



Washington State Auditor's Office

Government that works for citizens

Financial Statements and Federal Single Audit Report

Housing Authority of the County of King

For the period January 1, 2015 through December 31, 2015

Published September 29, 2016

Report No. 1017602





Washington State Auditor's Office

September 29, 2016

Board of Commissioners
Housing Authority of the County of King
Tukwila, Washington

Report on Financial Statements and Federal Single Audit

Please find attached our report on the Housing Authority of the County of King'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
OLYMPIA, WA

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SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Housing Authority of the County of King January 1, 2015 through December 31, 2015

SECTION I – SUMMARY OF AUDITOR’S RESULTS

The results of our audit of the Housing Authority of the County of King are summarized below in accordance with Title 2 *U.S. Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Financial Statements

We issued an unmodified opinion on the fair presentation of the financial statements of the business-type activities and the aggregate discretely presented component units in accordance with accounting principles generally accepted in the United States of America (GAAP).

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 its major federal program.

We reported no findings that are required to be disclosed in accordance with 2 CFR 200.516(a).

Identification of Major Federal Programs:

The following program was selected as a major program in our audit of compliance in accordance with the Uniform Guidance.

<u>CFDA No.</u>	<u>Program or Cluster Title</u>
14.881	Moving to Work Demonstration Program

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by the Uniform Guidance, was \$3,000,000.

The Housing Authority qualified as a low-risk auditee under the Uniform Guidance.

SECTION II – FINANCIAL STATEMENT FINDINGS

None reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None reported.

**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**

**Housing Authority of the County of King
January 1, 2015 through December 31, 2015**

Board of Commissioners
Housing Authority of the County of King
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 Housing Authority of the County of King, King County, Washington, as of and for the year ended December 31, 2015, 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 23, 2016. As discussed in Note 2 to the financial statements, during the year ended December 31, 2015, the Housing Authority implemented Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*.

Our report includes a reference to other auditors who audited the financial statements of the Eastbridge Apartments LLC, Egis Housing Limited Partnership, Fairwind Apartments LLLP, Green River Homes LLC, Green River Homes 2 LLC, Harrison House LLC, KCHA – Cones Limited Partnership, KCHA – Southwood Square Limited Partnership, Nia Apartments LLC, Overlake TOD Housing Limited Partnership, Salmon Creek Housing LLC, Seola Crossing LLC, Sixth Place Apartments LLLP, Soosette Creek LLC, Vantage Point Apartments LLC, Zephyr Apartments LLLP, 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 Eastbridge Apartments LLC, Egis Housing Limited Partnership, Fairwind Apartments LLLP, Green River Homes LLC, Green River Homes 2 LLC, Harrison House LLC, KCHA – Cones Limited Partnership, KCHA – Southwood Square Limited Partnership, Nia Apartments LLC, Overlake

TOD Housing Limited Partnership, Salmon Creek Housing LLC, Seola Crossing LLC, Sixth Place Apartments LLLP, Soosette Creek LLC, Vantage Point Apartments LLC, Zephyr Apartments LLLP were not audited in accordance with *Government Auditing Standards* and accordingly this report does not include reporting on internal control over financial reporting or instances of reportable noncompliance associated with the Eastbridge Apartments LLC, Egis Housing Limited Partnership, Fairwind Apartments LLLP, Green River Homes LLC, Green River Homes 2 LLC, Harrison House LLC, KCHA – Cones Limited Partnership, KCHA – Southwood Square Limited Partnership, Nia Apartments LLC, Overlake TOD Housing Limited Partnership, Salmon Creek Housing LLC, Seola Crossing LLC, Sixth Place Apartments LLLP, Soosette Creek LLC, Vantage Point Apartments LLC, Zephyr Apartments LLLP.

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.

A handwritten signature in black ink that reads "Troy X. Kelley". The signature is written in a cursive style with a large, stylized "X" in the middle.

TROY KELLEY
STATE AUDITOR
OLYMPIA, WA

September 23, 2016

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR
EACH MAJOR FEDERAL PROGRAM AND REPORT ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE
WITH THE UNIFORM GUIDANCE**

**Housing Authority of the County of King
January 1, 2015 through December 31, 2015**

Board of Commissioners
Housing Authority of the County of King
Tukwila, Washington

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM**

We have audited the compliance of the Housing Authority of the County of King, King County, Washington, with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Compliance Supplement* that could have a direct and material effect on each of the Housing Authority's major federal programs for the year ended December 31, 2015. The Housing Authority's major federal programs are identified in the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2015.

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 the Uniform Guidance, 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 the Uniform Guidance. 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
OLYMPIA, WA

September 23, 2016

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Housing Authority of the County of King January 1, 2015 through December 31, 2015

Board of Commissioners
Housing Authority of the County of King
Tukwila, Washington

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the Housing Authority of the County of King, King County, Washington, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed on page 16.

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 Eastbridge Apartments LLC, Egis Housing Limited Partnership, Fairwind Apartments LLLP, Green River Homes LLC, Green River Homes 2 LLC, Harrison House LLC, KCHA – Cones Limited Partnership, KCHA – Southwood Square Limited Partnership, Nia Apartments LLC, Overlake TOD Housing Limited Partnership, Salmon Creek Housing LLC, Seola Crossing LLC, Sixth Place Apartments LLLP, Soosette Creek LLC, Vantage Point Apartments LLC, Zephyr Apartments LLLP which represent 100 percent of the assets and the assets and net position, and 100 percent of the revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and in our opinion, insofar as it relates to the amounts included for the Eastbridge Apartments LLC, Egis Housing Limited Partnership, Fairwind Apartments LLLP, Green River Homes LLC, Green River Homes 2 LLC, Harrison House LLC, KCHA – Cones Limited

Partnership, KCHA – Southwood Square Limited Partnership, Nia Apartments LLC, Overlake TOD Housing Limited Partnership, Salmon Creek Housing LLC, Seola Crossing LLC, Sixth Place Apartments LLLP, Soosette Creek LLC, Vantage Point Apartments LLC, Zephyr Apartments LLLP 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 Eastbridge Apartments LLC, Egis Housing Limited Partnership, Fairwind Apartments LLLP, Green River Homes LLC, Green River Homes 2 LLC, Harrison House LLC, KCHA – Cones Limited Partnership, KCHA – Southwood Square Limited Partnership, Nia Apartments LLC, Overlake TOD Housing Limited Partnership, Salmon Creek Housing LLC, Seola Crossing LLC, Sixth Place Apartments LLLP, Soosette Creek LLC, Vantage Point Apartments LLC, Zephyr Apartments LLLP were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Housing Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Housing Authority of the County of King, as of December 31, 2015, 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.

Matters of Emphasis

As discussed in Note 2 to the financial statements, in 2015, the Housing Authority adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 17 through 24 and pension plan information on pages 88 through 89 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 Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The accompanying Financial Data Schedule and HUD form are supplementary information required by HUD. These schedules are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional

procedures in accordance with auditing standards generally accepted in the United States of America by us and other auditors. In our opinion, based on our audit, the procedures performed as described above, and the report of the other auditors, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2016 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
OLYMPIA, WA

September 23, 2016

FINANCIAL SECTION

Housing Authority of the County of King January 1, 2015 through December 31, 2015

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis – 2015

BASIC FINANCIAL STATEMENTS

Statement of Net Position – 2015

Statement of Revenues, Expenses, and Changes in Net Position – 2015

Statement of Cash Flows – 2015

Notes to the Financial Statements – 2015

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Proportionate Share of the Net Pension Liability – 2015

Schedule of Employer Contributions – 2015

SUPPLEMENTARY AND OTHER INFORMATION

Schedule of Expenditures of Federal Awards and Notes – 2015

Financial Data Schedule – 2015

Actual Modernization Cost Certificate – WA19P002501-10

Actual Modernization Cost Certificate – WA19P002501-11

Actual Modernization Cost Certificate – WA19R002502-12

Actual Modernization Cost Certificate – WA19R002502-13

Actual Modernization Cost Certificate – WA19C002501-10

Actual Modernization Cost Certificate – WA19C002502-10

Actual Modernization Cost Certificate – WA19C002503-10

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, 2015. 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 9,398 units of housing and provides rental subsidies to over 7,400 additional households. The majority of KCHA's program participants have incomes below 20 percent of area median income. KCHA's inventory includes 2,189 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 23 sites and 2,083 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, Fairwind, and Vantage Point 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 and 9.

2015 Financial Highlights

- KCHA's participation in HUD's Moving to Work (MTW) program gives the Authority the ability to receive most of its Housing Choice Voucher revenue as a block grant and gives KCHA flexibility in how the funds can be spent.
- Total assets and deferred outflows of resources of the Authority exceeded total liabilities and deferred inflows of resources at December 31, 2015 by \$458.4 million.
- The change in net position for 2015 was a decrease of \$9.1 million and includes approximately \$7 million in capital grant contributions.
- Operating expenses were \$205.2 million and include \$119.2 million in housing assistance payments made to landlords, or 59 percent of operating expenses.
- 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, 2015 and 2014. 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>2015</u>	<u>2014</u>
Assets:		
Current and other assets	\$ 418,501,995	\$ 415,232,606
Capital assets	411,679,492	384,992,197
Total Assets	830,181,487	800,224,803
Deferred Outflows of Resources:		
Deferred charge for defeasance of debt	960,540	1,042,288
Related to pensions	2,329,839	-
	3,290,379	1,042,288
Liabilities:		
Current and other liabilities	61,028,555	28,411,663
Long-term debt, net of current	309,672,042	282,843,438
Total Liabilities	370,700,597	311,255,101
Deferred Inflows of Resources:		
Unavailable revenue	1,467,000	1,467,000
Related to pensions	2,927,456	-
	4,394,456	1,467,000
Net Position:		
Net Investment in Capital Assets	187,844,170	198,453,108
Restricted	25,166,439	37,641,243
Unrestricted	245,366,204	252,450,639
Total Net Position	\$ 458,376,813	\$ 488,544,990

(1) Component units are not included.

Current and other assets, excluding capital assets, for the year ended December 31, 2015 total \$418.5 million and are comprised of \$132.2 million in cash, cash equivalents, and investments and \$284.8 million in accounts, interest, notes and financing lease receivables, and \$1.5 million of other assets. The \$3.3 million increase from the prior year is primarily due a \$5.3 million decrease in cash, cash equivalents, and investments and a \$1.1 million decrease in Other Assets combined with a \$9.7 million increase in accounts, notes, and financing leases receivable. The increase in receivables was mainly attributable to the issuance of a \$17.4 million bridge loan to Vantage Point Apartments Tax Credit Partnership related to the development of the Vantage Point property combined with the payment of lease receivables upon termination of the KCHA – Kona Village tax credit partnership in 2015.

Capital assets for the year ended December 31, 2015 are \$411.7 million. Included in this category are land and improvements, buildings and improvements, personal property, and construction-in-progress. Capital asset additions of \$124.5 million include acquisition of land and buildings from the KCHA – Kona Village tax credit partnership as well as the purchases of Villages at South Station, Corinthian Apartments, and Woodcreek Lane Apartments. \$56.6 million of additions represents the completion of various construction projects related to building upgrades. Of this amount, \$44.3 was capitalized out of construction-in-process.

Capital asset disposals of \$86.3 million includes \$38.1 million of disposals that fall into two broad categories, both attributable to the two large HOPE VI re-development projects undertaken by the Authority over the past decade. First, infrastructure, such as streets, alleyways, and retention ponds were turned over or “donated” to King County, as is standard in such developments. Second, Low Income Housing Tax Credit (LIHTC) rules prevented the tax credit partnerships that acquired the rental housing developments from the Authority from including all development costs in the “basis”, i.e. what the partnership could pay for the properties. As a result of these two issues, \$38.1 million of construction-in-process left on the Authority’s books was expensed in 2015. It is important to note that this write-off is an accounting treatment only and is not a cash loss. The related construction-in-process that was written off had specific funding sources that were drawn in prior years. Remaining capital asset disposals included \$44.3 million of completed construction projects that were disposed from construction-in-process and capitalized to the building assets category in 2015. 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 \$61 million at December 31, 2015, an increase of \$32.6 million from 2014. \$19.4 million of the increase resulted from the implementation of a new standard issued by the Government Accounting Standards Board (GASB) that requires the Authority, beginning in 2015, to report a Net Pension Liability on the Statement of Net Position. The increase in the current portion of long-term debt is mainly attributable to a new line of credit related to the financing of the Vantage Point development as well as bonds assumed from the KCHA – Kona Village tax credit partnership that mature in 2016.

Total net position decreased by \$30.2 million during 2015. Net position represents the Authority’s equity, a portion of which is restricted for certain uses. Restricted Net Position decreased \$12.5 million from 2014 primarily due to the release of restriction on \$11.8 million that had been previously collateralized. The release of restriction on \$11.8 million also contributed to a \$13.7 million increase in unrestricted investments. This increase combined with a new \$19.4 million net pension liability as well as a \$1.2 million decrease in Other Noncurrent Assets contributed to a \$7.1 million decrease in Unrestricted Net Position in 2015.

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

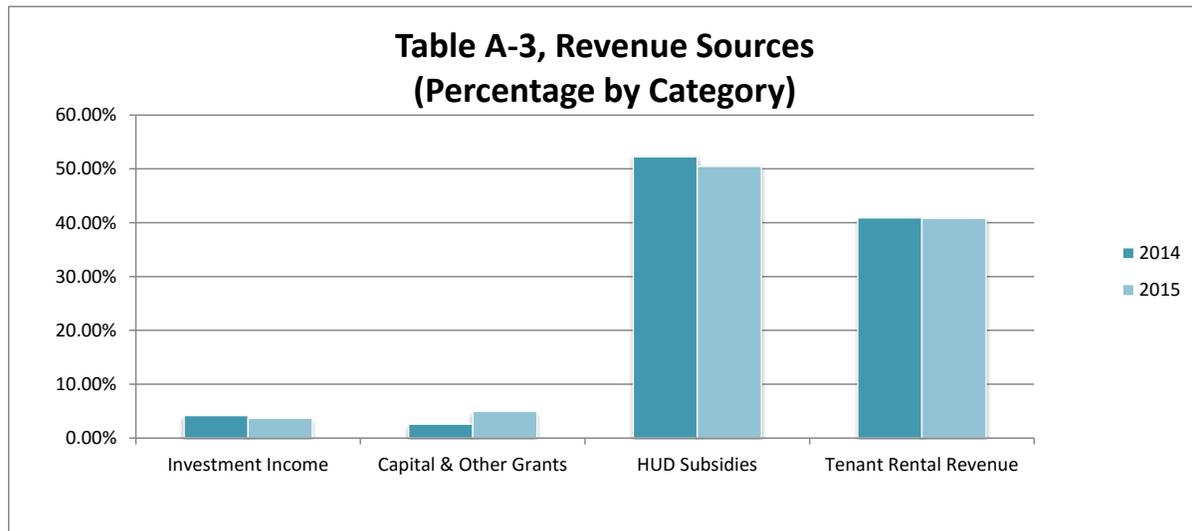
The purpose of the “Condensed Statement of Revenues, Expenses and Changes in Net Position” is to present the revenues earned by the Authority (both operating and non-operating) and the expenses incurred (operating and non-operating), and any other revenues, expenses, gains and losses received or spent by the Authority.

Table A-2 represents the Authority's Condensed Statement of Revenues, Expenses, and Changes in Net Position for 2015 and 2014:

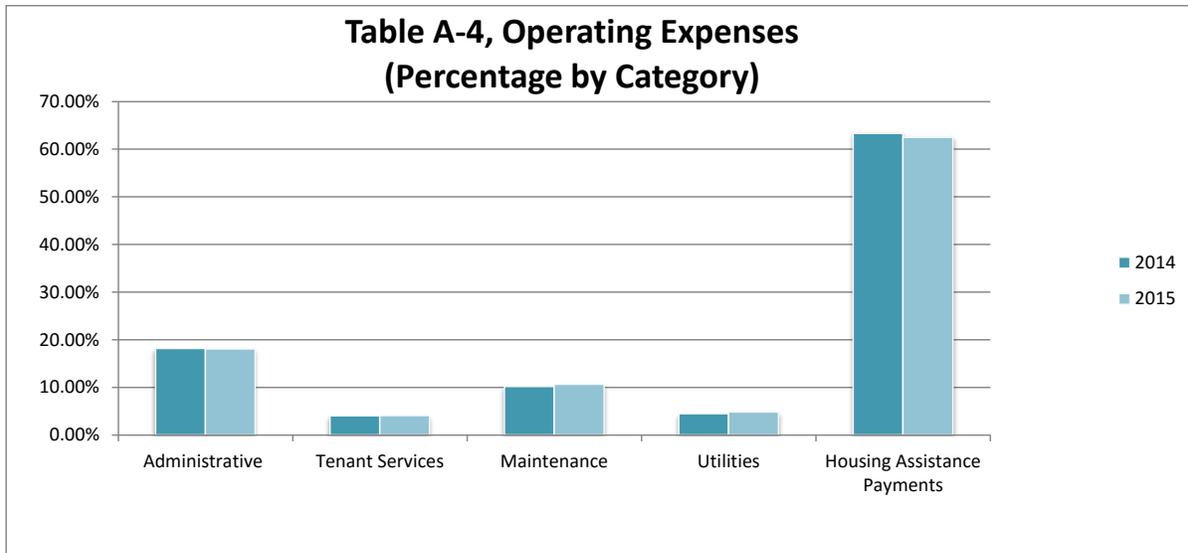
	2015	2014
Operating Revenues	\$ 100,102,029	\$ 94,882,300
Nonoperating revenues	138,017,608	135,931,482
Total Revenues	238,119,637	230,813,782
Operating expenses	205,213,160	194,247,413
Nonoperating expenses	9,915,021	10,613,660
Total Expenses	215,128,181	204,861,073
Excess or deficiency before contributions	22,991,456	25,952,709
Capital grant contributions	7,021,315	996,480
Special item	(39,117,550)	-
Change in Net Position	(9,104,779)	26,949,189
Beginning Net Position	488,544,990	461,595,801
Change in Accounting Principle	(21,063,398)	-
Ending Net Position	\$ 458,376,813	\$ 488,544,990

(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 2015 and 2014 as a percentage of all revenues. The overall contribution for each revenue type remained relatively constant from 2014 to 2015. An increase in capital grant revenues results from the Authority in prior periods expending MTW funds in lieu of Capital Fund Program 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 2015 were \$193.1 million (excluding depreciation), a 4.9 percent increase from 2014. Each category remained relatively constant from 2014 to 2015.



Net Capital Assets

During 2015, net capital assets increased by \$26.7 million. This net increase is primarily attributable to \$112.4 million in capital asset additions (net of accumulated depreciation) offset by \$85.7 million of disposals (net of accumulated depreciation.)

Capital asset additions include:

- \$29.3 million related to the purchase of Villages at South Station,
- \$10.1 million related to the purchase of Corinthian Apartments,
- \$4.6 million related to the purchase of Woodcreek Lane Apartments,
- \$8.9 million related to the acquisition of assets from tax credit partnerships,
- \$12.6 million of construction-in-process,
- \$56.6 million related to building upgrades at various properties.

Capital asset disposals include:

- \$45.4 million of construction-in-process representing capitalized work related to construction projects completed in 2015,
- \$38.1 million of HOPE VI project construction-in-process released to King County after project completion
- \$2.7 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>2015</u>	<u>2014</u>
Land	\$ 113,988,877	\$ 99,437,615
Buildings and improvements	425,024,834	328,513,836
Furniture, equipment & machinery	5,433,233	5,286,420
Construction in progress	24,107,786	97,096,786
	<u>568,554,730</u>	<u>530,334,657</u>
Total accumulated depreciation and amortization	(156,875,238)	(145,342,460)
Net Capital Assets	<u>\$ 411,679,492</u>	<u>\$ 384,992,197</u>

Long-term Debt

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 \$309.7 million in net long-term bonds and notes outstanding (as shown in table A-6) which represents a \$26.8 million increase over the prior year-end balance. For more information on the Authority's long-term debt, please see Note 7.

Table A-6, Long Term Debt

	<u>2015</u>	<u>2014</u>
Long-term, net of current portion	\$ 309,672,042	\$ 282,843,438

Additions to long-term debt include \$47.1 million in new lines of credit used to finance the development of Vantage Point Apartments as well as the purchase of Woodcreek Lane Apartments, Villages at South Station, and Corinthian Apartments. A new \$41.2 million note was used to refinance a previous revenue bond for Windsor Heights and lines of credit for Meadowbrook Apartments and Gilman Square.

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. As 2016 is a presidential election year it is unknown what impact a new administration will have on congressional priorities and appropriations.

Over the last three years, the two bedroom 40th percentile rent in King County has increased by 15 percent, a trend that has had serious impacts on families participating in the Housing Choice Voucher (HCV) program. While KCHA raised its payment standards (the maximum value of a voucher) in December of 2014, these increases have been outpaced by the rising market. Many new voucher holders are unable to find housing and existing program participants have taken on an increased shelter burden, with 30 percent of tenant-based voucher holders now spending more than 40 percent of their income on rent and utilities. In an effort to address the increasing rental costs, payments standards were increased once again in early 2016.

Although there was concern that the increase in payment standards will not fully address increases in the private rental market, HUD funding levels have limited the degree to which payment standards could be raised. While HUD's Fair Market Rental (FMR) metric for the region increased 36 percent between 2014 and 2016, actual funding has been stagnant. In 2012, HUD adopted a new formula for determining yearly inflation increases (the Replacement Funding Inflation Factor or RFIF) which relies on national data rather than local market conditions. As a result, despite the large FMR increases in Seattle and King County, KCHA had not received a funding increase since 2012.

In March of 2016, however, KCHA received a 12 percent RFIF from HUD, supplying a needed revenue boost to agency operations. Executive management will decide how to deploy these additional resources.

The cost of home ownership is also increasing in the region. The Seattle Times reported that the median price of a single-family home in December 2015 was \$508,000; a 15 percent increase from the previous year. Condominium prices rose eight percent as well over the same period. In addition to housing prices, the Federal Reserve also raised interest rates slightly in December 2015. Though it is uncertain whether interest rates will be raised again in 2016, overall housing costs are increasing which should result in increased demand for the Authority's services.

The Authority has received a 10-year extension from HUD of the Moving-to-Work contract which will now 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, 2015

	AUTHORITY	COMPONENT UNITS
ASSETS:		
<i>Current Assets</i>		
Cash and cash equivalents	\$ 56,852,610	\$ 6,617,846
Restricted cash and cash equivalents	20,939,226	6,480,852
Receivables, net	5,085,469	172,343
Notes and leases receivable - current portion	20,517,871	-
Investments	47,137,970	364,490
Restricted investments	5,759,078	-
Other current assets	1,042,351	269,919
Total Current Assets	157,334,575	13,905,450
<i>Noncurrent Assets</i>		
Restricted cash and cash equivalents	1,493,125	-
Land, buildings and equipment, net		
Nondepreciable	111,587,772	31,259,642
Depreciable	300,091,720	319,449,568
Intangible assets, net	-	1,130,915
Interest receivable	16,703,646	-
Notes and leases receivable	242,488,768	-
Other noncurrent assets	481,881	-
Total Noncurrent Assets	672,846,912	351,840,125
Total Assets	830,181,487	365,745,575
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charge for defeasance of debt	960,540	-
Related to pensions	2,329,839	-
Total Deferred Outflows	3,290,379	-
LIABILITIES:		
<i>Current Liabilities</i>		
Current portion of long-term debt	19,837,177	18,040,000
Other current liabilities	17,981,076	2,853,964
Total Current Liabilities	37,818,253	20,893,964
<i>Noncurrent Liabilities</i>		
Interest rate swaps - fair value	2,348,860	-
Long-term debt, net of current	309,672,042	237,574,334
Net pension liability	19,367,496	-
Other noncurrent liabilities	1,493,946	20,380,985
Total Noncurrent Liabilities	332,882,344	257,955,319
Total Liabilities	370,700,597	278,849,283
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue	1,467,000	-
Related to pensions	2,927,456	-
Total Deferred Inflows	4,394,456	-
NET POSITION:		
Net investment in capital assets	187,844,170	95,094,876
Restricted	25,166,439	5,935,042
Unrestricted	245,366,204	(14,133,626)
Total Net Position	\$ 458,376,813	\$ 86,896,292

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, 2015

	<u>AUTHORITY</u>	<u>COMPONENT UNITS</u>
OPERATING REVENUES		
Tenant revenue	\$ 63,178,408	\$ 18,606,053
Other revenue	36,923,621	1,094,348
Total Operating Revenues	<u>100,102,029</u>	<u>19,700,401</u>
OPERATING EXPENSES		
Administrative	34,423,172	3,756,528
Tenant services	7,699,248	25
Maintenance	20,303,173	4,169,851
Utilities	9,211,993	2,655,159
Housing assistance payments	119,192,881	-
Depreciation and amortization	12,134,932	11,722,231
Other expenses	2,247,761	1,342,583
Total Operating Expenses	<u>205,213,160</u>	<u>23,646,377</u>
Operating Income (Loss)	(105,111,131)	(3,945,976)
NONOPERATING REVENUE (EXPENSE)		
HUD subsidies and grant revenue	123,794,849	-
Other government grants	5,127,865	-
Investment income	9,047,747	17,790
Interest expense	(9,915,021)	(7,089,325)
Net gain (loss) on disposal of capital assets	47,147	-
Net Nonoperating Revenues (Expenses)	<u>128,102,587</u>	<u>(7,071,535)</u>
INCOME (LOSS) before contributions and special items	22,991,456	(11,017,511)
Capital grant contributions	7,021,315	-
Partner contributions (disbursements)	-	200,459
Special item - disposition of assets ⁽¹⁾	<u>(39,117,550)</u>	<u>-</u>
CHANGE IN NET POSITION	(9,104,779)	(10,817,052)
Beginning Net Position	<u>488,544,990</u>	<u>101,992,753</u>
Change in Accounting Principle	(21,063,398)	-
Change in Reporting Entity ⁽²⁾	-	(4,279,409)
Ending Net Position	<u>\$ 458,376,813</u>	<u>\$ 86,896,292</u>

(1) Please see Footnote 17 for more information

(2) 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
Statement of Cash Flows
For the 12 Month Period Ended December 31, 2015

	<u>AUTHORITY</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from tenants	\$ 64,463,979
Payments to employees	(26,875,665)
Payments to suppliers of goods and services	(44,367,788)
Payments to landlords	(114,796,574)
Payments received from (made to) other housing authorities	(2,898,402)
Other receipts (payments)	30,843,344
Net cash provided by (used in) operating activities	<u>(93,631,106)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Receipts from HUD	123,156,722
Receipts from other governments	5,415,893
Net cash provided by noncapital financing activities	<u>128,572,615</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Capital grant contributions	7,021,315
Purchase of capital assets	(67,250,602) a)
Net proceeds from capital asset disposal	47,147
Proceeds from issuance of capital debt	89,505,403
Principal payments on capital debt	(52,376,149)
Interest paid on capital debt	(10,102,790)
Other receipts (payments)	(86,745)
Net cash used in capital and related financing activities	<u>(33,242,421)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Net sale (purchase) of investments	52,288
Investment in notes and financing leases	(18,770,000)
Payments received on notes and financing leases	3,772,669 a)
Investment income -- notes and financing leases	5,435,454
Investment income -- other	1,468,178
Other receipts (payments)	1,123,217
Net cash provided by investing activities	<u>(6,918,194)</u>
Net Decrease in Cash and Cash Equivalents	(5,219,106)
Cash and cash equivalents -- beginning of the year	84,504,067
Cash and cash equivalents -- end of the year	<u>\$ 79,284,961</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	(105,111,131)
Adjustment to reconcile operating income to net cash:	
Depreciation expense	12,134,932
Change in assets and liabilities:	
Receivables and other assets	(797,360)
Accounts and other payables	142,453
Net cash provided by (used in) operating activities	<u>\$ (93,631,106)</u>

Non-cash transactions that would have been reported in the capital and investing sections if the transactions had involved a cash exchange.
a) Excludes \$9 million of capital assets received from the Kona Village tax credit partnership in exchange for notes and financing leases.

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 city of Seattle) 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 percent 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. 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 39 housing projects consisting of 2,189 units of public housing of which 1,268 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 percent of their adjusted income in rents. Two thirds of public housing residents earn less than 20 percent of the area median income, with almost 80 percent 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 on behalf of over 7,400 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 percent 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 percent 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 1,767 units subsidized under this program; 719 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 34 apartment complexes totaling 4,077 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 percent 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.

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 16 partnerships representing 23 housing complexes comprising 2,083 units.

Miscellaneous Local Programs - The Authority has an inventory of 15 different housing developments comprising 144 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 2015, the Authority assisted 485 homes with structural upgrades, air quality improvements and energy efficiencies.

