playground upgrade is expected to begin in 2015.
3) Variance due to unbudgeted reserve funding totaling $107K from proceeds of Green River House II investor contribution.
4) The budgeted permanent loan to Vantage Point LLC is expected to occur in the 4th quarter.
5) Unbudgeted repayment of Green River II lease payable totaling $4.03 million from proceeds of the investor contribution.
6) MKCRF project construction costs were less than anticipated in the third quarter and are expected to finish the year under target primarily due to delays in the Forest Grove building envelope and Kings Court roofing projects.
7) The budgeted draw from Bank of America LOC for Vantage Point development financing is expected to occur in 2015.
8) Unbudgeted repayment of Green River II lease payable of $4.03 million from proceeds of the investor contribution. In addition, unbudgeted reclassification of Green River principal payment of $863k due at year-end to short-term.
9) Gain on sale of Land to Vantage Point Partnership budgeted for the 2nd quarter, occurred in the 3rd quarter.
10) Green River II Investor equity contribution was budgeted for the 2nd quarter, but received in the 3rd quarter.
11) Budgeted $2M transfer from pre-development ledger to general partner ledger expected to occur in the 4th quarter
12) $853k transferred from MKCRF back to MTW to reimburse for expenses originally paid by MTW; unbudgeted.

Section 8
Working Capital Budget vs. Actual Report
For the Period Ended 9/30/2014

	Quarter Ended September 30, 2014				Year-to-Date				2014 Annual Budget	Remainder to Receive/ Spend	(n/m= not meaningful) Percent of Annual Budget	
Revenues	Actual	Budget	$ Var	% Var	Actual	Budget	$ Var	% Var				
Tenant Revenue	$36,472	$30,000	$6,472	21.6%	$130,501	$90,000	$40,501	45.0%	$120,000	($10,501)	108.8%	(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	24,392,344	24,582,662	(190,318)	(0.8%)	73,125,875	73,387,559	(261,684)	(0.4%)	98,170,764	25,044,889	74.5%	
Other Operating Revenue	7,083,239	6,954,349	128,890	1.9%	20,967,845	20,691,122	276,723	1.3%	27,703,097	6,735,252	75.7%	
Non-operating Revenue	51	924	(873)	(94.5%)	178	2,771	(2,593)	(93.6%)	3,695	3,517	4.8%	
Total Revenues	31,512,106	31,567,935	(55,829)	(0.2%)	94,224,399	94,171,452	52,947	0.1%	125,997,556	31,773,157	74.8%	
Expenses												
Salaries & Benefits	1,458,598	1,488,604	(30,006)	(2.0%)	4,176,301	4,213,031	(36,730)	(0.9%)	5,536,184	1,359,883	75.4%	
Routine Maintenance, Utilities, Taxes & Insurance	69,497	60,982	8,515	14.0%	203,484	182,920	20,564	11.2%	243,412	39,928	83.6%	
Direct Social Service Salaries & Benefits	113,525	96,275	17,250	17.9%	289,564	269,362	20,202	7.5%	349,417	59,853	82.9%	
Other Social Service Support Expenses & HAP	28,551,576	29,090,566	(538,990)	(1.9%)	86,184,725	86,717,244	(532,519)	(0.6%)	116,059,997	29,875,272	74.3%	
Administrative Support Expenses	1,010,386	1,007,043	3,343	0.3%	2,795,443	2,981,865	(186,422)	(6.3%)	3,973,154	1,177,711	70.4%	
Non-operating Expenses	(0)	0	(0)	n/m	(5,995)	0	(5,995)	n/m	0	5,995	n/m	
Total Expenses	31,203,582	31,743,470	(539,888)	(1.7%)	93,643,522	94,364,422	(720,900)	(0.8%)	126,162,164	32,518,642	74.2%	
Net Income	308,523	(175,535)	484,058	n/m	580,876	(192,970)	773,846	n/m	(164,608)	(745,484)	n/m	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(50,544)	0	(50,544)	n/m	(173,733)	0	(173,733)	n/m	0	173,733	n/m	(2)
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	(0)	0	(0)	n/m	0	0	n/m	
Maintenance Projects	(720)	(390)	(330)	84.6%	(720)	(1,173)	453	(38.6%)	(1,563)	(843)	46.0%	
Acquisition of Capital Assets	(720)	(390)	(330)	84.6%	(720)	(1,173)	453	(38.6%)	(1,563)	(843)	46.1%	
Disposition of Capital Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Suspense	88	0	88	n/m	93	0	93	n/m	0	(93)	n/m	
Change in Other Assets	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Change in Deferrals	50,544	0	50,544	n/m	173,733	0	173,733	n/m	0	(173,733)	n/m	(2)
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	10,673	0	10,673	n/m	0	(10,673)	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	(632)	(390)	(242)	62.0%	10,046	(1,173)	11,219	n/m	(1,563)	(11,609)	n/m	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Transfers Out to Other Funds	(830,591)	(855,000)	24,409	(2.9%)	(976,757)	(990,000)	13,243	(1.3%)	(990,000)	(13,243)	98.7%	
Net Transfer In/(Out)	(830,591)	(855,000)	24,409	(2.9%)	(976,757)	(990,000)	13,243	(1.3%)	(990,000)	(13,243)	98.7%	
Net Change in Working Capital	($522,699)	($1,030,925)	$508,226	(49.3%)	($385,834)	($1,184,143)	$798,309	(67.4%)	($1,156,171)	($770,337)	33.4%	
Working Capital, Beginning of Period	324,663				187,798							
Working Capital, 9/30/2014	($198,036)				($198,036)							

1) Tenant collections applicable to ports were higher than anticipated in the budget
2) Variance due to unbudgeted change in FSS reserve accounts.

MTW
Working Capital Budget vs. Actual Report
For the Period Ended 9/30/2014

(n/m= not meaningful)

	Quarter Ended September 30, 2014				Year-to-Date				2014 Annual	Remainder to Receive/	Percent of Annual	
Revenues	Actual	Budget	$ Var	% Var	Actual	Budget	$ Var	% Var	Budget	Spend	Budget	
Tenant Revenue	$0	$0	$0	n/m	$0	$0	$0	n/m	$0	$0	n/m	
Operating Fund Subsidy from HUD	328,503	327,642	861	0.3%	988,723	982,930	5,793	0.6%	1,310,572	321,849	75.4%	
Section 8 Subsidy from HUD	5,260,524	3,342,180	1,918,344	57.4%	10,397,674	9,702,417	695,257	7.2%	12,945,117	2,547,443	80.3%	(1)
Other Operating Revenue	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Non-operating Revenue	23,744	72,964	(49,220)	(67.5%)	72,427	116,172	(43,745)	(37.7%)	188,651	116,224	38.4%	(2)
Total Revenues	5,612,771	3,742,786	1,869,985	50.0%	11,458,824	10,801,519	657,305	6.1%	14,444,340	2,985,516	79.3%	
Expenses												
Salaries & Benefits	132,936	209,813	(76,877)	(36.6%)	467,576	585,230	(117,654)	(20.1%)	770,325	302,749	60.7%	(3)
Routine Maintenance, Utilities, Taxes & Insurance	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Direct Social Service Salaries & Benefits	83,851	85,189	(1,338)	(1.6%)	203,883	201,738	2,145	1.1%	274,756	70,873	74.2%	
Other Social Service Support Expenses & HAP	544,369	536,103	8,266	1.5%	1,533,145	1,796,884	(263,739)	(14.7%)	2,332,986	799,841	65.7%	(4)
Administrative Support Expenses	32,618	42,994	(10,376)	(24.1%)	120,717	131,970	(11,253)	(8.5%)	166,961	46,244	72.3%	
Non-operating Expenses	(1)	0	(1)	n/m	51,683	0	51,683	n/m	0	(51,683)	n/m	
Total Expenses	793,774	874,099	(80,325)	(9.2%)	2,377,004	2,715,822	(338,818)	(12.5%)	3,545,028	1,168,024	67.1%	
Net Income	4,818,997	2,868,687	1,950,310	68.0%	9,081,820	8,085,697	996,123	12.3%	10,899,312	1,817,492	83.3%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	0	(600,000)	600,000	(100.0%)	(600,000)	(600,000)	0	0.0%	(600,000)	0	100.0%	(5)
Decrease in Restricted/Designated Cash	(60,866)	380,289	(441,155)	n/m	3,170,666	3,335,137	(164,471)	(4.9%)	9,649,297	6,478,631	32.9%	
(Increase) in LT Receivables	4,000	0	4,000	n/m	0	(5,670,000)	5,670,000	(100.0%)	(5,986,211)	(5,986,211)	0.0%	(6)
Decrease in LT Receivables	1,087,288	330,000	757,288	229.5%	1,581,237	1,048,996	532,241	50.7%	1,694,744	113,507	93.3%	(7)
Acquisition of Capital Assets	(202,526)	(110,811)	(91,715)	82.8%	(335,161)	(260,908)	(74,253)	28.5%	(805,590)	(470,429)	41.6%	
Maintenance Projects	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Acquisition of Capital Assets	(202,526)	(110,811)	(91,715)	82.8%	(335,161)	(260,908)	(74,253)	28.5%	(805,590)	(470,429)	41.6%	(8)
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	119,204	0	119,204	n/m	0	(119,204)	n/m	(9)
Total Other Sources/(Uses) of Working Capital	827,895	(522)	828,417	n/m	3,935,945	(2,146,775)	6,082,720	n/m	3,952,240	16,295	99.6%	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	830,592	855,000	(24,408)	(2.9%)	1,819,462	990,000	829,462	83.8%	990,000	(829,462)	183.8%	(10)
Transfers Out to Other Funds	(3,879,505)	(5,367,966)	1,488,461	(27.7%)	(11,595,750)	(14,075,089)	2,479,339	(17.6%)	(19,015,543)	(7,419,793)	61.0%	(11)
Net Transfer In/(Out)	(3,048,913)	(4,512,966)	1,464,053	(32.4%)	(9,776,288)	(13,085,089)	3,308,801	(25.3%)	(18,025,543)	(8,249,255)	54.2%	
Net Change in Working Capital	$2,597,979	($1,644,801)	$4,242,780	n/m	$3,241,477	($7,146,167)	$10,387,644	n/m	($3,173,991)	($6,415,468)	n/m	
Working Capital, Beginning of Period	4,131,168				3,487,670							
Working Capital, 9/30/2014	$6,729,147				$6,729,147							

