



Washington State Auditor's Office

Troy Kelley

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**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 KELLEY
STATE AUDITOR

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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:

<u>CFDA No.</u>	<u>Program Title</u>
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.

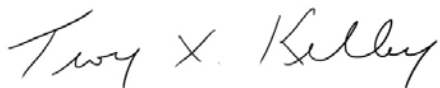
COMPLIANCE AND OTHER MATTERS

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 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.

A handwritten signature in cursive script that reads "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.

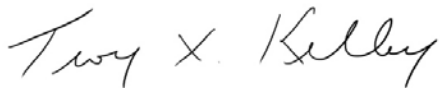
Supplementary and Other Information

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 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.

	<u>2013</u>	<u>2012</u>
Assets:		
Current and other assets	\$ 445,426,094	\$ 450,486,521
Capital assets	332,639,880	300,742,795
Total Assets	<u>778,065,974</u>	<u>751,229,316</u>
Deferred Outflows of Resources:		
Deferred charge for defeasance of debt	1,124,036	2,023,093
	<u>1,124,036</u>	<u>2,023,093</u>
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	<u>317,594,208</u>	<u>304,925,315</u>
Deferred Inflows of Resources:		
Awarded funds for future period	-	1,288,526
	<u>-</u>	<u>1,288,526</u>
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	<u>\$ 461,595,801</u>	<u>\$ 447,038,568</u>

(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.

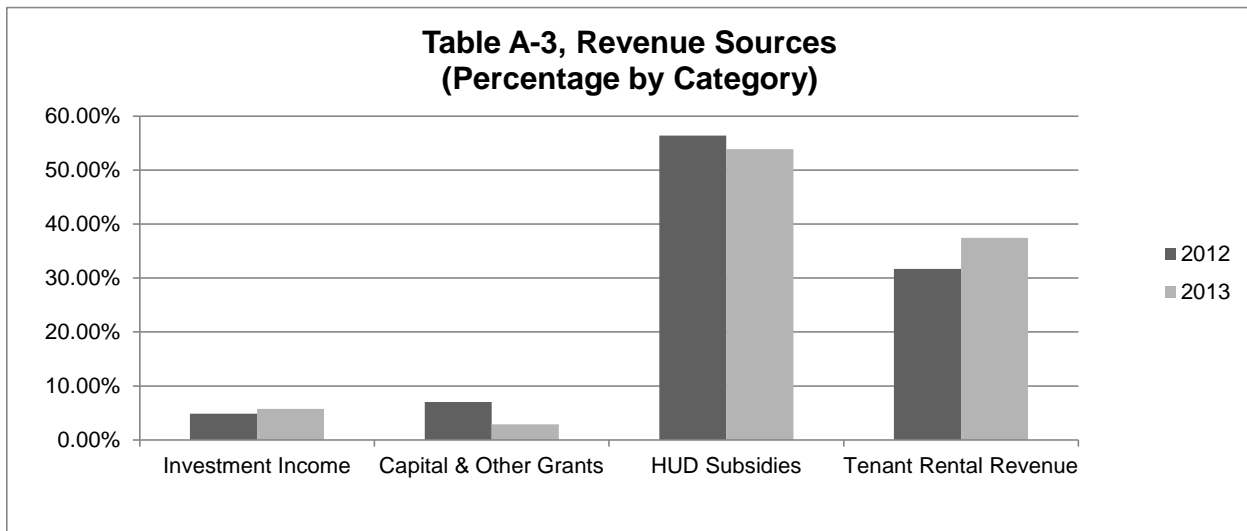
Table A-2 represents the Authority's Condensed Statement of Revenues, Expenses, and Changes in Net Position for 2013 and 2012:

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

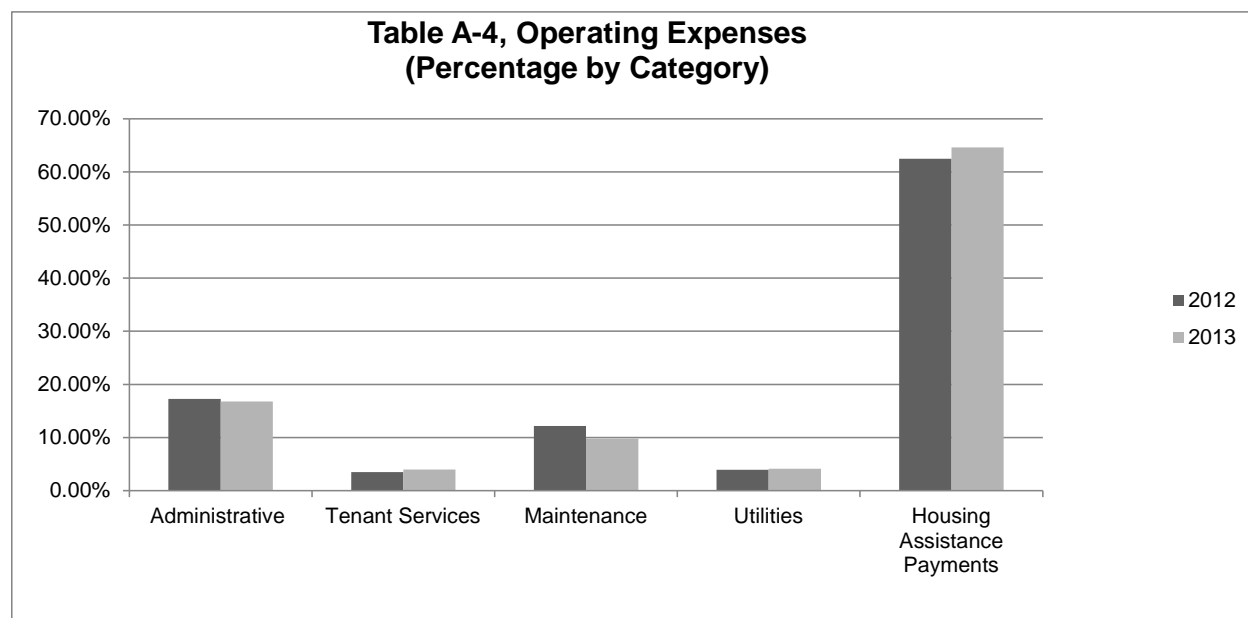
	<u>2013</u>	<u>2012</u>
Operating Revenues	\$ 79,276,611	\$ 70,864,888
Nonoperating revenues	<u>130,508,611</u>	<u>146,701,022</u>
Total Revenues	209,785,222	217,565,910
Operating expenses	185,558,205	176,676,034
Nonoperating expenses	<u>10,895,571</u>	<u>11,336,116</u>
Total Expenses	196,453,776	188,012,150
Excess or deficiency before contributions	13,331,446	29,553,760
Capital grant contributions	<u>1,225,787</u>	<u>5,897,183</u>
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	<u>\$ 461,595,801</u>	<u>\$ 447,038,568</u>

(1) Component units are not included.

Revenues are classified as operating, non-operating or capital grant contributions. Table A-3 shows the sources of revenues for 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

	<u>2013</u>	<u>2012</u>
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	<u>87,829,786</u>	<u>92,537,687</u>
	468,480,713	427,591,868
 Total accumulated depreciation	 <u>(135,840,833)</u>	 <u>(126,849,073)</u>
 Net Capital Assets	 <u>\$332,639,880</u>	 <u>\$300,742,795</u>

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

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

Economic Factors Affecting the Authority's Future

The Authority receives the bulk of its operational funding from the United States Department of Housing and Urban Development (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

	<u>AUTHORITY</u>	<u>COMPONENT UNITS</u>
ASSETS:		
<i>Current Assets</i>		
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	<u>1,008,365</u>	<u>414,532</u>
Total Current Assets	<u>159,497,387</u>	<u>19,279,484</u>
<i>Noncurrent Assets</i>		
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	<u>2,156,282</u>	<u>-</u>
Total Noncurrent Assets	<u>618,568,586</u>	<u>378,899,286</u>
Total Assets	<u>778,065,974</u>	<u>398,178,770</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge for defeasance of debt	<u>1,124,036</u>	<u>-</u>
Total Deferred Outflows	<u>1,124,036</u>	<u>-</u>
LIABILITIES:		
<i>Current Liabilities</i>		
Current portion of long-term debt	35,572,268	14,400,449
Other current liabilities	<u>14,830,640</u>	<u>5,901,997</u>
Total Current Liabilities	<u>50,402,908</u>	<u>20,302,446</u>
<i>Noncurrent Liabilities</i>		
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	<u>2,638,868</u>	<u>13,582,464</u>
Total Noncurrent Liabilities	<u>267,191,300</u>	<u>271,794,076</u>
Total Liabilities	<u>317,594,208</u>	<u>292,096,522</u>
NET POSITION:		
Net investment in capital assets	160,857,574	103,344,184
Restricted	41,068,153	9,815,556
Unrestricted	<u>259,670,074</u>	<u>(7,077,492)</u>
Total Net Position	<u>\$ 461,595,801</u>	<u>\$ 106,082,248</u>