Social and Human Service Programs - The Authority serves a wide variety of people including families with children as well as individuals with special needs such as the elderly, the physically and developmentally disabled, the homeless and the mentally ill. The Authority KCHA's programs and services are designed around a commitment to support and partner with individuals and families served by KCHA in ways that promote successful life outcomes with dignity and respect. Provided directly by KCHA staff or through nearly 20 contracts with services providers, these services and programs fall into the following five broad categories: Housing Stability; Workforce Development and Economic Stability; Independent Living; Education Programs and Initiatives; and Community Building & Engagement. For example, Head Start classrooms operate at two sites, Boys and Girls Club programs operate at four sites, and five 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 Neighborhood House. These contracted services are partially funded using federal and private grants, which the Authority receives in a competitive process for periods of one to three years.

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 a blended component unit and discretely presented component units. The blended component unit is a legally separate entity, and should be, in substance, part of the Authority's operations, and so data from this unit is 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 Unit

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

The partnerships 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 percent of all profits, losses, and tax credits pursuant to the terms of the partnership or operating agreement with the partnerships.

The following discretely presented component units have a December 31, 2015 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, 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 State 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 Burien, 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 – 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 State 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.
- **Vantage Point Apartments LLC** – A Washington State limited liability company formed in March 2013, to construct, lease, maintain and operate a 77-unit apartment complex in Renton, Washington, known as Vantage Point Apartments. The Authority serves as its sole Managing Member. Pursuant to the Operating Agreement dated June 2, 2014 and amended September 1, 2014, RBC-Vantage Point, LLC, a Delaware limited liability company as the Investor Member and RBC Tax Credit Manager II, Inc., a Delaware corporation as the Special Investor 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 \$4,279,409 resulting from the dissolution of the KCHA – Kona Village Limited Partnership in 2015.

Summary of Significant Accounting Policies

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

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, 2015 include the following:

	Restricted		
	Cash & Cash Equivalents	Investments	Total
Replacement Reserves	\$ 6,908,323	\$ -	\$ 6,908,323
Debt Service Reserves	1,084,825	673,248	1,758,073
Tenant Security Deposits	2,171,671	-	2,171,671
Collateral Reserves	7,773,229	4,919,284	12,692,513
Excess Cash Reserves	2,232,191	-	2,232,191
Other	2,262,112	166,546	2,428,658
	<u>\$ 22,432,351</u>	<u>\$ 5,759,078</u>	<u>\$ 28,191,429</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.

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, 2015 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.

Pensions

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

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 percent 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 a portion of sick leave is 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, 2015, the Authority was obligated under these contracts to purchase approximately \$2.5 million of goods and services.

Note 2 – Accounting and Reporting Changes

During 2015, the Authority has implemented the following new accounting standards issued by the GASB:

Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* improves financial reporting by state and local governmental pension plans to provide decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This statement became effective for financial statements with fiscal years beginning after June 15, 2014. Impact of the adoption of this statement is shown on the face of the Authority's financial statements as a change in accounting principle and is further described in Note 3.

Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB No. 68*. This statement relates to amounts associated with contributions, if any, made by a state or local government employer to non-employer contributing entity to a defined benefit pension plan after the measurement date of the governments' beginning net pension liability. Provisions of this statement were applied simultaneously with the provisions of Statement 68. Impact of the adoption of this statement is shown on the face of the Authority's financial statements as a change in accounting principle and is further explained in Note 3.

Note 3 – Change in Accounting Principle

The Authority implemented GASB Statement 68, *Accounting and Financial Reporting for Pensions (an amendment of GASB Statement No. 27)* and GASB Statement 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB No. 68* in the fiscal year ending December 31, 2015. The implementation of the statement required the Authority to record beginning net pension liability, the effects on net position of contributions made by the Authority during the prior period but subsequent to the measurement date (June 30, 2014), and the Authority's proportionate share of the pension plan's net difference between projected and actual investment earnings. As a result, net position for the Authority decreased by \$21,063,398.

Note 4 – 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.

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.

In 2013, Moving King County Residents Forward made an 18-month, \$12 million investment in US Bank Commercial Paper. As a blended component unit and legally separate organization, this investment is exception from the preceding policy statement.

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, 2015, the pool had an average days-to-maturity of 35 days and therefore is reported at cost. Government securities are reported at fair value.

A summary of cash and investments at December 31, 2015 follows:

	Unrestricted	Restricted	Total
Cash and cash equivalents:			
Cash on hand	\$ 12,326	\$ -	\$ 12,326
Depository	24,503,434	3,653,207	28,156,641
WA State Pool Investment	32,336,850	2,908,185	35,245,035
U.S. Treasury Money Market	-	8,097,730	8,097,730
B of A Municipal Reserves Capital	-	7,773,229	7,773,229
Total Cash & Cash Equivalents	\$ 56,852,610	\$ 22,432,351	\$ 79,284,961
Investments:			
Government-Sponsored Entities	\$ 47,137,970	\$ 5,159,047	\$ 52,297,017
Certificates of Deposit	-	443,871	443,871
Westdeutsche Landesbank Investment Agreement	-	156,160	156,160
Total Investments	\$ 47,137,970	\$ 5,759,078	\$ 52,897,048
Total	\$ 103,990,580	\$ 28,191,429	\$ 132,182,009

Note 5 - Notes 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, 2015, all of the developer fee notes, all of the financing leases, and \$192.5 million of the other notes were receivable from tax credit partnerships. The notes are received for fees earned by the Authority from developing the rental properties and for funds advanced to the partnerships to purchase and rehabilitate the properties. The notes earn interest at varying rates up to 8.5 percent 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, 2015 follows:

	Beginning Balance	Additions	Payments	Ending Balance	Current Portion
Developer fee notes	\$ 555,829	\$ 600,000	\$ (282,720)	873,109	\$ 73,110
Other Notes					
Real Estate:					
Residential	-	-	-	-	-
Multifamily	184,334,243	17,345,000	(2,325,874)	199,353,369	19,014,317
Other	13,473,336	825,000	-	14,298,336	-
Total Notes	198,363,408	18,770,000	(2,608,594)	214,524,814	19,087,427
Financing Leases, net					
Real Estate: Multifamily	58,128,128	-	(9,646,303)	48,481,825	1,430,444
Notes & Financing Leases Receivable	\$ 256,491,536	\$ 18,770,000	\$ (12,254,897)	\$ 263,006,639	\$ 20,517,871

The construction of Vantage Point Apartments resulted in an additional \$17,345,000 bridge loan receivable from tax credit partner Vantage Point Apts LLC. KCHA loaned \$825,000 to Plum Court Housing Associates LLC to finance the renovation of Plum Court Apartments.

The maturity schedule for notes receivables is as follows:

FISCAL YEAR	PRINCIPAL	INTEREST **	TOTAL
2016	19,087,428	2,215,596	21,303,024
2017	68,249,784	2,204,851	70,454,635
2018	454,084	2,153,492	2,607,576
2019	1,026,893	2,176,196	3,203,088
2020	1,067,102	2,184,143	3,251,245
2021-2025	6,204,497	10,498,093	16,702,590
2026-2030	25,728,146	9,042,303	34,770,449
2031-2035	9,747,290	7,039,286	16,786,575
2036-2040	13,694,058	5,532,911	19,226,969
2041-2045	17,322,758	3,144,140	20,466,897
2046-2050	9,843,213	165,378	10,008,592
2051-2055	1,309,541	5,729,268	7,038,809
2056-2060	40,790,022	972,736	41,762,758
2061-2065	-	-	-
NOTE RECEIVABLE BALANCE	<u>\$ 214,524,814</u>	<u>\$ 53,058,393</u>	<u>\$ 267,583,207</u>

** On amortizing notes.

The maturity schedule for financing lease receivables is as follows:

FISCAL YEAR	PRINCIPAL	INTEREST **	TOTAL
2016	1,430,445	226,531	1,656,976
2017	1,812,285	215,370	2,027,655
2018	357,629	203,572	561,201
2019	240,000	191,288	431,288
2020	175,000	180,918	355,918
2021-2025	1,065,000	721,430	1,786,430
2026-2030	16,626,619	336,970	16,963,589
2031-2035	340,000	10,540	350,540
2036-2040	18,979,847	-	18,979,847
2041-2045	3,000,000	-	3,000,000
2046-2050	-	-	-
2051-2055	955,000	-	955,000
2056-2060	3,500,000	-	3,500,000
FINANCING LEASE RECEIVABLE BALANCE	<u>\$ 48,481,825</u>	<u>\$ 2,086,618</u>	<u>\$ 50,568,443</u>

** Unearned interest.

Note 6 – Capital Assets

Primary Government

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

	Beginning Balances	Additions	Disposals	Ending Balances
NONDEPRECIABLE:				
Land	\$ 74,785,160	\$ 9,980,529	\$ (60,675)	\$ 84,705,014
Land Improvements	2,774,972	-	-	2,774,972
Construction-in-progress				
Greenbridge Project	43,137,177	496,885	(28,588,297)	15,045,765
Seola Gardens Project	10,548,867	1,687,345	(12,236,212)	-
Other	43,410,742	10,462,492	(44,811,213)	9,062,021
Total Nondepreciable	<u>174,656,918</u>	<u>22,627,251</u>	<u>(85,696,397)</u>	<u>111,587,772</u>
DEPRECIABLE:				
Land Improvements	21,877,484	4,631,407	-	26,508,891
Buildings	327,747,741	96,801,557	(290,559)	424,258,739
Equipment	5,286,419	464,904	(318,090)	5,433,233
Leasehold Improvements	766,095	-	-	766,095
Total Depreciable	<u>355,677,739</u>	<u>101,897,868</u>	<u>(608,649)</u>	<u>456,966,958</u>
TOTAL CAPITAL ASSETS	530,334,657	124,525,119	(86,305,046)	568,554,730
Accumulated Depreciation	(145,125,322)	(11,879,567)	602,154	(156,402,734)
Accumulated Amortization	(217,138)	(255,365)	-	(472,503)
Total accumulated depreciation and amortization	<u>(145,342,460)</u>	<u>(12,134,932)</u>	<u>602,154</u>	<u>(156,875,238)</u>
NET CAPITAL ASSETS	<u>\$ 384,992,197</u>	<u>\$ 112,390,187</u>	<u>\$ (85,702,892)</u>	<u>\$ 411,679,492</u>

Capital asset activity resulted primarily from the acquisition of assets from the KCHA – Kona Village Limited Partnership, the purchase of Corinthian Apartments, Villages at South Station and Woodcreek Lane Apartments and the release of construction-in-process to King County of Greenbridge and Seola Gardens infrastructures.

Of the \$124.5 million of additions to the capital assets, \$54 million was related to the acquisition of land and buildings resulting from the following transactions: the acquisition of assets from KCHA – Kona Village Limited Partnership (\$8.9 million), the purchase of Corinthian Apartments (\$10.1 million), the purchase of Villages at South Station (\$29.3 million), the purchase of Woodcreek Lane Apartments (\$4.6 million) and the acquisition of the Joseph House common area and Headstart building (\$1.1 million). \$12.6 million of additions was attributable to the increase in construction-in-process. Another \$56.6 million of additions was the result of upgrades and rehabilitation at various properties.

Of the \$86.3 million net capital asset dispositions, \$45.4 million represents capitalized building upgrades reclassified from construction-in-progress and \$2.7 million represents lot sales to private builders for the construction of market-rate for-sale homes.

Capital asset disposals also include disposals that fall into two broad categories, both attributable to the two large HOPE VI re-development projects undertaken by the Authority over the past decade. First, infrastructure, such as streets, alleyways, and retention ponds were turned over or “donated” to King County, as is standard in such developments. Second, Low Income Housing Tax Credit (LIHTC) rules prevented the tax credit partnerships that acquired the rental housing developments from the Authority from including all development costs in the “basis”, i.e. what the partnership could pay for the properties. As a result of these two issues, \$38.1 million of construction-in-process left on the Authority’s books was expensed in 2015.

There was no interest on qualifying assets in 2015.

Discretely Presented Component Units

	Beginning Balances	Additions	Disposals	Ending Balances
NONDEPRECIABLE:				
Land	\$ 32,774,147	\$ 1,647,483	\$ (3,397,320)	\$ 31,024,310
Construction-in-progress	14,456	229,988	(9,112)	235,332
Total Nondepreciable	<u>32,788,603</u>	<u>1,877,471</u>	<u>(3,406,432)</u>	<u>31,259,642</u>
DEPRECIABLE:				
Land Improvements	23,371,716	-	-	23,371,716
Buildings	364,872,101	21,700,208	(15,540,780)	371,031,529
Equipment	8,773,290	176,730	(483,762)	8,466,258
Off-site Work	5,846,645	3,990,496	-	9,837,141
Total Depreciable	<u>402,863,752</u>	<u>25,867,434</u>	<u>(16,024,542)</u>	<u>412,706,644</u>
Intangible Assets	<u>1,737,183</u>	<u>154,681</u>	<u>-</u>	<u>1,891,864</u>
Total Capital Assets	437,389,538	27,899,586	(19,430,974)	445,858,150
Accumulated Depreciation	(87,724,851)	(11,601,406)	6,069,181	(93,257,076)
Accumulated Amortization	(640,124)	(120,825)	-	(760,949)
	<u>\$ 349,024,563</u>	<u>\$ 16,177,355</u>	<u>\$ (13,361,793)</u>	<u>\$ 351,840,125</u>

Additions to capital assets resulted primarily from the addition of Vantage Point Apartments (\$26.4 million) and rehabilitation work at properties belonging to the Egis Housing Limited Partnership and Soosette Creek LLC. Vantage Point Apartments capital assets include \$227,665 of capitalized interest.

Disposals of capital assets resulted primarily from the dissolution of the KHCA- Kona Village Limited Partnership. The assets belonging to the partnership were acquired by the Primary Government.

Intangible asset consist of Low Income Housing Tax Credit fees. Each intangible asset is amortized on a straight-line basis.

Note 7 – 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	\$ 74,622,086	\$ -	\$ (10,581,861)	\$ 64,040,225	\$ 7,358,636
Demand Bonds	65,120,000	-	(1,590,292)	63,529,708	1,305,984
Mortgage Notes	1,047,939	-	(31,046)	1,016,893	32,210
Financing Lease	581,048	-	(180,935)	400,113	180,349
Lines of Credit	44,746,704	47,105,044	(35,525,906)	56,325,841	5,919,006
Notes Payable	106,262,189	41,943,979	(4,009,729)	144,196,439	5,040,993
	<u>\$ 292,379,966</u>	<u>\$ 89,049,023</u>	<u>\$ (51,919,769)</u>	<u>\$ 329,509,219</u>	<u>\$ 19,837,177</u>

Additional debt incurred in 2015 consists of the following:

- \$41.7 million issuance of the 2015 Pool Note from Columbia Bank. The note has an original 10-year term and an interest rate of 2.68 percent. Proceeds from the note were used to refinance Gilman Square, Windsor Heights and Meadowbrook debt.
- \$47 million drawn on a \$50 million Key Bank line of credit to purchase Woodcreek Lane Apartments, Villages at South Station Apartments and Corinthian Apartments. This line of credit matures in June 2017 and has a 1.193 percent interest rate.

	Fiscal Year Issued	Amount Issued	Interest Rates	Fiscal Year Maturity	Amount Outstanding	Current Portion
Revenue Bonds:						
<i>Tax Credit:</i>						
Somerset	1999	\$ 3,605,000	0	2016	\$ 3,605,000	3,605,000
Somerset (Kv)	1999	2,535,000	4.80-6.80%	2031	1,810,252	75,000
Somerset	2001	3,895,000	5.00%	2033	2,910,000	105,000
Southwood Square	2001	5,000,000	2.25-6.00%	2032	3,625,000	140,000
Greenbridge - Nia	2006	3,000,000	5.41-5.87%	2037	2,795,000	40,000
Seola Crossing 1	2006	1,650,000	6.38%	2047	1,595,821	8,619
Seola Crossing 2	2006	5,050,000	6.38%	2047	4,884,179	26,381
Soosette Creek	2008	37,500,000	0.00-0.65%	2058	26,795,000	2,350,000
Eastbridge Apts.	2008	7,120,000	5.65%	2029	6,860,000	70,000
Green River Homes II	2011	9,500,000	.75 -2%	2021	7,772,728	863,636
Total tax credit		<u>\$ 78,855,000</u>			<u>\$ 62,652,980</u>	<u>\$ 7,283,636</u>
<i>Other:</i>						
Rural Housing	1997	\$ 2,230,000	4.50-5.75%	2028	\$ 1,387,246	\$ 75,000
Total other		<u>\$ 2,230,000</u>			<u>\$ 1,387,246</u>	<u>\$ 75,000</u>
Total revenue bonds		<u>\$ 81,085,000</u>			<u>\$ 64,040,225</u>	<u>\$ 7,358,636</u>
Demand Bonds:						
<i>Tax Credit:</i>						
Overlake	2000	\$ 23,725,000	0.05-2.61%	2040	\$ 23,015,000	\$ 110,000
Salmon Creek	2008	4,250,000	0.05-2.61%	2047	3,995,000	55,000
Total tax credit		<u>\$ 27,975,000</u>			<u>\$ 27,010,000</u>	<u>\$ 165,000</u>
<i>Other:</i>						
2005 Pool	2005	\$ 46,290,000	0.05%	2035	\$ 36,519,708	1,140,984
Total other		<u>\$ 46,290,000</u>			<u>\$ 36,519,708</u>	<u>\$ 1,140,984</u>
Total demand bonds		<u>\$ 74,265,000</u>			<u>\$ 63,529,708</u>	<u>\$ 1,305,984</u>
Mortgage Notes:						
Rural Housing	1998	\$ 1,350,949	7.25%	2033	\$ 1,016,893	\$ 32,210
Total mortgage notes		<u>\$ 1,350,949</u>			<u>\$ 1,016,893</u>	<u>\$ 32,210</u>
Financing Lease:						
ESCO	2005	\$ 3,900,000	3.90%	2018	\$ 400,113	\$ 180,349
Total financing leases		<u>\$ 3,900,000</u>			<u>\$ 400,113</u>	<u>\$ 180,349</u>

	Fiscal Year Issued	Amount Issued	Interest Rates	Fiscal Year Maturity	Amount Outstanding	Current Portion
<u>Lines of Credit:</u>						
<i>Tax Credit:</i>						
New Market Tax Credit	2011	\$ 11,500,000	2.25%	2017	\$ 6,301,792	\$ -
Vantage Point	2015	3,000,000	2.44%	2017	3,000,000	3,000,000
<i>Total tax credit</i>		<u>\$ 14,500,000</u>			<u>\$ 9,301,792</u>	<u>\$ 3,000,000</u>
<i>Other:</i>						
Bank of America Line of Credit	2013	\$ 5,000,000	1.69%	2016	\$ 2,919,006	\$ 2,919,006
<i>Chaussee</i>					19,823	19,823
<i>Vashon Terrace</i>					1,539,800	1,539,800
<i>Charter House</i>					1,359,383	1,359,383
<i>Key Bank Line of Credit</i>	2015	50,000,000		2017	44,105,044	-
<i>Woodcreek Lane</i>			1.08%		4,669,491	
<i>Villages at South Station</i>			1.08%		29,309,176	
<i>Corinthian</i>			1.38%		10,126,377	
<i>Total Other</i>		<u>\$ 55,000,000</u>			<u>\$ 47,024,050</u>	<u>\$ 2,919,006</u>
Total lines of credit		<u>\$ 69,500,000</u>			<u>\$ 56,325,841</u>	<u>\$ 5,919,006</u>
<u>Notes Payable:</u>						
<i>Tax Credit:</i>						
Somerset - Bellevue	2000	\$ 700,000	1.00%	2030	\$ 656,513	\$ 43,922
Somerset	2000	400,000	1.00%	2032	352,230	3,445
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	2008	328,000	4.75%	2058	328,000	-
Seola Crossing II	2007	250,000	4.75%	2058	250,000	-
Soosette Creek	2010	1,950,000	0.65%	2060	1,950,000	-
<i>Total tax credit</i>		<u>\$ 6,008,000</u>			<u>\$ 5,916,743</u>	<u>\$ 47,367</u>
<i>Other:</i>						
Hidden Village - State	1992	\$ 292,157	5.00%	2044	\$ 292,157	\$ -
Windsor Heights - State	1999	1,040,000	1.00%	2039	1,003,177	37,191
Windsor Heights - King County	1999	950,000	1.00%	2049	950,000	-
Windsor Heights - SeaTac	1999	90,000	1.00%	2049	90,000	-
Si View - DOC	1999	93,860	1.00%	2049	67,154	1,728
Rainier View 1 - DOC	1999	227,240	1.00%	2049	161,169	4,148
Rainier View 2 - DOC	1999	172,900	1.00%	2049	120,877	3,111
FHLB	2013	18,000,000	3.97%	2033	15,962,903	900,000
2013 Pool	2013	83,281,749	3.57%	2033	77,688,278	3,116,197
2015 Pool	2015	41,700,000	2.68%	2035	41,243,620	931,249
Bellevue Manor ARCH Loan	2015	476,357	1.00%	2054	476,357	-
Patricia Harris ARCH Loan	2015	224,002	1.00%	2054	224,002	-
<i>Total other</i>		<u>\$ 146,548,265</u>			<u>\$ 138,279,696</u>	<u>\$ 4,993,626</u>
Total notes payable		<u>\$ 152,556,265</u>			<u>\$ 144,196,439</u>	<u>\$ 5,040,993</u>
TOTAL LONG-TERM OBLIGATIONS		<u>\$ 382,657,214</u>			<u>\$ 329,509,219</u>	<u>\$ 19,837,177</u>

The schedule of principal payments follows:

Debt Service - Principal	Revenue Bonds	Demand Bonds	Mortgage Notes	Financing Lease	Lines of Credit	Notes	Total
2016	7,358,636	1,305,984	32,210	180,349	5,919,006	5,040,993	19,837,178
2017	3,558,638	1,435,217	37,440	194,955	50,406,836	5,520,374	61,153,460
2018	3,758,636	1,518,694	40,246	24,810	-	5,331,909	10,674,295
2019	3,973,636	1,749,907	43,263	-	-	5,490,231	11,257,037
2020	2,848,636	1,833,982	46,506	-	-	5,639,821	10,368,945
2021-2025	10,629,546	10,655,990	290,347	-	-	31,107,685	52,683,568
2026-2030	14,802,497	13,617,228	360,377	-	-	35,759,270	64,539,372
2031-2035	7,615,000	15,827,706	166,504	-	-	26,132,930	49,742,140
2036-2040	6,945,000	5,960,000	-	-	-	18,313,273	31,218,273
2041-2045	2,055,000	8,995,000	-	-	-	345,511	11,395,511
2046-2050	495,000	630,000	-	-	-	3,142,202	4,267,202
2051-2055	-	-	-	-	-	172,238	172,238
2056-2060	-	-	-	-	-	2,200,000	2,200,000
2061-2065	-	-	-	-	-	-	-
Total	\$ 64,040,225	\$ 63,529,708	\$ 1,016,893	\$ 400,114	\$ 56,325,842	\$ 144,196,437	\$ 329,509,219

The schedule of interest payments follows:

Debt Service - Interest	Revenue Bonds	Demand Bonds	Mortgage Notes	Financing Lease	Lines of Credit	Notes	Total
2016	2,954,722	871,254	72,286	12,884	-	4,541,219	8,452,365
2017	2,855,610	869,816	69,675	5,439	-	4,358,418	8,158,958
2018	2,721,879	868,316	66,869	162	-	4,172,083	7,829,309
2019	2,572,956	866,753	63,852	-	-	3,985,071	7,488,632
2020	2,415,217	865,128	60,609	-	-	3,801,017	7,141,971
2021-2025	10,407,227	4,298,390	265,472	-	-	15,956,317	30,927,406
2026-2030	7,426,123	4,245,012	206,222	-	-	10,400,970	22,278,327
2031-2035	3,956,654	4,178,320	26,634	-	-	4,044,034	12,205,642
2036-2040	1,642,516	3,332,828	-	-	-	408,753	5,384,097
2041-2045	551,244	1,994,040	-	-	-	458,224	3,003,508
2046-2050	27,671	19,228	-	-	-	548,907	595,806
2051-2055	-	-	-	-	-	698,232	698,232
2056-2060	-	-	-	-	-	511,911	511,911
2061-2065	-	-	-	-	-	-	-
Total	\$ 37,531,819	\$ 22,409,085	\$ 831,619	\$ 18,485	\$ -	\$ 53,885,156	\$ 114,676,164

The schedule of debt service payments follows:

Debt Service - Total	Revenue Bonds	Demand Bonds	Mortgage Notes	Financing Lease	Lines of Credit	Notes	Total
2016	10,313,358	2,177,238	104,496	193,233	5,919,006	9,582,212	28,289,543
2017	6,414,248	2,305,033	107,115	200,394	50,406,836	9,878,792	69,312,418
2018	6,480,515	2,387,010	107,115	24,972	-	9,503,992	18,503,604
2019	6,546,592	2,616,660	107,115	-	-	9,475,302	18,745,669
2020	5,263,853	2,699,110	107,115	-	-	9,440,838	17,510,916
2021-2025	21,036,773	14,954,380	555,819	-	-	47,064,002	83,610,974
2026-2030	22,228,620	17,862,240	566,599	-	-	46,160,240	86,817,699
2031-2035	11,571,654	20,006,026	193,138	-	-	30,176,964	61,947,782
2036-2040	8,587,516	9,292,828	-	-	-	18,722,026	36,602,370
2041-2045	2,606,244	10,989,040	-	-	-	803,735	14,399,019
2046-2050	522,671	649,228	-	-	-	3,691,109	4,863,008
2051-2055	-	-	-	-	-	870,470	870,470
2056-2060	-	-	-	-	-	2,711,911	2,711,911
2061-2065	-	-	-	-	-	-	-
Total	\$ 101,572,044	\$ 85,938,793	\$ 1,848,512	\$ 418,599	\$ 56,325,842	\$ 198,081,593	\$ 444,185,383

Demand Bonds

The Authority had \$63.530 million in outstanding variable rate demand bonds on two projects and one 8-project bond pool. The Village at Overlake Station (Overlake) had \$23.015 million, Salmon Creek Apartments had \$3.995 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 \$36.520 million outstanding, respectively, at December 31, 2015. 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 percent 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 percent of the facility.
- The credit enhancements are intended to not only provide security to bondholders, but also to make 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 percent 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 Overlake bonds mature in 2040. At December 31, 2015 the variable rate on the bonds was 0.0618 percent. The Overlake variable rate demand note bonds have a year-end principal balance of \$23,015,000. The Letter of Credit expires on July 1, 2016 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, 2015 the variable rate on the bond was 0.04 percent. The Salmon Creek variable rate demand bond had a year-end principal balance of \$3,995,000. 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 percent.

The 2005 bond pool bonds mature in 2035. At December 31, 2015 the variable rate on the bonds was 0.01 percent. 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. Two of the swaps matured during 2015. Under the remaining swap contract terms, the Authority pays a fixed rate of 3.87 percent 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, 2015, the notional amount of the remaining swap was \$20,602,000 and the fair market value was (\$2,348,860). The remaining swap will mature in 2020. KCHA will maintain all required cap agreements.

In 2005, the Authority entered into a lease agreement (the ESCO lease) for the financing of energy efficiency equipment. The lease agreement qualifies as a capital lease for accounting purposes and had been recorded at the present value of the future minimum lease payments as of the inception date.

Recoverable Grants

Overlake 4 - Washington State Convention and Trade Center

In 2001, the Authority received a \$1,500,000 recoverable grant from the Washington State Convention and Trade Center which was conditional on the Overlake Transit-Oriented Development constructing 300 units of affordable housing for low income households with annual gross income at or below 80 percent of the local median income for the Seattle, Bellevue, and Everett Primary Metropolitan Statistical Area. The length of commitment to serve the target population will be fifty years ending February 28, 2051. All funds are recoverable if the conditions are not met.

Overlake 5 - King County Department of Community and Health Services

In 2001, the Authority received a \$500,000 recoverable grant from the King County Department of Community and Health Services which is conditional on the Overlake project renting a minimum of 40 percent of their units to households that make less than 60 percent of area median income. Rents charged to tenants may not exceed 30 percent of the monthly income of the target population. This commitment to serve the target population matures on January 1, 2052. All funds are recoverable if conditions are not met.

Forgivable Loans

Birch Creek

In 2010, the Authority received a forgivable loan of \$1,950,000 from the King County Department of Community and Human Services which is conditional on the Birch Creek project renting a minimum of 40 percent of their units to households that make less than 60% of area median income. Rents charged to tenants may not exceed 30 percent of the monthly income of the target population. This commitment to serve the target population matures on August 31, 2064. The full amount of the loan is to be repaid if the conditions for forgiveness are not met.

