

KING COUNTY HOUSING AUTHORITY

MTW Annual Plan

FY 2012



King County Housing Authority

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SECTION I: Introduction

The Moving to Work (MTW) demonstration program was established by Congress in 1996 to provide select Public Housing Authorities (PHAs) with flexibility to implement and test innovative, locally designed approaches to administering their federally subsidized housing programs. The concept was simple – provide a limited number of PHA's with the freedom to replace the Department of Housing and Urban Development's (HUD's) standardized approach to the use of Federal housing funds with new approaches that meet the demands of local housing markets. A key feature of the demonstration is the ability of participating PHA to combine Public Housing Operating, Capital and Section 8 funding into a single MTW block-grant and allocate these resources outside of traditional silos. As directed by Congress, the MTW demonstration identified the following three overriding statutory program objectives:

- ❑ Increase housing choices for low-income families;
- ❑ Provide incentives for families to become increasingly employed and attain economic self-sufficiency;
- ❑ Reduce costs and achieve greater cost effectiveness in federal expenditures.

Implementation of the MTW demonstration was groundbreaking. By shifting the design of policies and the development of programs to the local level, PHAs were given the opportunity to test the theory that industry leaders had been promoting for years: that regulatory relief, coupled with the ability to combine federal funding streams and allocate resources flexibly, would allow PHAs to create better, stronger housing programs while continuing to address federal goals of ensuring safe, secure housing for the region's low-income households.

In 2001, encouraged by the level of success reported by early MTW program participants and seeking financial flexibility and relief from the overly restrictive regulations that govern HUD's federal housing programs, KCHA threw its hat into the MTW arena. On September 8, 2003, following nearly two years of contract negotiations with HUD, KCHA formally entered the Moving to Work demonstration - becoming one of fewer than 35 high-performing agencies selected for the program. As an MTW agency, KCHA is required to submit an MTW Annual Plan to HUD prior to the beginning of each fiscal year. This is KCHA's MTW Annual Plan covering the fiscal year that begins January 1, 2012 and ends December 31, 2012. Following HUD's prescribed format, the Annual Plan

serves as a compilation of both ongoing MTW initiatives previously approved by HUD and new initiatives proposed for implementation during the next fiscal year.

As evidenced by its first MTW Annual Plan submitted in FY 2004, KCHA's initial MTW innovations were modest steps aimed at streamlining administration and increasing program efficiency. In the years since, savings attained through these efforts combined with the financial flexibility offered through MTW participation have allowed KCHA to build partnerships that have increased access to affordable housing for the region's most vulnerable, at-risk populations - including elderly and disabled households and families with children living in poverty - households that were homeless or on the brink of homelessness and without access to support services. Through inventive, results-oriented strategic planning KCHA has built a solid foundation of MTW initiatives, each designed to advance the Housing Authority's long-term strategic priorities outlined in Section IV of this Plan. Collaborating with local governments and non-profit organizations, KCHA has used MTW program flexibility to effectively respond to the region's critical shortfall of affordable housing and strengthen its role as the safety net for homeless and special needs populations. As a result, KCHA now serves more families in more ways than ever before.

Major initiatives made possible under the MTW Demonstration Program have enabled KCHA to:

- ❖ **Creatively finance a backlog of unmet capital needs and strengthen the physical, operational, environmental and financial sustainability of our Public Housing inventory.** Ensuring that these critical public resources continue to provide quality housing for extremely low-income households over the long term is a primary goal of KCHA's strategic plan. Through these initiatives KCHA has replaced failing building envelopes and mechanical systems, significantly upgraded apartment interiors and interior air quality, vastly improved site appearances, reduced water and energy consumption, provided for the installation of fire sprinkler and other life/safety systems and increased handicapped accessibility for vulnerable households aging in place. Utilizing a mix of redevelopment and rehabilitation, KCHA has significantly addressed the immediate needs of approximately 60 percent of its public housing inventory. Over \$218 million in private capital has been leveraged through loans and equity investments to supplement HUD funding and make these improvements possible.
- ❖ **Expand and preserve the supply of affordable housing in the region.** KCHA has purchased six additional multi-family housing complexes in the last three years and