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

	<u>AUTHORITY</u>	<u>COMPONENT UNITS</u>
OPERATING REVENUES		
Tenant revenue	\$ 46,793,711	\$ 23,568,721
Other revenue	<u>32,482,900</u>	<u>230,732</u>
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	<u>1,412,073</u>	<u>1,218,231</u>
Total Operating Expenses	<u>185,558,205</u>	<u>27,136,611</u>
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	<u>44,374</u>	<u>-</u>
Net Nonoperating Revenues (Expenses)	<u>119,613,040</u>	<u>(7,531,436)</u>
 INCOME (LOSS) before contributions	 13,331,446	 (10,868,594)
Capital grant contributions	1,225,787	-
Partner contributions (disbursements)	<u>-</u>	<u>3,687,140</u>
 CHANGE IN NET POSITION	 14,557,233	 (7,181,454)
Beginning Net Position	<u>447,038,568</u>	<u>119,009,817</u>
Change in Component Units ⁽¹⁾	-	(5,746,115)
Ending Net Position	<u>\$ 461,595,801</u>	<u>\$ 106,082,248</u>

(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	<u>(96,452,234)</u>
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	<u>121,923,468</u>
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	<u>(38,579,292)</u>
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	<u>30,834,437</u>
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	<u>\$ 81,145,990</u>
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	<u>\$ (96,452,234)</u>

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
	<u>\$ 21,073,531</u>	<u>\$ 21,561,327</u>	<u>\$ 42,634,858</u>

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 or town in the State of Washington.
- 12) Bonds or warrants of a local improvement district that is within the protection of the local improvement guaranty fund law.

Concentration of Credit Risk

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

Other Information:

The Authority has established arrangements with 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: Multifamily	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	<u>\$ 200,626,970</u>	<u>\$ 58,589,855</u>	<u>\$ 259,216,826</u>

** 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	<u>\$ 85,651,574</u>	<u>\$ 14,721,110</u>	<u>\$ 100,372,684</u>

** 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	<u>150,472,542</u>	<u>40,469,184</u>	<u>(31,990,036)</u>	<u>158,951,690</u>
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	<u>277,119,325</u>	<u>32,647,306</u>	<u>(237,607)</u>	<u>309,529,023</u>
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	<u>\$ 300,742,794</u>	<u>\$ 63,890,461</u>	<u>\$ (31,993,375)</u>	<u>\$ 332,639,880</u>

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
<u>Revenue Bonds:</u>						
<i>Tax Credit:</i>						
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		<u>\$ 95,610,000</u>			<u>\$ 81,633,426</u>	<u>\$ 7,378,636</u>
<i>Other:</i>						
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		<u>\$ 6,950,000</u>			<u>\$ 3,775,374</u>	<u>\$ 318,398</u>
Total revenue bonds		<u>\$ 102,560,000</u>			<u>\$ 85,408,800</u>	<u>\$ 7,697,034</u>
<u>Demand Bonds:</u>						
<i>Tax Credit:</i>						
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		<u>\$ 27,830,000</u>			<u>\$ 27,325,000</u>	<u>\$ 150,000</u>
<i>Other:</i>						
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		<u>\$ 64,790,000</u>			<u>\$ 55,555,000</u>	<u>\$ 2,540,001</u>
Total demand bonds		<u>\$ 92,620,000</u>			<u>\$ 82,880,000</u>	<u>\$ 2,690,001</u>

Details of each issuance of long-term obligations follow:

	Fiscal Year Issued	Amount Issued	Interest Rates	Fiscal Year Maturity	Amount Outstanding	Current Portion
<u>Financing Lease:</u>						
ESCO	2005	\$ 3,900,000	3.90%	2018	\$ 769,272	\$ 173,462
Total financing leases		<u>\$ 3,900,000</u>			<u>\$ 769,272</u>	<u>\$ 173,462</u>
<u>Lines of Credit:</u>						
<i>Tax Credit:</i>						
New Market Tax Credit	2011	11,500,000	2.25%	2014	7,716,183	7,716,183
Total tax credit		<u>\$ 11,500,000</u>			<u>\$ 7,716,183</u>	<u>\$ 7,716,183</u>
<i>Other:</i>						
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		<u>\$ 36,500,000</u>			<u>\$ 28,337,206</u>	<u>\$ 13,599,998</u>
Total lines of credit		<u>\$ 48,000,000</u>			<u>\$ 36,053,389</u>	<u>\$ 21,316,182</u>
<u>Notes Payable:</u>						
<i>Tax Credit:</i>						
Somerset - Bellevue	2000	\$ 700,000	1.00%	2030	\$ 700,000	\$ -
Somerset	2000	400,000	1.00%	2032	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		<u>\$ 8,064,000</u>			<u>\$ 7,216,022</u>	<u>\$ 498,720</u>
<i>Other:</i>						
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		<u>\$ 83,354,485</u>			<u>\$ 83,345,454</u>	<u>\$ 3,166,730</u>
Total notes payable		<u>\$ 91,418,485</u>			<u>\$ 90,561,477</u>	<u>\$ 3,665,449</u>
TOTAL LONG-TERM OBLIGATIONS		<u>\$ 339,849,434</u>			<u>\$ 296,748,314</u>	<u>\$ 35,572,268</u>

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
		<u>\$ 2,042,610</u>		<u>\$ (3,376,386)</u>	

1. Fair value of derivatives is recorded in "Interest Rate Swaps – Fair Value" on Statement of Net Position.
2. Changes in fair value of derivatives are recorded in "Investment Income" 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	<u>37,540,175</u>	<u>20,302,248</u>
Liabilities:		
Current and other liabilities	2,096,530	1,501,481
Long-term debt, net of current	17,400,333	29
Total Liabilities	<u>19,496,863</u>	<u>1,501,510</u>
Net Position:		
Net Investment in Capital Assets	25,510,055	20,315,477
Restricted	-	-
Unrestricted	(7,466,743)	(1,514,739)
Total Net Position	<u>\$ 18,043,312</u>	<u>\$ 18,800,738</u>

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

	2013	2012
Operating Revenues	\$ 369,678	\$ -
Nonoperating revenues	1,711	-
Total Revenues	<u>371,389</u>	<u>-</u>
Operating expenses	114,212	125,365
Nonoperating expenses	1,014,603	-
Total Expenses	<u>1,128,815</u>	<u>125,365</u>
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	<u>\$ 18,043,312</u>	<u>\$ 18,800,738</u>

Condensed Statement of Cash Flows

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

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

Total Liabilities & Net Position	\$ 8,972,754	\$ 15,333,790	\$ 4,109,173	\$ 15,908,445	\$ 7,783,749	\$ 17,144,264
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REVENUE, EXPENSES AND CHANGE IN NET POSITION:

OPERATING REVENUES	\$ 851,123	\$ 1,877,317	\$ 850,732	\$ 2,640,166	\$ 1,082,697	\$ 610,468
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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)
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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)
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Total Net Income (Loss)	(238,975)	(31,739)	(129,098)	(85,142)	(95,062)	(977,377)
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Contributions (distributions)	(6,337)	-	-	50,000	(6,523)	-
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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	<u>6,640,000</u>
Subtotal	6,995,000
Less: Bond issue discount; net	<u>(105,758)</u>
Total	<u><u>\$ 6,889,242</u></u>

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
	<u>\$ 8,644,893</u>	<u>\$ 4,522,573</u>	<u>\$ 13,167,466</u>
Less: Interest	(3,569,893)	(217,573)	(3,787,466)
Less: Bond issue discount; net	(26,311)	-	(26,311)
Total	<u>\$ 5,048,689</u>	<u>\$ 4,305,000</u>	<u>\$ 9,353,689</u>

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

Mortgage notes

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
	<u>\$ 1,077,903</u>	<u>\$ 1,655</u>	<u>\$ 18,958</u>

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	<u>\$ 1,077,903</u>

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

Financing lease

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.

Revenue Bonds

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.

Notes Payable

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.