Greenbridge - Nia

In 2008, the Authority received a \$328,000 forgivable loan from Bank of America which is conditional on the Nia project renting units as follows: (a) at least 50 percent of the project's rental units to tenants whose income at the time of their initial occupancy of a unit in the project is no greater than 30 percent of the Area Median Income (the "AMI") in King County, Washington as published by HUD; (b) at least 10 percent of the project's rental units to tenants whose income at the time of their initial occupancy of a unit in the project is no greater than 50 percent of AMI; and (c) at least 40 percent of the project's rental units to tenants whose income at the time of their initial occupancy of a unit in the project is no greater than 60 percent of AMI. This commitment to serve the target population matures on April 1, 2022. The full amount of the loan is to be repaid if the conditions for forgiveness are not met.

Seola Crossing II

In 2007, the Authority received a \$250,000 forgivable loan from Bank of America which is conditional on the Seola Crossing project renting as follows: (a) at least 50 percent of the Project's rental units to tenants whose income at the time of their initial occupancy of a unit in the Project is no greater than 30 percent of the Area Median Income in King County, Washington as published by HUD; (b) at least 10 percent of the Project's rental units to tenants whose income at the time of their initial occupancy of a unit in the project is no greater than 50 percent of AMI; and (c) at least 40 percent of the project's rental units to tenants whose income at the time of their initial occupancy of a unit in the project is no greater than 60 percent of AMI. This commitment to serve the target population matures on April 1, 2022. The full amount of the loan is to be repaid if the conditions for forgiveness are not met.

Windsor Heights

In 1999, the Authority received a forgivable loan of \$1,040,000 from the King County Department of Community and Human Services which is conditional on the Windsor Heights project renting a minimum of 40 percent of their units to households that make less than 60 percent of area median income. Rents charged to tenants may not exceed 30 percent of the monthly income of the target population. This commitment to serve the target population matures on June 15, 2049. The full amount of the loan is to be repaid if the conditions for forgiveness are not met.

Capital Lease

The gross amount of assets acquired by the Authority via a capital lease in 2005 was \$2,951,266. Accumulated depreciation on the assets at December 31, 2015 was \$1,156,432.

Note 8 - Derivative Instruments

Summary of Derivative Instruments

At December 31, 2015, the Authority had the following derivative instruments outstanding:

	Changes in Fair Value		Fair Value at December 31, 2015		Notional
	Classification	Amount	Classification	Amount	
Business-type Activities					
Investment derivatives:					
Pay-fixed interest rate swaps					
Wachovia, 2005 Pool A	Investment Income	231,605	Investment	(2,348,860)	\$ 20,602,000
		\$ 231,605		\$ (2,348,860)	

1. Fair Value of derivatives is recorded in "Interest Rate Swaps - Fair Value" on Statement of Net Position

2. Changes in Fair Value of derivatives are recorded in "Investment Income" in Statement of Revenues, Expenses, and Changes in Net Position

Investment Derivative Risks

- The credit ratings of the swap counterparties are as follows: Wells Fargo Bank, N.A. (Aa2-/AA-/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 Wells Fargo Bank, N.A, as successor in interest to Wachovia Bank, N.A.

Note 9 – Component Units

Blended Component Units

Moving King County Residents Forward (MKCRF)

As 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 As of December 31, 2015

	2015	2014
Assets:		
Current and other assets	\$ 1,517,646	\$ 6,056,033
Capital assets	<u>33,490,957</u>	<u>31,198,934</u>
Total Assets	<u>35,008,603</u>	<u>37,254,967</u>
Liabilities:		
Current and other liabilities	762,026	2,103,895
Long-term debt, net of current	<u>16,364,133</u>	<u>16,882,192</u>
Total Liabilities	<u>17,126,159</u>	<u>18,986,087</u>
Net Position:		
Net Investment in Capital Assets	17,126,824	14,316,742
Restricted	-	-
Unrestricted	<u>755,620</u>	<u>3,952,138</u>
Total Net Position	<u>\$ 17,882,444</u>	<u>\$ 18,268,880</u>

Moving King County Residents Forward
Condensed Statement of Revenues, Expense, and Changes in Net Position
For the 12 Month Period Ended December 31, 2015

	2015	2014
Operating Revenues	\$ 1,806,532	\$ 2,274,850
Nonoperating revenues	<u>27,017</u>	<u>9,241</u>
Total Revenues	1,833,549	2,284,091
Operating expenses	34,864	108,576
Nonoperating expenses	<u>2,185,121</u>	<u>1,949,947</u>
Total Expenses	2,219,985	2,058,523
Excess or deficiency before contributions	(386,436)	225,568
Capital contributions	<u>-</u>	<u>-</u>
Change in Net Position	(386,436)	225,568
Beginning Net Position	<u>18,268,880</u>	<u>18,043,312</u>
Ending Net Position	<u><u>\$ 17,882,444</u></u>	<u><u>\$ 18,268,880</u></u>

Condensed Statement of Cash Flows
For the 12 Month Period Ended December 31, 2015

	2015	2014
<i>Net cash provided by (used in):</i>		
Operating activities	\$ 1,795,850	\$ 2,198,491
Capital and related financing activities	(5,307,152)	(10,456,669)
Investing activities	<u>5,014,819</u>	<u>8,242,187</u>
Net increase in cash and cash equivalents	1,503,517	(15,991)
Cash and cash equivalents - beginning of the year	<u>14,129</u>	<u>30,120</u>
Cash and cash equivalents - end of the year	<u><u>\$ 1,517,646</u></u>	<u><u>\$ 14,129</u></u>

Discretely Presented Component Units

The discretely presented component units are Low Income Housing Tax Credit partnerships whose limited partners or members have limited rights regarding the operations of the partnerships and the Authority as General Partner or Managing Member controls the day-to-day operations of the partnerships. As such, the Authority has certain rights and responsibilities which enable it to impose its will on the partnerships due to its significant influence as the General Partner or Managing Member and also its financial relationships with the partnerships. 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
Fiscal Year Acquired / Sold	2010	2007	2013	2004	2012
ASSETS, LIABILITIES AND NET POSITION:					
ASSETS					
Cash and investments	\$ 812,653	\$ 1,337,245	\$ 388,743	\$ 471,484	\$ 399,064
Receivables and other	121,121	215,418	141,270	38,215	51,152
Capital assets, net	17,504,244	59,107,667	18,832,884	5,956,747	16,326,370
Total Assets	\$ 18,438,018	\$ 60,660,330	\$ 19,362,897	\$ 6,466,446	\$ 16,776,586
LIABILITIES & NET POSITION					
LIABILITIES					
Current liabilities	\$ 37,505	\$ 312,154	\$ 27,240	\$ 29,527	\$ 26,701
Long-term liabilities	10,559,701	55,723,742	6,690,107	5,055,418	12,395,503
NET POSITION	7,840,812	4,624,434	12,645,550	1,381,501	4,354,382
Total Liabilities & Net Position	\$ 18,438,018	\$ 60,660,330	\$ 19,362,897	\$ 6,466,446	\$ 16,776,586
REVENUE, EXPENSES AND CHANGE IN NET POSITION:					
OPERATING REVENUES	\$ 1,161,301	\$ 2,648,823	\$ 576,953	\$ 676,054	\$ 746,331
OPERATING EXPENSES					
Administrative	200,522	688,655	221,268	153,921	142,565
Operating and maintenance	391,437	1,437,771	375,221	371,169	261,037
Depreciation and amortization	953,951	1,766,403	605,839	341,777	463,932
Total Operating Expense	1,545,910	3,892,829	1,202,328	866,867	867,534
Total Operating Income	(384,609)	(1,244,006)	(625,375)	(190,813)	(121,203)
NONOPERATING REVENUES (EXPENSES)					
Investment income	93	-	62	33	-
Interest expense	(618,222)	(1,034,591)	(232,209)	(195,020)	(74,175)
Other revenue (expense)	-	-	-	-	-
Total nonoperating revenues (expenses)	(618,129)	(1,034,591)	(232,147)	(194,987)	(74,175)
Total Net Income (Loss)	(1,002,738)	(2,278,597)	(857,522)	(385,800)	(195,378)
Contributions (distributions)	-	-	-	-	-
CHANGE IN NET POSITION	(1,002,738)	(2,278,597)	(857,522)	(385,800)	(195,378)
Beginning Net Position	8,843,550	6,903,031	13,503,072	1,767,301	4,549,760
Total Ending Net Position	\$ 7,840,812	\$ 4,624,434	\$ 12,645,550	\$ 1,381,501	\$ 4,354,382

Partnership Name	Harrison House Apartments LLC	KCHA -Cones Limited Partnership	KCHA - Southwood Square Limited Partnership	Nia Apartments LLC	Overlake TOD Housing Limited Partnership	Salmon Creek Housing LLC
Fiscal Year Acquired / Sold	2004	2003	2001	2008	2000	2009
ASSETS, LIABILITIES AND NET POSITION:						
ASSETS						
Cash and investments	\$ 759,625	\$ 401,002	\$ 817,069	\$ 408,045	\$ 2,515,373	\$ 564,789
Receivables and other	29,346	6,897	14,461	92,099	42,024	122,733
Capital assets, net	5,644,999	7,968,991	6,403,365	15,455,186	27,532,986	18,080,025
Total Assets	\$ 6,433,970	\$ 8,376,890	\$ 7,234,895	\$ 15,955,330	\$ 30,090,383	\$ 18,767,547
LIABILITIES & NET POSITION						
LIABILITIES						
Current liabilities	\$ 29,503	\$ 76,432	\$ 173,298	\$ 34,676	\$ 390,954	\$ 89,161
Long-term liabilities	6,263,054	5,291,870	4,896,961	9,091,581	25,466,041	9,644,402
NET POSITION	141,413	3,008,588	2,164,636	6,829,073	4,233,388	9,033,984
Total Liabilities & Net Position	\$ 6,433,970	\$ 8,376,890	\$ 7,234,895	\$ 15,955,330	\$ 30,090,383	\$ 18,767,547
REVENUE, EXPENSES AND CHANGE IN NET POSITION:						
OPERATING REVENUES	\$ 697,227	\$ 869,005	\$ 1,115,187	\$ 707,952	\$ 3,501,745	\$ 943,302
OPERATING EXPENSES						
Administrative	140,490	184,548	172,765	171,386	384,477	192,734
Operating and maintenance	256,036	492,401	474,331	302,272	1,042,622	424,563
Depreciation and amortization	317,442	281,086	232,264	581,152	1,094,028	571,240
Total Operating Expense	713,968	958,035	879,360	1,054,810	2,521,127	1,188,537
Total Operating Income	(16,741)	(89,030)	235,827	(346,858)	980,618	(245,235)
NONOPERATING REVENUES (EXPENSES)						
Investment income	37	-	17,181	9	-	152
Interest expense	(250,465)	(185,441)	(247,264)	(358,719)	(1,176,504)	(425,790)
Other revenue (expense)	-	-	-	-	-	-
Total nonoperating revenues (expenses)	(250,428)	(185,441)	(230,083)	(358,710)	(1,176,504)	(425,638)
Total Net Income (Loss)	(267,169)	(274,471)	5,744	(705,568)	(195,886)	(670,873)
Contributions (distributions)	-	(6,720)	(6,921)	-	-	-
CHANGE IN NET POSITION	(267,169)	(281,191)	(1,177)	(705,568)	(195,886)	(670,873)
Beginning Net Position	408,582	3,289,779	2,165,813	7,534,641	4,429,274	9,704,857
Total Ending Net Position	\$ 141,413	\$ 3,008,588	\$ 2,164,636	\$ 6,829,073	\$ 4,233,388	\$ 9,033,984

Partnership Name	Seola Crossing LLC	Sixth Place Apartments LLLP	Soosette Creek LLC	Vantage Point Apartments LLC	Zephyr Apartments LLLP	GRAND TOTAL
Fiscal Year Acquired / Sold	2007	2010	2008	2013	2010	
ASSETS, LIABILITIES AND NET POSITION:						
ASSETS						
Cash and investments	\$ 1,182,011	\$ 301,036	\$ 2,840,678	\$ 95,487	\$ 168,884	\$ 13,463,188
Receivables and other	119,755	35,703	332,211	165,624	45,148	1,573,177
Capital assets, net	30,058,347	8,054,213	81,052,577	26,210,147	6,520,462	350,709,210
Total Assets	\$ 31,360,113	\$ 8,390,952	\$ 84,225,466	\$ 26,471,258	\$ 6,734,494	\$ 365,745,575
LIABILITIES & NET POSITION						
LIABILITIES						
Current liabilities	\$ 139,349	\$ 32,348	\$ 284,477	\$ 19,199,372	\$ 11,267	\$ 20,893,964
Long-term liabilities	20,948,155	6,792,654	65,526,404	7,476,115	6,133,611	257,955,319
NET POSITION	10,272,609	1,565,950	18,414,585	(204,229)	589,616	86,896,292
Total Liabilities & Net Position	\$ 31,360,113	\$ 8,390,952	\$ 84,225,466	\$ 26,471,258	\$ 6,734,494	\$ 365,745,575
REVENUE, EXPENSES AND CHANGE IN NET POSITION:						
OPERATING REVENUES	\$ 1,783,762	\$ 140,037	\$ 3,892,099	\$ 77,744	\$ 162,879	\$ 19,700,401
OPERATING EXPENSES						
Administrative	379,167	52,060	461,757	146,312	63,901	3,756,528
Operating and maintenance	802,222	130,472	1,142,154	125,338	138,572	8,167,618
Depreciation and amortization	1,298,949	364,575	2,449,938	162,581	237,074	11,722,231
Total Operating Expense	2,480,338	547,107	4,053,849	434,231	439,547	23,646,377
Total Operating Income	(696,576)	(407,070)	(161,750)	(356,487)	(276,668)	(3,945,976)
NONOPERATING REVENUES (EXPENSES)						
Investment income	47	-	162	-	14	17,790
Interest expense	(1,012,379)	(5,010)	(1,200,544)	(61,842)	(11,150)	(7,089,325)
Other revenue (expense)	-	-	-	-	-	-
Total nonoperating revenues (expenses)	(1,012,332)	(5,010)	(1,200,382)	(61,842)	(11,136)	(7,071,535)
Total Net Income (Loss)	(1,708,908)	(412,080)	(1,362,132)	(418,329)	(287,804)	(11,017,511)
Contributions (distributions)	-	-	-	214,100	-	200,459
CHANGE IN NET POSITION	(1,708,908)	(412,080)	(1,362,132)	(204,229)	(287,804)	(10,817,052)
Beginning Net Position	11,981,517	1,978,030	19,776,717	-	877,420	97,713,344
Total Ending Net Position	\$ 10,272,609	\$ 1,565,950	\$ 18,414,585	\$ (204,229)	\$ 589,616	\$ 86,896,292

Note 10 – 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 percent 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 \$962,454 in 2015.

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 \$1,461,169 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, 2015, the outstanding principal balance on the Bonds Payable, net of unamortized original issue discount was \$6,762,124. Minimum future annual principal payments are as follows:

Year Ending December 31,	
2016	\$ 70,000
2017	75,000
2018	75,000
2019	80,000
2020	85,000
Thereafter	<u>6,475,000</u>
Subtotal	\$ 6,860,000
Less: Bond issue discount;net	<u>(97,876)</u>
Total	<u><u>\$ 6,762,124</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, 2015, 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, 2015, the outstanding balance on the Hope VI Loan was \$470,556.

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, 2015, operating subsidy payments of \$26,000 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 percent per annum, compounded annually. As of December 31, 2015, 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, 2015, accrued interest on the Lease Payable was \$5,927,123. For the year ended December 31, 2015, interest paid to the Authority on the Lease Payable was \$1,034,591.

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, 2015, 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, 2015, 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, 2015, 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, 2015, the property management fee was \$258,000.

Advances payable

The Authority paid expenses on behalf of the Partnership. The advances were unsecured and did not bear interest. As of December 31, 2014, the balance payable to the Authority was \$81,748.

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, 2015, the Partnership received operating subsidy of \$1,443,624.

Fairwind Apartments LLLP

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, 2015, the outstanding balance on the Hope VI Loan was \$3,600,000. For the year ended December 31, 2015, interest expense on the Hope VI Loan was \$207,000.

Advances payable

The Authority paid expenses on behalf of the Partnership. The advances were unsecured and did not bear interest. As of December 31, 2015, the balance payable to the Authority was \$30,637.

Regulatory and Operating Agreement

On March 30, 2012, 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, 2015, the Partnership received operating subsidy of \$262,560.

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, 2015 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 percent 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, 2015 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, 2015 the outstanding balance on the developer fee was \$36,500.

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, 2015 the Company had drawn \$49,900 on the Term Loan.

Advances payable to the Authority

As of December 31, 2015, advances payable to the Authority totaled \$28,761. 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, 2015, the Company's property management fee expense was \$46,872.

Green River Homes 2 LLC

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 percent per annum with a maturity date of January 1, 2067. The KCHA Loan 1 is not secured by the property. As of December 31, 2015, 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 percent per annum with a maturity date of January 1, 2067. The KCHA Loan 2 is not secured by the property. As of December 31, 2015, the outstanding principal on the KCHA Loan 2 was \$2,816,557.

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 percent of collected rents. For the year ended December 31, 2015, the property management fee was \$52,060.

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. The advances bear no interest and are repayable on demand. The advances are not secured. As of December 31, 2015, \$18,586 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, 2015 the outstanding principal balance on the Financing Lease was \$3,500,000. For the year ended December 31, 2015, total interest incurred on the Financing Lease was \$193,412. As of December 31, 2015, interest payable was \$767,767.

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, 2015 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, 2015 the outstanding balance on the developer fee was \$36,609.

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, 2015 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, 2015, advances and fees payable to the Authority totaled \$32,670.

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, 2015, property management fee paid to the Authority was \$48,480.

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, 2015, the outstanding principal balance on the loans was \$362,115. For the year ended December 31, 2015, interest expense on the loans was \$17,151.

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 percent 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, 2015, the outstanding balance on the note was \$3,200,000. For the year ended December 31, 2015, interest expense on the KCHA Loan was \$152,000.

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, 2014, 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, 2015, the principal balance, net of unamortized original issuance discount was \$3,597,392. For the year ended December 31, 2015, interest expense was \$229,946.

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, 2015, the principal balance on the First Note was \$380,000 and accrued interest payable was \$950. For the year ended December 31, 2015, 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, 2015, the principal balance on the Second Note was \$575,000. For the year ended December 31, 2015, interest expense was \$6,544.

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
2016	\$ 363,770	\$ 3,800	\$ 367,570
2017	365,230	3,800	369,030
2018	366,080	32,621	398,701
2019	361,320	32,621	393,941
2020	361,255	32,621	393,876
Thereafter	3,991,730	1,177,942	5,169,672
Total	5,809,385	1,283,405	7,092,790
Less: Interest	(2,184,385)	(242,457)	(2,426,842)
Less: Bond Issue Discount	(27,608)		(27,608)
Total minimum future lease payments	<u>\$ 3,597,392</u>	<u>\$ 1,040,948</u>	<u>\$ 4,638,340</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. During 2015, the unpaid principal on the development note and all accrued interest were paid off in full. As of December 31, 2015, unpaid principal on the development note was \$0. For the year ended December 31, 2015, interest expense was \$5,222.

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, 2014 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, 2015, the outstanding balance on the Revenue Bonds was \$2,795,000. For the year ended December 31, 2015, interest expense on the Revenue Bonds was \$131,817.

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

Year Ending December 31,	
2016	\$ 40,000
2017	40,000
2018	45,000
2019	45,000
2020	45,000
Thereafter	<u>2,580,000</u>
Total	<u>\$ 2,795,000</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, 2015, the principal balance on the Note Payable was \$328,000. For the year ended December 31, 2015, interest expense was \$21,035.

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, 2015, the outstanding balance on the HOPE VI Loan was \$3,200,000. For the year ended December 31, 2015, interest expense on the HOPE VI Loan was \$193,367.

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, 2015, operating subsidy payments of \$154,600 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 percent per annum. Payments are to be made from net cash flow and net proceeds, as defined in the Ground Lease. As of December 31, 2015, the Sub-lease payable was \$42,773. For the year ended December 31, 2015, Sub-lease expense was \$42,773.

Notes payable to General Partner

The Authority has loaned to the Partnership various notes payable detailed below. As of December 31, 2015, the total outstanding balance of notes payable due to the Authority was \$2,380,604.

The Washington State Convention Center Award Loan in the amount of \$1,500,000 accrues simple interest at a rate of 1 percent 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, 2015, the outstanding principal balance was \$1,220,604.

The County Award Loan in the amount of \$500,000 accrues simple interest at a rate of 1 percent per annum, compounded annually. Payment of principal and interest is deferred until April 1, 2016. Beginning on April 1, 2017, the Partnership is obligated pay to the Authority annual principal and interest payments in the amount of \$19,552 payable solely from net cash flow. The full balance will be due and payable on or before April 1, 2051. As of December 31, 2015, 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 percent 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, 2015, 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, 2015, interest expense for the above loans was \$25,754.

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 percent per year. Beginning November 1, 2003, the interest rate was decreased to 5 percent, 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 percent and the currently prevailing rate of 5 percent 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, 2015, principal on the Revenue Bonds was \$23,015,000. For the year ended December 31, 2015, interest expense was \$1,150,750.

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, 2015, the balance in the sinking fund deposits account was \$122,904.

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

Year Ending December 31,	
2016	\$ 110,000
2017	125,000
2018	150,000
2019	150,000
2020	150,000
Thereafter	<u>22,330,000</u>
Total	<u>\$ 23,015,000</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, 2015, there were no reimbursements made to the Authority.

As of December 31, 2015, the outstanding balance on the Bonds Payable was \$3,995,000. For the year ended December 31, 2015, interest expense on the Bonds Payable was \$160,542.

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

Year Ending December 31,	
2016	\$ 55,000
2017	60,000
2018	60,000
2019	65,000
2020	65,000
Thereafter	3,690,000
Total	<u>\$ 3,995,000</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, 2015, the outstanding principal balance on the Note Payable was \$2,530,000. For the year ended December 31, 2015, interest expense was \$192,056.

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, 2015, the outstanding principal balance on the HOPE VI Loan was \$1,045,595. For the year ended December 31, 2015, interest expense on the HOPE VI Loan was \$73,192.

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, 2015, operating subsidy payments of \$200,200 was received from the Authority.

Seola Crossing LLC

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 percent 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, 2015, the amount reimbursed to the managing member was \$0.

As of December 31, 2015, the outstanding principal balance on the Revenue Bond was \$6,480,000. As of December 31, 2015, accrued interest on the Revenue Bond was \$0. For the year ended December 31, 2015, interest expense on the Revenue Bond was \$415,331.

Minimum future principal payments are as follows:

Year Ending December 31,	
2016	\$ 35,000
2017	40,000
2018	40,000
2019	45,000
2020	45,000
Thereafter	6,275,000
Total	<u>\$ 6,480,000</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, 2015, the principal balance on the Note Payable was \$250,000. For the year ended December 31, 2015, interest expense was \$19,407.

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 percent to 5.36 percent. 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, 2015, the outstanding principal balance was \$7,925,000. For the year ended December 31, 2015, interest expense on the HOPE VI Loan was \$547,641.

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, 2015, there were 38 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, 2015, operating subsidy payments of \$169,300 were received from the Authority.

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 percent 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, 2015, the outstanding principal balance and accrued interest on the KCHA First Loan was \$113,525 and \$16,729, respectively. For the year ended December 31, 2015, interest expense on the KCHA First Loan was \$5,010. As of December 31, 2015, 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, 2015, operating subsidy payments of \$45,000 was 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, 2015, the outstanding principal balance was \$20,077,323. As of December 31, 2015, accrued interest on the lease payable to the Authority was \$671,586. The Lease bears simple interest at a rate of 4.46 percent per annum, compounded annually. For the year ended December 31, 2015, interest expense on the lease liability was \$914,054.

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 percent 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, 2014, 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, 2015, the outstanding balance, net of unamortized original issuance discount, was \$37,469,131. For the year ended December 31, 2015, interest expense on Loan A was \$243,750.

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 percent per annum. As of December 31, 2015, the outstanding balance was \$3,387,037. For the year ended December 31, 2015, 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 percent per annum, commencing July 1, 2010 and continuing through June 30, 2045, at which point interest is accrued at 1.00 percent, 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, 2015, the outstanding balance was \$2,000,000. For the year ended December 31, 2015, 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, 2015, 262 units were under contract. For the year ended December 31, 2015, payments received under the HAP Contract were \$2,825,376.

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, 2015, due to the Authority was \$124,382.

Vantage Point Apartments LLC

Lease agreement

On June 2, 2014, the Vantage Point Apartments (“the Company”) entered into a financing lease agreement (the “Lease Agreement”) with the Managing Member to lease land, buildings, and other improvements comprising the project. The Lease Agreement is for the period from June 2, 2014 through December 31, 2113. The Lease Agreement is treated as a capital lease. The assets and liabilities under capital leases are recorded at the lower of the present value of the minimum lease payments or the fair market value of the asset. The assets are depreciated over their estimated useful lives. Pursuant to the Lease Agreement, the base rent is ten dollars (\$10) per year, payable on January 1 of each year commencing January 1, 2018.

In addition to the annual base rent, the Company is required to make an additional lease payment in the total amount of \$1,630,000. The Company made a payment of \$163,000 upon the commencement of the Lease Agreement with the remaining balance of \$1,467,000 (the “Financing Lease Payable”) due and payable no later than May 31, 2017. The Financing Lease Payable bears interest at a compounding rate of 0.32%, which is the short-term Applicable Federal Rate as of the date of the Lease Agreement, commencing on the lease term start date. As of December 31, 2015, the outstanding balance and accrued interest on the Financing Lease Payable were \$1,467,000 and \$7,389, respectively. For the period beginning March 7, 2013 (inception) and ending December 31, 2015, total interest on the Financing Lease Payable was \$7,389, which was expensed.

Bridge Loan

On September 19, 2014, the Company entered into a bridge loan agreement with King County Housing Authority (the Managing Member), in the maximum principal amount of \$20,500,000 (the “Bridge Loan”). The Bridge Loan bears interest at a compounding fixed rate of 0.7%. The Bridge Loan matures on September 19, 2016, with the Company’s option to extend for 180 days. The Bridge Loan is secured by the Leasehold Deed of Trust, as defined in the Bridge Loan Agreement. The Bridge Loan will be repaid from the proceeds of the Second Capital Contribution and Master Loan in accordance with the terms of the Operating Agreement.

As of December 31, 2015, the outstanding principal and accrued interest on the Bridge Loan was \$17,895,000 and \$73,004, respectively. For the period beginning March 7, 2013 (inception) and ending December 31, 2015, interest on the Bridge Loan was \$73,004, of which \$22,027 was expensed and \$50,977 was capitalized into fixed assets on the accompanying balance sheet.

Master loans

On September 19, 2014, the Company entered into a master loan agreement (the "Master Loan Agreement") with the Managing Member. The Master Loan Agreement consists of four loans ("Master Loans"): Master Loan A in the amount of \$5,000,000 bearing 3.75% annual interest; Master Loan B in the amount of \$3,000,000 bearing 0.1% annual interest; Master Loan C in the amount of \$2,000,000 bearing 0.1% annual interest; and Master Loan D in the amount of up to \$2,500,000 bearing 0.1% annual interest. The Master Loans will be repaid from Net Cash Flow, as defined and in accordance with the Operating Agreement.

As of December 31, 2015, the outstanding principal and accrued interest on the Master Loan A was \$5,000,000 and \$209,114, respectively. For the period beginning March 7, 2013 (inception) and ending December 31, 2015, interest on the Master Loan A was \$209,114, of which \$32,426 was expensed and \$176,688 was capitalized into fixed assets on the accompanying balance sheet.

As of December 31, 2015, Master Loan B, Master Loan C, and Master Loan D had not been drawn on and no interest had been incurred.

Due to KCHA

The Authority advanced funds to the Company to pay certain operational costs. Advances from the Managing Member do not bear interest and are to be reimbursed by operations. As of December 31, 2015, the total amount due to the Managing Member was \$121,179.

Regulatory and Operating Agreement

On December 1, 2015, the Company entered a Regulatory and Operating Agreement ("R&O Agreement") with the Authority. Pursuant to the R&O Agreement, all of the Project 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 Managing Member will make operating subsidy payments (the "Operating Subsidy") 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 period beginning March 7, 2013 (inception) and ending December 31, 2015, Operating Subsidy of \$51,282 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 percent annually. Interest is paid from available cash flow, as defined in the Partnership Agreement.