1) Standard monthly block grant payments from HUD are based on prior years leasing levels. Additional months are requested by KCHA as HUD receives specific funding authority. Consequently the quarterly cash receipts vary. KCHA received additional block grant funds totaling $5.2 million during the 3rd quarter.
2) Interest income on Eastwood Square MTW loan was budgeted starting July, but the loan is expected to occur in October.
3) Variance is due to unfilled positions.
4) Variance is due to invoicing from homeless program partners not being timely as well as some homeless program contracts being under- utilized. The programs will be reduced and reallocated to another contractor in 2015.
5) HAP reserve was increased by $600k in 2nd quarter, but was budgeted for the 3rd quarter.
6) MTW loans to Eastwood Square and Vantage Point were budgeted for June, but expected to occur in the 4th quarter.
7) Mostly due to timing; lot sales proceeds applied to MTW loan during the 3rd quarter , but was budgeted for the 4th quarter.
8) Bulk of the Housing management software conversion costs in 2014 are budgeted in the 4th quarter.
9) Transfer of equity related to funds which have been closed.
10) MKCRF reimbursement of $853K for rehabilitation projects initially funded by MTW. Unbudgeted.
11) The budgeted transfer from MTW for property support, operating subsidy and capital construction is expected to be made later in the 4th quarter.

Local Properties (KCHA)
Working Capital Budget vs. Actual Report
For the Period Ended 9/30/2014

	Quarter Ended September 30, 2014				Year-to-Date				2014 Annual Budget	Remainder to Receive/ Spend	(n/m= not meaningful) Percent of Annual Budget	
Revenues	Actual	Budget	$ Var	% Var	Actual	Budget	$ Var	% Var				
Tenant Revenue	$10,068,530	$9,805,758	$262,772	2.7%	$28,899,947	$28,198,955	$700,992	2.5%	$38,054,014	$9,154,067	75.9%	
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	(31,500)	35,916	(67,416)	n/m	187,155	106,638	80,517	75.5%	142,554	(44,601)	131.3%	(1)
Non-operating Revenue	227,994	358,048	(130,054)	(36.3%)	1,033,264	2,013,559	(980,295)	(48.7%)	2,136,721	1,103,457	48.4%	(2)
Total Revenues	10,265,024	10,199,722	65,302	0.6%	30,120,366	30,319,152	(198,786)	(0.7%)	40,333,289	10,212,923	74.7%	
Expenses												
Salaries & Benefits	821,266	912,696	(91,430)	(10.0%)	2,467,398	2,654,961	(187,563)	(7.1%)	3,549,529	1,082,131	69.5%	
Routine Maintenance, Utilities, Taxes & Insurance	2,445,855	2,658,286	(212,431)	(8.0%)	6,887,358	7,397,881	(510,523)	(6.9%)	9,737,475	2,850,117	70.7%	
Direct Social Service Salaries & Benefits	11,007	7,759	3,248	41.9%	30,071	22,185	7,886	35.5%	28,840	(1,231)	104.3%	
Other Social Service Support Expenses & HAP	27,722	29,716	(1,994)	(6.7%)	79,485	88,475	(8,990)	(10.2%)	118,014	38,529	67.4%	
Administrative Support Expenses	945,260	996,902	(51,642)	(5.2%)	2,902,712	2,909,770	(7,058)	(0.2%)	3,857,374	954,662	75.3%	
Non-operating Expenses	1,376,894	1,348,026	28,868	2.1%	3,781,631	3,728,818	52,813	1.4%	5,068,543	1,286,912	74.6%	
Total Expenses	5,628,005	5,953,385	(325,380)	(5.5%)	16,148,656	16,802,090	(653,434)	(3.9%)	22,359,775	6,211,119	72.2%	
Net Income	4,637,018	4,246,337	390,681	9.2%	13,971,709	13,517,062	454,647	3.4%	17,973,514	4,001,805	77.7%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(353,731)	(276,048)	(77,683)	28.1%	(1,412,653)	(1,292,854)	(119,799)	9.3%	(1,568,750)	(156,097)	90.0%	(3)
Decrease in Restricted/Designated Cash	0	1,130,600	(1,130,600)	(100.0%)	0	1,891,000	(1,891,000)	(100.0%)	2,022,400	2,022,400	0.0%	(4)
(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	(216,351)	(429,441)	213,090	(49.6%)	(27,821,156)	(28,930,945)	1,109,789	(3.8%)	(28,980,945)	(1,159,789)	96.0%	
Maintenance Projects	(2,665,418)	(4,605,244)	1,939,826	(42.1%)	(5,782,334)	(9,997,605)	4,215,271	(42.2%)	(11,868,032)	(6,085,698)	48.7%	
Acquisition of Capital Assets	(2,881,769)	(5,034,685)	2,152,916	(42.8%)	(33,603,490)	(38,928,550)	5,325,060	(13.7%)	(40,848,977)	(7,245,487)	82.3%	(5)
Disposition of Capital Assets	82,531	0	82,531	n/m	82,531	0	82,531	n/m	0	(82,531)	n/m	
Change in Suspense	91,568	0	91,568	n/m	58,273	0	58,273	n/m	0	(58,273)	n/m	
Change in Other Assets	(540)	0	(540)	n/m	(17,160)	0	(17,160)	n/m	0	17,160	n/m	
Change in Deferrals	79,053	0	79,053	n/m	139,089	0	139,089	n/m	0	(139,089)	n/m	(6)
Increase in LT Debt	18,887	23,000,411	(22,981,524)	(99.9%)	51,011,195	46,423,303	4,587,892	9.9%	46,423,714	(4,587,481)	109.9%	(7)
(Decrease) in LT Debt	(1,118,671)	(990,997)	(127,674)	12.9%	(20,013,671)	(20,344,157)	330,486	(1.6%)	(21,347,118)	(1,333,447)	93.8%	
Change in Other Liabilities	(0)	0	(0)	n/m	(21,551)	58,810	(80,361)	n/m	58,810	80,361	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	464,616	0	464,616	n/m	0	(464,616)	n/m	(8)
Total Other Sources/(Uses) of Working Capital	(4,082,672)	17,829,281	(21,911,953)	n/m	(3,312,821)	(12,192,448)	8,879,627	(72.8%)	(15,259,921)	(11,947,100)	21.7%	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	539,418	436,941	102,477	23.5%	17,127,720	1,114,790	16,012,930	1436.4%	1,172,290	(15,955,430)	1461.0%	
Transfers Out to Other Funds	(2,102,000)	(295,005)	(1,806,995)	612.5%	(25,429,210)	(1,088,569)	(24,340,641)	2236.0%	(1,383,574)	24,045,636	1837.9%	
Net Transfer In/(Out)	(1,562,582)	141,936	(1,704,518)	n/m	(8,301,490)	26,221	(8,327,711)	n/m	(211,284)	8,090,206	3929.1%	(9)
Net Change in Working Capital	($1,008,236)	$22,217,554	($23,225,790)	n/m	$2,357,398	$1,350,835	$1,006,563	74.5%	$2,502,309	$144,911	94.2%	
Working Capital, Beginning of Period	4,523,628				1,157,994							
Working Capital, 9/30/2014	$3,515,392				$3,515,392							

1) Due to unbudgeted commercial tenant income from Patricia Harris Manor. In addition, higher than anticipated home & lots sales price participation.
2) The budgeted grant income from King County totaling $956K for Chausee properties rehab is expected to be received in the fourth quarter.
3) Unbudgeted transfer of Rural Housing partnership replacement reserve to KCHA.
4) The budgeted withdrawals from replacement reserve accounts for various maintenance projects at Woodland North, Auburn Square, Woodridge Park, Walnut Apartments, Cascadian & Nike are expected to be made in the 4th quarter.
5) Multiple projects expected to be financed by King County grant and replacement reserve withdrawal have yet to occur. See (2) & (4) above.
6) Unbudgeted security deposit increase at new properties Gilman Square and Rural Housing Properties.
7) Variance due to unbudgeted reallocation of the 2013 Pool debt. In addition, the Gilman Square LOC draw of $23M was budgeted for the 3rd quarter, but occurred in the 2nd quarter.
8) Transfer of Rural Housing & Laurelwood equity from the tax credit fund group to local KCHA properties fund group.
9) Variance due to unbudgeted reallocation of the 2013 Pool and higher than anticipated excess cash transfers to COCC.