is preserving or expanding the number of low income and extremely low income units available in high rent areas of King County. Where appropriate, KCHA has turned on “banked” ACC subsidies – adding new “deep subsidy” units to the region’s supply. In the case of Pacific Court, acquired by KCHA in 2009, the use of banked ACC subsidy has enabled this complex to house chronically homeless mentally ill individuals referred by the region’s mental health system. In another case, the acquisition of Island Crest Apartments has preserved affordable housing in a school district where less than four percent of the children are on free or subsidized lunch programs. In a third instance, KCHA was able to purchase and preserve a privately owned HUD-subsidized property, preventing the likely dislocation of the 60 low income elderly households living there.

In tandem with efforts to expand and preserve supply, streamlining measures implemented in KCHA’s Section 8 program have enabled the issuance of 275 additional vouchers above the HUD baseline and funded the issuance of more than 150 sponsor-based vouchers through a locally designed leasing program.

- ❖ **Increase housing choice for low income households.** Where you live is increasingly being recognized as a critical determinant in how families, particularly families with children, prosper. The ability to provide affordable housing near entry level job opportunities and mass transit corridors also impacts regional transportation efficiencies and environmental sustainability. KCHA has approached this challenge through increased mobility options for its tenant-based voucher holders and the development, acquisition or project-basing of “hard units” in high-cost markets.

To facilitate mobility for its Section 8 participants KCHA maintains a two tier payment standard that reflects the variations in market rents between different parts of the region. These payment standards have been decoupled from HUD’s Fair Market Rent (FMR) in order to more accurately reflect current market conditions and are reviewed on an annual basis to ensure that they remain appropriate. Under this system, in place for 5 years, HCV residency in low-poverty areas of the County has nearly doubled.

In addition, KCHA has facilitated the broadening of choice by scattering project-based Section 8 among the 4,000 units of workforce housing the agency has acquired or developed outside of the Moving to Work program. Many of these complexes are in Eastside suburban communities. To date, an additional 225 units of project-based Section 8 have been sited on the Eastside in partnership with suburban cities and non-profit developers under KCHA’s replacement housing

program for its Hope VI sites. This initiative was recently expanded by the commitment of 80 additional units which will come on line between 2011 and 2014.

MTW flexibility has enabled KCHA to develop its own project-basing policies and procedures. These locally designed policies have enabled the Project-based program to become an increasingly vital tool for promoting and providing housing choice. In addition, flexible transfer policies, including out of jurisdiction relocation arrangements with other MTW Housing Authorities for victims of domestic violence, and a network of handicapped accessible units, created utilizing a combination of ARRA funding and MTW resources, further increase KCHA's ability to respond to varied housing needs.

❖ **Deconcentrate poverty and revitalize extremely low income neighborhoods.**

KCHA has worked closely with the community of White Center, King County's poorest neighborhood, to reduce the concentration of public housing, redevelop existing housing stock, create homeownership, workforce and live/work housing opportunities and provide a network of community amenities and parks. New community facilities, sponsored directly by KCHA or with community partners, include an elementary school, an early learning center, an adult education facility, a public library branch, a public health clinic, an expanded community center and a public plaza. Working in partnership with private developers and equity partners KCHA helped rehabilitate two distressed privately owned complexes, upgrading the properties, reducing crime and bringing in new management. MTW flexibility has enabled KCHA to execute a complex multi-year financing strategy, seamlessly mingle public housing and Section 8 subsidy dollars and to fund a wide array of on-going community service programs. When complete, KCHA's White Center initiative will have developed or renovated over 1,600 units of housing. Another 345 units of federally subsidized housing will have been shifted to lower poverty communities in King County.