As of December 31, 2015, the outstanding principal balance and accrued interest on the KCHA Second Loan was \$5,300,000 and \$45,894, respectively. For the year ended December 31, 2015, interest expense on the KCHA Second Loan was \$10,600.

As of December 31, 2015, the outstanding principal balance and accrued interest on the KCHA Third Loan was \$275,000 and \$1,931, respectively. For the year ended December 31, 2015, 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, 2015, operating subsidy payments of \$52,500 was received from the Authority.

Note 11 – Supplemental Financial Information

Current Receivables:

Grants: DOE	\$	28,888
Grants: HUD, Section 8 program		95,594
Grants: HUD, ROSS		61,505
Grants: HUD, Capital Funds Program		533,278
Grants: HUD, Multi-family Service Coordinators		13,716
Grants: HHS		196,970
Grants: USDA		11,147
Grants: State of Washington Matchmaker		22,612
Grants: State and Local - HASP		23,318
Grants: State - Miscellaneous		28,768
Grants: Bellevue CDBG		118,273
Grants: Puget Sound Energy		337,449
Interest: Notes and financing lease		1,644,535
Other Housing Authorities - Portability		426,727
Tenants		201,641
Tax Credit Partnerships		569,354
Other		771,694
Total	\$	5,085,469

Other Current Assets:

Prepaid expense	\$	939,354
Materials & mobile home inventory		102,997
Total	\$	1,042,351

Other Noncurrent Assets:

Investment in tax credit properties	\$	6,305
Prepaid Expense		420,538
Other		55,038
	\$	481,881

Other Current Liabilities:

Accounts payable	\$	5,789,423
Interest payable		929,297
Accrued compensated absences		2,356,248
Tenant security deposits		2,187,241
Accrued wages and benefits		653,170
Family Self Sufficiency escrow		196,995
Contract Retentions		421,560
Unearned rent		92,330
Unearned Revenue		42,022
Other		5,312,790
Total	\$	17,981,076

Other Noncurrent Liabilities:

Noncurrent interest	316,302
Family Self Sufficiency escrow	640,755
Unearned revenue	536,889
Total	\$ 1,493,946

Other Revenue:

Portability administrative fee from other authorities	\$ 1,721,865
Other portability income	27,940,995
Non-dwell rent	602,443
Home and lot sales revenue	689,471
Property management fees	1,040,699
Developer fees	600,000
Conduit loan fees	132,642
Unit upgrade	2,819,994
Weatherization owner contributions	255,565
Other	1,119,947
Total	36,923,621

Net Gain (Loss) on Disposal of Capital Assets:

Vehicles and Equipment	\$ 47,147
Total	\$ 47,147

Note 12 – Pension Plans

The following table represents the aggregate pension amounts for all plans subject to the requirements of the GASB Statement 68, *Accounting and Financial Reporting for Pensions* for the year 2015:

Aggregate Pension Amounts – All Plans	
Pension liabilities	\$ 19,367,496
Pension assets	\$ -
Deferred outflows of resources	\$ 2,329,839
Deferred inflows of resources	\$ 2,927,456
Pension expense/expenditures	\$ 987,596

State Sponsored Pension Plans

Substantially all the Authority's full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans. The state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available 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 98540-8380

Or the DRS CAFR may be downloaded from the DRS website at www.drs.wa.gov.

Public Employees' Retirement System (PERS)

PERS members include elected officials; state employees; employees of the Supreme, Appeals and Superior Courts; employees of the legislature; employees of district and municipal courts; employees of local governments; and higher education employees not participating in higher education retirement programs. PERS is comprised of three separate pension plans for membership purposes. PERS plans 1 and 2 are defined benefit plans, and PERS plan 3 is a defined benefit plan with a defined contribution component.

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

Contributions

The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2015 were as follows:

PERS Plan 1		
Actual Contribution Rates:	Employer	Employee*
January through June 2015	9.21%	6.00%
July through December 2015	11.18%	6.00%

* For employees participating in JBM, the contribution rate was 12.26 percent

The Authority's actual contributions to the plan were \$1,044,161 for the year ended December 31, 2015.

PERS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service for Plan 2 and 1 percent of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by three 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 2/3 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of five 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 credit. PERS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other PERS Plan 2/3 benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty related death benefit, if found eligible by the Department of Labor and Industries. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

PERS Plan 3 defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. PERS Plan 3 members choose their contribution rate upon joining membership and have a chance to change rates upon changing employers. As established by statute, Plan 3 required defined contribution rates are set at a minimum of 5 percent and escalate to 15 percent with a choice of six options. Employers do not contribute to the defined contribution benefits. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

Contributions

The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2015 were as follows:

PERS Plan 2/3		
Actual Contribution Rates:	Employer 2/3	Employee 2*
January through June 2015	9.21%	4.92%
July through December 2015	11.18%	6.12%
Employee PERS Plan 3		varies

* For employees participating in JBM, the contribution rate was 15.30 percent

The Authority's actual contributions to the plan were \$1,334,377 for the year ended December 31, 2015.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2015 with a valuation date of June 30, 2014. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2007-2012 Experience Study*.

Additional assumptions for subsequent events and law changes are current as of the 2014 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the

measurement date of June 30, 2015. Plan liabilities were rolled forward from June 30, 2014, to June 30, 2015, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 3 percent total economic inflation; 3.75 percent salary inflation
- **Salary increases:** In addition to the base 3.75 percent salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.5 percent

Mortality rates were based on the RP-2000 report's Combined Healthy Table and Combined Disabled Table, published by the Society of Actuaries. The OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100 percent Scale BB. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime.

There were minor changes in methods and assumptions since the last valuation.

- The OSA updated demographic assumptions, consistent with the changes from the *2007-2012 Experience Study Report*, used when valuing the PERS 1 and TERS 1 Basic Minimum COLA.
- The OSA corrected how valuation software calculates a member's entry age under the entry age normal actuarial cost method. Previously, the funding age was rounded, resulting in an entry age one year higher in some cases.
- For purposes of calculating the Plan 2/3 Entry Age Normal Cost contribution rates, the OSA now uses the current blend of Plan 2 and Plan 3 salaries rather than using a long-term membership assumption of two-thirds Plan 2 members and one-third Plan 3 members.
- The OSA changed the way it applies salary limits, as described in the *2007-2012 Experience Study Report*.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.5 percent.

To determine that rate, an asset sufficiency test included an assumed 7.7 percent long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. (All plans use 7.7 percent except LEOFF 2, which has assumed 7.5 percent). Consistent with the long-term expected rate of return, a 7.5 percent future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue being made at contractually required rates (including PERS 2/3, PSERS 2, SERS 2/3, and TRS 2/3 employers, whose rates include a component for the PERS 1, and TRS 1 plan liabilities). Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.5 percent was used to determine the total liability.

Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7.5 percent was determined using a building-block-method. The Washington State Investment Board (WSIB) used a best estimate of expected future rates of return (expected returns, net of pension plan investment expense, including inflation) to develop each major asset class. Those expected returns make up one component of WSIB's capital market assumptions. The WSIB uses the capital market assumptions and their target asset allocation to simulate future investment returns at various future times. The long-term expected rate of return of 7.5 percent approximately equals the median of the simulated investment returns over a 50-year time horizon.

Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015, are summarized in the table below. The inflation component used to create the table is 2.2 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	1.70%
Tangible Assets	5%	4.40%
Real Estate	15%	5.80%
Global Equity	37%	6.60%
Private Equity	23%	9.60%
	100%	

Sensitivity of NPL

The table below presents the Authority's proportionate share* of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5 percent) or 1-percentage point higher (8.5 percent) than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
PERS 1	\$12,865,289	\$10,566,949	\$8,590,588
PERS 2/3	\$25,733,255	\$8,800,547	\$(4,164,193)

Pension Plan Fiduciary Net Position

Detailed information about the State's pension plans' fiduciary net position is available in the separately issued DRS financial report.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the Authority reported a total pension liability of \$19,367,496 for its proportionate share of the net pension liabilities as follows:

	Liability (or Asset)
PERS 1	\$ 10,566,949
PERS 2/3	\$ 8,800,547

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

	Proportionate Share 6/30/14	Proportionate Share 6/30/15	Change in Proportion
PERS 1	% .209922	% .202009	% (.007911)
PERS 2/3	% .244505	% .246303	% .001798

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the *Schedules of Employer and Nonemployer Allocations* for all plans except LEOFF 1.

The collective net pension liability (asset) was measured as of June 30, 2015, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2014, with update procedures used to roll forward the total pension liability to the measurement date.

Pension Expense

For the year ended December 31, 2015, the Authority recognized pension expense as follows:

	Pension Expense
PERS 1	\$ (699,952)
PERS 2/3	\$ 1,687,548

Deferred Outflows of Resources and Deferred Inflows of Resources

At December 31, 2015, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

PERS 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ 578,128
Changes of assumptions	\$ -	\$ -
Changes in proportion and differences between contributions and proportionate share of contributions	\$ -	\$ -
Contributions subsequent to the measurement date	\$ 27,340	\$ -
TOTAL	\$ 27,340	\$ 578,128

PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 935,501	\$ -
Net difference between projected and actual investment earnings on pension plan investments	\$ -	\$ 2,349,329
Changes of assumptions	\$ 14,180	\$ -
Changes in proportion and differences between contributions and proportionate share of contributions	\$ 57,648	\$ -
Contributions subsequent to the measurement date	\$ 1,295,170	\$ -
TOTAL	\$ 2,302,499	\$ 2,349,329

Deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	PERS 1	PERS 2/3
2016	\$ (224,062)	\$ (620,636)
2017	\$ (224,062)	\$ (620,633)
2018	\$ (224,062)	\$ (620,633)
2019	\$ 94,058	\$ 519,903
2020	\$ -	\$ -
Thereafter	\$ -	\$ -
Total	\$(578,128)	\$(1,342,000)

Note 13 – Risk Management

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 Insurance Group (HAIG), a public entity risk-sharing pool. The General Liability limit, including Washington Stop-Gap or Employer's Liability, is \$5,000,000 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 Ohio Casualty Insurance Company. Property insurance including Rental Income coverage is placed through the Housing Authority Risk & Retention Pool (HARRP) which 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 Insurance Group (HAIG) with a \$5,000,000 per occurrence limit. Additionally, liability sub-limits are provided for fire damage liability and athletic sports liability, at \$50,000 and \$250,000, respectively.

Tax Credit Partnership properties are covered for general liability with total limits of \$5,000,000 per occurrence basis provided by Philadelphia 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 Insurance 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 \$15,000,000 is provided over all of the above liability coverage except the Contractors Pollution, which brings total liability coverage to a limit of \$20,000,000. 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 deductible for employment practices claims and a 50,000 deductible for all other covered claims from Ironshore Specialty Insurance Company.

No active claims are anticipated to exceed the applicable limits of insurance secured from any of the listed providers. Settled claims have not exceeded coverage purchased during the past three years.

Note 14 – 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	\$1,509,606
Seaview Apartments Limited Partnership	Acquisition and rehabilitation of a 72-unit multifamily development in Des Moines, Washington.	December 1, 1998	\$1,735,000
St. Andrews Housing Group	Acquisition of a 59-unit apartment complex located on Mercer Island, Washington, known as Ellsworth House.	October 20, 1999	\$2,237,247
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	\$5,386,000
Angle Lake Apartments	Construction of an 80-unit independent living, senior housing facility located in SeaTac.	November 14, 2002	\$3,310,213
Radcliffe Place, LLC	Construction of a 135 unit senior housing facility located in Kent know as Radcliffe Place Senior Apartments	December 22, 2004	\$9,225,660
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	\$6,746,739

Non-governmental Corporation	Project Description	Date of Issue	Dec 31 Balance
Eernisse Apartments	Construction of a 26 unit affordable rental townhouse project on Vashon Island known as Eernisse Apartments.	December 20, 2005	\$1,487,530
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	\$2,485,405
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	\$8,275,000
Ashwood Community Redevelopment LLLP-DASH	Acquisition and rehabilitation of a 51 unit senior housing project in the City of Bellevue known as Ashwood Court Apartments	April 1, 2015	\$5,500,000

Note 15 – Construction Commitments

At December 31, 2015 the Authority had the following contractual obligations on construction projects:

Project	Spent to Date	Remaining Commitment
Avondale Manor Sewer	31,448	1,720
Birch Creek Playground	244,165	35,813
Burien Park Surface Water Management	294,503	15,500
Burndale PSE Site Lighting	48,249	85,273
Burndale Site Improvements	119,321	748,443
Firwood Circle PSE Site Lighting	105,762	226,721
Firwood Circle Site Improvements	299,377	579,123
Forest Glen Site Improvements	14,742	74,516
Forest Grove Building Envelope	1,010,084	38,347
Hidden Village Fire Protection	276,432	100,579
Hillsview Roofing	36,375	13,825
Island Crest Building Envelope	285,431	9,373
Kirkland Place Electrical Upgrades	-	49,600
Lake House Site Upgrades	23,238	55,112
Northridge Bridge	-	115,498
Northridge Site Upgrades	804,936	49,484
Park Royal Stairway Replacement	81,632	4,296
Park Royal Water Intrusion Examination and Repair	7,035	352
Peppertree Fall Protection	-	29,000
Riverton Terrace Mgmt Office Envelope & Site Lighting	178,713	9,406
Valli Kee PSE Site Lighting	78,500	156,112
Wellswood Roofing & Indoor Air Quality/Envelope	461,001	61,971
Total	\$ 4,400,942	\$ 2,460,065

Note 16 – Subsequent Events

In January 2016, the Authority sold Spiritwood Manor to the Spiritwood Manor LLLP tax credit partnership in exchange for a \$26.5 million financing lease.

Also in January 2016, the Authority sold Corinthian Apartments to the Corinthian TOD LLLP tax credit partnership in exchange for a \$10.2 million financing lease.

In February 2016, the Authority issued \$24 million and \$5.5 million in revenue bonds to finance the acquisition and rehabilitation of Spiritwood Manor Apartments and Corinthian Apartments, respectively.

Note 17 – Special Items

Capital asset disposals included disposals that fall into two broad categories, both attributable to the two large HOPE VI re-development projects undertaken by the Authority over the past decade. First, infrastructure, such as streets, alleyways, and retention ponds were turned over or “donated” to King County, as is standard in such developments. Second, Low Income Housing Tax Credit (LIHTC) rules prevented the tax credit partnerships that acquired the rental housing developments from the Authority from including all development costs in the “basis”, i.e. what the partnership could pay for the properties. As a result of these two issues, \$38.1 million of construction-in-process left on the Authority’s books was expensed in 2015.

Required Supplementary Information

Housing Authority of the County of King
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
As of June 30, 2015
Last 10 Fiscal Years*

PERS 1	2015	2014	2013
Housing Authority's proportion of the net pension liability (asset)	0.202009%	0.209922%	0.205670%
Housing Authority's proportionate share of the net pension liability (asset)	10,566,949	10,574,919	12,017,821
Housing Authority's covered-employee payroll	538,801	827,541	817,001
Housing Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	1961.2%	1277.9%	1471.0%
Plan fiduciary net position as a percentage of the total pension liability	59.10%	61.19%	

PERS 2/3	2015	2014	2013
Housing Authority's proportion of the net pension liability (asset)	0.246303%	0.244505%	0.239726%
Housing Authority's proportionate share of the net pension liability (asset)	8,800,547	4,942,329	10,236,336
Housing Authority's covered-employee payroll	24,095,848	21,840,123	25,469,061
Housing Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	36.5%	22.6%	40.2%
Plan fiduciary net position as a percentage of the total pension liability	89.20%	93.29%	

These schedules are presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available

* The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year •

Housing Authority of the County of King
SCHEDULE OF EMPLOYER CONTRIBUTIONS
As of December 31, 2015
Last 10 Fiscal Years*

PERS 1	2015	2014	2013
Contractually required contribution	928,430	929,180	533,382
Contributions in relation to the contractually required contribution	<u>(928,430)</u>	<u>(929,180)</u>	<u>(533,382)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>
Housing Authority's covered-employee payroll	538,801	827,541	817,001
Contributions as a percentage of covered-employee payroll	172.31%	112.28%	65.29%

PERS 2/3	2015	2014	2013
Contractually required contribution	1,097,162	1,032,888	930,271
Contributions in relation to the contractually required contribution	<u>(1,097,162)</u>	<u>(1,032,888)</u>	<u>(930,271)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>
Housing Authority's covered-employee payroll	24,095,848	21,840,123	25,469,061
Contributions as a percentage of covered-employee payroll	4.55%	4.73%	3.65%

Notes to Required Supplementary Information
for the Year Ended December 31, 2015

Changes of benefit terms: There were no changes in the benefit terms for the Pension Plans.

Changes of assumptions: There were no changes in the assumptions for the Pension Plans.

**HOUSING AUTHORITY OF THE COUNTY OF KING
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2015**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Debt Liability Balance
				From Pass-Through Awards	From Direct Awards	Total		
Rural Housing Service, Department Of Agriculture	Rural Rental Housing Loans	10.415	56-017-647765210	\$ -	\$ 60,155	\$ 60,155	\$ -	\$ 1,016,893
Rural Housing Service, Department Of Agriculture	Rural Rental Assistance Payments	10.427	56-017-647765210	-	586,484	586,484	-	-
	Total U.S. Department of Agriculture			-	646,639	646,639	-	1,016,893
Office Of Housing-Federal Housing Commissioner, Department Of Housing And Urban Development	Multifamily Housing Service Coordinators	14.191	WA19HS13001	-	66,861	66,861	-	-
Section 8 Project-Based Cluster								
Office Of Housing-Federal Housing Commissioner, Department Of Housing And Urban Development	Section 8 Housing Assistance Payment Program	14.195	WA19M000203	-	391,951	391,951	-	-
Office Of Public And Indian Housing, Department Of Housing And Urban Development	Lower Income Housing Assistance Program-Section 8 Moderate Rehabilitation	14.856	WA002MR0002	-	96,207	96,207	-	-
	Total Section 8 Project-Based Programs Cluster			-	488,158	488,158	-	-
Office Of Community Planning And Development, Department Of Housing And Urban Development (via City of Bellevue, WA)	Community Development Block Grant/Entitlement Grants - 2014	14.218	CDBG-251	339,230	-	339,230	-	-
Office Of Community Planning And Development, Department Of Housing And Urban Development (via City of Bellevue, WA)	Community Development Block Grant/Entitlement Grants - 2015	14.218	CDBG-251	204,765	-	204,765	-	-
	Total CFDA 14.218			543,996	-	543,996	-	-
Housing Voucher Cluster								
Office Of Public And Indian Housing, Department Of Housing And Urban Development	Section 8 Housing Choice Vouchers	14.871	WA002	-	7,878,252	7,878,252	-	-
Office Of Public And Indian Housing, Department Of Housing And Urban Development	Mainstream Vouchers	14.879	WA002DV0022	-	2,821,860	2,821,860	-	-
	Total Housing Voucher Cluster			-	10,700,112	10,700,112	-	-
Office Of Public And Indian Housing, Department Of Housing And Urban Development	Moving To Work Demonstration Program	14.881	WA002	-	105,009,772	105,009,772	-	-
Office Of Public And Indian Housing, Department Of Housing And Urban Development	Moving To Work Demonstration Program	14.881	WA002	-	7,141,415	7,141,415	-	-
Office Of Public And Indian Housing, Department Of Housing And Urban Development	Moving To Work Demonstration Program	14.881	WA19P002501-11	-	2,815,963	2,815,963	-	-
Office Of Public And Indian Housing, Department Of Housing And Urban Development	Moving To Work Demonstration Program	14.881	WA19P002501-12	-	2,984,422	2,984,422	-	-
Office Of Public And Indian Housing, Department Of Housing And Urban Development	Moving To Work Demonstration Program	14.881	WA19P002501-14	-	42,619	42,619	-	-
Office Of Public And Indian Housing, Department Of Housing And Urban Development	Moving To Work Demonstration Program	14.881	WA19P002501-15	-	379,577	379,577	-	-
Office Of Public And Indian Housing, Department Of Housing And Urban Development	Moving To Work Demonstration Program	14.881	WA19R002501-13	-	374,084	374,084	-	-
Office Of Public And Indian Housing, Department Of Housing And Urban Development	Moving To Work Demonstration Program	14.881	WA19R002501-14	-	304,206	304,206	-	-
	Total CFDA 14.881			-	119,052,057	119,052,057	-	-
Office Of Public And Indian Housing, Department Of Housing And Urban Development	Resident Opportunity and Supportive Services - Service Coordinators	14.870	WA002RPS112A013	-	58,880	58,880	-	-
Office Of Public And Indian Housing, Department Of Housing And Urban Development	Family Self-Sufficiency Program	14.896	WA002FSH705A014	-	327,034	327,034	-	-
Office Of Public And Indian Housing, Department Of Housing And Urban Development	Family Self-Sufficiency Program	14.896	WA002RFS266A013	-	2,616	2,616	-	-
	Total CFDA 14.896			-	329,650	329,650	-	-
US Department of Housing and Urban Development	Economic Development Initiative: Special Project, Neighborhood Initiative, and Miscellaneous Grants	14.251	B10-SF-WA-0234	-	110,388	110,388	-	-
US Department of Housing and Urban Development	Capital Fund Education and Training Community Facilities	14.890	WA19C002502-10	-	10,058	10,058	-	-
	Total U.S. Department of Housing and Urban Development			543,996	130,816,164	131,360,160	-	-
Department Of Energy (via Washington State Department of Commerce)	Weatherization Assistance for Low Income Persons	81.042	F13-43103-413 DOE	374,650	-	374,650	-	-
Department Of Energy (via Washington State Department of Commerce)	Weatherization Assistance for Low Income Persons	81.042	F13-43104-413 BPA	82,063	-	82,063	-	-
	Total CFDA 81.042			456,713	-	456,713	-	-
	Total U.S. Department of Energy			456,713	-	456,713	-	-
Administration For Children And Families, Department Of Health And Human Services (via Washington State Department of Commerce)	Low-income Home Energy Assistance -2013	93.568	F13-43101-413 HHS	691,626	-	691,626	-	-
	Total U.S. Department of Health and Human Services			691,626	-	691,626	-	-
	Total Federal Expenditures			\$ 1,692,335	\$ 131,462,803	\$ 133,155,138	\$ -	\$ 1,016,893

The accompanying notes to the Schedule of Expenditures of Federal Awards are an integral part of this schedule.

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 4 - FEDERAL LOANS

In 1998, the Authority was approved by the USDA Rural Housing Service to receive a loan totaling \$1,350,949 for the rehabilitation of rural housing. The amount listed on this schedule is the outstanding loan balance.

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. Such expenditures are recognized following, as applicable, either the cost principles in the OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 7 - INDIRECT COST RATE

The Authority has elected to use the 10-percent de minimus indirect cost rate allowed under the Uniform Guidance.

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Line Item #	Account Description	10.415 Rural Rental Housing Loans	10.427 Rural Rental Assistance Payments	14.191 Multifamily Housing Service Coordinator	14.195 Section 8 - Special Allocation	14.218 Community Development Block Grants/Entitlement Grants
111	Cash - unrestricted	\$ -	\$ -	\$ 694	\$ 7,397	\$ -
113	Cash - other restricted	-	-	-	911,914	-
114	Cash - tenant security deposits	-	-	-	14,157	-
115	Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-
100	Total cash	-	-	694	933,468	-
121	AR - PHA projects	-	-	-	-	-
122	AR - HUD other projects	-	-	13,716	-	-
124	Accounts receivable - other government	-	-	-	-	118,273
125	Accounts receivable - miscellaneous	-	-	-	-	-
126	Accounts receivable- tenants	-	-	-	81	-
126	Allowance for doubtful accounts - tenants	-	-	-	(376)	-
127	Notes and mortgages receivable- current	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-
120	Total receivables, net of allowances	-	-	13,716	(295)	118,273
131	Investments - unrestricted	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-
142	Prepaid expenses and other assets	-	-	-	4,175	-
143	Inventories	-	-	-	-	-
150	Total Current Assets	-	-	14,410	937,348	118,273
161	Land	-	-	-	521,854	-
162	Buildings	-	-	-	2,010,523	-
163	Furniture, equipment & machinery - dwellings	-	-	-	-	-
164	Furniture, equipment & machinery - administration	-	-	-	-	-
165	Leasehold improvements	-	-	-	-	-
166	Accumulated depreciation	-	-	-	(1,602,849)	-
167	Work in progress	-	-	-	-	-
168	Infrastructure	-	-	-	10,600	-
160	Total capital assets, net of depreciation	-	-	-	940,128	-
171	Notes and mortgages receivable - non-current	-	-	-	-	-
172	Notes and mortgages receivable-non-current - past due	-	-	-	-	-
173	Grants receivable - non-current	-	-	-	-	-
174	Other assets	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-
180	Total Noncurrent Assets	-	-	-	940,128	-
190	Total Assets	-	-	14,410	1,877,476	118,273
200	Deferred Outflows of Resources	-	-	-	8,670	-
290	Total Assets and Deferred Outflows of Resources	\$ -	\$ -	\$ 14,410	\$ 1,886,146	\$ 118,273
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable < 90 days	-	-	695	7,395	-
321	Accrued wage/payroll taxes payable	-	-	-	2,378	-
322	Accrued compensated absences	-	-	-	6,456	-
325	Accrued interest payable	-	-	-	-	-
332	Accounts Payable - PHA projects	-	-	-	-	-
341	Tenant security deposits	-	-	-	14,157	-
342	Unearned revenue	-	-	-	-	-
343	Current portion of L-T debt - capital projects	32,210	-	-	-	-
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-
345	Other current liabilities	-	-	11,157	102,474	3,430
346	Accrued liabilities - other	-	-	-	-	-
310	Total Current Liabilities	32,210	-	11,852	132,860	3,430
351	Long-term debt, net of current - capital projects	984,683	-	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	1,110,358	-
353	Non-current liabilities- other	-	-	-	-	-
357	Accrued pension and OPEB liabilities	-	-	-	72,073	-
350	Total Noncurrent Liabilities	984,683	-	-	1,182,431	-
300	Total Liabilities	1,016,893	-	11,852	1,315,291	3,430
400	Deferred Inflows of Resources	-	-	-	10,894	-
508.4	Net Investment in Capital Assets	(1,016,893)	-	-	940,128	-
511.4	Restricted Net Position	-	-	-	911,914	-
512.4	Unrestricted Net Position	-	-	2,558	(1,292,081)	114,843
513	Total Equity - Net Assets/Position	(1,016,893)	-	2,558	559,961	114,843
600	Total Liabilities, Deferred Inflows of Resources, and Equity - Net Assets/Position	\$ -	\$ -	\$ 14,410	\$ 1,886,146	\$ 118,273

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Line Item #	Account Description	14.856 Lower Income Housing Assistance Program - Section 8 - Moderate Rehabilitation	14.870 Resident Opportunity and Supportive Services - Service Coordinators	14.871 Section 8 Housing Choice Vouchers	14.877 Public Housing Family Self Sufficiency Under Resident Opportunity and Support Services	14.879 Mainstream Vouchers
111	Cash - unrestricted	\$ 100,805	\$ 36,275	\$ 74,909	\$ -	\$ 544,355
113	Cash - other restricted	-	-	292,419	-	-
114	Cash - tenant security deposits	-	-	-	-	-
115	Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-
100	Total cash	100,805	36,275	367,328	-	544,355
121	AR - PHA projects	-	-	-	-	-
122	AR - HUD other projects	-	43,777	51,622	-	43,972
124	Accounts receivable - other government	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-	-
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	-	43,777	51,622	-	43,972
131	Investments - unrestricted	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-
142	Prepaid expenses and other assets	5	-	-	-	196
143	Inventories	-	-	-	-	-
150	Total Current Assets	100,810	80,052	418,950	-	588,523
161	Land	-	-	-	-	-
162	Buildings	-	-	-	-	-
163	Furniture, equipment & machinery - dwellings	-	-	-	-	-
164	Furniture, equipment & machinery - administration	-	-	-	-	-
165	Leasehold improvements	-	-	-	-	-
166	Accumulated depreciation	-	-	-	-	-
167	Work in progress	-	-	-	-	-
168	Infrastructure	-	-	-	-	-
160	Total capital assets, net of depreciation	-	-	-	-	-
171	Notes and mortgages receivable - non-current	-	-	-	-	-
172	Notes and mortgages receivable-non-current - past due	-	-	-	-	-
173	Grants receivable - non-current	-	-	-	-	-
174	Other assets	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-
180	Total Noncurrent Assets	-	-	-	-	-
190	Total Assets	100,810	80,052	418,950	-	588,523
200	Deferred Outflows of Resources	170	-	-	-	-
290	Total Assets and Deferred Outflows of Resources	\$ 100,980	\$ 80,052	\$ 418,950	\$ -	\$ 588,523
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable < 90 days	5,544	36,273	99,056	-	-
321	Accrued wage/payroll taxes payable	40	157	-	-	608
322	Accrued compensated absences	135	-	-	-	3,147
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	-	-	-	-	-
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-
345	Other current liabilities	-	54,964	-	-	-
346	Accrued liabilities - other	-	-	-	-	-
310	Total Current Liabilities	5,719	91,394	99,056	-	3,755
351	Long-term debt, net of current - capital projects	-	-	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-
353	Non-current liabilities- other	-	-	-	-	-
357	Accrued pension and OPEB liabilities	1,409	-	-	-	-
350	Total Noncurrent Liabilities	1,409	-	-	-	-
300	Total Liabilities	7,128	91,394	99,056	-	3,755
400	Deferred Inflows of Resources	213	-	-	-	-
508.4	Net Investment in Capital Assets	-	-	-	-	-
511.4	Restricted Net Position	-	-	292,419	-	-
512.4	Unrestricted Net Position	93,639	(11,342)	27,475	-	584,768
513	Total Equity - Net Assets/Position	93,639	(11,342)	319,894	-	584,768
600	Total Liabilities, Deferred Inflows of Resources, and Equity - Net Assets/Position	\$ 100,980	\$ 80,052	\$ 418,950	\$ -	\$ 588,523