Local Properties (Other)
Working Capital Budget vs. Actual Report
For the Period Ended 9/30/2014

	Quarter Ended September 30, 2014				Year-to-Date				2014 Annual Budget	Remainder to Receive/ Spend	(n/m= not meaningful) Percent of Annual Budget	
Revenues	Actual	Budget	$ Var	% Var	Actual	Budget	$ Var	% Var				
Tenant Revenue	$351,928	$342,718	$9,210	2.7%	$1,050,492	$1,028,142	$22,350	2.2%	$1,370,860	$320,368	76.6%	
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	(974)	43,464	(44,438)	n/m	82,345	130,388	(48,043)	(36.8%)	173,852	91,507	47.4%	(1)
Non-operating Revenue	196,470	198,771	(2,301)	(1.2%)	591,821	596,308	(4,487)	(0.8%)	795,079	203,258	74.4%	
Total Revenues	547,423	584,953	(37,530)	(6.4%)	1,724,657	1,754,838	(30,181)	(1.7%)	2,339,791	615,134	73.7%	
Expenses												
Salaries & Benefits	65,249	91,020	(25,771)	(28.3%)	271,454	262,958	8,496	3.2%	343,857	72,403	78.9%	
Routine Maintenance, Utilities, Taxes & Insurance	114,246	126,789	(12,543)	(9.9%)	337,512	357,555	(20,043)	(5.6%)	479,790	142,278	70.3%	
Direct Social Service Salaries & Benefits	9,814	9,209	605	6.6%	27,861	26,312	1,549	5.9%	34,205	6,344	81.5%	
Other Social Service Support Expenses & HAP	29,950	30,452	(502)	(1.6%)	89,498	91,354	(1,856)	(2.0%)	121,804	32,306	73.5%	
Administrative Support Expenses	47,132	52,636	(5,504)	(10.5%)	158,826	156,400	2,426	1.6%	209,034	50,208	76.0%	
Non-operating Expenses	159,546	111,540	48,006	43.0%	468,167	334,616	133,551	39.9%	446,156	(22,011)	104.9%	(2)
Total Expenses	425,937	421,646	4,291	1.0%	1,353,318	1,229,195	124,123	10.1%	1,634,846	281,528	82.8%	
Net Income	121,486	163,307	(41,821)	(25.6%)	371,339	525,643	(154,304)	(29.4%)	704,945	333,606	52.7%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(15,983)	(15,129)	(854)	5.6%	(48,148)	(45,387)	(2,761)	6.1%	(60,516)	(12,368)	79.6%	
Decrease in Restricted/Designated Cash	0	50,000	(50,000)	(100.0%)	0	50,000	(50,000)	(100.0%)	50,000	50,000	0.0%	(3)
(Increase) in LT Receivables	(105,100)	(107,466)	2,366	(2.2%)	(317,767)	(322,394)	4,627	(1.4%)	(429,860)	(112,093)	73.9%	
Decrease in LT Receivables	0	0	0	n/m	328,902	289,144	39,758	13.8%	479,825	150,923	68.5%	(4)
Acquisition of Capital Assets	(32,621)	(50,000)	17,379	(34.8%)	(33,505)	(51,784)	18,279	(35.3%)	(51,784)	(18,279)	64.7%	
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	303	0	303	n/m	0	(303)	n/m	
Change in Other Assets	(0)	0	(0)	n/m	(0)	0	(0)	n/m	0	0	n/m	
Change in Deferrals	400	0	400	n/m	1,400	0	1,400	n/m	0	(1,400)	n/m	
Increase in LT Debt	7,716,183	0	7,716,183	n/m	7,716,183	0	7,716,183	n/m	0	(7,716,183)	n/m	(4)
(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	109,174	111,540	(2,366)	(2.1%)	70,742	118,526	(47,784)	(40.3%)	230,066	159,324	30.7%	(5)
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	(800)	0	(800)	n/m	0	800	n/m	
Total Other Sources/(Uses) of Working Capital	7,672,052	(11,055)	7,683,107	n/m	7,644,255	(34,949)	7,679,204	n/m	144,677	(7,499,578)	5283.7%	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Transfers Out to Other Funds	(299,000)	0	(299,000)	n/m	(299,000)	0	(299,000)	n/m	0	299,000	n/m	(6)
Net Transfer In/(Out)	(299,000)	0	(299,000)	n/m	(299,000)	0	(299,000)	n/m	0	299,000	n/m	
Net Change in Working Capital	$7,494,539	$152,252	$7,342,287	4822.5%	$7,716,595	$490,694	$7,225,901	1472.6%	$849,622	($6,866,973)	908.2%	
Working Capital, Beginning of Period	(5,113,411)				(5,335,467)							
Working Capital, 9/30/2014	$2,381,128				$2,381,128							

1) Payroll reimbursement charges less than budgeted as KCHA stopped managing Seola Gardens Home Owners Association effective June 2014.
2) Unbudgeted interest payment on Wonderland Estate Key Bank LOC.
3) Withdrawal from Harrison House replacement reserve was budgeted for the third quarter but now anticipated to be drawn in the fourth quarter.
4) Short-term LOC related to Wonderland NMTC was extended 18 months to May 2016.
5) Lease interest payment exceeded budget due to higher than anticipated net cash flow distribution from Harrison House and Valley Park Partnerships.

Local Properties Tax Credit GP
Working Capital Budget vs. Actual Report
For the Period Ended 9/30/2014

(n/m= not meaningful)