Minimum revenue bond and note payable payments

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
Thereafter	4,714,305	1,243,184	5,957,489
	<u>\$ 6,541,020</u>	<u>\$ 1,291,005</u>	<u>\$ 7,832,025</u>
Less: Interest	(2,656,020)	(370,205)	(3,026,225)
Less: Bond issue discount; net	(31,112)	-	(31,112)
Total	<u>\$ 3,853,888</u>	<u>\$ 920,800</u>	<u>\$ 4,774,688</u>

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		<u>2,670,000</u>
Total	\$	<u><u>2,870,000</u></u>

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 to 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	\$	<u>23,220,000</u>

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	<u>3,820,000</u>
Total	<u>\$ 4,105,000</u>

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	<u>6,365,000</u>
Total	<u>\$ 6,545,000</u>

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 Housing 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:

	<i>PERS Plan 1</i>	<i>PERS Plan 2</i>	<i>PERS Plan 3</i>
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 Ventilation	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	WA19URD0021108		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
<u>PASS-THROUGH ASSISTANCE</u>					
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	14.856 Section	14.866 Hope VI	14.871 Section 8	14.877 Public
		8 - HAP Program Additional Support	8 - Moderate Rehabilitation		Housing Choice Vouchers	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	93.568 Low
						Weatherization Assistance for Low Income Persons	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	<u>757,225</u>	<u>55,133</u>	<u>-</u>	<u>359,213</u>	<u>708,078</u>
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	<u>5,462</u>	<u>2,911</u>	<u>841</u>	<u>3,305</u>	<u>8,359</u>
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	<u>776,220</u>	<u>59,789</u>	<u>894</u>	<u>371,662</u>	<u>726,540</u>
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	<u>2,408,304</u>	<u>-</u>	<u>-</u>	<u>143,913</u>	<u>347,939</u>
160	Total capital assets, net of depreciation	<u>8,057,609</u>	<u>1,699,064</u>	<u>-</u>	<u>6,088,556</u>	<u>5,234,069</u>
171	Notes and mortgages receivable - non-current	-	-	2,868,675	-	-
174	Other assets	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-
180	Total Noncurrent Assets	<u>8,057,609</u>	<u>1,699,064</u>	<u>2,868,675</u>	<u>6,088,556</u>	<u>5,234,069</u>
190	Total Assets	<u>8,833,829</u>	<u>1,758,853</u>	<u>2,869,569</u>	<u>6,460,218</u>	<u>5,960,609</u>
200	Deferred Outflows of Resources	-	-	-	-	-
290	Total Assets and Deferred Outflows of Resources	<u>\$ 8,833,829</u>	<u>\$ 1,758,853</u>	<u>\$ 2,869,569</u>	<u>\$ 6,460,218</u>	<u>\$ 5,960,609</u>
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	<u>110,494</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>387,574</u>
310	Total Current Liabilities	<u>291,703</u>	<u>12,460</u>	<u>128</u>	<u>97,195</u>	<u>448,850</u>
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	<u>231</u>	<u>7,139</u>	<u>20,763</u>	<u>275</u>	<u>27,157</u>
350	Total Noncurrent Liabilities	<u>88,467</u>	<u>7,139</u>	<u>20,763</u>	<u>35,861</u>	<u>71,506</u>
300	Total Liabilities	<u>380,170</u>	<u>19,599</u>	<u>20,891</u>	<u>133,057</u>	<u>520,356</u>
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	<u>505,915</u>	<u>40,102</u>	<u>2,848,678</u>	<u>284,585</u>	<u>263,435</u>
513	Total Equity - Net Assets/Position	<u>8,453,659</u>	<u>1,739,254</u>	<u>2,848,678</u>	<u>6,327,162</u>	<u>5,440,253</u>
600	Total Liabilities, Deferred Inflows of Resources, and Equity - Net Assets/Position	<u>\$ 8,833,829</u>	<u>\$ 1,758,853</u>	<u>\$ 2,869,569</u>	<u>\$ 6,460,218</u>	<u>\$ 5,960,609</u>

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Line		Forest Glen	College	Juanita Court	Wellswood	Kirkland	Casa Juanita
Item #	Account Description	WA002000201	Place WA002000203	WA002000206	WA002000207	Place WA002000210	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		Sixth Place	Fairwind	Boulevard	Yardley Arms	Riverton Terrace	Nia
Item #	Account Description	WA002000345	WA002000346	WA002000350	WA002000352	WA002000354	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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Statement of Net Position
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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
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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