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Line Item #	Account Description	14.881 Moving-To-Work Demonstration Program	14.890 Capital Fund Education and Training Community Facilities	14.896 PIH Family Self-Sufficiency Program	State/Local Programs	Business Activities
111	Cash - unrestricted	\$ -	\$ -	\$ -	\$ 200,782	\$ 48,117,810
113	Cash - other restricted	8,413,984	-	-	-	10,369,775
114	Cash - tenant security deposits	-	-	-	-	1,994,017
115	Cash - Restricted for Payment of Current Liabilities	196,995	-	-	-	-
100	Total cash	8,610,979	-	-	200,782	60,481,602
121	AR - PHA projects	426,727	-	-	-	-
122	AR - HUD other projects	7,834	-	17,728	-	-
124	Accounts receivable - other government	-	-	-	122,459	39,915
125	Accounts receivable - miscellaneous	1,565,826	-	-	360,061	2,313,015
126	Accounts receivable- tenants	-	-	-	-	283,301
126	Allowance for doubtful accounts - tenants	-	-	-	-	(21,036)
127	Notes and mortgages receivable- current	13,771,098	-	-	-	7,264,833
129	Accrued interest receivable	8,172	-	-	-	1,636,363
120	Total receivables, net of allowances	15,779,657	-	17,728	482,520	11,516,391
131	Investments - unrestricted	5,091,784	-	-	-	41,994,329
132	Investments - restricted	4,919,284	-	-	-	839,795
142	Prepaid expenses and other assets	57,250	-	-	3,646	608,829
143	Inventories	-	-	-	-	102,859
150	Total Current Assets	34,458,954	-	17,728	686,948	115,543,805
161	Land	-	-	-	-	63,100,329
162	Buildings	-	-	-	-	248,747,784
163	Furniture, equipment & machinery - dwellings	-	-	-	-	35,400
164	Furniture, equipment & machinery - administration	-	-	-	-	146,185
165	Leasehold improvements	-	-	-	-	766,095
166	Accumulated depreciation	-	-	-	-	(77,214,395)
167	Work in progress	1,605,684	-	-	-	18,165,198
168	Infrastructure	-	-	-	-	10,423,621
160	Total capital assets, net of depreciation	1,605,684	-	-	-	264,170,217
171	Notes and mortgages receivable - non-current	15,563,720	-	-	209,641	272,821,125
172	Notes and mortgages receivable-non-current - past due	-	-	-	-	-
173	Grants receivable - non-current	-	-	-	-	-
174	Other assets	-	-	-	-	459,696
176	Investment in joint ventures	-	-	-	-	-
180	Total Noncurrent Assets	17,169,404	-	-	209,641	537,451,038
190	Total Assets	51,628,358	-	17,728	896,589	652,994,843
200	Deferred Outflows of Resources	765,250	-	-	72,152	1,424,105
290	Total Assets and Deferred Outflows of Resources	\$ 52,393,608	\$ -	\$ 17,728	\$ 968,741	\$ 654,418,948
311	Bank overdraft	\$ 4,794,610	\$ -	\$ -	\$ -	\$ -
312	Accounts payable < 90 days	1,248,974	-	-	194,575	2,752,807
321	Accrued wage/payroll taxes payable	198,428	-	-	6,664	125,610
322	Accrued compensated absences	625,318	-	-	77,216	718,275
325	Accrued interest payable	-	-	-	-	929,297
332	Accounts Payable - PHA projects	4,441	-	-	-	-
341	Tenant security deposits	-	-	-	-	1,994,017
342	Unearned revenue	-	-	-	-	134,335
343	Current portion of L-T debt - capital projects	-	-	-	-	12,960,983
344	Current portion of L-T debt - operating borrowings	-	-	-	-	6,663,635
345	Other current liabilities	195,812	-	-	813,396	2,141,040
346	Accrued liabilities - other	181,800	-	-	-	202,088
310	Total Current Liabilities	7,249,383	-	-	1,091,851	28,622,087
351	Long-term debt, net of current - capital projects	-	-	-	-	209,457,333
352	Long-term debt, net of current - operating borrowings	-	-	-	-	111,006,856
353	Non-current liabilities- other	640,755	-	-	-	3,202,050
357	Accrued pension and OPEB liabilities	6,361,371	-	-	599,789	3,853,522
350	Total Noncurrent Liabilities	7,002,126	-	-	599,789	327,519,761
300	Total Liabilities	14,251,509	-	-	1,691,640	356,141,848
400	Deferred Inflows of Resources	961,541	-	-	90,660	2,049,472
508.4	Net Investment in Capital Assets	1,605,684	-	-	-	41,751,901
511.4	Restricted Net Position	12,692,513	-	-	-	11,209,570
512.4	Unrestricted Net Position	22,882,361	-	17,728	(813,559)	243,266,157
513	Total Equity - Net Assets/Position	37,180,558	-	17,728	(813,559)	296,227,628
600	Total Liabilities, Deferred Inflows of Resources, and Equity - Net Assets/Position	\$ 52,393,608	\$ -	\$ 17,728	\$ 968,741	\$ 654,418,948

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Line Item #	Account Description	81.042					COMPONENT UNITS - BLENDED
		Weatherization Assistance for Low Income Persons	93.568 Low Income Home Energy Assistance	94.006 Americorp	14.251 Other Federal Programs		
111	Cash - unrestricted	\$ -	\$ -	\$ 12,747	\$ -	\$ 1,517,646	
113	Cash - other restricted	-	-	-	-	-	
114	Cash - tenant security deposits	-	-	-	-	-	
115	Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-	
100	Total cash	-	-	12,747	-	1,517,646	
121	AR - PHA projects	-	-	-	-	-	
122	AR - HUD other projects	-	-	-	-	-	
124	Accounts receivable - other government	28,888	196,970	-	-	-	
125	Accounts receivable - miscellaneous	-	-	-	-	-	
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	28,888	196,970	-	-	-	
131	Investments - unrestricted	-	-	-	-	-	
132	Investments - restricted	-	-	-	-	-	
142	Prepaid expenses and other assets	-	-	-	-	-	
143	Inventories	-	-	-	-	-	
150	Total Current Assets	28,888	196,970	12,747	-	1,517,646	
161	Land	-	-	-	-	5,376,321	
162	Buildings	-	-	-	-	45,150,985	
163	Furniture, equipment & machinery - dwellings	-	-	-	-	-	
164	Furniture, equipment & machinery - administration	-	-	-	-	-	
165	Leasehold improvements	-	-	-	-	6,968,864	
166	Accumulated depreciation	-	-	-	-	(24,922,124)	
167	Work in progress	-	-	-	-	916,911	
168	Infrastructure	-	-	-	-	-	
160	Total capital assets, net of depreciation	-	-	-	-	33,490,957	
171	Notes and mortgages receivable - non-current	-	-	-	-	-	
172	Notes and mortgages receivable-non-current - past due	-	-	-	-	-	
173	Grants receivable - non-current	-	-	-	-	-	
174	Other assets	-	-	-	-	-	
176	Investment in joint ventures	-	-	-	-	-	
180	Total Noncurrent Assets	-	-	-	-	33,490,957	
190	Total Assets	28,888	196,970	12,747	-	35,008,603	
200	Deferred Outflows of Resources	-	-	-	-	-	
290	Total Assets and Deferred Outflows of Resources	\$ 28,888	\$ 196,970	\$ 12,747	\$ -	\$ 35,008,603	
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	
312	Accounts payable < 90 days	-	-	-	-	243,966	
321	Accrued wage/payroll taxes payable	-	-	-	-	-	
322	Accrued compensated absences	-	-	-	-	-	
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	-	-	-	-	-	
344	Current portion of L-T debt - operating borrowings	-	-	-	-	518,060	
345	Other current liabilities	74	5,726	-	-	-	
346	Accrued liabilities - other	-	-	-	-	-	
310	Total Current Liabilities	74	5,726	-	-	762,026	
351	Long-term debt, net of current - capital projects	-	-	-	-	-	
352	Long-term debt, net of current - operating borrowings	-	-	-	-	16,364,133	
353	Non-current liabilities- other	-	-	-	-	-	
357	Accrued pension and OPEB liabilities	-	-	-	-	-	
350	Total Noncurrent Liabilities	-	-	-	-	16,364,133	
300	Total Liabilities	74	5,726	-	-	17,126,159	
400	Deferred Inflows of Resources	-	-	-	-	-	
508.4	Net Investment in Capital Assets	-	-	-	-	33,490,957	
511.4	Restricted Net Position	-	-	-	-	-	
512.4	Unrestricted Net Position	28,814	191,244	12,747	-	(15,608,513)	
513	Total Equity - Net Assets/Position	28,814	191,244	12,747	-	17,882,444	
600	Total Liabilities, Deferred Inflows of Resources, and Equity - Net Assets/Position	\$ 28,888	\$ 196,970	\$ 12,747	\$ -	\$ 35,008,603	

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Line Item #	Account Description	COCC	Ballinger Homes WA002000101	Park Royal Apartments WA002000105	Paramount House II WA002000150	The Lake House WA002000152
111	Cash - unrestricted	\$ 1,007,339	\$ 582,937	\$ 55,095	\$ -	\$ 393,274
113	Cash - other restricted	-	-	-	-	-
114	Cash - tenant security deposits	-	23,180	3,800	-	10,875
115	Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-
100	Total cash	1,007,339	606,117	58,895	-	404,149
121	AR - PHA projects	-	-	-	-	-
122	AR - HUD other projects	-	-	-	-	-
124	Accounts receivable - other government	-	-	-	-	-
125	Accounts receivable - miscellaneous	196,976	-	-	-	-
126	Accounts receivable - tenants	-	-	864	-	-
126	Allowance for doubtful accounts - tenants	-	(5,204)	(1,975)	-	(910)
127	Notes and mortgages receivable- current	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-
120	Total receivables, net of allowances	196,976	(5,204)	(1,111)	-	(910)
131	Investments - unrestricted	51,857	-	-	-	-
132	Investments - restricted	-	-	-	-	-
142	Prepaid expenses and other assets	121,931	19,160	2,331	-	10,926
143	Inventories	137	-	-	-	-
150	Total Current Assets	1,378,240	620,073	60,115	-	414,165
161	Land	4,529,093	1,960,510	541,000	-	246,728
162	Buildings	11,330,268	10,149,090	1,469,915	-	9,237,177
163	Furniture, equipment & machinery - dwellings	-	-	-	-	-
164	Furniture, equipment & machinery - administration	5,163,065	13,766	-	-	-
165	Leasehold improvements	-	-	-	-	-
166	Accumulated depreciation	(6,979,621)	(6,380,053)	(245,320)	-	(3,922,471)
167	Work in progress	-	36	-	-	137,949
168	Infrastructure	34,438	2,408,304	-	-	143,913
160	Total capital assets, net of depreciation	14,077,243	8,151,653	1,765,595	-	5,843,296
171	Notes and mortgages receivable - non-current	94,923	-	-	-	-
172	Notes and mortgages receivable-non-current - past due	-	-	-	-	-
173	Grants receivable - non-current	-	-	-	-	-
174	Other assets	22,185	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-
180	Total Noncurrent Assets	14,194,351	8,151,653	1,765,595	-	5,843,296
190	Total Assets	15,572,591	8,771,726	1,825,710	-	6,257,461
200	Deferred Outflows of Resources	771,506	25,566	2,875	-	19,654
290	Total Assets and Deferred Outflows of Resources	\$ 16,344,097	\$ 8,797,292	\$ 1,828,585	\$ -	\$ 6,277,115
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable < 90 days	326,398	14,531	8,341	-	29,663
321	Accrued wage/payroll taxes payable	258,995	6,485	723	-	4,830
322	Accrued compensated absences	762,935	18,826	734	-	7,424
325	Accrued interest payable	-	-	-	-	-
332	Accounts Payable - PHA projects	-	-	-	-	-
341	Tenant security deposits	-	23,180	3,800	-	10,875
342	Unearned revenue	-	-	-	-	-
343	Current portion of L-T debt - capital projects	-	26,829	-	-	10,806
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-
345	Other current liabilities	-	-	1,426	-	-
346	Accrued liabilities - other	1,832	-	-	-	-
310	Total Current Liabilities	1,350,160	89,851	15,024	-	63,598
351	Long-term debt, net of current - capital projects	-	32,295	-	-	13,054
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-
353	Non-current liabilities- other	-	-	-	-	-
357	Accrued pension and OPEB liabilities	6,413,386	212,526	23,896	-	163,384
350	Total Noncurrent Liabilities	6,413,386	244,821	23,896	-	176,438
300	Total Liabilities	7,763,546	334,672	38,920	-	240,036
400	Deferred Inflows of Resources	969,400	32,124	3,612	-	24,696
508.4	Net Investment in Capital Assets	14,077,243	8,092,529	1,765,595	-	5,819,436
511.4	Restricted Net Position	-	-	-	-	-
512.4	Unrestricted Net Position	(6,466,092)	337,967	20,458	-	192,947
513	Total Equity - Net Assets/Position	7,611,151	8,430,496	1,786,053	-	6,012,383
600	Total Liabilities, Deferred Inflows of Resources, and Equity - Net Assets/Position	\$ 16,344,097	\$ 8,797,292	\$ 1,828,585	\$ -	\$ 6,277,115

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Line Item #	Account Description	Northridge II WA002000153	Westminster WA002000156	Forest Glen WA002000201	College Place WA002000203	Kirkland Place WA002000210
111	Cash - unrestricted	\$ 438,946	\$ 85,303	\$ 131,648	\$ 468,151	\$ 60,550
113	Cash - other restricted	-	-	-	-	-
114	Cash - tenant security deposits	12,239	8,084	3,025	16,275	3,825
115	Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-
100	Total cash	451,185	93,387	134,673	484,426	64,375
121	AR - PHA projects	-	-	-	-	-
122	AR - HUD other projects	-	-	69,067	1,539	46,917
124	Accounts receivable - other government	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-	-
126	Accounts receivable- tenants	-	(0)	-	-	-
126	Allowance for doubtful accounts - tenants	(2,767)	(21)	(760)	(289)	(30)
127	Notes and mortgages receivable- current	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-
120	Total receivables, net of allowances	(2,767)	(21)	68,307	1,250	46,887
131	Investments - unrestricted	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-
142	Prepaid expenses and other assets	13,494	2,307	2,912	11,356	1,091
143	Inventories	-	-	-	-	-
150	Total Current Assets	461,912	95,673	205,892	497,032	112,353
161	Land	224,064	291,228	32,191	901,525	1,064,290
162	Buildings	8,489,072	1,185,597	2,835,405	9,413,170	351,032
163	Furniture, equipment & machinery - dwellings	-	-	-	-	-
164	Furniture, equipment & machinery - administration	-	-	6,467	-	-
165	Leasehold improvements	-	-	-	-	-
166	Accumulated depreciation	(3,378,868)	(219,831)	(1,171,513)	(4,859,017)	(38,861)
167	Work in progress	1,144,033	8,160	230,437	19,124	9,398
168	Infrastructure	481,149	-	132,157	2,473,313	-
160	Total capital assets, net of depreciation	6,959,450	1,265,154	2,065,144	7,948,115	1,385,859
171	Notes and mortgages receivable - non-current	-	-	-	-	-
172	Notes and mortgages receivable-non-current - past due	-	-	-	-	-
173	Grants receivable - non-current	-	-	-	-	-
174	Other assets	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-
180	Total Noncurrent Assets	6,959,450	1,265,154	2,065,144	7,948,115	1,385,859
190	Total Assets	7,421,362	1,360,827	2,271,036	8,445,147	1,498,212
200	Deferred Outflows of Resources	20,170	7,959	7,327	20,264	1,727
290	Total Assets and Deferred Outflows of Resources	\$ 7,441,532	\$ 1,368,786	\$ 2,278,363	\$ 8,465,411	\$ 1,499,939
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable < 90 days	51,600	9,020	15,539	47,170	4,758
321	Accrued wage/payroll taxes payable	3,452	981	1,859	6,544	535
322	Accrued compensated absences	7,146	1,253	7,052	7,557	557
325	Accrued interest payable	-	-	-	-	-
332	Accounts Payable - PHA projects	-	-	-	-	-
341	Tenant security deposits	12,239	8,084	3,025	16,275	3,825
342	Unearned revenue	-	-	-	-	-
343	Current portion of L-T debt - capital projects	13,414	-	6,894	25,525	-
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-
345	Other current liabilities	36,101	-	37,955	3,495	46,501
346	Accrued liabilities - other	-	-	-	-	-
310	Total Current Liabilities	123,952	19,338	72,324	106,566	56,176
351	Long-term debt, net of current - capital projects	16,379	-	8,748	31,135	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-
353	Non-current liabilities- other	-	-	-	-	-
357	Accrued pension and OPEB liabilities	167,666	66,162	60,906	168,451	14,355
350	Total Noncurrent Liabilities	184,045	66,162	69,654	199,586	14,355
300	Total Liabilities	307,997	85,500	141,978	306,152	70,531
400	Deferred Inflows of Resources	25,343	10,001	9,206	25,462	2,170
508.4	Net Investment in Capital Assets	6,929,657	1,265,154	2,049,502	7,891,455	1,385,859
511.4	Restricted Net Position	-	-	-	-	-
512.4	Unrestricted Net Position	178,535	8,131	77,677	242,342	41,379
513	Total Equity - Net Assets/Position	7,108,192	1,273,285	2,127,179	8,133,797	1,427,238
600	Total Liabilities, Deferred Inflows of Resources, and Equity - Net Assets/Position	\$ 7,441,532	\$ 1,368,786	\$ 2,278,363	\$ 8,465,411	\$ 1,499,939

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Line Item #	Account Description	Island Crest	Casa Juanita	Seola Crossing	Eastbridge	Salmon Creek
		WA002000213	WA002000251	WA002000340	WA002000341	WA002000343
111	Cash - unrestricted	\$ 124,269	\$ 286,867	\$ -	\$ -	\$ -
113	Cash - other restricted	22,252	-	-	-	-
114	Cash - tenant security deposits	10,670	6,350	-	-	-
115	Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-
100	Total cash	157,191	293,217	-	-	-
121	AR - PHA projects	-	-	-	-	-
122	AR - HUD other projects	-	-	-	-	-
124	Accounts receivable - other government	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-	-
126	Accounts receivable- tenants	-	-	-	-	-
126	Allowance for doubtful accounts - tenants	-	(707)	-	-	-
127	Notes and mortgages receivable- current	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-
120	Total receivables, net of allowances	-	(707)	-	-	-
131	Investments - unrestricted	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-
142	Prepaid expenses and other assets	2,898	6,000	-	-	-
143	Inventories	-	-	-	-	-
150	Total Current Assets	160,089	298,510	-	-	-
161	Land	2,566,125	62,146	-	-	-
162	Buildings	2,497,780	3,746,775	-	-	-
163	Furniture, equipment & machinery - dwellings	-	-	-	-	-
164	Furniture, equipment & machinery - administration	-	-	-	-	-
165	Leasehold improvements	-	-	-	-	-
166	Accumulated depreciation	(190,516)	(2,297,188)	-	-	-
167	Work in progress	-	-	-	-	-
168	Infrastructure	593,430	758,293	-	-	-
160	Total capital assets, net of depreciation	5,466,819	2,270,026	-	-	-
171	Notes and mortgages receivable - non-current	-	-	-	-	-
172	Notes and mortgages receivable-non-current - past due	-	-	-	-	-
173	Grants receivable - non-current	-	-	-	-	-
174	Other assets	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-
180	Total Noncurrent Assets	5,466,819	2,270,026	-	-	-
190	Total Assets	5,626,908	2,568,536	-	-	-
200	Deferred Outflows of Resources	6,247	12,153	-	-	-
290	Total Assets and Deferred Outflows of Resources	\$ 5,633,155	\$ 2,580,689	\$ -	\$ -	\$ -
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable < 90 days	9,979	19,234	-	-	-
321	Accrued wage/payroll taxes payable	1,604	3,174	-	-	-
322	Accrued compensated absences	4,774	5,211	-	-	-
325	Accrued interest payable	-	-	-	-	-
332	Accounts Payable - PHA projects	-	-	-	-	-
341	Tenant security deposits	10,670	6,350	-	-	-
342	Unearned revenue	-	-	-	-	-
343	Current portion of L-T debt - capital projects	-	24,220	-	-	-
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-
345	Other current liabilities	29,477	-	-	-	-
346	Accrued liabilities - other	-	-	-	-	-
310	Total Current Liabilities	56,504	58,189	-	-	-
351	Long-term debt, net of current - capital projects	-	29,345	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-
353	Non-current liabilities- other	-	-	-	-	-
357	Accrued pension and OPEB liabilities	51,932	101,028	-	-	-
350	Total Noncurrent Liabilities	51,932	130,373	-	-	-
300	Total Liabilities	108,436	188,562	-	-	-
400	Deferred Inflows of Resources	7,850	15,271	-	-	-
508.4	Net Investment in Capital Assets	5,466,819	2,216,461	-	-	-
511.4	Restricted Net Position	22,252	-	-	-	-
512.4	Unrestricted Net Position	27,798	160,395	-	-	-
513	Total Equity - Net Assets/Position	5,516,869	2,376,856	-	-	-
600	Total Liabilities, Deferred Inflows of Resources, and Equity - Net Assets/Position	\$ 5,633,155	\$ 2,580,689	\$ -	\$ -	\$ -

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Line Item #	Account Description	Zephyr	Sixth Place	Fairwind	Boulevard	Yardley Arms
		WA002000344	Apartments WA002000345	WA002000346	Manor WA002000350	WA002000352
111	Cash - unrestricted	\$ -	\$ -	\$ -	\$ 245,957	\$ 167,974
113	Cash - other restricted	-	-	-	-	-
114	Cash - tenant security deposits	-	-	-	6,350	5,750
115	Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-
100	Total cash	-	-	-	252,307	173,724
121	AR - PHA projects	-	-	-	-	-
122	AR - HUD other projects	-	-	-	-	-
124	Accounts receivable - other government	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-	-
126	Accounts receivable- tenants	-	-	-	-	-
126	Allowance for doubtful accounts - tenants	-	-	-	(296)	(254)
127	Notes and mortgages receivable- current	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-
120	Total receivables, net of allowances	-	-	-	(296)	(254)
131	Investments - unrestricted	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-
142	Prepaid expenses and other assets	-	-	-	5,613	5,570
143	Inventories	-	-	-	-	-
150	Total Current Assets	-	-	-	257,624	179,040
161	Land	-	-	-	72,003	227,040
162	Buildings	-	-	-	5,605,293	5,242,435
163	Furniture, equipment & machinery - dwellings	-	-	-	-	-
164	Furniture, equipment & machinery - administration	-	-	-	-	-
165	Leasehold improvements	-	-	-	-	-
166	Accumulated depreciation	-	-	-	(2,359,262)	(2,434,646)
167	Work in progress	-	-	-	-	-
168	Infrastructure	-	-	-	797,337	160,031
160	Total capital assets, net of depreciation	-	-	-	4,115,371	3,194,860
171	Notes and mortgages receivable - non-current	-	-	-	-	-
172	Notes and mortgages receivable-non-current - past due	-	-	-	-	-
173	Grants receivable - non-current	-	-	-	-	-
174	Other assets	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-
180	Total Noncurrent Assets	-	-	-	4,115,371	3,194,860
190	Total Assets	-	-	-	4,372,995	3,373,900
200	Deferred Outflows of Resources	-	-	-	11,009	9,832
290	Total Assets and Deferred Outflows of Resources	\$ -	\$ -	\$ -	\$ 4,384,004	\$ 3,383,732
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable < 90 days	-	-	-	18,652	16,837
321	Accrued wage/payroll taxes payable	-	-	-	2,311	2,129
322	Accrued compensated absences	-	-	-	6,417	6,167
325	Accrued interest payable	-	-	-	-	-
332	Accounts Payable - PHA projects	-	-	-	-	-
341	Tenant security deposits	-	-	-	6,350	5,750
342	Unearned revenue	-	-	-	-	-
343	Current portion of L-T debt - capital projects	-	-	-	5,403	5,030
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-
345	Other current liabilities	-	-	-	-	-
346	Accrued liabilities - other	-	-	-	-	-
310	Total Current Liabilities	-	-	-	39,133	35,913
351	Long-term debt, net of current - capital projects	-	-	-	6,527	6,581
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-
353	Non-current liabilities- other	-	-	-	-	-
357	Accrued pension and OPEB liabilities	-	-	-	91,516	81,732
350	Total Noncurrent Liabilities	-	-	-	98,043	88,313
300	Total Liabilities	-	-	-	137,176	124,226
400	Deferred Inflows of Resources	-	-	-	13,833	12,354
508.4	Net Investment in Capital Assets	-	-	-	4,103,441	3,183,249
511.4	Restricted Net Position	-	-	-	-	-
512.4	Unrestricted Net Position	-	-	-	129,554	63,903
513	Total Equity - Net Assets/Position	-	-	-	4,232,995	3,247,152
600	Total Liabilities, Deferred Inflows of Resources, and Equity - Net Assets/Position	\$ -	\$ -	\$ -	\$ 4,384,004	\$ 3,383,732