❖ **Begin to address the achievement gap for low income youth.** Through expanded partnerships with parents, school districts, public health and Head Start programs, after-school providers, community colleges and the philanthropic community, KCHA is focusing on eliminating the achievement gap and improving educational and life outcomes for youth. In FY 2009, KCHA received a grant from the Bill & Melinda Gates Foundation to develop a plan for improving educational outcomes for children living at its Birch Creek, Valli Kee and Cascade developments. Located on Kent's East Hill, these sites are home to one of the agency's largest concentration of low-income households. Implementation of the plan is underway. Supported in part by KCHA's

MTW block grant, this initiative combines data sharing between KCHA and the Kent School District, on-site complementary learning programs and after-school activities and outreach to resident families. The pilot seeks to determine the impact close coordination can have in improving academic performance and increasing high school graduation rates. The initial focus is on ensuring that all children are reading at grade level by the end of third grade and that parents are active participants in their children's education.

In tandem with this effort, KCHA is moving forward with efforts to expand or construct new youth facilities in seven of our communities. Expanded youth programming sited directly in these communities will play a critical role in efforts to enhance education and life outcomes for KCHA's public housing youth. In total KCHA supports 11 after-school programs located in facilities provided by the Housing Authority.

- ❖ **Promote economic self-sufficiency.** KCHA's innovative Resident Opportunity Program (ROP) promotes the economic self-sufficiency of participating households by addressing barriers to employment and providing access to training and education programs. These efforts lay a foundation for successful transition out of federally assisted housing. The program complements KCHA's HUD-funded Family Self-Sufficiency (FSS) programs for both Public Housing and Section 8 HCV participants. KCHA has retained an outside consultant to evaluate the outcomes of the differing approaches being taken under the ROP and the FSS programs. This analysis will assist KCHA in continuing to evolve the design of self-sufficiency programs.

In FY 2011, KCHA began implementation of its new WIN Rent program, designed to encourage income progression and savings while increasing the number of households able to positively transition to market-rate housing. The revised rent policy removes disincentives to increasing earnings by modifying HUD's current approach to the calculation of income and tenant rents.

- ❖ **Streamline program operations and improve customer service.** Program and policy changes that eliminate redundant forms and processes, encourage data sharing among agencies and simplify verification of income, assets and family circumstances have allowed KCHA to reduce administrative expenses without adversely impacting the quality of our services. Policy changes such as the implementation of EASY Rent policies for our fixed income households, modified

HQS inspection and Rent Reasonableness protocols and revised Payment Standards have allowed KCHA to eliminate non-value added activities from the daily workload and significantly reduced administrative expenses. These efficiencies have helped control costs and enable line staff to spend more time directly serving our customers.

As detailed above, much of KCHA's MTW focus has centered upon preserving and increasing access to affordable housing for the region's under-served populations through expanded housing choice and steps to ensure the long-term viability of KCHA's and the region's affordable housing inventory. Although these actions lay a foundation for success, providing access to affordable housing is only the first step in linking households with the tools and resources needed to advance along a path toward self-sufficiency. To truly have an impact on the lives of its residents, KCHA believes it must take proactive steps toward breaking or preventing recurring cycles of intergenerational poverty. As a result, looking toward FY 2012 and beyond, KCHA intends to increase its focus on providing residents and program participants – especially children and young adults – with the educational and training opportunities necessary for academic and economic success. Mixing this commitment with previously implemented and ongoing MTW activities, KCHA's goals and objectives during the next fiscal year will include:

- ❖ **Using MTW resources to leverage other government and private investments to preserve and expand the supply of affordable housing, particularly for extremely low income households, in the Puget Sound region.** Through innovative financing and flexible use of the MTW block grant and single-fund authority, KCHA will continue efforts to upgrade its existing housing inventory to ensure its viability over the long-term. During FY 2012, KCHA will continue the substantial rehabilitation of Green River Homes – with full re-occupancy anticipated in late 2012 or early in FY 2013. The financing structure will be similar to that used for the renovation of Birch Creek Apartments. The structure will leverage both federal tax credit equity and private debt, collateralized by MTW reserves, to finance rehabilitation work. Project-based Section 8 subsidy will ensure long-term affordability. Also in FY 2012, following HUD disposition approval, KCHA expects to complete steps to transition 509 public housing units located in its smallest and least economically viable sites to Project-based Section 8 subsidy in order to finance critical capital improvements and ensure long-term viability. The RHF funding available from this disposition will be used as further leverage for the Green River homes financing.