	Quarter Ended September 30, 2014				Year-to-Date				2014 Annual	Remainder to Receive/	Percent of Annual	
Revenues	Actual	Budget	$ Var	% Var	Actual	Budget	$ Var	% Var	Budget	Spend	Budget	
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	62,088	(62,088)	(100.0%)	355,980	546,363	(190,383)	(34.8%)	608,451	252,471	58.5%	(1)
Non-operating Revenue	694,974	693,198	1,776	0.3%	2,088,480	2,094,422	(5,942)	(0.3%)	2,787,620	699,140	74.9%	
Total Revenues	694,974	755,286	(60,312)	(8.0%)	2,444,460	2,640,785	(196,325)	(7.4%)	3,396,071	951,611	72.0%	
Expenses												
Salaries & Benefits	567	0	567	n/m	1,552	0	1,552	n/m	0	(1,552)	n/m	
Routine Maintenance, Utilities, Taxes & Insurance	4,093	5,681	(1,588)	(27.9%)	13,732	17,044	(3,312)	(19.4%)	22,724	8,992	60.4%	
Direct Social Service Salaries & Benefits	1,351	0	1,351	n/m	3,230	0	3,230	n/m	0	(3,230)	n/m	
Other Social Service Support Expenses & HAP	(0)	96	(96)	n/m	6	285	(279)	(97.9%)	378	372	1.6%	
Administrative Support Expenses	145,377	129,245	16,132	12.5%	408,134	393,239	14,895	3.8%	522,462	114,328	78.1%	
Non-operating Expenses	353,875	299,103	54,772	18.3%	1,069,678	1,010,127	59,551	5.9%	1,309,230	239,552	81.7%	
Total Expenses	505,263	434,125	71,138	16.4%	1,496,332	1,420,695	75,637	5.3%	1,854,794	358,462	80.7%	
Net Income	189,711	321,161	(131,450)	(40.9%)	948,128	1,220,090	(271,962)	(22.3%)	1,541,277	593,149	61.5%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(235,142)	(75,000)	(160,142)	213.5%	(709,651)	(225,000)	(484,651)	215.4%	(300,000)	409,651	236.6%	(2)
Decrease in Restricted/Designated Cash	300,000	1,160,808	(860,808)	(74.2%)	300,000	1,160,808	(860,808)	(74.2%)	1,460,808	1,160,808	20.5%	(3)
(Increase) in LT Receivables	(2,827)	(15,114)	12,287	(81.3%)	(33,447)	(45,342)	11,895	(26.2%)	(176,074)	(142,627)	19.0%	
Decrease in LT Receivables	4,587	4,027,386	(4,022,799)	(99.9%)	3,703,418	4,404,673	(701,255)	(15.9%)	5,241,524	1,538,106	70.7%	(4)
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	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	(4,008,885)	4,008,885	(100.0%)	0	377,522	(377,522)	(100.0%)	477,522	477,522	0.0%	(5)
(Decrease) in LT Debt	(0)	0	(0)	n/m	(2,938,052)	(4,232,666)	1,294,614	(30.6%)	(5,051,016)	(2,112,964)	58.2%	(6)
Change in Other Liabilities	5,677	5,676	1	0.0%	(199,145)	245,012	(444,157)	n/m	254,066	453,211	n/m	(7)
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	(579,971)	0	(579,971)	n/m	0	579,971	n/m	(8)
Total Other Sources/(Uses) of Working Capital	72,296	1,094,871	(1,022,575)	(93.4%)	(456,847)	1,685,007	(2,141,854)	n/m	1,906,830	2,363,677	n/m	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Transfers Out to Other Funds	(903,000)	(299,997)	(603,003)	201.0%	(903,000)	(1,219,273)	316,273	(25.9%)	(2,663,270)	(1,760,270)	33.9%	(9)
Net Transfer In/(Out)	(903,000)	(299,997)	(603,003)	201.0%	(903,000)	(1,219,273)	316,273	(25.9%)	(2,663,270)	(1,760,270)	33.9%	
Net Change in Working Capital	($640,993)	$1,116,035	($1,757,028)	n/m	($411,719)	$1,685,824	($2,097,543)	n/m	$784,837	$1,196,556	n/m	
Working Capital, Beginning of Period	758,924				529,650							
Working Capital, 9/30/2014	$117,931				$117,931							

1) Cash flows related to tax credit partnership fees were less than originally anticipated.
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 expensed.
3) The release of Eastwood Square excess cash reserve was budgeted for July, but now is expected to occur in the 4th quarter.
4) Unbudgeted pay-off of Rural Housing partnership lease receivable of $2.9 million. Also, refinancing of Eastwood Square $4 million bond is now anticipated in the fourth quarter. Finally, higher than anticipated payment on Overlake note from net cash flow.
5) Refinancing of Eastwood Square's $4 million bond was budgeted for the third quarter but now expected in the fourth quarter.
6) Unbudgeted transfer of Rural Housing partnership long term debt of $2.4 million to KCHA. Also, refinancing of Eastwood Square $4 million bond is now anticipated in the fourth quarter. Finally, higher than anticipated payment on Overlake 3rd mortgage from net cash flow.
7) Variance due to budgeting error on Overlake 4th mortgage interest payment from net cash flow.
8) Transfer of Rural Housing & Laurelwood Partnerships' equity to local KCHA properties fund group.
9) Budget for cash transfer to COCC was high due to inadvertent budgeting error

Local-Development
Working Capital Budget vs. Actual Report
For the Period Ended 9/30/2014

	Quarter Ended September 30, 2014				Year-to-Date				2014 Annual Budget	Remainder to Receive/ Spend	(n/m= not meaningful) Percent of Annual Budget	
Revenues	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	(674,100)	33,747	(707,847)	n/m	115,750	176,253	(60,503)	(34.3%)	210,000	94,250	55.1%	
Non-operating Revenue	4,298,582	275,017	4,023,565	1463.0%	4,315,241	427,923	3,887,318	908.4%	707,062	(3,608,179)	610.3%	(1)
Total Revenues	3,624,482	308,764	3,315,718	1073.9%	4,430,991	604,176	3,826,815	633.4%	917,062	(3,513,929)	483.2%	
Expenses												
Salaries & Benefits	57,071	36,501	20,570	56.4%	126,382	105,020	21,362	20.3%	137,029	10,647	92.2%	
Routine Maintenance, Utilities, Taxes & Insurance	0	51	(51)	(99.1%)	267	149	118	79.5%	200	(67)	133.7%	
Direct Social Service Salaries & Benefits	6,874	6,905	(31)	(0.4%)	21,361	19,730	1,631	8.3%	25,649	4,288	83.3%	
Other Social Service Support Expenses & HAP	63,629	51,773	11,856	22.9%	176,459	155,319	21,140	13.6%	207,092	30,633	85.2%	
Administrative Support Expenses	8,062	11,673	(3,611)	(30.9%)	35,625	35,007	618	1.8%	46,680	11,055	76.3%	
Non-operating Expenses	6,772	0	6,772	n/m	12,934	0	12,934	n/m	0	(12,934)	n/m	
Total Expenses	142,409	106,903	35,506	33.2%	373,029	315,225	57,804	18.3%	416,650	43,621	89.5%	
Net Income	3,482,073	201,861	3,280,212	1625.0%	4,057,962	288,951	3,769,011	1304.4%	500,412	(3,557,550)	810.9%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(4,595,890)	(921)	(4,594,969)	498910.9%	(5,345,896)	(3,151)	(5,342,745)	169557.1%	(3,942)	5,341,954	135613.8%	(2)
Decrease in Restricted/Designated Cash	1,293,312	2,074,328	(781,016)	(37.7%)	2,458,769	2,222,985	235,784	10.6%	2,297,313	(161,456)	107.0%	(3)
(Increase) in LT Receivables	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Decrease in LT Receivables	(169)	0	(169)	n/m	1,005,956	908,000	97,956	10.8%	908,000	(97,956)	110.8%	(4)
Acquisition of Capital Assets	(2,936,114)	(2,623,353)	(312,761)	11.9%	(4,356,674)	(6,968,804)	2,612,130	(37.5%)	(10,571,773)	(6,215,099)	41.2%	
Maintenance Projects	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Acquisition of Capital Assets	(2,936,114)	(2,623,353)	(312,761)	11.9%	(4,356,674)	(6,968,804)	2,612,130	(37.5%)	(10,571,773)	(6,215,099)	41.2%	(5)
Disposition of Capital Assets	5,036,537	829,490	4,207,047	507.2%	5,408,814	1,548,486	3,860,328	249.3%	2,693,724	(2,715,090)	200.8%	(1)
Change in Suspense	5	0	5	n/m	(16,918)	0	(16,918)	n/m	0	16,918	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	2,600	0	2,600	n/m	0	(2,600)	n/m	
Increase in LT Debt	1,467,000	2,499,142	(1,032,142)	(41.3%)	1,667,000	5,959,142	(4,292,142)	(72.0%)	9,064,242	7,397,242	18.4%	(6)
(Decrease) in LT Debt	0	0	0	n/m	(1,000,000)	(163,000)	(837,000)	513.5%	(163,000)	837,000	613.5%	(7)
Change in Other Liabilities	(1,091,288)	(329,794)	(761,494)	230.9%	(1,581,237)	(1,048,790)	(532,447)	50.8%	(1,376,280)	204,957	114.9%	(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	161,894	163,000	(1,106)	(0.7%)	163,000	1,106	99.3%	
Total Other Sources/(Uses) of Working Capital	(826,607)	2,448,892	(3,275,499)	n/m	(1,595,692)	2,617,868	(4,213,560)	n/m	3,011,284	4,606,976	n/m	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	11,286,282	11,083,340	202,942	1.8%	16,014,699	15,860,884	153,815	1.0%	15,860,884	(153,815)	101.0%	
Transfers Out to Other Funds	(2,517,494)	(2,781,642)	264,148	(9.5%)	(2,517,494)	(2,781,642)	264,148	(9.5%)	(3,531,642)	(1,014,148)	71.3%	
Net Transfer In/(Out)	8,768,788	8,301,698	467,090	5.6%	13,497,205	13,079,242	417,963	3.2%	12,329,242	(1,167,963)	109.5%	
Net Change in Working Capital	$11,424,254	$10,952,451	$471,803	4.3%	$15,959,475	$15,986,061	($26,586)	(0.2%)	$15,840,938	($118,537)	100.7%	
Working Capital, Beginning of Period	(7,323,104)				(11,858,325)							
Working Capital, 9/30/2014	$4,101,149				$4,101,149							

1) Variance is due to higher than projected lot sales. During the 3rd quarter, the last 54 lots at Seola Gardens were sold which were not included in the current year budget.
2) Due to unbudgeted reclassification of lot sales and Hope 6 program income proceeds from unrestricted to restricted.
3) Release from restriction of $1 million of Chaussee earnest money . In addition, the balance of the Vantage Point predevelopment loan is expected to be released in the 4th quarter.
4) Due to unbudgeted Canterbury Connelly loan repayment.
5) Vantage Point development costs are lower than anticipated through the third quarter but are expected to increase in the 4th quarter.
6) The budgeted Vantage Point predevelopment loan & Bank of America LOC draws are expected to occur in the 4th quarter as development costs increase.
7) Unbudgeted repayment of the Bank of America Letter of Credit related to Chaussee.