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Line Item #	Account Description	Riverton Terrace	Nia	Valli Kee Homes	Springwood Apartments	Cascade Apartments
		WA002000354	WA002000355	WA002000401	WA002000402	WA002000403
111	Cash - unrestricted	\$ 134,153	\$ -	\$ 342,330	\$ -	\$ 401,661
113	Cash - other restricted	37,770	-	-	-	-
114	Cash - tenant security deposits	3,450	-	18,227	-	17,451
115	Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-
100	Total cash	<u>175,373</u>	<u>-</u>	<u>360,557</u>	<u>-</u>	<u>419,112</u>
121	AR - PHA projects	-	-	-	-	-
122	AR - HUD other projects	-	-	15,992	-	-
124	Accounts receivable - other government	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-	-
126	Accounts receivable- tenants	700	-	2,639	-	729
126	Allowance for doubtful accounts - tenants	(450)	-	-	-	(231)
127	Notes and mortgages receivable- current	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-
120	Total receivables, net of allowances	<u>250</u>	<u>-</u>	<u>18,631</u>	<u>-</u>	<u>498</u>
131	Investments - unrestricted	0	-	-	-	-
132	Investments - restricted	(0)	-	-	-	-
142	Prepaid expenses and other assets	3,242	-	17,434	-	13,039
143	Inventories	-	-	-	-	-
150	Total Current Assets	<u>178,865</u>	<u>-</u>	<u>396,622</u>	<u>-</u>	<u>432,649</u>
161	Land	463,210	-	160,827	-	1,909,523
162	Buildings	3,487,260	-	16,333,748	-	12,689,963
163	Furniture, equipment & machinery - dwellings	-	-	-	-	-
164	Furniture, equipment & machinery - administration	-	-	26,394	-	7,303
165	Leasehold improvements	-	-	-	-	-
166	Accumulated depreciation	(846,089)	-	(4,559,085)	-	(3,602,931)
167	Work in progress	-	-	809,840	-	-
168	Infrastructure	-	-	2,147,083	-	352,940
160	Total capital assets, net of depreciation	<u>3,104,381</u>	<u>-</u>	<u>14,918,807</u>	<u>-</u>	<u>11,356,798</u>
171	Notes and mortgages receivable - non-current	-	-	-	-	-
172	Notes and mortgages receivable-non-current - past due	-	-	-	-	-
173	Grants receivable - non-current	-	-	-	-	-
174	Other assets	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-
180	Total Noncurrent Assets	<u>3,104,381</u>	<u>-</u>	<u>14,918,807</u>	<u>-</u>	<u>11,356,798</u>
190	Total Assets	<u>3,283,246</u>	<u>-</u>	<u>15,315,429</u>	<u>-</u>	<u>11,789,447</u>
200	Deferred Outflows of Resources	4,901	-	22,618	-	28,370
290	Total Assets and Deferred Outflows of Resources	<u>\$ 3,288,147</u>	<u>\$ -</u>	<u>\$ 15,338,047</u>	<u>\$ -</u>	<u>\$ 11,817,817</u>
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable < 90 days	7,981	-	40,315	-	32,607
321	Accrued wage/payroll taxes payable	1,270	-	5,750	-	6,846
322	Accrued compensated absences	5,096	-	14,439	-	22,915
325	Accrued interest payable	-	-	-	-	-
332	Accounts Payable - PHA projects	-	-	-	-	-
341	Tenant security deposits	3,450	-	18,227	-	17,451
342	Unearned revenue	-	-	-	-	-
343	Current portion of L-T debt - capital projects	-	-	-	-	24,779
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-
345	Other current liabilities	-	-	21,294	-	-
346	Accrued liabilities - other	-	-	-	-	-
310	Total Current Liabilities	<u>17,797</u>	<u>-</u>	<u>100,025</u>	<u>-</u>	<u>104,598</u>
351	Long-term debt, net of current - capital projects	-	-	-	-	30,104
352	Long-term debt, net of current - operating borrowings	-	-	25,914	-	-
353	Non-current liabilities- other	-	-	-	-	-
357	Accrued pension and OPEB liabilities	40,740	-	188,019	-	235,835
350	Total Noncurrent Liabilities	<u>40,740</u>	<u>-</u>	<u>213,933</u>	<u>-</u>	<u>265,939</u>
300	Total Liabilities	<u>58,537</u>	<u>-</u>	<u>313,958</u>	<u>-</u>	<u>370,537</u>
400	Deferred Inflows of Resources	6,158	-	28,420	-	35,647
508.4	Net Investment in Capital Assets	3,104,381	-	14,918,807	-	11,301,915
511.4	Restricted Net Position	37,770	-	-	-	-
512.4	Unrestricted Net Position	81,301	-	76,862	-	109,718
513	Total Equity - Net Assets/Position	<u>3,223,452</u>	<u>-</u>	<u>14,995,669</u>	<u>-</u>	<u>11,411,633</u>
600	Total Liabilities, Deferred Inflows of Resources, and Equity - Net Assets/Position	<u>\$ 3,288,147</u>	<u>\$ -</u>	<u>\$ 15,338,047</u>	<u>\$ -</u>	<u>\$ 11,817,817</u>

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Statement of Net Position
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Line Item #	Account Description	Shelcor	Mardis Gras II	Vantage Point	Firwood Circle	Burndale Homes
		WA002000409	WA002000450	WA002000452	WA002000503	WA002000504
111	Cash - unrestricted	\$ 19,226	\$ -	\$ -	\$ 378,952	\$ 581,793
113	Cash - other restricted	-	-	-	-	-
114	Cash - tenant security deposits	1,702	-	-	8,279	8,125
115	Cash - Restricted for Payment of Current Liabilities	-	-	-	-	-
100	Total cash	<u>20,928</u>	<u>-</u>	<u>-</u>	<u>387,231</u>	<u>589,918</u>
121	AR - PHA projects	-	-	-	-	-
122	AR - HUD other projects	-	-	-	392,789	6,974
124	Accounts receivable - other government	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-	-
126	Accounts receivable- tenants	291	-	-	-	-
126	Allowance for doubtful accounts - tenants	-	-	-	(915)	(1,352)
127	Notes and mortgages receivable- current	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-
120	Total receivables, net of allowances	<u>291</u>	<u>-</u>	<u>-</u>	<u>391,874</u>	<u>5,622</u>
131	Investments - unrestricted	-	-	-	-	-
132	Investments - restricted	-	-	-	-	-
142	Prepaid expenses and other assets	865	-	-	5,784	6,475
143	Inventories	-	-	-	-	-
150	Total Current Assets	<u>22,084</u>	<u>-</u>	<u>-</u>	<u>784,889</u>	<u>602,015</u>
161	Land	50,000	-	-	113,808	154,682
162	Buildings	563,607	-	-	5,541,640	5,518,662
163	Furniture, equipment & machinery - dwellings	-	-	-	-	-
164	Furniture, equipment & machinery - administration	7,143	-	-	14,189	13,320
165	Leasehold improvements	-	-	-	-	-
166	Accumulated depreciation	(292,871)	-	-	(2,249,161)	(2,093,777)
167	Work in progress	810	-	-	473,774	585,551
168	Infrastructure	-	-	-	667,899	455,895
160	Total capital assets, net of depreciation	<u>328,689</u>	<u>-</u>	<u>-</u>	<u>4,562,149</u>	<u>4,634,333</u>
171	Notes and mortgages receivable - non-current	-	-	-	-	-
172	Notes and mortgages receivable-non-current - past due	-	-	-	-	-
173	Grants receivable - non-current	-	-	-	-	-
174	Other assets	-	-	-	-	-
176	Investment in joint ventures	-	-	-	-	-
180	Total Noncurrent Assets	<u>328,689</u>	<u>-</u>	<u>-</u>	<u>4,562,149</u>	<u>4,634,333</u>
190	Total Assets	<u>350,773</u>	<u>-</u>	<u>-</u>	<u>5,347,038</u>	<u>5,236,348</u>
200	Deferred Outflows of Resources	975	-	-	12,782	12,602
290	Total Assets and Deferred Outflows of Resources	<u>\$ 351,748</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,359,820</u>	<u>\$ 5,248,950</u>
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ -
312	Accounts payable < 90 days	2,358	-	-	26,394	30,095
321	Accrued wage/payroll taxes payable	460	-	-	3,218	2,999
322	Accrued compensated absences	667	-	-	6,039	8,475
325	Accrued interest payable	-	-	-	-	-
332	Accounts Payable - PHA projects	-	-	-	-	-
341	Tenant security deposits	1,702	-	-	8,279	8,125
342	Unearned revenue	-	-	-	-	-
343	Current portion of L-T debt - capital projects	-	-	-	11,738	12,110
344	Current portion of L-T debt - operating borrowings	-	-	-	-	-
345	Other current liabilities	4,147	-	-	348,514	251,313
346	Accrued liabilities - other	-	-	-	-	-
310	Total Current Liabilities	<u>9,334</u>	<u>-</u>	<u>-</u>	<u>404,182</u>	<u>313,117</u>
351	Long-term debt, net of current - capital projects	-	-	-	14,053	14,837
352	Long-term debt, net of current - operating borrowings	-	-	-	-	-
353	Non-current liabilities- other	-	-	-	-	-
357	Accrued pension and OPEB liabilities	8,108	-	-	106,254	104,759
350	Total Noncurrent Liabilities	<u>8,108</u>	<u>-</u>	<u>-</u>	<u>120,307</u>	<u>119,596</u>
300	Total Liabilities	<u>17,442</u>	<u>-</u>	<u>-</u>	<u>524,489</u>	<u>432,713</u>
400	Deferred Inflows of Resources	1,226	-	-	16,061	15,835
508.4	Net Investment in Capital Assets	328,689	-	-	4,536,358	4,607,386
511.4	Restricted Net Position	-	-	-	-	-
512.4	Unrestricted Net Position	4,391	-	-	282,912	193,016
513	Total Equity - Net Assets/Position	<u>333,080</u>	<u>-</u>	<u>-</u>	<u>4,819,270</u>	<u>4,800,402</u>
600	Total Liabilities, Deferred Inflows of Resources, and Equity - Net Assets/Position	<u>\$ 351,748</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,359,820</u>	<u>\$ 5,248,950</u>

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Net Position
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Line Item #	Account Description	Wayland Arms WA002000550	Plaza Seventeen II WA002000551	Southridge House WA002000552	Casa Madrona II WA002000553	Subtotal
111	Cash - unrestricted	\$ 99,693	\$ -	\$ 233,070	\$ -	\$ 56,852,608
113	Cash - other restricted	-	-	-	-	20,048,114
114	Cash - tenant security deposits	5,385	-	6,025	-	2,187,241
115	Cash - Restricted for Payment of Current Liabilities	-	-	-	-	196,995
100	Total cash	<u>105,078</u>	<u>-</u>	<u>239,095</u>	<u>-</u>	<u>79,284,958</u>
121	AR - PHA projects	-	-	-	-	426,727
122	AR - HUD other projects	-	-	-	-	711,927
124	Accounts receivable - other government	-	-	-	-	506,505
125	Accounts receivable - miscellaneous	-	-	-	-	4,435,878
126	Accounts receivable- tenants	-	-	-	-	288,605
126	Allowance for doubtful accounts - tenants	(33)	-	(76)	-	(37,682)
127	Notes and mortgages receivable- current	-	-	-	-	21,035,931
129	Accrued interest receivable	-	-	-	-	1,644,535
120	Total receivables, net of allowances	<u>(33)</u>	<u>-</u>	<u>(76)</u>	<u>-</u>	<u>29,012,426</u>
131	Investments - unrestricted	-	-	-	-	47,137,970
132	Investments - restricted	-	-	-	-	5,759,079
142	Prepaid expenses and other assets	5,839	-	6,988	-	939,356
143	Inventories	-	-	-	-	102,996
150	Total Current Assets	<u>110,884</u>	<u>-</u>	<u>246,007</u>	<u>-</u>	<u>162,236,785</u>
161	Land	70,350	-	66,167	-	84,705,014
162	Buildings	4,761,722	-	7,899,836	-	424,258,739
163	Furniture, equipment & machinery - dwellings	-	-	-	-	35,400
164	Furniture, equipment & machinery - administration	-	-	-	-	5,397,832
165	Leasehold improvements	-	-	-	-	7,734,959
166	Accumulated depreciation	(1,811,613)	-	(3,203,175)	-	(156,875,237)
167	Work in progress	880	-	-	-	24,107,785
168	Infrastructure	127,940	-	146,656	-	22,314,999
160	Total capital assets, net of depreciation	<u>3,149,279</u>	<u>-</u>	<u>4,909,484</u>	<u>-</u>	<u>411,679,491</u>
171	Notes and mortgages receivable - non-current	-	-	-	-	288,689,409
172	Notes and mortgages receivable-non-current - past due	-	-	-	-	-
173	Grants receivable - non-current	-	-	-	-	-
174	Other assets	-	-	-	-	481,881
176	Investment in joint ventures	-	-	-	-	-
180	Total Noncurrent Assets	<u>3,149,279</u>	<u>-</u>	<u>4,909,484</u>	<u>-</u>	<u>700,850,781</u>
190	Total Assets	<u>3,260,163</u>	<u>-</u>	<u>5,155,491</u>	<u>-</u>	<u>863,087,566</u>
200	Deferred Outflows of Resources	8,751	-	12,744	-	3,290,379
290	Total Assets and Deferred Outflows of Resources	<u>\$ 3,268,914</u>	<u>\$ -</u>	<u>\$ 5,168,235</u>	<u>\$ -</u>	<u>\$ 866,377,945</u>
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -	\$ 4,794,610
312	Accounts payable < 90 days	8,507	-	9,482	-	5,318,746
321	Accrued wage/payroll taxes payable	2,058	-	3,057	-	653,165
322	Accrued compensated absences	6,499	-	25,518	-	2,356,248
325	Accrued interest payable	-	-	-	-	929,297
332	Accounts Payable - PHA projects	-	-	-	-	4,441
341	Tenant security deposits	5,385	-	6,025	-	2,187,241
342	Unearned revenue	-	-	-	-	134,335
343	Current portion of L-T debt - capital projects	7,266	-	6,335	-	13,173,542
344	Current portion of L-T debt - operating borrowings	-	-	-	-	7,181,695
345	Other current liabilities	-	-	-	-	4,108,296
346	Accrued liabilities - other	-	-	-	-	385,720
310	Total Current Liabilities	<u>29,715</u>	<u>-</u>	<u>50,417</u>	<u>-</u>	<u>41,227,336</u>
351	Long-term debt, net of current - capital projects	9,240	-	7,464	-	210,661,778
352	Long-term debt, net of current - operating borrowings	-	-	-	-	128,507,261
353	Non-current liabilities- other	-	-	-	-	3,842,805
357	Accrued pension and OPEB liabilities	72,742	-	105,935	-	19,367,496
350	Total Noncurrent Liabilities	<u>81,982</u>	<u>-</u>	<u>113,399</u>	<u>-</u>	<u>362,379,340</u>
300	Total Liabilities	<u>111,697</u>	<u>-</u>	<u>163,816</u>	<u>-</u>	<u>403,606,676</u>
400	Deferred Inflows of Resources	10,995	-	16,012	-	4,394,456
508.4	Net Investment in Capital Assets	3,132,773	-	4,895,685	-	187,844,171
511.4	Restricted Net Position	-	-	-	-	25,166,438
512.4	Unrestricted Net Position	13,449	-	92,722	-	245,366,204
513	Total Equity - Net Assets/Position	<u>3,146,222</u>	<u>-</u>	<u>4,988,407</u>	<u>-</u>	<u>458,376,813</u>
600	Total Liabilities, Deferred Inflows of Resources, and Equity - Net Assets/Position	<u>\$ 3,268,914</u>	<u>\$ -</u>	<u>\$ 5,168,235</u>	<u>\$ -</u>	<u>\$ 866,377,945</u>

Housing Authority of the County of King
Financial Data Schedule (FDS)
Statement of Net Position
As of December 31, 2015

Line Item #	Account Description	Elimination	Total Authority	COMPONENT UNITS - DISCRETELY PRESENTED
111	Cash - unrestricted	\$ -	\$ 56,852,608	\$ 6,617,846
113	Cash - other restricted	-	20,048,114	5,935,042
114	Cash - tenant security deposits	-	2,187,241	545,810
115	Cash - Restricted for Payment of Current Liabilities	-	196,995	-
100	Total cash	-	79,284,958	13,098,698
121	AR - PHA projects	-	426,727	-
122	AR - HUD other projects	-	711,927	-
124	Accounts receivable - other government	-	506,505	-
125	Accounts receivable - miscellaneous	(2,891,022)	1,544,856	44,930
126	Accounts receivable- tenants	-	288,605	127,413
126	Allowance for doubtful accounts - tenants	-	(37,682)	-
127	Notes and mortgages receivable- current	(518,060)	20,517,871	-
129	Accrued interest receivable	-	1,644,535	-
120	Total receivables, net of allowances	(3,409,082)	25,603,344	172,343
131	Investments - unrestricted	-	47,137,970	364,490
132	Investments - restricted	-	5,759,079	-
142	Prepaid expenses and other assets	-	939,356	269,919
143	Inventories	-	102,996	-
150	Total Current Assets	(3,409,082)	158,827,703	13,905,450
161	Land	-	84,705,014	30,517,870
162	Buildings	-	424,258,739	395,368,711
163	Furniture, equipment & machinery - dwellings	-	35,400	-
164	Furniture, equipment & machinery - administration	-	5,397,832	8,270,235
165	Leasehold improvements	-	7,734,959	-
166	Accumulated depreciation	-	(156,875,237)	(93,257,076)
167	Work in progress	-	24,107,785	235,332
168	Infrastructure	-	22,314,999	9,574,138
160	Total capital assets, net of depreciation	-	411,679,491	350,709,210
171	Notes and mortgages receivable - non-current	(29,496,996)	259,192,413	-
172	Notes and mortgages receivable-non-current - past due	-	-	-
173	Grants receivable - non-current	-	-	-
174	Other assets	-	481,881	1,130,915
176	Investment in joint ventures	-	-	-
180	Total Noncurrent Assets	(29,496,996)	671,353,785	351,840,125
190	Total Assets	(32,906,078)	830,181,488	365,745,575
200	Deferred Outflows of Resources	-	3,290,379	-
290	Total Assets and Deferred Outflows of Resources	\$ (32,906,078)	\$ 833,471,867	\$ 365,745,575
311	Bank overdraft	-	4,794,610	\$ -
312	Accounts payable < 90 days	(239,658)	5,079,088	549,148
321	Accrued wage/payroll taxes payable	-	653,165	2,436
322	Accrued compensated absences	-	2,356,248	-
325	Accrued interest payable	-	929,297	80,392
332	Accounts Payable - PHA projects	-	4,441	-
341	Tenant security deposits	-	2,187,241	545,810
342	Unearned revenue	-	134,335	41,103
343	Current portion of L-T debt - capital projects	-	13,173,542	18,040,000
344	Current portion of L-T debt - operating borrowings	(518,060)	6,663,635	-
345	Other current liabilities	(2,651,364)	1,456,932	1,542,837
346	Accrued liabilities - other	-	385,720	92,236
310	Total Current Liabilities	(3,409,082)	37,818,254	20,893,962
351	Long-term debt, net of current - capital projects	-	210,661,778	237,574,334
352	Long-term debt, net of current - operating borrowings	(29,496,996)	99,010,265	-
353	Non-current liabilities- other	-	3,842,805	20,380,987
357	Accrued pension and OPEB liabilities	-	19,367,496	-
350	Total Noncurrent Liabilities	(29,496,996)	332,882,344	257,955,321
300	Total Liabilities	(32,906,078)	370,700,598	278,849,283
400	Deferred Inflows of Resources	-	4,394,456	-
508.4	Net Investment in Capital Assets	-	187,844,171	95,094,876
511.4	Restricted Net Position	-	25,166,438	5,935,042
512.4	Unrestricted Net Position	-	245,366,204	(14,133,626)
513	Total Equity - Net Assets/Position	-	458,376,813	86,896,292
600	Total Liabilities, Deferred Inflows of Resources, and Equity - Net Assets/Position	\$ (32,906,078)	\$ 833,471,867	\$ 365,745,575

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 , 2015

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	10.427 Rural Rental Assistance Payments	14.191 Multifamily Housing Service Coordinator
70300	Net tenant rental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70400	Tenant revenue - other	-	-	-	-	-	-
70500	Total tenant revenue	-	-	-	-	-	-
70600	HUD PHA Operating Grants	4,893,495	105,009,772	7,141,415	-	-	66,861
70610	Capital Grants	2,007,375	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-
70800	Other Government Grants	-	-	-	60,155	586,484	-
71100	Investment Income - unrestricted	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-	-
71400	Fraud Recovery	-	-	-	-	-	-
71500	Other Revenue	-	-	-	-	-	-
71600	Gain (loss) on the sale of capital assets	-	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-	-
70000	Total Revenue	6,900,870	105,009,772	7,141,415	60,155	586,484	66,861
91100	Administrative salaries	-	-	-	-	-	-
91200	Auditing fees	-	-	-	-	-	-
91300	Management fees	-	-	-	-	-	-
91310	Book-keeping Fee	-	-	-	-	-	-
91400	Advertising and Marketing	-	-	-	-	-	250
91500	Employee benefit contributions - administrative	-	-	-	-	-	-
91600	Office Expenses	-	-	-	-	-	1,831
91700	Legal expense	-	-	-	-	-	-
91800	Travel	-	-	-	-	-	965
91900	Other	-	-	-	-	-	2,223
91000	Total Operating - Administrative	-	-	-	-	-	5,269
92000	Asset Management Fee	-	-	-	-	-	-
92100	Tenant services - salaries	-	-	-	-	-	39,588
92200	Relocation costs	-	-	-	-	-	40
92300	Employee benefits	-	-	-	-	-	18,595
92400	Tenant services - other	-	-	-	-	-	308
92500	Total Tenant Services	-	-	-	-	-	58,531
93100	Water	-	-	-	-	-	-
93200	Electricity	-	-	-	-	-	8
93300	Gas	-	-	-	-	-	-
93400	Fuel	-	-	-	-	-	-
93600	Sewer	-	-	-	-	-	-
93800	Other utilities expense	-	-	-	-	-	-
93000	Total Utilities	-	-	-	-	-	8
94100	Ordinary maintenance and operations - labor	-	-	-	-	-	-
94200	Ordinary maintenance and operations - material and other	-	-	-	-	-	-
94300	Ordinary maintenance and operations - contracts	-	-	-	-	-	-
94500	Employee benefit contributions - ordinary maintenance	-	-	-	-	-	-
94000	Total Maintenance	-	-	-	-	-	-
95200	Other contract costs	-	-	-	-	-	-
95000	Total Protective Services	-	-	-	-	-	-
96110	Property Insurance	-	-	-	-	-	-
96120	Liability Insurance	-	-	-	-	-	-
96130	Workmen's compensation	-	-	-	-	-	185
96140	All other insurance	-	-	-	-	-	-
96100	Total Insurance Premiums	-	-	-	-	-	185

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 , 2015

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	10.427 Rural Rental Assistance Payments	14.191 Multifamily Housing Service Coordinator
96200	Other General Expenses	-	-	-	-	-	-
96210	Compensated absences	-	-	-	-	-	3,680
96300	Payments in lieu of taxes	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-
96000	Total Other General Expenses	-	-	-	-	-	3,680
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	-	-	-	-	-	67,673
97000	Excess Operating Revenue over Operating Expenses	6,900,870	105,009,772	7,141,415	60,155	586,484	(812)
97300	Housing assistance payments	-	-	-	-	-	-
97350	HAP Portability-In	-	-	-	-	-	-
97400	Depreciation expense	-	-	-	-	-	-
90000	Total Expenses	-	-	-	-	-	67,673
10010	Operating transfers in	-	-	-	31,046	-	-
10020	Operating transfers out	(6,900,870)	(105,009,772)	(7,141,415)	(60,155)	(586,484)	-
10100	Total Other Financing Sources	(6,900,870)	(105,009,772)	(7,141,415)	(29,109)	(586,484)	-
10000	Excess (Deficiency) Of Total Revenue Over (Under) Total Expenses	\$ -	\$ -	\$ -	\$ 31,046	\$ -	\$ (812)
11020	Required annual debt principal payments	-	-	-	32,210	-	-
11030	Beginning of year equity	-	-	-	(1,047,939)	-	3,370
11040	Prior period adjustments, equity transfers	-	-	-	-	-	-
11170	Administrative Fee Equity	-	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-	-
11190	Unit Months Available	-	-	-	-	-	-
11210	Number of unit months leased	-	-	-	-	-	-
11270	Excess cash	-	-	-	-	-	-
11620	Building Purchases	-	-	-	-	-	-
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 , 2015

Line Item #	Account Description	14.195 Section 8 - Special Allocation	14.218 Community Development Block Grants/Entitlement Grants	14.856 Section 8 - Moderate Rehabilitation	14.870 Resident Opportunity and Supportive Services - Service Coordinators	14.871 Section 8 Housing Choice Vouchers	14.877 Public Housing Family Self Sufficiency Under Resident Opportunity and Support Services
70300	Net tenant rental revenue	\$ 186,897	\$ -	\$ -	\$ -	\$ -	\$ -
70400	Tenant revenue - other	7,810	-	-	-	-	-
70500	Total tenant revenue	194,707	-	-	-	-	-
70600	HUD PHA Operating Grants	391,951	-	96,207	58,880	7,878,253	-
70610	Capital Grants	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-
70800	Other Government Grants	-	543,996	-	-	-	-
71100	Investment Income - unrestricted	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-	-
71400	Fraud Recovery	-	-	-	-	6,637	-
71500	Other Revenue	807	-	18	-	26,413,312	-
71600	Gain (loss) on the sale of capital assets	-	-	-	-	-	-
72000	Investment income - restricted	181	-	-	-	-	-
70000	Total Revenue	587,646	543,996	96,225	58,880	34,298,202	-
91100	Administrative salaries	47,662	29,019	1,477	-	259,337	-
91200	Auditing fees	-	-	42	-	-	-
91300	Management fees	42,478	-	2,255	-	137,463	-
91310	Book-keeping Fee	-	-	1,350	-	65,557	-
91400	Advertising and Marketing	-	-	-	-	126	-
91500	Employee benefit contributions - administrative	11,487	10,210	468	-	106,297	-
91600	Office Expenses	1,520	-	279	-	21,092	-
91700	Legal expense	383	-	1	-	2,098	-
91800	Travel	456	-	-	-	766	-
91900	Other	3,533	-	254	-	139,224	-
91000	Total Operating - Administrative	107,518	39,229	6,126	-	731,960	-
92000	Asset Management Fee	-	-	-	-	-	-
92100	Tenant services - salaries	-	-	-	7,816	-	-
92200	Relocation costs	-	-	-	-	-	-
92300	Employee benefits	-	-	-	4,120	-	-
92400	Tenant services - other	4	-	-	51,379	45	-
92500	Total Tenant Services	4	-	-	63,315	45	-
93100	Water	7,395	-	-	-	209	-
93200	Electricity	3,216	-	-	-	1,183	-
93300	Gas	-	-	-	-	-	-
93400	Fuel	-	-	-	-	-	-
93600	Sewer	16,907	-	-	-	103	-
93800	Other utilities expense	21,042	-	-	-	252	-
93000	Total Utilities	48,560	-	-	-	1,747	-
94100	Ordinary maintenance and operations - labor	50,549	-	-	-	23	-
94200	Ordinary maintenance and operations - material and other	45,893	461,695	1	-	1,213	-
94300	Ordinary maintenance and operations - contracts	35,782	-	-	-	3,337	-
94500	Employee benefit contributions - ordinary maintenance	13,788	-	-	-	729	-
94000	Total Maintenance	146,012	461,695	1	-	5,302	-
95200	Other contract costs	-	-	-	-	-	-
95000	Total Protective Services	-	-	-	-	-	-
96110	Property Insurance	2,542	-	3	-	276	-
96120	Liability Insurance	2,657	-	9	33	6,152	-
96130	Workmen's compensation	1,567	90	6	32	1,140	-
96140	All other insurance	-	-	-	-	-	-
96100	Total Insurance Premiums	6,766	90	18	65	7,568	-

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 For the 12 Month Period Ending December 31, 2015

Line Item #	Account Description	14.195 Section 8 - Special Allocation	14.218 Community Development Block Grants/Entitlement Grants	14.856 Section 8 - Moderate Rehabilitation	14.870 Resident Opportunity and Supportive Services - Service Coordinators	14.871 Section 8 Housing Choice Vouchers	14.877 Public Housing Family Self Sufficiency Under Resident Opportunity and Support Services
96200	Other General Expenses	-	2,184	-	-	-	-
96210	Compensated absences	5,393	7,030	-	951	-	-
96300	Payments in lieu of taxes	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	244	-
96000	Total Other General Expenses	5,393	9,214	-	951	244	-
96710	Interest on mortgage (or bonds) payable	-	-	-	-	-	-
96720	Interest on notes payable (short and long term)	76,664	-	-	-	-	-
96730	Amortization of bond issue costs	-	-	-	-	-	-
96700	Total interest expense and amortization cost	76,664	-	-	-	-	-
96900	Total Operating Expenses	390,917	510,228	6,145	64,331	746,866	-
97000	Excess Operating Revenue over Operating Expenses	196,729	33,768	90,080	(5,451)	33,551,336	-
97300	Housing assistance payments	-	-	80,029	-	6,817,855	-
97350	HAP Portability-In	-	-	-	-	26,413,312	-
97400	Depreciation expense	13,983	-	-	-	-	-
90000	Total Expenses	404,900	510,228	86,174	64,331	33,978,033	-
10010	Operating transfers in	-	68,940	-	26,150	-	-
10020	Operating transfers out	-	(12,774)	-	(10,624)	-	-
10100	Total Other Financing Sources	-	56,166	-	15,526	-	-
10000	Excess (Deficiency) Of Total Revenue Over (Under) Total Expenses	\$ 182,746	\$ 89,934	\$ 10,051	\$ 10,075	\$ 320,169	\$ -
11020	Required annual debt principal payments	-	-	-	-	-	-
11030	Beginning of year equity	455,163	24,909	85,111	10,290	405,097	(782)
11040	Prior period adjustments, equity transfers	(77,948)	-	(1,523)	(31,707)	(405,372)	782
11170	Administrative Fee Equity	-	-	-	-	27,474	-
11180	Housing Assistance Fee Equity	-	-	-	-	292,419	-
11190	Unit Months Available	492	-	-	-	10,239	-
11210	Number of unit months leased	478	-	-	-	8,741	-
11270	Excess cash	-	-	-	-	-	-
11620	Building Purchases	-	-	-	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-	-