During FY 2012, KCHA will continue to seek acquisition and development opportunities that will increase housing choices available to low-income residents of King County and will continue to explore new bidding and contracting approaches and new weatherization and renewable energy partnerships in support of KCHA's mission. In addition, new ways of layering different subsidy streams in order to ensure financial viability and expand the supply of housing available to extremely low income households will be explored and necessary modifications to subsidy administration policies implemented.

- ❖ **Monitoring implementation of comprehensive rent reform policies, including revised recertification and utility allowance schedules, aimed at streamlining operations and providing families with incentives to attain employment and increase economic self-sufficiency.** KCHA finalized revisions to the previously implemented *Easy Rent* program in 2010 and adopted the *WIN Rent* program, designed to encourage self-sufficiency among working and work-able households in both public housing and the Section 8 program. Following extensive staff training, resident notification, revisions to KCHA documents and significant re-programming of KCHA software, implementation commenced in FY 2011 and will continue throughout much of FY 2012. As the roll-out continues, KCHA intends to carefully monitor program changes to ensure consistent application of new policies and procedures and to identify any areas where additional changes are warranted. Possible modifications include such items as (1) requiring an interim review when tenant income rises above a predefined maximum; and (2) clarification that rent increase protections only apply at the time a client is initially placed under revised EASY and WIN Rent program policies - clients opting to move to another HCV unit prior to their next lease anniversary date will be subject to the full calculated rent. KCHA looks forward to reporting the results of this experiment to HUD and the broader public housing community in order to contribute to the national discussion around rent policies.
- ❖ **Continuing efforts to move families along the path to economic self-sufficiency.** In tandem with rent reform, KCHA's Resident Opportunity Plan (ROP) has been developed to encourage families to successfully graduate to market rate housing. This five year pilot program, developed in partnership with the YWCA, Bellevue College, Hopelink and Washington State's Department of Employment Security, will provide up to 100 households with intensive wrap-around services and financial assistance so they can acquire the skills needed to increase earned income and

successfully graduate from federally assisted housing. During FY 2012, KCHA will investigate ROP program changes, such as expanding access to new regions of the County, that are designed to increase program effectiveness and participant success. Outcomes under ROP will be compared to control groups, including households participating in KCHA's traditional Family Self-sufficiency program, utilizing an outside evaluator. The findings will be utilized to inform the national conversation regarding self-sufficiency approaches.

- ❖ **Developing new approaches to assisting KCHA youth to succeed in school.** During FY 2011, KCHA partnered with the Kent School District to share data on the academic performance of students at three of our public housing sites and to develop a plan to improve educational outcomes for these youth. In FY 2012, KCHA will partner with the school district, parents, local foundations and community and on-site partners to implement new strategies intended to increase parental involvement and ensure that children graduating third grade are reading at grade level. Continuing assessments of academic performance for this cohort will assist in evaluating the effectiveness of different approaches taken.

KCHA currently houses over 14,000 children in its federally subsidized programs and KCHA operations support households in 17 different school districts in the region. In FY 2012 KCHA will look to expand its data sharing agreements to three additional school districts and is exploring additional "place-based" strategies with its local partners in White Center and Bellevue. In addition, KCHA will utilize MTW resources this year to explore the implementation of a mobility counseling program for our Section 8 participants intended to assist them in understanding the connection between locational and educational choice, and in navigating the school systems in new neighborhoods.