Local-Other Funds
Working Capital Budget vs. Actual Report
For the Period Ended 9/30/2014

	Quarter Ended September 30, 2014				Year-to-Date				2014 Annual Budget	Remainder to Receive/ Spend	(n/m= not meaningful) Percent of Annual Budget	
Revenues	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	870,959	1,110,290	(239,331)	(21.6%)	2,264,323	2,862,371	(598,048)	(20.9%)	3,982,661	1,718,338	56.9%	(1)
Non-operating Revenue	(0)	0	(0)	n/m	(0)	0	(0)	n/m	0	0	n/m	
Total Revenues	870,959	1,110,290	(239,331)	(21.6%)	2,264,323	2,862,371	(598,048)	(20.9%)	3,982,661	1,718,338	56.9%	
Expenses												
Salaries & Benefits	258,544	270,365	(11,821)	(4.4%)	762,688	777,456	(14,768)	(1.9%)	1,014,163	251,475	75.2%	
Routine Maintenance, Utilities, Taxes & Insurance	3,521	2,529	992	39.2%	8,124	7,535	589	7.8%	9,986	1,862	81.4%	
Direct Social Service Salaries & Benefits	32,764	33,308	(544)	(1.6%)	93,619	95,169	(1,550)	(1.6%)	123,720	30,101	75.7%	
Other Social Service Support Expenses & HAP	699,537	607,250	92,287	15.2%	1,647,732	1,933,000	(285,268)	(14.8%)	2,956,500	1,308,768	55.7%	(1)
Administrative Support Expenses	57,684	25,758	31,926	123.9%	105,218	79,974	25,244	31.6%	135,951	30,733	77.4%	
Non-operating Expenses	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
Total Expenses	1,052,050	939,210	112,840	12.0%	2,617,381	2,893,134	(275,753)	(9.5%)	4,240,320	1,622,939	61.7%	
Net Income	(181,091)	171,080	(352,171)	n/m	(353,058)	(30,763)	(322,295)	1047.7%	(257,659)	95,399	137.0%	
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	150,000	150,000	0.0%	
(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	(32)	(75)	43	(57.8%)	(32)	(223)	191	(85.8%)	(298)	(266)	10.6%	
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	(22,099)	0	(22,099)	n/m	0	22,099	n/m	
Total Other Sources/(Uses) of Working Capital	(31)	(75)	44	(58.3%)	(22,130)	(223)	(21,907)	9823.9%	149,702	171,832	n/m	
Transfer In from (Out to) Other Funds												
Net Transfer In/(Out)	56,403	0	56,403	n/m	104,353	108,000	(3,647)	(3.4%)	108,000	3,647	96.6%	
Net Change in Working Capital	($124,720)	$171,005	($295,725)	n/m	($270,836)	$77,014	($347,850)	n/m	$43	$270,879	n/m	
Working Capital, Beginning of Period	128,600				274,716							
Working Capital, 9/30/2014	$3,880				$3,880							

1) Variance due to slow spending on the DOE and Matchmaker grants. The funds remain available until June 30, 2015. In addition, spending on PSE grant has started in August and expected to continue throughout the remainder of the year.

COCC
Working Capital Budget vs. Actual Report
For the Period Ended 9/30/2014

	Quarter Ended September 30, 2014				Year-to-Date				2014 Annual	Remainder to Receive/	(n/m= not meaningful) Percent of Annual	
Revenues	Actual	Budget	$ Var	% Var	Actual	Budget	$ Var	% Var	Budget	Spend	Budget	
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	2,771,181	3,297,910	(526,729)	(16.0%)	9,084,590	9,157,192	(72,602)	(0.8%)	12,056,426	2,971,836	75.4%	(1)
Non-operating Revenue	428,087	331,658	96,429	29.1%	1,114,741	974,846	139,895	14.4%	1,292,671	177,930	86.2%	
Total Revenues	3,199,268	3,629,568	(430,300)	(11.9%)	10,199,331	10,132,038	67,293	0.7%	13,349,097	3,149,766	76.4%	
Expenses												
Salaries & Benefits	2,635,862	2,648,901	(13,039)	(0.5%)	7,339,302	7,450,429	(111,127)	(1.5%)	9,776,215	2,436,913	75.1%	
Routine Maintenance, Utilities, Taxes & Insurance	497,006	471,909	25,097	5.3%	1,361,354	1,360,174	1,180	0.1%	1,775,732	414,378	76.7%	
Direct Social Service Salaries & Benefits	0	276	(276)	(100.0%)	0	824	(824)	(100.0%)	1,100	1,100	0.0%	
Other Social Service Support Expenses & HAP	0	2,500	(2,500)	(100.0%)	0	7,500	(7,500)	(100.0%)	10,000	10,000	0.0%	
Administrative Support Expenses	505,752	678,595	(172,843)	(25.5%)	1,405,217	2,165,975	(760,758)	(35.1%)	2,797,296	1,392,079	50.2%	(2)
Non-operating Expenses	176,220	175,452	768	0.4%	571,101	526,356	44,745	8.5%	701,808	130,707	81.4%	
Total Expenses	3,814,840	3,977,633	(162,793)	(4.1%)	10,676,974	11,511,258	(834,284)	(7.2%)	15,062,151	4,385,177	70.9%	
Net Income	(615,572)	(348,065)	(267,507)	76.9%	(477,643)	(1,379,220)	901,577	(65.4%)	(1,713,054)	(1,235,411)	27.9%	
Other Sources/(Uses) of Working Capital												
(Increase) in Restricted/Designated Cash	(0)	0	(0)	n/m	(6,800)	0	(6,800)	n/m	(5,500,000)	(5,493,200)	0.1%	
Decrease in Restricted/Designated Cash	0	9,000,000	(9,000,000)	(100.0%)	20,291	9,020,291	(9,000,000)	(99.8%)	9,020,291	9,000,000	0.2%	(3)
(Increase) in LT Receivables	0	(825,000)	825,000	(100.0%)	(28)	(825,000)	824,972	(100.0%)	(825,000)	(824,972)	0.0%	(4)
Decrease in LT Receivables	158,777	156,861	1,916	1.2%	467,587	470,580	(2,993)	(0.6%)	627,441	159,854	74.5%	
Acquisition of Capital Assets	(1,921)	(90,000)	88,079	(97.9%)	(365,943)	(295,000)	(70,943)	24.0%	(385,000)	(19,057)	95.1%	(5)
Maintenance Projects	(10,014)	(1,182)	(8,832)	747.2%	(11,590)	(3,536)	(8,054)	227.8%	(4,718)	6,872	245.6%	
Acquisition of Capital Assets	(11,934)	(91,182)	79,248	(86.9%)	(377,532)	(298,536)	(78,996)	26.5%	(389,718)	(12,186)	96.9%	(5)
Disposition of Capital Assets	2,321	0	2,321	n/m	4,006	0	4,006	n/m	0	(4,006)	n/m	
Change in Suspense	(409,153)	0	(409,153)	n/m	(434,774)	0	(434,774)	n/m	0	434,774	n/m	(6)
Change in Other Assets	0	(500,000)	500,000	(100.0%)	0	(500,000)	500,000	(100.0%)	(500,000)	(500,000)	0.0%	(7)
Change in Deferrals	0	0	0	n/m	6,800	0	6,800	n/m	0	(6,800)	n/m	
Increase in LT Debt	0	0	0	n/m	0	0	0	n/m	0	0	n/m	
(Decrease) in LT Debt	(269,891)	(272,136)	2,245	(0.8%)	(6,949,186)	(816,408)	(6,132,778)	751.2%	(1,088,544)	5,860,642	638.4%	(8)
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	(435,823)	0	(435,823)	n/m	0	435,823	n/m	(9)
Non Income/Expense Change in Equity	0	0	0	n/m	118,261	0	118,261	n/m	0	(118,261)	n/m	(10)
Total Other Sources/(Uses) of Working Capital	(529,880)	7,468,543	(7,998,423)	n/m	(7,587,198)	7,050,927	(14,638,125)	n/m	1,344,470	8,931,668	n/m	
Transfer In from (Out to) Other Funds												
Transfers In from Other Funds	4,135,567	1,376,250	2,759,317	200.5%	11,659,302	2,832,324	8,826,978	311.7%	5,352,574	(6,306,728)	217.8%	(11)
Transfers Out to Other Funds	(133,821)	(460,692)	326,871	(71.0%)	(2,176,350)	(2,376,373)	200,023	(8.4%)	(2,656,781)	(480,431)	81.9%	
Net Transfer In/(Out)	4,001,747	915,558	3,086,189	337.1%	9,482,953	455,951	9,027,002	1979.8%	2,695,793	(6,787,160)	351.8%	
Net Change in Working Capital	$2,856,294	$8,036,036	($5,179,742)	(64.5%)	$1,418,111	$6,127,658	($4,709,547)	(76.9%)	$2,327,209	$909,098	60.9%	
Working Capital, Beginning of Period	11,859,927				13,298,110							
Working Capital, 9/30/2014	$14,716,221				$14,716,221							