				COMPONENT UNITS -
Line	Account Description	Elimination	Total Authority	DISCRETELY PRESENTED
Item #				
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 #	Account 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 #	Account 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 #	Account 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
Financial Data Schedule (FDS)

Statement of Revenues, Expenses, and Changes in Net Position
For the 12 Month Period Ending December 31, 2013

Line Item #	Account 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
Financial Data Schedule (FDS)**

Statement of Revenues, Expenses, and Changes in Net Position
For the 12 Month Period Ending December 31 , 2013

Line Item #	Account 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
		\$ -	\$ -	\$ -	\$ -	\$ 40,966,625	\$ -
70300	Net tenant rental revenue	-	-	-	-	-	-
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
Financial Data Schedule (FDS)
Statement of Revenues, Expenses, and Changes in Net Position
For the 12 Month Period Ending December 31 , 2013

Line Item #	Account 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		93.568 Low Income Home Energy Assistance	94.006 Americorp	14.251 Other Federal Programs	14.890 Other Federal Programs	COMPONENT UNITS - BLENDED	COCC
Item #	Account Description						
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

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

Line		93.568 Low Income Home Energy Assistance	94.006 Americorp	14.251 Other Federal Programs	14.890 Other Federal Programs	COMPONENT UNITS - BLENDED	COCC
Item #	Account Description						
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
Financial Data Schedule (FDS)
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For the 12 Month Period Ending December 31 , 2013

Line		Ballinger Homes	Park Royal Apartments	Paramount House II	The Lake House	Northridge II	Forest Glen
Item #	Account Description	WA002000101	WA002000105	WA002000150	WA002000152	WA002000153	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		Ballinger Homes	Park Royal Apartments	Paramount House II	The Lake House	Northridge II	Forest Glen
Item #	Account Description	WA002000101	WA002000105	WA002000150	WA002000152	WA002000153	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		College Place	Kirkland Place	Casa Juanita	Park Lake Homes II	Seola Crossing	Eastbridge
Item #	Account Description	WA002000203	WA002000210	WA002000251	WA002000302	WA002000340	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		College Place	Kirkland Place	Casa Juanita	Park Lake Homes II	Seola Crossing	Eastbridge
Item #	Account Description	WA002000203	WA002000210	WA002000251	WA002000302	WA002000340	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		Salmon Creek	Zephyr	Sixth Place	Fairwind	Boulevard	Yardley Arms
Item #	Account Description	WA002000343	WA002000344	WA002000345	WA002000346	WA002000350	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 #	Account 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		Riverton Terrace	Nia	Valli Kee Homes	Springwood Apartments	Cascade Apartments	Mardis Gras II
Item #	Account Description	WA002000354	WA002000355	WA002000401	WA002000402	WA002000403	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		Riverton Terrace	Nia	Valli Kee Homes	Springwood Apartments	Cascade Apartments	Mardis Gras II
Item #	Account Description	WA002000354	WA002000355	WA002000401	WA002000402	WA002000403	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)
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For the 12 Month Period Ending December 31 , 2013

Line		Firwood Circle	Burndale Homes	Wayland Arms	Plaza Seventeen II	Southridge House	Casa Madrona II
Item #	Account Description	WA002000503	WA002000504	WA002000550	WA002000551	WA002000552	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 #	Account 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

				COMPONENT UNITS -
				DISCRETELY
Line				PRESENTED
Item #	Account Description	SUBTOTAL	Elimination	TOTAL AUTHORITY
70300	Net tenant rental revenue	\$ 45,233,671	\$ -	\$ 45,233,671
70400	Tenant revenue - other	1,560,041	-	1,560,041
70500	Total tenant revenue	46,793,712	-	46,793,712
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
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
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
70000	Total Revenue	218,969,970	(7,958,959)	211,011,010
91100	Administrative salaries	13,641,647	-	13,641,647
91200	Auditing fees	107,510	-	107,510
91300	Management fees	5,491,483	(4,362,608)	1,128,875
91310	Book-keeping Fee	1,808,747	(1,808,747)	-
91400	Advertising and Marketing	188,436	-	188,436
91500	Employee benefit contributions - administrative	5,485,689	-	5,485,689
91600	Office Expenses	1,142,414	-	1,142,414
91700	Legal expense	593,338	-	593,338
91800	Travel	461,003	-	461,003
91900	Other	5,538,412	-	5,538,412
91000	Total Operating - Administrative	34,458,679	(6,171,354)	28,287,325
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
93200	Electricity	942,083	-	942,083
93300	Gas	186,288	-	186,288
93400	Fuel	4,490	-	4,490
93600	Sewer	2,616,238	-	2,616,238
93800	Other utilities expense	1,438,532	-	1,438,532
93000	Total Utilities	7,225,679	-	7,225,679
94100	Ordinary maintenance and operations - labor	4,947,458	-	4,947,458
94200	Ordinary maintenance and operations - material and other	7,490,347	-	7,490,347
94300	Ordinary maintenance and operations - contracts	3,201,095	-	3,201,095
94500	Employee benefit contributions - ordinary maintenance	1,290,950	-	1,290,950
94000	Total Maintenance	16,929,850	-	16,929,850
96110	Property Insurance	390,938	-	390,938
96120	Liability Insurance	492,056	-	492,056
96100	Total Insurance Premiums	882,994	-	882,994