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Line Item #	Account Description	14.879 Mainstream Vouchers	14.881 Moving-To-Work Demonstration Program	14.890 Capital Fund Education and Training Community Facilities	14.896 Family Self Sufficiency Program	State/Local Programs	Business Activities
70300	Net tenant rental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 56,539,875
70400	Tenant revenue - other	-	-	-	-	-	1,742,358
70500	Total tenant revenue	-	-	-	-	-	58,282,232
70600	HUD PHA Operating Grants	2,821,860	-	-	329,650	-	-
70610	Capital Grants	-	-	10,058	-	-	-
70710	Management Fee	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-
70800	Other Government Grants	-	102,199	-	-	1,966,598	720,095
71100	Investment Income - unrestricted	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	2,267,649
71310	Cost of Sale of Assets	-	-	-	-	-	(1,578,179)
71400	Fraud Recovery	2,896	104,300	-	-	-	-
71500	Other Revenue	419	3,335,400	-	-	255,570	3,556,688
71600	Gain (loss) on the sale of capital assets	-	-	-	-	-	-
72000	Investment income - restricted	-	313,132	-	-	-	9,778,492
70000	Total Revenue	2,825,175	3,855,031	10,058	329,650	2,222,168	73,026,977
91100	Administrative salaries	121,788	4,150,289	-	-	653,927	5,305,587
91200	Auditing fees	968	25,134	-	-	2,092	25,078
91300	Management fees	57,683	1,632,789	-	-	31,511	2,796,061
91310	Book-keeping Fee	31,092	998,266	-	-	-	166,239
91400	Advertising and Marketing	53	3,524	-	-	526	223,303
91500	Employee benefit contributions - administrative	42,744	1,185,162	-	-	178,227	2,097,265
91600	Office Expenses	8,872	321,324	-	-	22,106	328,333
91700	Legal expense	883	33,867	-	-	6,762	245,166
91800	Travel	322	67,363	-	-	4	20,169
91900	Other	23,595	1,092,330	-	-	5,817	3,636,801
91000	Total Operating - Administrative	288,000	9,510,048	-	-	900,972	14,844,002
92000	Asset Management Fee	-	-	-	-	-	179,780
92100	Tenant services - salaries	-	1,678,458	-	219,919	-	30,479
92200	Relocation costs	-	104,011	-	-	-	-
92300	Employee benefits	-	529,992	-	93,893	-	14,867
92400	Tenant services - other	19	3,770,249	-	54,223	26	568,470
92500	Total Tenant Services	19	6,082,710	-	368,035	26	613,816
93100	Water	88	2,756	-	-	577	1,790,984
93200	Electricity	498	15,619	-	-	3,016	731,512
93300	Gas	-	-	-	-	-	47,080
93400	Fuel	-	-	-	-	-	5,859
93600	Sewer	43	1,406	-	-	283	2,750,743
93800	Other utilities expense	106	3,330	-	-	697	1,770,830
93000	Total Utilities	735	23,111	-	-	4,573	7,097,009
94100	Ordinary maintenance and operations - labor	10	284	-	-	43	3,238,695
94200	Ordinary maintenance and operations - material and other	510	18,638	-	-	1,880,715	4,676,040
94300	Ordinary maintenance and operations - contracts	1,404	44,223	-	-	7,017	2,884,390
94500	Employee benefit contributions - ordinary maintenance	301	-	-	-	775	349,542
94000	Total Maintenance	2,225	63,145	-	-	1,888,550	11,148,667
95200	Other contract costs	-	-	-	-	-	171,469
95000	Total Protective Services	-	-	-	-	-	171,469
96110	Property Insurance	116	3,642	-	-	399	448,347
96120	Liability Insurance	2,588	84,322	-	-	6,359	321,147
96130	Workmen's compensation	466	22,770	-	-	1,678	216,114
96140	All other insurance	-	-	-	-	-	-
96100	Total Insurance Premiums	3,170	110,734	-	-	8,436	985,608

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Line Item #	Account Description	14.879 Mainstream Vouchers	14.881 Moving-To-Work Demonstration Program	14.890 Other Federal Programs	14.896 Family Self Sufficiency Program	State/Local Programs	Business Activities
96200	Other General Expenses	-	5	-	-	-	4,050,794
96210	Compensated absences	-	522,916	-	16,866	56,233	444,531
96300	Payments in lieu of taxes	-	-	-	-	-	121,961
96800	Severance expense	103	3,223	-	-	-	-
96000	Total Other General Expenses	103	526,144	-	16,866	56,233	4,617,286
96710	Interest on mortgage (or bonds) payable	-	-	-	-	-	4,738,511
96720	Interest on notes payable (short and long term)	-	-	-	-	-	5,071,588
96730	Amortization of bond issue costs	-	-	-	-	-	-
96700	Total interest expense and amortization cost	-	-	-	-	-	9,810,099
96900	Total Operating Expenses	294,252	16,315,891	-	384,901	2,858,790	49,467,735
97000	Excess Operating Revenue over Operating Expenses	2,530,923	(12,460,860)	10,058	(55,251)	(636,622)	23,559,242
97300	Housing assistance payments	2,521,273	83,360,412	-	-	-	-
97350	HAP Portability-In	-	-	-	-	-	-
97400	Depreciation expense	-	-	-	-	-	7,228,892
90000	Total Expenses	2,815,525	99,676,303	-	384,901	2,858,790	56,696,627
10010	Operating transfers in	26,425	119,681,647	-	-	930,755	29,890,690
10020	Operating transfers out	-	(19,903,634)	(10,058)	-	(1,246,979)	(22,742,452)
10080	Special items, net gain/loss	-	-	-	-	-	(39,117,550)
10100	Total Other Financing Sources	26,425	99,778,013	(10,058)	-	(316,224)	(31,969,312)
10000	Excess (Deficiency) Of Total Revenue Over (Under) Total Expenses	\$ 36,075	\$ 3,956,741	\$ -	\$ (55,251)	\$ (952,846)	\$ (15,638,961)
11020	Required annual debt principal payments	-	-	-	-	-	9,135,422
11030	Beginning of year equity	4,383	40,284,773	-	-	787,972	320,796,202
11040	Prior period adjustments, equity transfers	544,310	(7,060,956)	-	72,979	(648,685)	(8,929,613)
11170	Administrative Fee Equity	-	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-	-
11190	Unit Months Available	-	97,092	-	-	-	67,380
11210	Number of unit months leased	-	99,515	-	-	-	66,437
11270	Excess cash	-	-	-	-	-	-
11620	Building Purchases	-	-	-	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-	-

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Line Item #	Account Description	81.042 Weatherization Assistance for Low Income Persons	93.568 Low Income Home Energy Assistance	94.006 Americorp	14.251 Other Federal Programs	COMPONENT UNITS - BLENDED	COCC
70300	Net tenant rental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70400	Tenant revenue - other	-	-	-	-	-	-
70500	Total tenant revenue	-	-	-	-	-	-
70600	HUD PHA Operating Grants	-	-	-	-	-	-
70610	Capital Grants	-	-	-	110,388	-	-
70710	Management Fee	-	-	-	-	-	4,740,044
70720	Asset Management Fee	-	-	-	-	-	341,460
70730	Book-keeping Fee	-	-	-	-	-	1,384,896
70750	Other Fees	-	-	-	-	-	705,173
70700	Total Fee Revenue	-	-	-	-	-	7,171,573
70800	Other Government Grants	456,713	691,626	-	-	-	-
71100	Investment Income - unrestricted	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-	-
71400	Fraud Recovery	-	-	-	-	-	-
71500	Other Revenue	-	-	2,726	-	1,830,714	3,213,328
71600	Gain (loss) on the sale of capital assets	-	-	-	-	-	47,147
72000	Investment income - restricted	-	-	-	-	2,835	13,395
70000	Total Revenue	456,713	691,626	2,726	110,388	1,833,549	10,445,443
91100	Administrative salaries	4,729	9,501	-	-	-	5,313,540
91200	Auditing fees	-	-	-	-	4,308	24,052
91300	Management fees	-	-	-	-	-	-
91310	Book-keeping Fee	-	-	-	-	-	-
91400	Advertising and Marketing	-	-	-	-	-	15,977
91500	Employee benefit contributions - administrative	2,301	3,132	-	-	-	1,616,575
91600	Office Expenses	-	-	337	-	-	403,532
91700	Legal expense	-	-	-	-	10	69,941
91800	Travel	2,671	224	1,855	-	-	350,251
91900	Other	2,174	-	152	-	13,857	1,214,026
91000	Total Operating - Administrative	11,875	12,857	2,344	-	18,175	9,007,894
92000	Asset Management Fee	-	-	-	-	-	-
92100	Tenant services - salaries	-	-	41,298	-	-	-
92200	Relocation costs	-	-	-	-	-	-
92300	Employee benefits	-	-	15,228	-	-	-
92400	Tenant services - other	-	-	-	-	-	52
92500	Total Tenant Services	-	-	56,526	-	-	52
93100	Water	-	-	-	-	-	7,232
93200	Electricity	-	-	-	-	-	60,507
93300	Gas	-	-	-	-	-	-
93400	Fuel	-	-	-	-	-	-
93600	Sewer	-	-	-	-	-	4,034
93800	Other utilities expense	-	-	-	-	-	7,921
93000	Total Utilities	-	-	-	-	-	79,694
94100	Ordinary maintenance and operations - labor	-	-	-	-	-	1,416,992
94200	Ordinary maintenance and operations - material and other	313,918	521,335	-	-	16,689	45,908
94300	Ordinary maintenance and operations - contracts	-	-	-	-	-	88,446
94500	Employee benefit contributions - ordinary maintenance	-	-	-	-	-	444,950
94000	Total Maintenance	313,918	521,335	-	-	16,689	1,996,295
95200	Other contract costs	-	-	-	-	-	-
95000	Total Protective Services	-	-	-	-	-	-
96110	Property Insurance	-	-	-	-	-	8,100
96120	Liability Insurance	-	-	179	-	-	149,082
96130	Workmen's compensation	41	5	128	-	-	78,728
96140	All other insurance	-	-	-	-	-	-
96100	Total Insurance Premiums	41	5	307	-	-	235,910

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Line Item #	Account Description	81.042 Weatherization Assistance for Low Income Persons	93.568 Low Income Home Energy Assistance	94.006 Americorp	14.251 Other Federal Programs	COMPONENT UNITS - BLENDED	COCC
96200	Other General Expenses	-	-	-	-	-	-
96210	Compensated absences	-	-	27,739	-	-	695,391
96300	Payments in lieu of taxes	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-
96000	Total Other General Expenses	-	-	27,739	-	-	695,391
96710	Interest on mortgage (or bonds) payable	-	-	-	-	-	-
96720	Interest on notes payable (short and long term)	-	-	-	-	1,029,921	6,295
96730	Amortization of bond issue costs	-	-	-	-	-	-
96700	Total interest expense and amortization cost	-	-	-	-	1,029,921	6,295
96900	Total Operating Expenses	325,834	534,197	86,916	-	1,064,785	12,021,531
97000	Excess Operating Revenue over Operating Expenses	130,879	157,429	(84,190)	110,388	768,764	(1,576,088)
97300	Housing assistance payments	-	-	-	-	-	-
97350	HAP Portability-In	-	-	-	-	-	-
97400	Depreciation expense	-	-	-	-	1,155,200	585,571
90000	Total Expenses	325,834	534,197	86,916	-	2,219,985	12,607,102
10010	Operating transfers in	31,388	-	86,285	-	-	1,837,331
10020	Operating transfers out	(133,453)	(361,015)	-	(110,388)	-	(38,393)
10100	Total Other Financing Sources	(102,065)	(361,015)	86,285	(110,388)	-	1,798,938
10000	Excess (Deficiency) Of Total Revenue Over (Under) Total Expenses	\$ 28,814	\$ (203,586)	\$ 2,095	\$ -	\$ (386,436)	\$ (362,721)
11020	Required annual debt principal payments	-	-	-	-	518,060	188,546
11030	Beginning of year equity	-	394,830	10,652	-	18,268,879	15,027,111
11040	Prior period adjustments, equity transfers	-	-	-	-	1	(7,053,239)
11170	Administrative Fee Equity	-	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-	-
11190	Unit Months Available	-	-	-	-	-	-
11210	Number of unit months leased	-	-	-	-	-	-
11270	Excess cash	-	-	-	-	-	-
11620	Building Purchases	-	-	-	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-	-

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Line Item #	Account Description	Ballinger	Park Royal	Paramount	The Lake	Northridge II	Westminster
		Homes WA002000101	Apartments WA002000105	House II WA002000150	House WA002000152	WA002000153	WA002000156
70300	Net tenant rental revenue	\$ 549,078	\$ 50,289	\$ -	\$ 335,185	\$ 354,125	\$ 144,319
70400	Tenant revenue - other	9,857	7,304	-	9,545	8,771	7,569
70500	Total tenant revenue	558,935	57,593	-	344,730	362,896	151,889
70600	HUD PHA Operating Grants	-	-	-	-	-	-
70610	Capital Grants	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-
70800	Other Government Grants	-	-	-	-	-	-
71100	Investment Income - unrestricted	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-	-
71400	Fraud Recovery	-	-	-	-	-	-
71500	Other Revenue	1,114	180	-	3,327	3,360	388
71600	Gain (loss) on the sale of capital assets	-	-	-	-	-	-
72000	Investment income - restricted	1,017	76	-	712	701	140
70000	Total Revenue	561,066	57,849	-	348,769	366,957	152,417
91100	Administrative salaries	86,259	12,567	-	75,090	81,590	14,531
91200	Auditing fees	4,018	660	-	4,018	4,012	-
91300	Management fees	163,981	31,801	-	339,308	226,163	28,343
91310	Book-keeping Fee	11,865	1,980	-	12,443	12,323	2,272
91400	Advertising and Marketing	-	-	-	-	-	-
91500	Employee benefit contributions - administrative	33,164	4,280	-	30,395	28,864	4,312
91600	Office Expenses	6,170	745	-	5,548	5,278	819
91700	Legal expense	2,287	8	-	3,501	19,847	10
91800	Travel	1,833	27	-	1,500	862	78
91900	Other	12,117	1,401	-	10,755	11,763	4,438
91000	Total Operating - Administrative	321,693	53,469	-	482,557	390,701	54,803
92000	Asset Management Fee	16,320	2,640	-	16,800	16,800	3,240
92100	Tenant services - salaries	-	-	-	-	-	-
92200	Relocation costs	-	-	-	-	-	-
92300	Employee benefits	-	-	-	-	-	-
92400	Tenant services - other	402	20	-	211	120	28
92500	Total Tenant Services	402	20	-	211	120	28
93100	Water	63,824	8,123	-	29,656	25,209	4,378
93200	Electricity	15,178	1,873	-	20,027	26,067	16,123
93300	Gas	-	-	-	-	4,794	2,194
93400	Fuel	-	-	-	-	-	-
93600	Sewer	65,978	8,957	-	48,117	39,424	9,065
93800	Other utilities expense	78,997	6,615	-	29,857	34,646	14,907
93000	Total Utilities	223,977	25,568	-	127,657	130,140	46,666
94100	Ordinary maintenance and operations - labor	140,873	11,571	-	81,319	81,968	18,866
94200	Ordinary maintenance and operations - material and other	41,924	10,702	-	57,989	39,622	11,895
94300	Ordinary maintenance and operations - contracts	67,869	18,755	-	100,268	101,898	12,199
94500	Employee benefit contributions - ordinary maintenance	39,784	5,016	-	35,447	34,053	6,424
94000	Total Maintenance	290,450	46,044	-	275,022	257,541	49,384
95200	Other contract costs	-	-	-	-	-	-
95000	Total Protective Services	-	-	-	-	-	-
96110	Property Insurance	14,343	1,571	-	6,396	9,319	1,237
96120	Liability Insurance	8,832	1,217	-	6,968	7,015	1,608
96130	Workmen's compensation	7,131	672	-	4,494	4,291	903
96140	All other insurance	-	-	-	-	-	-
96100	Total Insurance Premiums	30,306	3,460	-	17,858	20,625	3,748

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Line Item #	Account Description	Ballinger	Park Royal	Paramount	The Lake	Northridge II	Westminster
		Homes WA002000101	Apartments WA002000105	House II WA002000150	House WA002000152	WA002000153	WA002000156
96200	Other General Expenses	6,441	-	-	-	-	-
96210	Compensated absences	18,161	3,950	-	18,236	19,387	4,292
96300	Payments in lieu of taxes	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-
96000	Total Other General Expenses	24,602	3,950	-	18,236	19,387	4,292
96710	Interest on mortgage (or bonds) payable	-	-	-	-	-	-
96720	Interest on notes payable (short and long term)	2,895	-	-	1,166	1,447	-
96730	Amortization of bond issue costs	-	-	-	-	-	-
96700	Total interest expense and amortization cost	2,895	-	-	1,166	1,447	-
96900	Total Operating Expenses	910,645	135,151	-	939,508	836,762	162,162
97000	Excess Operating Revenue over Operating Expenses	(349,579)	(77,302)	-	(590,739)	(469,805)	(9,746)
97300	Housing assistance payments	-	-	-	-	-	-
97350	HAP Portability-In	-	-	-	-	-	-
97400	Depreciation expense	347,683	50,872	-	269,616	223,106	39,220
90000	Total Expenses	1,258,328	186,023	-	1,209,124	1,059,868	201,382
10010	Operating transfers in	1,029,516	213,910	-	799,708	1,678,043	150,815
10020	Operating transfers out	(126,856)	(4,084)	-	(3,522)	(106)	(4,340)
10100	Total Other Financing Sources	902,660	209,826	-	796,187	1,677,938	146,475
10000	Excess (Deficiency) Of Total Revenue Over (Under) Total Expenses	\$ 205,398	\$ 81,652	\$ -	\$ (64,168)	\$ 985,027	\$ 97,510
11020	Required annual debt principal payments	26,829	-	-	10,806	13,414	-
11030	Beginning of year equity	8,454,950	1,730,245	-	6,253,255	6,304,499	1,247,331
11040	Prior period adjustments, equity transfers	(229,852)	(25,844)	-	(176,704)	(181,334)	(71,556)
11170	Administrative Fee Equity	-	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-	-
11190	Unit Months Available	1,619	264	-	1,676	1,671	326
11210	Number of unit months leased	1,597	264	-	1,659	1,643	321
11270	Excess cash	437,065	31,808	-	280,844	256,626	60,515
11620	Building Purchases	-	-	-	-	11,617	-
13901	Replacement housing factor funds	-	-	-	-	-	-

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For the 12 Month Period Ending December 31 , 2015

Line Item #	Account Description	Forest Glen	College Place	Kirkland Place	Island Crest	Casa Juanita	Seola Crossing
		WA002000201	WA002000203	WA002000210	WA002000213	WA002000251	WA002000340
70300	Net tenant rental revenue	\$ 78,171	\$ 407,731	\$ 52,325	\$ 175,138	\$ 220,879	\$ -
70400	Tenant revenue - other	2,271	14,088	1,401	3,422	5,698	-
70500	Total tenant revenue	80,442	421,819	53,726	178,560	226,577	-
70600	HUD PHA Operating Grants	-	-	-	-	-	-
70610	Capital Grants	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-
70800	Other Government Grants	-	-	-	-	-	-
71100	Investment Income - unrestricted	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-	-
71400	Fraud Recovery	-	-	-	-	-	-
71500	Other Revenue	832	9,035	71	235	1,659	-
71600	Gain (loss) on the sale of capital assets	-	-	-	-	-	-
72000	Investment income - restricted	162	723	64	-	394	-
70000	Total Revenue	81,436	431,577	53,861	178,795	228,630	-
91100	Administrative salaries	21,608	58,235	3,773	32,793	40,643	-
91200	Auditing fees	1,148	2,899	258	-	2,296	-
91300	Management fees	41,361	65,470	7,258	19,221	69,399	-
91310	Book-keeping Fee	3,548	9,038	540	1,155	7,125	-
91400	Advertising and Marketing	-	-	-	-	-	-
91500	Employee benefit contributions - administrative	11,574	38,204	3,301	8,206	17,628	-
91600	Office Expenses	1,847	3,700	330	883	2,569	-
91700	Legal expense	2,988	6,343	87	89	285	-
91800	Travel	74	1,255	175	350	107	-
91900	Other	5,661	8,558	534	4,017	7,786	-
91000	Total Operating - Administrative	89,809	193,701	16,256	66,714	147,838	-
92000	Asset Management Fee	4,800	12,120	720	2,040	9,600	-
92100	Tenant services - salaries	-	-	-	-	-	-
92200	Relocation costs	-	-	-	-	-	-
92300	Employee benefits	-	-	-	-	-	-
92400	Tenant services - other	49	182	42	26	69	-
92500	Total Tenant Services	49	182	42	26	69	-
93100	Water	5,910	53,801	2,873	6,318	24,758	-
93200	Electricity	3,843	9,117	605	2,071	37,438	-
93300	Gas	-	-	-	-	18,038	-
93400	Fuel	-	-	-	-	-	-
93600	Sewer	10,020	56,968	4,939	10,557	47,287	-
93800	Other utilities expense	12,501	63,859	3,561	11,240	14,784	-
93000	Total Utilities	32,274	183,745	11,978	30,186	142,305	-
94100	Ordinary maintenance and operations - labor	43,585	156,914	12,332	17,722	60,705	-
94200	Ordinary maintenance and operations - material and other	13,173	37,296	1,734	4,076	38,673	-
94300	Ordinary maintenance and operations - contracts	41,661	98,363	25,737	14,010	74,315	-
94500	Employee benefit contributions - ordinary maintenance	13,471	43,468	3,749	9,864	20,759	-
94000	Total Maintenance	111,890	336,041	43,551	45,672	194,452	-
95200	Other contract costs	-	-	-	-	-	-
95000	Total Protective Services	-	-	-	-	-	-
96110	Property Insurance	1,599	7,642	795	1,850	3,288	-
96120	Liability Insurance	1,974	6,317	510	1,632	4,039	-
96130	Workmen's compensation	2,157	7,680	644	1,003	3,271	-
96140	All other insurance	-	-	-	-	-	-
96100	Total Insurance Premiums	5,730	21,639	1,949	4,485	10,598	-

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Line Item #	Account Description	Forest Glen WA002000201	College Place WA002000203	Kirkland Place WA002000210	Island Crest WA002000213	Casa Juanita WA002000251	Seola Crossing WA002000340
96200	Other General Expenses	-	1,032	-	-	-	-
96210	Compensated absences	6,691	13,719	2,312	10,935	10,870	-
96300	Payments in lieu of taxes	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-
96000	Total Other General Expenses	6,691	14,751	2,312	10,935	10,870	-
96710	Interest on mortgage (or bonds) payable	-	-	-	-	-	-
96720	Interest on notes payable (short and long term)	744	2,754	-	219	2,613	-
96730	Amortization of bond issue costs	-	-	-	-	-	-
96700	Total interest expense and amortization cost	744	2,754	-	219	2,613	-
96900	Total Operating Expenses	251,987	764,933	76,808	160,277	518,345	-
97000	Excess Operating Revenue over Operating Expenses	(170,551)	(333,356)	(22,947)	18,518	(289,715)	-
97300	Housing assistance payments	-	-	-	-	-	-
97350	HAP Portability-In	-	-	-	-	-	-
97400	Depreciation expense	90,871	224,325	12,300	60,871	126,042	-
90000	Total Expenses	342,858	989,258	89,108	221,148	644,387	-
10010	Operating transfers in	400,341	541,090	143,100	1,193,625	413,432	-
10020	Operating transfers out	(8)	(36,030)	(22,423)	(3,105)	(60)	-
10100	Total Other Financing Sources	400,334	505,060	120,677	1,190,520	413,372	-
10000	Excess (Deficiency) Of Total Revenue Over (Under) Total Expenses	\$ 138,912	\$ (52,621)	\$ 85,430	\$ 1,148,167	\$ (2,385)	\$ -
11020	Required annual debt principal payments	6,894	25,525	-	-	24,220	-
11030	Beginning of year equity	2,054,138	8,368,602	1,357,334	-	2,488,506	-
11040	Prior period adjustments, equity transfers	(65,871)	(182,184)	(15,526)	4,368,702	(109,265)	-
11170	Administrative Fee Equity	-	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-	-
11190	Unit Months Available	478	1,212	72	193	958	-
11210	Number of unit months leased	473	1,205	72	154	950	-
11270	Excess cash	110,264	316,729	48,685	65,079	192,206	-
11620	Building Purchases	86,402	253,513	58,102	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-	-

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Line Item #	Account Description	Eastbridge	Salmon Creek	Zephyr	Sixth Place	Fairwind	Boulevard
		WA002000341	WA002000343	WA002000344	Apartment WA002000345	WA002000346	Manor WA002000350
70300	Net tenant rental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 199,594
70400	Tenant revenue - other	-	-	-	-	-	4,679
70500	Total tenant revenue	-	-	-	-	-	204,273
70600	HUD PHA Operating Grants	-	-	-	-	-	-
70610	Capital Grants	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-
70800	Other Government Grants	-	-	-	-	-	-
71100	Investment Income - unrestricted	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-	-
71400	Fraud Recovery	-	-	-	-	-	-
71500	Other Revenue	-	-	-	-	-	550
71600	Gain (loss) on the sale of capital assets	-	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-	365
70000	Total Revenue	-	-	-	-	-	205,188
91100	Administrative salaries	-	-	-	-	-	37,230
91200	Auditing fees	-	-	-	-	-	2,009
91300	Management fees	-	-	-	-	-	68,173
91310	Book-keeping Fee	-	-	-	-	-	6,195
91400	Advertising and Marketing	-	-	-	-	-	-
91500	Employee benefit contributions - administrative	-	-	-	-	-	18,432
91600	Office Expenses	-	-	-	-	-	3,822
91700	Legal expense	-	-	-	-	-	2,156
91800	Travel	-	-	-	-	-	40
91900	Other	-	-	-	-	-	9,345
91000	Total Operating - Administrative	-	-	-	-	-	147,401
92000	Asset Management Fee	-	-	-	-	-	8,400
92100	Tenant services - salaries	-	-	-	-	-	-
92200	Relocation costs	-	-	-	-	-	-
92300	Employee benefits	-	-	-	-	-	-
92400	Tenant services - other	-	-	-	-	-	386
92500	Total Tenant Services	-	-	-	-	-	386
93100	Water	-	-	-	-	-	16,462
93200	Electricity	-	-	-	-	-	11,146
93300	Gas	-	-	-	-	-	-
93400	Fuel	-	-	-	-	-	-
93600	Sewer	-	-	-	-	-	40,110
93800	Other utilities expense	-	-	-	-	-	10,746
93000	Total Utilities	-	-	-	-	-	78,464
94100	Ordinary maintenance and operations - labor	-	-	-	-	-	51,628
94200	Ordinary maintenance and operations - material and other	-	-	-	-	-	65,281
94300	Ordinary maintenance and operations - contracts	-	-	-	-	-	81,564
94500	Employee benefit contributions - ordinary maintenance	-	-	-	-	-	21,271
94000	Total Maintenance	-	-	-	-	-	219,744
95200	Other contract costs	-	-	-	-	-	12,666
95000	Total Protective Services	-	-	-	-	-	12,666
96110	Property Insurance	-	-	-	-	-	3,369
96120	Liability Insurance	-	-	-	-	-	3,542
96130	Workmen's compensation	-	-	-	-	-	2,265
96140	All other insurance	-	-	-	-	-	-
96100	Total Insurance Premiums	-	-	-	-	-	9,176

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Line Item #	Account Description	Eastbridge	Salmon Creek	Zephyr	Sixth Place	Fairwind	Boulevard
		WA002000341	WA002000343	WA002000344	Apartments WA002000345	WA002000346	Manor WA002000350
96200	Other General Expenses	-	-	-	-	-	-
96210	Compensated absences	-	-	-	-	-	15,348
96300	Payments in lieu of taxes	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-
96000	Total Other General Expenses	-	-	-	-	-	15,348
96710	Interest on mortgage (or bonds) payable	-	-	-	-	-	-
96720	Interest on notes payable (short and long term)	-	-	-	-	-	583
96730	Amortization of bond issue costs	-	-	-	-	-	-
96700	Total interest expense and amortization cost	-	-	-	-	-	583
96900	Total Operating Expenses	-	-	-	-	-	492,168
97000	Excess Operating Revenue over Operating Expenses	-	-	-	-	-	(286,980)
97300	Housing assistance payments	-	-	-	-	-	-
97350	HAP Portability-In	-	-	-	-	-	-
97400	Depreciation expense	-	-	-	-	-	210,978
90000	Total Expenses	-	-	-	-	-	703,146
10010	Operating transfers in	-	-	-	-	-	382,687
10020	Operating transfers out	-	-	-	-	-	(90)
10100	Total Other Financing Sources	-	-	-	-	-	382,597
10000	Excess (Deficiency) Of Total Revenue Over (Under) Total Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (115,361)
11020	Required annual debt principal payments	-	-	-	-	-	5,403
11030	Beginning of year equity	-	-	-	-	-	4,447,333
11040	Prior period adjustments, equity transfers	-	-	-	-	-	(98,977)
11170	Administrative Fee Equity	-	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-	-
11190	Unit Months Available	-	-	-	-	-	838
11210	Number of unit months leased	-	-	-	-	-	826
11270	Excess cash	-	-	-	-	-	172,809
11620	Building Purchases	-	-	-	-	-	11,341
13901	Replacement housing factor funds	-	-	-	-	-	-