1) 10% construction management fee on CFP grant budgeted for 3rd quarter drawn in the 2nd quarter.
2) Administrative contracts , professional services, training and publication expenses were less than anticipated in the budget through the 3rd quarter.
3) Release from restriction of the Federal Home Loan Bank collateral reserve which was budgeted for the 3rd quarter is expected to occur in the 4th quarter.
4) The budgeted KCHA loan of $825K for rehabilitation of the Plum Court apartments is expected to occur in 2015.
5) Mostly due to timing; the annual budget for vehicle replacements is spread evenly throughout the year. 12 vehicles with total cost of $300K were acquired during the 2nd quarter.
6) Related to annual insurance renewal invoice paid in September; will be cleared from suspense in the 4th quarter.
7) The budgeted purchase option fee for Plum Court Apartments is expected to paid in 2015.
8) 700 Building debt of $6.3M paid off with proceeds from 2013 Pool.
9) Net book value of vehicles transferred to Central Vehicle Fund.
10) Transfer of equity related to former Laurelwood fund which has been closed.
11) Variance due to unbudgeted reallocation of the 2013 Pool and higher than anticipated excess cash transfers from local properties.

TO: Board of Commissioners

FROM: Connie Davis, Deputy Executive Director

DATE: November 12, 2014

RE: Draft 2015 Budget Presentation

At the November Board of Commissioners meeting, staff will present an overview of the most critical assumptions driving the 2015 operating budget. Staff will also review some of the proposed initiatives that will have a financial and operational impact on the Authority during 2015.

Operating Budget:

One of the distinguishing characteristics of KCHA is its varied property portfolio including both subsidized and unsubsidized developments. The recent enterprise profile conducted by Standard & Poor's noted that KCHA is in fact one of the least reliant of rated housing authorities on Housing and Urban Development (HUD) funding. In fact, in 2015 less than 50% of KCHA's total revenues will be coming from HUD, compared to 52.1% in 2014 (statistics exclude internal management fees paid to the Central Office Cost Center or COCC). Nonetheless, the Authority's core subsidized housing programs are dependent on congressional funding levels, which are outside of its control. Some of the most important drivers in preparing the Housing Authority's budget involve the interplay between estimates on HUD funding, projected lease-up rates, potential changes in Fair Market Rents (FMRs) and KCHA's payment standards, and estimates on rent revenues and personnel costs.

<u>HUD Funding</u>
A review of the assumptions relating to HUD funding is critical to understanding KCHA's 2015 Budget. This past September, Congress passed a short-term Continuing Resolution funding federal programs at federal fiscal year (FFY) 2014 levels. It is our assessment that actual funding for 2015 will not vary dramatically from these estimates. Appropriations have lagged behind eligibility for these programs for the past several years, resulting in funding being prorated to match availability. Due to inflation and higher utilization versus 2014, industry groups are projecting lower prorates in 2015 (see the table below). For the purposes of preparing the budget for 2015, KCHA is using

slightly higher percentages in this budget based on our assessment that actual pro rates are typically higher than these forecasts.

	2014 Appropriation	2015 Industry Group Estimates	2015 KCHA Estimate
Housing Choice Vouchers	99.7%	96%	97%
Administrative Fees	79%	73%	75%
Public Housing Operations	89%	83.5%	84%

As a result, KCHA is budgeting HUD subsidies at $119.7 million, which includes $4.5 million in lost revenue as a result of the estimated prorates. The overall subsidy number represents a decline of $1.8 million or 1.5%, when compared to 2014. Additional units added to the Moving to Work (MTW) portfolio, as a result of the Burien Park, Northwood, and Chausee portfolio opt-outs, will partially offset this lost revenue in 2015.

Fair Market Rents:
Additionally, and against the backdrop of higher rents across King County, KCHA is not forecasting any inflation award from HUD for the Housing Choice Voucher (HCV) program next year. We are currently conducting a market survey to determine if HUD's published Fair Market Rents (FMR) are reflective of our region's rents. (HUD uses the FMR as a component in calculating a region's share of a national inflation factor.) The FMRs for 2015 are approximately 5% higher than 2014. Due to the methodology HUD utilizes to calculate Voucher Renewal Inflation Factors, staff believes KCHA would need to prove rent changes of at least 8-10% to qualify for any inflation adjustment and early indications of survey results are not promising.

KCHA will, however, receive sufficient funding to continue to lease above the baseline number of voucher units provided by HUD. The Section 8 department is currently ramping up issuances and expects to exhaust its waiting list by early in the first quarter of 2015. Including support provided outside of traditional vouchers for supportive and sponsor-based housing, lease up should average 9,576 units next year, an average over-leasing of 342 units.

Payment Standards:
KCHA has a long-established two-tiered payment standard system. These standards have been frozen since 2009 due to reductions in federal funding and now lag actual housing costs. As a result, voucher holders' have experienced increased difficulty finding and staying in housing - particularly in high opportunity areas. Staff is currently analyzing market conditions in order to prepare a recommendation to the Board for a new payment standard. The draft 2015 budget includes an average per unit subsidy of $800, which includes an allowance for an increased payment standard. The Board will be briefed on a payment standard proposal in the near future. Depending on the size

and timing of final payment standard adjustment, the estimated cost of rental assistance payments may increase over this draft budget amount.

Rent Revenue:

A discussion of revenues would not be complete without a review of those expected directly from tenants. Projections are for receipt of $68.8 million in tenant revenues, an increase of 12.7% from 2014's midyear budget. This significant change is due largely to the inclusion of three new properties for a full twelve months: Windsor Heights, Somerset Gardens, and Gillman Square. The first two properties have returned to KCHA ownership at the expiration of the tax credit partnerships, the third is a new acquisition. These three properties represent $5.7 million or 74% of the increase. The balance is the result of routine increases in tenant rents. In addition, Social Security payments are slated to increase 1.7% in January, which will impact many residents in the federally subsidized units. Occupancy projections are 98.5% in public housing and 97% in workforce housing developments.

Personnel Costs:

Aside from housing assistance payments, salaries and benefits are the single largest operating expense at KCHA. These personal service costs total $31.3 million or 33.6% of all expenses, slightly higher than last year's 32.6%. The three new properties mentioned above account for $981,000 of the overall increase; however, structural factors continue to inch overall payroll up. This includes a continuation of budgeting for both cost of living, which averages 2.1%, and merit pay estimated at 1.4% of total payroll.

Other impacts on personal service costs include medical premiums and retirement benefits. KCHA, which uses Washington's Public Employees Benefit Board (PEBB) plans, is assuming a 4.4% increase based on already published rates. Employees and KCHA share an equal portion of the 4.4% increase in premiums paid, with KCHA's per employee benefit costs reaching an average of $12,403 and employee contributions, $1,200. The Authority also participates in Washington State's Public Employees' Retirement Plans (PERS). KCHA currently pays 9.1% of payroll into PERS. Proposed rates are assumed to increase to 11% as of July 1, for a blended rate for the budget year of 10%. Several years ago, KCHA established a PERS reserve to cushion these large rate increases; in 2004, for example, the comparable rate was 1.38%. In 2015, staff expects to exhaust the approximately $600 thousand currently in the reserve.

The current draft of the budget reflects 366.9 full-time equivalents (FTEs), an increase of 4.05 FTEs. Two positions are necessary for the new Vantage Point property, one new position is proposed in Resident Services and one in Asset Management.

In summary, KCHA anticipates that projected funding in 2015 will be sufficient to support all operating costs. New MTW working capital, that is 2015 revenues remaining after paying all projected program costs, totals $3.7 million and is available to support the capital or resident service needs of eligible housing programs.