**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

					COMPONENT UNITS -
Line					DISCRETELY
Item #	Account Description	SUBTOTAL	Elimination	TOTAL AUTHORITY	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 <input type="checkbox"/> Cooperative Agreement <input checked="" type="checkbox"/> Grant		2. Type of Action <input type="checkbox"/> Award <input type="checkbox"/> 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 380 SEATTLE, WA 98104-1000	
9. Recipient Project Manager MS. CONNIE DAVIS		10. Name of Administrator ANN BECKER	
11. Assistance Arrangement <input checked="" type="checkbox"/> Cost Reimbursement <input type="checkbox"/> Cost Sharing <input type="checkbox"/> Fixed Price		12. Payment Method <input type="checkbox"/> Treasury Check Reimbursement <input type="checkbox"/> Advance Check <input checked="" type="checkbox"/> Automated Clearinghouse	
13. HUD Payment Office HUD LOCCS-VRS		14. HUD Government Technical Representative	
15. HUD Accounting and Appropriation Data		16. HUD Accounting and Appropriation Data	
Previous HUD Amount \$ 68,861.00		15a. Appropriation Number	
HUD Amount this action \$		15b. Reservation Number	
Total HUD Amount \$ 68,861.00		Amount Previously Obligated \$	
Recipient Amount \$		Obligation by this action \$	
Total Instrument Amount \$ 68,861.00		Total Obligation \$	
17. Description CLOSEOUT OF ROSS FY2011 PUBLIC HOUSING FAMILY SELF-SUFFICIENCY GRANT.			

17. <input type="checkbox"/> Recipient is required to sign and return three (3) copies of this document to the HUD Administering Office		18. <input checked="" type="checkbox"/> Recipient is not required to sign this document.	
19. Recipient (By Name)		20. HUD (By Name) Harlan Stewart	
Signature & Title		Signature & Title	
Date (mm/dd/yyyy)		Date (mm/dd/yyyy)	
		Director, Office of Public Housing	
		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: HA COUNTY OF KING	Modernization Project Number: WA19P002501-02
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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)

X *[Signature]*

Date:

12/7/12

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)

X

Date:

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

Date:

X

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

**Actual HOPE VI
Cost Certificate**U.S. Department of Housing
and Urban Development
Office of Public and Indian HousingOMB 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 King County Housing Authority	HOPE VI Grant Number WA 19URD0021108
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The Grantee hereby certifies to the Department of Housing and Urban Development as follows:

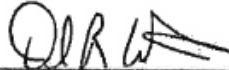
1. That the Actual Program Cost of the HOPE VI Grant is as shown below:

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

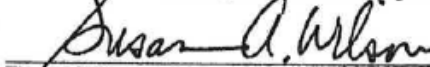


Date (mm/dd/yyyy)

02/08/2014

For HUD
Use Only

The Cost Certificate is approved for audit (signature of approving official)



Date (mm/dd/yyyy)

3/20/14

The audited costs agree with the costs shown above

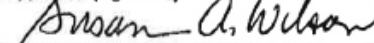
Verified (signature)



Date (mm/dd/yyyy)

04.23.2014

Approved (signature)



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.

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	
Deputy Director for Communications	Thomas Shapley Thomas.Shapley@sao.wa.gov (360) 902-0367
Public Records requests	(360) 725-5617
Main telephone	(360) 902-0370
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