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Line Item #	Account Description	Yardley Arms	Riverton Terrace	Nia	Valli Kee Homes	Springwood Apartments	Cascade Apartments
		WA002000352	WA002000354	WA002000355	WA002000401	WA002000402	WA002000403
70300	Net tenant rental revenue	\$ 175,064	\$ 78,835	\$ -	\$ 403,890	\$ -	\$ 388,335
70400	Tenant revenue - other	5,629	5,987	-	10,643	-	23,626
70500	Total tenant revenue	180,693	84,822	-	414,533	-	411,961
70600	HUD PHA Operating Grants	-	-	-	-	-	-
70610	Capital Grants	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-
70800	Other Government Grants	-	-	-	-	-	-
71100	Investment Income - unrestricted	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-	-
71400	Fraud Recovery	-	-	-	-	-	-
71500	Other Revenue	526	251	-	983	-	856
71600	Gain (loss) on the sale of capital assets	-	-	-	-	-	-
72000	Investment income - restricted	332	157	-	945	-	754
70000	Total Revenue	181,551	85,230	-	416,461	-	413,571
91100	Administrative salaries	24,519	23,794	-	84,787	-	100,973
91200	Auditing fees	1,923	918	-	3,272	-	3,099
91300	Management fees	69,421	29,210	-	103,382	-	99,459
91310	Book-keeping Fee	5,985	2,828	-	10,110	-	9,360
91400	Advertising and Marketing	-	-	-	-	-	-
91500	Employee benefit contributions - administrative	16,344	9,462	-	45,143	-	40,294
91600	Office Expenses	3,085	1,244	-	6,515	-	4,465
91700	Legal expense	1,463	284	-	13,279	-	483
91800	Travel	38	112	-	1,431	-	808
91900	Other	6,588	3,281	-	11,206	-	7,007
91000	Total Operating - Administrative	129,365	71,132	-	279,125	-	265,947
92000	Asset Management Fee	8,040	3,840	-	13,680	-	12,960
92100	Tenant services - salaries	-	-	-	-	-	-
92200	Relocation costs	-	-	-	-	-	-
92300	Employee benefits	-	-	-	-	-	-
92400	Tenant services - other	102	27	-	98	-	93
92500	Total Tenant Services	102	27	-	98	-	93
93100	Water	16,991	8,347	-	50,910	-	32,047
93200	Electricity	20,304	3,806	-	14,748	-	14,989
93300	Gas	4,959	-	-	15,528	-	-
93400	Fuel	-	-	-	-	-	-
93600	Sewer	9,456	20,131	-	87,054	-	83,223
93800	Other utilities expense	11,690	8,521	-	59,749	-	46,245
93000	Total Utilities	63,400	40,805	-	227,989	-	176,504
94100	Ordinary maintenance and operations - labor	80,781	30,898	-	104,051	-	132,651
94200	Ordinary maintenance and operations - material and other	31,772	12,452	-	46,369	-	40,141
94300	Ordinary maintenance and operations - contracts	64,227	30,650	-	78,828	-	34,571
94500	Employee benefit contributions - ordinary maintenance	18,874	10,724	-	51,011	-	47,696
94000	Total Maintenance	195,654	84,723	-	280,259	-	255,059
95200	Other contract costs	7,036	62,013	-	-	-	-
95000	Total Protective Services	7,036	62,013	-	-	-	-
96110	Property Insurance	3,601	2,022	-	13,829	-	9,116
96120	Liability Insurance	3,129	1,929	-	7,368	-	6,826
96130	Workmen's compensation	2,342	1,549	-	6,639	-	7,322
96140	All other insurance	-	-	-	-	-	-
96100	Total Insurance Premiums	9,072	5,500	-	27,836	-	23,264

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Line Item #	Account Description	Yardley Arms WA002000352	Riverton Terrace WA002000354	Nia WA002000355	Valli Kee Homes WA002000401	Springwood Apartments WA002000402	Cascade Apartments WA002000403
96200	Other General Expenses	-	-	-	-	-	4,431
96210	Compensated absences	14,282	3,211	-	26,346	-	18,864
96300	Payments in lieu of taxes	-	-	-	19,602	-	20,340
96800	Severance expense	-	-	-	-	-	-
96000	Total Other General Expenses	14,282	3,211	-	45,948	-	43,635
96710	Interest on mortgage (or bonds) payable	-	-	-	-	-	-
96720	Interest on notes payable (short and long term)	543	-	-	2,276	-	2,674
96730	Amortization of bond issue costs	-	-	-	-	-	-
96700	Total interest expense and amortization cost	543	-	-	2,276	-	2,674
96900	Total Operating Expenses	427,494	271,252	-	877,211	-	780,136
97000	Excess Operating Revenue over Operating Expenses	(245,943)	(186,022)	-	(460,750)	-	(366,565)
97300	Housing assistance payments	-	-	-	-	-	-
97350	HAP Portability-In	-	-	-	-	-	-
97400	Depreciation expense	135,139	126,818	-	455,896	-	194,457
90000	Total Expenses	562,633	398,070	-	1,333,107	-	974,593
10010	Operating transfers in	338,712	308,584	-	1,301,069	-	479,317
10020	Operating transfers out	-	-	-	(219,434)	-	(55,350)
10100	Total Other Financing Sources	338,712	308,584	-	1,081,635	-	423,967
10000	Excess (Deficiency) Of Total Revenue Over (Under) Total Expenses	\$ (42,370)	\$ (4,256)	\$ -	\$ 164,989	\$ -	\$ (137,055)
11020	Required annual debt principal payments	5,030	-	-	-	-	24,779
11030	Beginning of year equity	3,377,917	3,271,769	-	15,034,027	-	11,803,749
11040	Prior period adjustments, equity transfers	(88,395)	(44,061)	-	(203,347)	-	(255,061)
11170	Administrative Fee Equity	-	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-	-
11190	Unit Months Available	804	384	-	1,380	-	1,294
11210	Number of unit months leased	798	377	-	1,363	-	1,245
11270	Excess cash	102,837	97,884	-	207,601	-	251,459
11620	Building Purchases	-	-	-	729,906	-	-
13901	Replacement housing factor funds	-	-	-	-	678,290	-

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 , 2015

Line Item #	Account Description	Shelcor	Mardis Gras II	Vantage Point	Firwood Circle	Burndale Homes	Wayland Arms
		WA002000409	WA002000450	WA002000452	WA002000503	WA002000504	WA002000550
70300	Net tenant rental revenue	\$ 16,707	\$ -	\$ -	\$ 213,116	\$ 247,998	\$ 168,639
70400	Tenant revenue - other	2,722	-	-	4,208	4,248	3,892
70500	Total tenant revenue	19,429	-	-	217,324	252,246	172,531
70600	HUD PHA Operating Grants	-	-	-	-	-	-
70610	Capital Grants	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-
70800	Other Government Grants	-	-	-	-	-	-
71100	Investment Income - unrestricted	-	-	-	-	-	-
71300	Proceeds from disposition of assets held for sale	-	-	-	-	-	-
71310	Cost of Sale of Assets	-	-	-	-	-	-
71400	Fraud Recovery	-	-	-	-	-	-
71500	Other Revenue	-	-	-	402	555	1,036
71600	Gain (loss) on the sale of capital assets	-	-	-	-	-	-
72000	Investment income - restricted	-	-	-	311	475	295
70000	Total Revenue	19,429	-	-	218,037	253,276	173,862
91100	Administrative salaries	1,800	-	-	35,045	43,002	24,998
91200	Auditing fees	62	-	-	1,435	1,435	1,923
91300	Management fees	4,465	-	-	51,931	107,450	58,621
91310	Book-keeping Fee	630	-	-	4,440	4,373	9,045
91400	Advertising and Marketing	-	-	-	-	-	-
91500	Employee benefit contributions - administrative	1,102	-	-	19,021	17,433	11,570
91600	Office Expenses	20	-	-	2,736	3,143	1,915
91700	Legal expense	79	-	-	17	101	2,754
91800	Travel	4	-	-	387	231	38
91900	Other	93	-	-	6,083	5,423	5,402
91000	Total Operating - Administrative	8,254	-	-	121,095	182,590	116,266
92000	Asset Management Fee	40	-	-	6,000	6,000	8,040
92100	Tenant services - salaries	-	-	-	-	-	-
92200	Relocation costs	-	-	-	-	-	-
92300	Employee benefits	-	-	-	-	-	-
92400	Tenant services - other	4	-	-	43	237	57
92500	Total Tenant Services	4	-	-	43	237	57
93100	Water	1,406	-	-	18,182	23,335	11,433
93200	Electricity	93	-	-	8,097	9,129	11,799
93300	Gas	-	-	-	17,880	24,637	18,326
93400	Fuel	-	-	-	-	-	-
93600	Sewer	3,882	-	-	36,779	44,491	27,879
93800	Other utilities expense	3,882	-	-	29,705	29,800	12,361
93000	Total Utilities	9,263	-	-	110,643	131,392	81,798
94100	Ordinary maintenance and operations - labor	6,511	-	-	61,881	54,962	45,301
94200	Ordinary maintenance and operations - material and other	3,076	-	-	30,565	19,926	17,576
94300	Ordinary maintenance and operations - contracts	7,280	-	-	36,141	31,340	34,006
94500	Employee benefit contributions - ordinary maintenance	1,359	-	-	22,354	20,718	13,813
94000	Total Maintenance	18,226	-	-	150,941	126,946	110,695
95200	Other contract costs	-	-	-	-	-	-
95000	Total Protective Services	-	-	-	-	-	-
96110	Property Insurance	587	-	-	3,851	4,706	3,786
96120	Liability Insurance	663	-	-	3,273	3,149	3,339
96130	Workmen's compensation	266	-	-	2,587	3,324	2,547
96140	All other insurance	-	-	-	-	-	-
96100	Total Insurance Premiums	1,516	-	-	9,711	11,179	9,672

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 , 2015

Line Item #	Account Description	Shelcor	Mardis Gras II	Vantage Point	Firwood Circle	Burndale Homes	Wayland Arms
		WA002000409	WA002000450	WA002000452	WA002000503	WA002000504	WA002000550
96200	Other General Expenses	-	-	-	852	4,742	-
96210	Compensated absences	282	-	-	21,245	17,681	7,049
96300	Payments in lieu of taxes	655	-	-	6,226	5,960	6,235
96800	Severance expense	-	-	-	-	-	-
96000	Total Other General Expenses	<u>937</u>	<u>-</u>	<u>-</u>	<u>28,323</u>	<u>28,383</u>	<u>13,284</u>
96710	Interest on mortgage (or bonds) payable	-	-	-	-	-	-
96720	Interest on notes payable (short and long term)	9	-	-	1,266	1,307	784
96730	Amortization of bond issue costs	-	-	-	-	-	-
96700	Total interest expense and amortization cost	<u>9</u>	<u>-</u>	<u>-</u>	<u>1,266</u>	<u>1,307</u>	<u>784</u>
96900	Total Operating Expenses	<u>38,249</u>	<u>-</u>	<u>-</u>	<u>428,022</u>	<u>488,035</u>	<u>340,596</u>
97000	Excess Operating Revenue over Operating Expenses	<u>(18,820)</u>	<u>-</u>	<u>-</u>	<u>(209,985)</u>	<u>(234,759)</u>	<u>(166,734)</u>
97300	Housing assistance payments	-	-	-	-	-	-
97350	HAP Portability-In	-	-	-	-	-	-
97400	Depreciation expense	<u>15,964</u>	<u>-</u>	<u>-</u>	<u>127,723</u>	<u>101,374</u>	<u>90,582</u>
90000	Total Expenses	<u>54,213</u>	<u>-</u>	<u>-</u>	<u>555,745</u>	<u>589,409</u>	<u>431,178</u>
10010	Operating transfers in	44,139	-	-	1,253,521	1,212,542	161,155
10020	Operating transfers out	<u>(4,580)</u>	<u>-</u>	<u>-</u>	<u>(63,353)</u>	<u>(118,686)</u>	<u>-</u>
10100	Total Other Financing Sources	<u>39,559</u>	<u>-</u>	<u>-</u>	<u>1,190,168</u>	<u>1,093,857</u>	<u>161,155</u>
10000	Excess (Deficiency) Of Total Revenue Over (Under) Total Expenses	<u>\$ 4,775</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 852,460</u>	<u>\$ 757,724</u>	<u>\$ (96,161)</u>
11020	Required annual debt principal payments	-	-	-	11,738	12,110	7,266
11030	Beginning of year equity	-	-	-	4,081,727	4,155,978	3,321,055
11040	Prior period adjustments, equity transfers	328,305	-	-	(114,917)	(113,300)	(78,672)
11170	Administrative Fee Equity	-	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-	-
11190	Unit Months Available	88	-	-	600	600	1,224
11210	Number of unit months leased	84	-	-	592	596	1,206
11270	Excess cash	8,698	-	-	339,930	242,428	47,852
11620	Building Purchases	-	-	-	766,696	197,283	-
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, 2015

Line Item #	Account Description	Plaza Seventeen II WA002000551	Southridge House WA002000552	Casa Madrona II WA002000553	SUBTOTAL	Elimination	TOTAL AUTHORITY	COMPONENT UNITS - DISCRETELY PRESENTED
70300	Net tenant rental revenue	\$ -	\$ 189,607	\$ -	\$ 61,175,797	\$ -	\$ 61,175,797	\$ 18,328,881
70400	Tenant revenue - other	-	3,053	-	1,888,781	-	1,888,781	277,172
70500	Total tenant revenue	-	192,660	-	63,064,578	-	63,064,578	18,606,053
70600	HUD PHA Operating Grants	-	-	-	128,688,344	-	128,688,344	-
70610	Capital Grants	-	-	-	2,127,821	-	2,127,821	-
70710	Management Fee	-	-	-	4,740,044	(4,740,044)	-	-
70720	Asset Management Fee	-	-	-	341,460	(341,460)	-	-
70730	Book-keeping Fee	-	-	-	1,384,896	(1,384,896)	-	-
70750	Other Fees	-	-	-	705,173	-	705,173	-
70700	Total Fee Revenue	-	-	-	7,171,573	(6,466,400)	705,173	-
70800	Other Government Grants	-	-	-	5,127,866	-	5,127,866	-
71100	Investment Income - unrestricted	-	-	-	2,267,649	-	2,267,649	17,792
71300	Proceeds from disposition of assets held for sale	-	-	-	(1,578,179)	-	(1,578,179)	-
71310	Cost of Sale of Assets	-	-	-	113,833	-	113,833	-
71400	Fraud Recovery	-	-	-	38,687,290	(3,196,737)	35,490,553	1,308,448
71500	Other Revenue	-	52,948	-	47,147	-	47,147	-
71600	Gain (loss) on the sale of capital assets	-	-	-	10,116,093	(1,029,921)	9,086,172	-
72000	Investment income - restricted	-	435	-	255,834,015	(10,693,058)	245,140,957	19,932,293
70000	Total Revenue	-	246,043	-	-	-	-	-
91100	Administrative salaries	-	36,951	-	16,737,043	-	16,737,043	1,165,824
91200	Auditing fees	-	2,296	-	119,355	-	119,355	-
91300	Management fees	-	79,609	-	6,364,266	(4,740,044)	1,624,222	1,125,162
91310	Book-keeping Fee	-	7,140	-	1,384,896	(1,384,896)	0	-
91400	Advertising and Marketing	-	-	-	243,759	-	243,759	26,871
91500	Employee benefit contributions - administrative	-	22,631	-	5,635,222	-	5,635,222	497,489
91600	Office Expenses	-	2,142	-	1,166,202	-	1,166,202	776,963
91700	Legal expense	-	858	-	416,030	-	416,030	27,533
91800	Travel	-	753	-	455,149	-	455,149	-
91900	Other	-	24,907	-	6,280,351	-	6,280,351	136,686
91000	Total Operating - Administrative	-	177,287	-	38,802,274	(6,124,940)	32,677,334	3,756,528
92000	Asset Management Fee	-	9,600	-	341,460	(341,460)	-	-
92100	Tenant services - salaries	-	-	-	2,017,558	-	2,017,558	-
92200	Relocation costs	-	-	-	104,051	-	104,051	-
92300	Employee benefits	-	-	-	676,695	-	676,695	-
92400	Tenant services - other	-	69	-	4,447,040	-	4,447,040	25
92500	Total Tenant Services	-	69	-	7,245,344	-	7,245,344	25
93100	Water	-	18,843	-	2,232,047	-	2,232,047	803,022
93200	Electricity	-	25,243	-	1,067,255	-	1,067,255	289,142
93300	Gas	-	7,717	-	161,153	-	161,153	131,536
93400	Fuel	-	-	-	5,859	-	5,859	-
93600	Sewer	-	13,216	-	3,441,052	-	3,441,052	862,254
93800	Other utilities expense	-	9,906	-	2,297,750	-	2,297,750	569,205
93000	Total Utilities	-	74,925	-	9,205,116	-	9,205,116	2,655,159
94100	Ordinary maintenance and operations - labor	-	77,027	-	5,978,142	-	5,978,142	1,288,091
94200	Ordinary maintenance and operations - material and other	-	22,011	-	8,528,808	-	8,528,808	1,139,798
94300	Ordinary maintenance and operations - contracts	-	44,855	-	4,063,136	-	4,063,136	1,242,230
94500	Employee benefit contributions - ordinary maintenance	-	25,919	-	1,255,853	-	1,255,853	499,732
94000	Total Maintenance	-	169,812	-	19,825,939	-	19,825,939	4,169,851
95200	Other contract costs	-	-	-	253,184	-	253,184	-
95000	Total Protective Services	-	-	-	253,184	-	253,184	-
96110	Property Insurance	-	4,621	-	560,953	-	560,953	331,125
96120	Liability Insurance	-	3,852	-	649,710	-	649,710	68,775
96130	Workmen's compensation	-	3,236	-	387,273	-	387,273	76,251
96140	All other insurance	-	-	-	-	-	-	108,094
96100	Total Insurance Premiums	-	11,709	-	1,597,936	-	1,597,936	584,245

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, 2015

Line Item #	Account Description	Plaza Seventeen II WA002000551	Southridge House WA002000552	Casa Madrona II WA002000553	SUBTOTAL	Elimination	TOTAL AUTHORITY	COMPONENT UNITS - DISCRETELY PRESENTED
96200	Other General Expenses	-	-	-	4,070,481	(3,196,737)	873,744	771,981
96210	Compensated absences	-	8,614	-	2,022,205	-	2,022,205	-
96300	Payments in lieu of taxes	-	-	-	180,979	-	180,979	-
96800	Severance expense	-	-	-	3,570	-	3,570	-
96000	Total Other General Expenses	-	8,614	-	6,277,235	(3,196,737)	3,080,498	771,981
96710	Interest on mortgage (or bonds) payable	-	-	-	4,738,511	-	4,738,511	893,692
96720	Interest on notes payable (short and long term)	-	683	-	6,206,431	(1,029,921)	5,176,510	6,195,633
96730	Amortization of bond issue costs	-	-	-	-	-	-	110,513
96700	Total interest expense and amortization cost	-	683	-	10,944,942	(1,029,921)	9,915,021	7,199,838
96900	Total Operating Expenses	-	452,699	-	94,493,429	(10,693,058)	83,800,371	19,137,627
97000	Excess Operating Revenue over Operating Expenses	-	(206,656)	-	161,340,586	-	161,340,586	794,666
97300	Housing assistance payments	-	-	-	92,779,569	-	92,779,569	-
97350	HAP Portability-In	-	-	-	26,413,312	-	26,413,312	-
97400	Depreciation expense	-	247,449	-	12,134,932	-	12,134,932	11,611,718
90000	Total Expenses	-	700,148	-	225,821,242	(10,693,058)	215,128,184	30,749,345
10010	Operating transfers in	-	333,334	-	164,989,297	(164,989,297)	-	-
10020	Operating transfers out	-	(58,806)	-	(164,989,297)	164,989,297	-	-
10080	Special items, net gain/loss	-	-	-	(39,117,550)	-	(39,117,550)	-
10100	Total Other Financing Sources	-	274,528	-	(39,117,550)	0	(39,117,550)	-
10000	Excess (Deficiency) Of Total Revenue Over (Under) Total Expenses	\$ -	\$ (179,577)	\$ -	\$ (9,104,775)	\$ 0	\$ (9,104,775)	\$ (10,817,052)
11020	Required annual debt principal payments	-	6,335	-	10,054,587	-	10,054,587	1,373,959
11030	Beginning of year equity	-	5,282,555	-	488,544,991	-	488,544,991	101,992,753
11040	Prior period adjustments, equity transfers	-	(114,571)	-	(21,063,401)	-	(21,063,401)	(4,279,409)
11170	Administrative Fee Equity	-	-	-	27,474	-	27,474	-
11180	Housing Assistance Fee Equity	-	-	-	292,419	-	292,419	-
11190	Unit Months Available	-	957	-	191,841	-	191,841	20,057
11210	Number of unit months leased	-	952	-	191,548	-	191,548	19,776
11270	Excess cash	-	151,957	-	3,423,275	-	3,423,275	-
11620	Building Purchases	-	12,961	-	2,127,821	-	2,127,821	-
13901	Replacement housing factor funds	-	-	-	678,290	-	678,290	-

**Actual Modernization
Cost Certificate**

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

OMB Approval No. 2577-0157 (exp. 1/31/2017)

**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: WA19P002501-10
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The HA hereby certifies to the Department of Housing and Urban Development as follows:

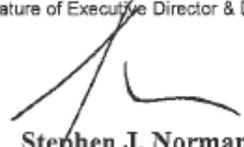
- That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Original Funds Approved	\$ 5,019,586.00
B. Funds Disbursed	\$ 5,019,586.00
C. Funds Expended (Actual Modernization Cost)	\$ 5,019,586.00
D. Amount to be Recaptured (A-C)	\$ 0.00
E. Excess of Funds Disbursed (B-C)	\$ 0.00
- That all modernization work in connection with the Modernization Grant has been completed;
- That the entire Actual Modernization Cost or liabilities therefor incurred by the HA have been fully paid;
- 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
- 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 
Stephen J. Norman 7/30/2015

For HUD Use Only

The Cost Certificate is approved for audit:	
Approved for Audit (Director, Office of Public Housing / ONAP Administrator) X 	Date: 08-25-2015
The audited costs agree with the costs shown above:	
Verified: (Designated HUD Official) X	Date:
Approved: (Director, Office of Public Housing / ONAP Administrator) X	Date:

Actual Modernization Cost Certificate

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

OMB Approval No. 2577-0157 (exp. 1/31/2017)

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

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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: WA19P002501-11
--------------------------------------	--------------------------------------------------------

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

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

A. Original Funds Approved	\$ 4,378,541.00
B. Funds Disbursed	\$ 4,378,541.00
C. Funds Expended (Actual Modernization Cost)	\$ 4,378,541.00
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
Stephen J. Norman *[Signature]* **7/30/2015**

For HUD Use Only

The Cost Certificate is approved for audit:
 Approved for Audit (Director, Office of Public Housing / ONAP Administrator) *[Signature]* Date: **08.25.2015**

The audited costs agree with the costs shown above:
 Verified: (Designated HUD Official) _____ Date: _____

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

X

Actual Modernization Cost Certificate

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

OMB Approval No. 2577-0157 (exp. 1/31/2017)

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: WA19R002502-12
--------------------------------------	--------------------------------------------------------

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:

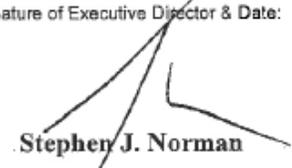
A. Original Funds Approved	\$	195,582.00
B. Funds Disbursed	\$	195,582.00
C. Funds Expended (Actual Modernization Cost)	\$	195,582.00
D. Amount to be Recaptured (A-C)	\$	0.00
E. Excess of Funds Disbursed (B-C)	\$	0.00

- That all modernization work in connection with the Modernization Grant has been completed;
- That the entire Actual Modernization Cost or liabilities therefor incurred by the HA have been fully paid;
- 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
- 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

Stephen J. Norman 7/30/2015

For HUD Use Only

The Cost Certificate is approved for audit:

Approved for Audit (Director, Office of Public Housing / ONAP Administrator)	Date:
X 	08/25/2015

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)	Date:
X	
Approved: (Director, Office of Public Housing / ONAP Administrator)	Date:
X	

**Actual Modernization
Cost Certificate**

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

OMB Approval No. 2577-0157 (exp. 1/31/2017)

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

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HA Name: HA COUNTY OF KING	Modernization Project Number: WA19R002502-13
--------------------------------------	--------------------------------------------------------

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:

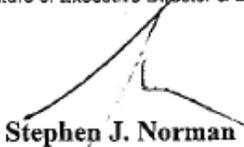
A. Original Funds Approved	\$ 221,698.00
B. Funds Disbursed	\$ 221,698.00
C. Funds Expended (Actual Modernization Cost)	\$ 221,698.00
D. Amount to be Recaptured (A-C)	\$ 0.00
E. Excess of Funds Disbursed (B-C)	\$ 0.00

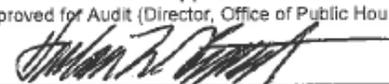
- That all modernization work in connection with the Modernization Grant has been completed;
- That the entire Actual Modernization Cost or liabilities therefor incurred by the HA have been fully paid;
- That there are no undischarged mechanics', laborers', contractors', or material-men's liens against 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
- 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 
Stephen J. Norman 7/30/2015

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The Cost Certificate is approved for audit: Approved for Audit (Director, Office of Public Housing / ONAP Administrator)	Date:
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The audited costs agree with the costs shown above: Verified: (Designated HUD Official)	Date:
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X	

Actual Modernization Cost Certificate

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

OMB Approval No. 2577-0157 (exp. 1/31/2017)

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

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HA Name: HA COUNTY OF KING	Modernization Project Number: WA19C002501-10
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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	\$ 815,888.00
B. Funds Disbursed	\$ 815,888.00
C. Funds Expended (Actual Modernization Cost)	\$ 815,888.00
D. Amount to be Recaptured (A-C)	\$ 0.00
E. Excess of Funds Disbursed (B-C)	\$ 0.00

- That all modernization work in connection with the Modernization Grant has been completed;
- That the entire Actual Modernization Cost or liabilities therefor incurred by the HA have been fully paid;
- 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
- That the time in which such liens could be filed has expired.

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Signature of Executive Director & Date:

X 
Stephen J. Norman 7/30/2015

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The Cost Certificate is approved for audit:

Approved for Audit (Director, Office of Public Housing / ONAP Administrator) X 	Date: 08/25/2015
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The audited costs agree with the costs shown above:

Verified: (Designated HUD Official) X	Date:
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Approved: (Director, Office of Public Housing / ONAP Administrator) X	Date:
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Actual Modernization Cost Certificate

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

OMB Approval No. 2577-0157 (exp. 1/31/2017)

Comprehensive Improvement Assistance Program (CIAP)
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HA Name: HA COUNTY OF KING	Modernization Project Number: WA19C002502-10
--------------------------------------	--------------------------------------------------------

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

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

A. Original Funds Approved	\$	1,218,678.00
B. Funds Disbursed	\$	1,218,678.00
C. Funds Expended (Actual Modernization Cost)	\$	1,218,678.00
D. Amount to be Recaptured (A-C)	\$	0.00
E. Excess of Funds Disbursed (B-C)	\$	0.00

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

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

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

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

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HA Name: HA COUNTY OF KING	Modernization Project Number: WA19C002503-10
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The HA hereby certifies to the Department of Housing and Urban Development as follows:

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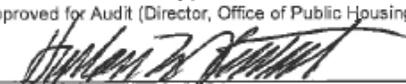
A. Original Funds Approved	\$ 995,207.00
B. Funds Disbursed	\$ 995,207.00
C. Funds Expended (Actual Modernization Cost)	\$ 995,207.00
D. Amount to be Recaptured (A-C)	\$ 0.00
E. Excess of Funds Disbursed (B-C)	\$ 0.00
- That all modernization work in connection with the Modernization Grant has been completed;
- That the entire Actual Modernization Cost or liabilities therefor incurred by the HA have been fully paid;
- 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
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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	
Public Records requests	PublicRecords@sao.wa.gov
Main telephone	(360) 902-0370
Toll-free Citizen Hotline	(866) 902-3900
Website	www.sao.wa.gov