Capital Budget:

The draft 2015 capital budget totals $56.9 million, a decrease of $12.5 million from 2014. Last year's budget included the addition of Gilman Square, the USDA properties and Charter House (Chausee). The current year reflects Somerset Gardens ($8.6 million) only. In addition to MTW working capital availability, other funding sources for acquisition of capital assets include the Capital Fund Program grant (CFP) which has roughly $12 million available to draw, and individual project replacement reserves. Major components of the capital budget include:

1. Vantage Point: This 77-unit senior public housing development is currently under construction and is expected to be ready to lease by the fourth quarter, 2015. Total costs to be incurred in 2015 are $15.2 million. As budgeted, KCHA will advance the project $12.2 million from MTW and unrestricted reserves to cover construction costs. The LIHTC equity payment of $15.3 million is scheduled for late 2016; KCHA permanent equity in the project is estimated at $6-9 million depending on KCHA's success securing $3 million from the state's Housing Trust Fund.

2. Unit Upgrades: This highly successful program upgrades KCHA managed units upon vacancy. 150 units will be scheduled in 2015, with a projected cost of $3.8 million. These renovations average $25,058 per unit and are spread across public housing, MKCRF, and tax credit partnership properties. Funding from either MTW or the Capital Fund Program (CFP) will cover these costs.

3. Capital Construction Department: The 2015 budget is projecting $11 million for building envelope and site improvements, weatherization and plumbing/sewer line system replacements. This work includes $5.8 million to be performed in the MKCRF properties which will exhaust the balance of the $18 million loan proceeds advanced to MKCRF from KCHA upon the disposition of the properties. Other sources of funds for these projects include MTW, CFP and operations.

4. Asset Management Department: $12.871 million in non-routine and extraordinary maintenance projects is anticipated in Asset Management. The largest identified types of work include cabinetry, $2.4 million; carpeting, $703,000; roofing, $642,000; siding, $1.0 million; and paving, $760,000. Operations and reserve draws are available to cover all of these costs.

5. Housing Management: Currently $961,000 in minor renovation and improvement projects are scheduled for 2015 in addition to the unit upgrades. A recently promoted maintenance coordinator has been charged with assisting property managers in finding qualified contractors or coordinating in-house labor to complete these jobs which include paving, ventilation, exterior painting, sidewalk replacement and exterior lighting.

6. Greenbridge: $2.4 million has been budgeted to cover tenant improvements for commercial space at Nia apartments, and pre-development work for Windrose, a proposed senior property planned for the "Notch" area of Greenbridge.

Initiatives:

Major initiatives, in addition to the capital projects enumerated above, that will be supported by this budget include:

1. Subsidized Households: KCHA will continue to support more households through its rental assistance programs than called for under HUD baseline calculation. We anticipate an average over-leasing of 342 units in 2015. This includes both traditional Section 8 Housing Choice vouchers and locally designed rental assistance programs such as our sponsor-based voucher partnerships.

2. Housing Management Software Conversion: KCHA is scheduled to "go-live" with new housing software on October 1, 2015. $775,000 is anticipated to be expended next year in support of this conversion. This is a staff intensive process that will particularly impact the Section 8, Housing Management and IT departments. In the first part of the coming year, KCHA's current data will be converted to the new format. The new software (Tenmast) and KCHA's work processes will be configured to each other and staff will thoroughly test for data integrity and operational effectiveness. When complete next Fall the conversion is expected to put KCHA on a more stable and secure software platform, improve business process efficiencies across departments and significantly increase the ability to collect meaningful longitudinal data on the families served by KCHA.

3. Real Estate Repositioning: The Meadowbrook, Gilman Square and Windsor Heights properties will be refinanced into a credit-enhanced debt pool, providing permanent financing for the first two properties, currently on short term lines of credit. KCHA is also working with the Somerset Gardens' tax credit investors to return this property to KCHA ownership during the year and is exploring the syndication of the Spiritwood site in order to raise additional capital for significant renovations.

4. Property Acquisitions: The budget includes a $10 million place-holder to either purchase existing housing or land bank vacant properties along emerging mass transit corridors.

5. New Housing and Service Program Models: KCHA will continue to support a number of demonstration programs which are testing new approaches to housing and serving low income households including: the Resident Opportunity Program (ROP); the Student Family Stability Initiative (SFSI); the Community Choice Program (CCP); and the Next Step Program for homeless youth.

6. Homeless Housing Initiatives: KCHA will pilot new approaches, in partnership with local domestic violence providers, for extending housing assistance to victims of domestic violence. The Authority will also work with the Veteran's Administration to lease-up the new VASH vouchers received last month and will project-base vouchers in support of newly constructed non-profit housing developments in Bellevue and Auburn.

7. Resident Services Department: There will be a continuing focus on education and resident self-sufficiency efforts in 2015. In-house investments in youth education will be complemented by outside foundation support. Approximately $450,000 is being provided next year by the Gates Foundation (the majority of it off book) in support of KCHA's evolving partnerships with local school districts. Next year will also see the exploration of new approaches, from resident surveys and lessons learned from the ROP program, to workforce development, with possible implementation in 2016.

8. Public Housing Maintenance: In addition to the on-going capital project pipeline and 150 projected unit upgrades, Public Housing has begun to invest in greater capacity at the site and regional level to maintain, repair and operate our inventory. This includes additional staff resources to complete small improvement projects, an emphasis on landscape care and maintenance, and better training on the new, more sophisticated building systems currently being installed at our properties.

8. Leadership Development and Knowledge Transfer: KCHA will continue to expand efforts to provide training and professional development opportunities for staff at all levels. This initiative cuts across all departments and may take many forms, including formalized leadership courses, mentorship, apprenticeship and middle management supervisor training. New approaches are currently in design with one or two highest priority components of this multi-year initiative being piloted in 2015.

9. Analysis and Evaluation Capacity: KCHA will be increasing its capacity to assess the effectiveness of various approaches being taken under the Moving to Work program. New in-house research competencies will be paired with outside evaluation firms and university-based partnerships to enable us to identify efficient and effective approaches to KCHA's mission.

As this complex budget continues to come together, staff will be working on the year end 2015 cash projections for the major MTW and COCC fund groups. These estimates will be included in the presentation made at the November Board meeting.

To: Board of Commissioners

From: Tim Baker, Senior Management Analyst

Date: November 12, 2014

Re: Third Quarter 2014 Procurement Report

In order to update the Board concerning the King County Housing Authority's (KCHA) procurement activities, staff is presenting the attached Quarterly Procurement Report. This report covers all procurement activities from July through September 2014 that involved the award of contracts valued over the amount of $100,000 and change orders that have cumulatively exceeded 10% of the original or not to exceed contract amount.

Awarded Contracts over $100,000:
The awarded contracts section of the Report lists the issuing department, contract type, name of the company awarded the contract, the award and estimate/budgeted amounts, procurement process involved, the number of bids received and notes about the procurement.

There were 14 contracts valued at more than $100,000 representing 91% of the contracts executed in the third quarter. The largest contract was awarded to Construction Enterprises in the amount of $1,390,786 for the Riverton Terrace building envelope project.

Contract Change Orders Exceeding 10%:
KCHA's internal procedures require heightened oversight and review once a contract has incurred change orders valued at more than 10% of the original contract amount. The change order section of the Procurement Report additionally lists the original award amount, number of change orders and the amounts of the total change orders to date, expressed both in dollars and percentages above the original contract value. Per the Board's request, the change order section was divided between change orders issued in response to unforeseen field conditions or expanded project scopes, and change orders which were foreseen at the time the initial contract was let (primarily through contract extensions on multi-year contracts). The not-to-exceed total for the "foreseen" change order section is the projected total amount of the contract once all the foreseen change orders are completed.

There were 4 total "field condition" or "scope change" orders on contracts whose total value had exceeded 10% of the initial contract amount in the third quarter.

A discussion of the most notable follows:

1. Valli Kee: The change order with Express Construction, in the amount of $272,224, for the Valli Kee site renovation project was for the conversion of the old management office into a new ADA accessible residential unit. The work also includes ADA sidewalk improvements, renovation of the common area laundry room, in slab waste line replacement, and a new whole building fire sprinkler. At the time that the sewer project was bid, KCHA anticipated that a change order would ultimately be issued for the unit conversion, but additional design work was required to define the specific scope. A delay in the completion of this project was due to lengthy negotiations between KCHA and the City of Kent in regards to the installation of fire protection systems in the building.

2. Moving Services: The largest valued and percentage change to a contract was with Reliable Moving, in the amount of $325,000 (or 133%), for moving services provided to KCHA residents. Moving services for Valli Kee residents was not anticipated in the original estimate. When the need to relocate tenants at Valli Key became a necessity, the contract was amended to reflect this expanded scope of work.

3. Green River Homes: The change orders with Synergy Construction for the Green River homes site renovation project, which represent a 0.3% add over the original contract value, increased the security, durability, safety, and ease of maintenance of the play area. The need for the changes was recognized from field conditions as construction progressed.

Anticipated Contract Extensions:
There were 2 anticipated change orders involving contract extensions as permitted in the original contracts. A discussion of the most notable changes in foreseen change orders follows:

1. Housing First: The largest valued change order, in the amount of $792,072, was with Sound Mental Health (SMH) to provide rental subsidies for housing providers through the Housing First program. This change order is the third renewal to the contract for a 3 year period, bringing the total term to 10 years, out of an 11 year maximum. This program, which was originally competitively bid, provides 42 housing subsidies for chronically homeless; SMH provides wrap around services necessary to achieve tenant housing stability. KCHA's contribution leverages $256,000 annually in funding for services from King County and The United Way.

2. Arborist: The other change order involved a contract extension for arborist/tree services managed by KCHA Housing Management-maintenance. The change is considered routine.

KING COUNTY HOUSING AUTHORITY
QUARTERLY PROCUREMENT REPORT
July - September 2014 (Third Quarter)

Awarded Contracts Over $100,000

Issuing Department	Contract type	Contract Awarded to	Estimate/Budget Amount	Original Contract Amount	NTE with extensions	Procurement Process	# of bids	Notes
Asset Management	Cascadian plumbing	CDK	$375,044	$346,094	$346,094	sealed bid	3	Contractor has performed many successful jobs for KCHA
Asset Management	Newporter plumbing	CDK	$302,467	$363,680	$363,680	sealed bid	3	Originally bid in January 2014 with two bids received over $400k. Received lower bid when re-bid in Aug. 2014. Contractor has performed many successful jobs for KCHA
Asset Management	Woodland North building envelope	Western Washington Const	$412,733	$476,215	$476,215	sealed bid	2	Due to the steep grades and very difficult building access, special equipment (boom lifts) had to be used and were not in the estimate. Also, contractors built contingencies into their bids for unknown conditions when the siding was removed. Contractor has performed many successful jobs for KCHA
Capital Construction	Newport site improvements	Harkness Const	$155,430	$150,122	$150,122	sealed bid	3	New Contractor for KCHA
Capital Construction	Burndale roof replacement	Western Washington Const	$229,126	$269,400	$269,400	sealed bid	5	Estimate did not include the owner's contingency and unit pricing for sheathing replacement. Contractor labor was higher due to a subcontractor not contemplated by the estimate. Contractor has successfully performed for KCHA in the past.
Capital Construction	Cascade sewer upgrades	Accord Contractors	$324,512	$304,489	$304,489	sealed bid	3	Contractor has performed many successful jobs for KCHA
Capital Construction	Hidden Village ventilation upgrades	CDK	$453,557	$358,297	$358,297	sealed bid	1	Elements of scope were eliminated/changed after final estimate. Some elements of scope were estimated based on unit pricing from weatherization contractors to allow for weatherization funding, which ultimately was not available. Selected contractor was able to provide better pricing. Contractor has successflly performed for KCHA in the past.
Capital Construction	Island Crest walkways	Road Construction NW	$452,002	$434,000	$434,000	sealed bid	2	Contractor has performed many successful jobs for KCHA
Capital Construction	Northridge site improvements	A-1 Landscaping	$833,620	$831,570	$831,570	sealed bid	3	New Contractor for KCHA
Capital Construction	Riverton Terrace building envelope upgrades	Construction Enterprises	$1,430,580	$1,390,786	$1,390,786	sealed bid	5	New Contractor for KCHA
Housing Management-Maintenance	Civil Construction Services	Puget Paving	$250,000	$250,000	$500,000	RFP	5	Contractor had the previous civil services contract with KCHA
Housing Management-Maintenance	Asbestos Abatement Services	Construction Group International	$500,000	$250,000	$500,000	sealed bid	3	Contractor had the previous asbestos abatement contract with KCHA
Housing Management-Maintenance	Flooring supplies	Signature Interiors	$1,200,000	$1,200,000	$3,600,000	RFP	2	Contractor had the previous flooring contract with KCHA
Resident Services	Supportive services for residents at Cascade/Valli Kee	Refugee Women's Alliance	$165,000	$165,000	$165,000	sole source	n/a	Non-profit selected in grant application; performed several services for KCHA
		Total	**$7,084,071**	**$6,789,653**	**$9,689,653**			

Contracts exceeding 10% cumulative change order-Condition Changes

Issuing Department	Contract Type	Contract Awarded to	Original Contract Amount/NTE*	Change Order Amount & No. This Quarter	Total Contract Value to Date	% Change from Original	Notes (Current Quarter Change Orders)
Capital Construction	600 Building tenant improvements	Regency NW	$118,490	$5,725 (3)	$132,961	12%	Installed additional fire alarms not identified in the original bid
Capital Construction	Valli Kee sewer line replacement	Express	$1,880,000	$272,224 (2)	$2,253,492	20%	When the contract was signed for the sewer project, it was known that a change order to convert Valli Kee management office to a residential unit would be forthcoming, but additional work was necessary to define the scope.
Capital Construction	Green River homes renovation	Synergy	$8,417,867	$24,969 (88-93)	$10,658,725	27%	Added a series of changes to increase the security, durability, safety, and ease of maintenance of the play area. Need for changes was recognized from field conditions as construction progressed.
Resident Services	Moving services	Reliable Moving	$225,000	$325,000 (1-2)	$525,000	133%	Additional moving services drew down contract faster than anticipated
		Total	**$10,641,357**		**$13,570,178**		

Contracts with contract extensions or other foreseen change orders

Issuing dept	Contract type	Contract awarded to	Original Contract Amount/NTE*	Change Order Amount & No. This Quarter	Current Contract Value	% of NTE*	Notes (Current Quarter Change Orders)
Homeless Initiatives	Rental subsidies for housing providers	Sound Mental Health	$4,080,000	$792,072 (2)	$2,694,289	66%	Third renewal for a 3 year term for 42 subidies for chronically homeless
Housing Management-maint	Tree/Arborist services	Gray Owl	$500,000	$250,000 (1)	$500,000	100%	Three year extension to the contract as per original RFP terms
		Total	**$4,580,000**		**$3,194,289**		

*NTE = Not To Exceed

King County Housing Authority

To: Board of Commissioners

From: Bill Cook, Director of Property Management

Date: November 12, 2014

Re: Briefing Update on the Non-Smoking Policy in KCHA's Subsidized Properties

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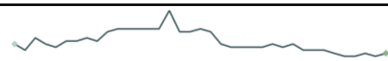
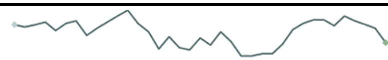
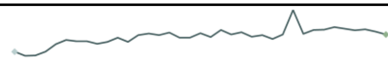
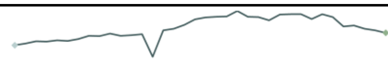
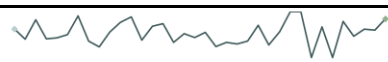
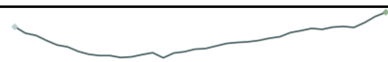
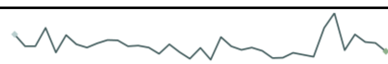
On October 1, 2012 KCHA began enforcing a non-smoking policy at all federally subsidized housing self-managed by the agency. At the Board meeting in November staff will provide an update on the non-smoking policy including a report on enforcement activities, cessation support to residents and the development of outdoor smoking areas at selected properties.

King County Housing Authority Executive Dashboard

3rd Quarter Dashboard: July 1 - September 30, 2014

	actuals sept 11 - sept 14	sept 2014	target	3-yr avg	3-yr high	3-yr low
Finance						
LGIP Rate		0.10%	0.08%	0.14%	0.24%	0.09%
Non-LGIP Investment Rate		0.88%	0.65%	0.84%	1.25%	0.67%
Revenue to Budget[1] (Budgeted $210.1m)		100%	100%	99%	102%	93%
Expenditures to Budget[1] (Budgeted $187.0m)		97%	100%	97%	99%	93%
Property Management						
Public Housing Occupancy Rate (3,047 units)		98.2%	98.0%	98.5%	99.1%	97.9%
Local Program Occupancy Rate (4,893 units)		98.6%	96.5%	98.4%	100.0%	97.3%
KCHA Units Owned Online		9,007	9,007[2]	8,679	9,007	8,408
Section 8 Operations						
Utilization Rate[3] (Vouchers Leased: 9,171)		101%	103%	102%	106%	96.2%
Shopping Success Rate (New vouchers issued 2nd Q '14: 157)		96%	>85%	88%	100%	75%
Households Paying >40% Income to Rent (n = 2,527)		23%	<25%	20%	23%	18%
Exit Data						
Positive Exits		29%	>25%	34%	64%	21%
Negative Exits ●		33%	<20%	21%	33%	9%
Total Monthly Exits ●		42	–	62	113	41

● Denotes indicators of interest

[1] Not reflective of mid-year adjustments

[2] Projected total units by 12/31/14

[3] Adjusted for 12-month incremental lease-up of new vouchers