- ❖ **Increasing resources to address the multi-faceted needs of our most vulnerable populations – chronically mentally ill individuals who cycle between living on the street, our jail systems and hospital emergency rooms and youth who are homeless or transitioning out of foster care.** Removing barriers to housing access and ensuring supportive housing for these "at risk" populations is a critical component in efforts to advance the goals of King County's 10-Year Plan to End Homelessness. KCHA will continue to refine its "housing first" model in partnership with the regional mental health system and service providers and to project-base Section 8 subsidies in support of the development of new supportive housing. One important element of this will be our expanding partnership with the Veteran's

Administration in addressing the needs of homeless veterans. In addition, KCHA is participating in the development of a regional plan to end youth homelessness and expects to develop new approaches and new models of housing out of the recommendations of that taskforce.

- ❖ **Expanding our reach to assist high-need, homeless families.** In FY 2010, KCHA partnered with the Washington Families Fund and Washington State’s Department of Child and Family Services (DCFS) to establish a supportive housing program that blended affordable housing with intensive support services in order to assist troubled families with children. The main goal of the program is to assist in re-uniting families with children in foster care – providing the tools and support services necessary to move them out of homeless shelters and up and out of poverty. In FY 2011, KCHA and its partners began implementation of a “FUP-like” program to provide housing, counseling, education, training and sustained employment supports for these households. The original program model did not require use of MTW authority. During FY 2012, as detailed in Section V of this Plan, additional program changes, possibly involving waitlist management, tenant selection and program eligibility may be implemented in order to increase program effectiveness and strengthen client outcomes.
- ❖ **Ensuring cost effective operation of housing programs through streamlining and lean engineering.** During FY 2012, KCHA will continue to identify and implement program and policy changes that eliminate or modify redundant forms and unnecessary or inefficient business processes while encouraging data sharing among government agencies and simplified verification of income, assets and family circumstances. Further changes may be implemented in FY 2012 under KCHA’s previously approved initiatives directed at increasing efficiency through streamlined program administration. Examples of potential changes include, but are not limited to, implementation of a streamlined risk-based approach for completing HQS inspection of units administered under KCHA’s Public Housing and Section 8 programs and adoption of a pilot program to investigate potential savings gained through “on-line” processing of tenant rent recertifications.
- ❖ **Improving the geographic mobility of low-income households and increasing housing choice through programs and policies that reduce barriers to access to low-poverty neighborhoods.** In tandem with exploring new mobility initiatives, KCHA will continue to provide payment standards based upon unique sub-markets to ensure that Section 8 Housing Choice Voucher participants have access to low-

poverty neighborhoods where they would have otherwise been priced out of the rental market. Voucher holder geographic distribution, shopping success rates, shelter burdens and market conditions will be monitored closely to ensure appropriate payment standards. In addition, project-basing approaches will continue to promote broad geographic choice and KCHA's MTW-enhanced transfer policies will provide flexible support across traditional HUD program lines to address unique family circumstances.

- ❖ **Exploring ways in which MTW Agencies can collaborate to build programs that advance the goals of the MTW demonstration.** KCHA believes that significant opportunities exist for MTW Agencies to work together to advance the goals of the demonstration and meet the needs of low income households. In FY 2011, KCHA began collaborating with other West Coast MTW partners to create an Inter-Agency Domestic Violence Transfer program. Working with our agency partners and local domestic violence advocates, the program will increase housing choice for current program participants experiencing domestic violence who might otherwise be forced to leave their assisted housing program in order to flee their abuser. The inter-agency program will ensure a continuity of services and continued access to safe, secure and affordable housing for households for whom a move to another jurisdiction is deemed necessary.

In developing its FY 2012 MTW Annual Plan, KCHA has remained dedicated to open and clear communication with residents, the Resident Advisory Committee, community stakeholders and the public. As required under the terms of its MTW Agreement, copies of the draft Plan were made publicly available for a period of no less than 30 days. On September 26, 2011, following public notice, a Public Hearing was held to review the MTW Plan components and receive community and resident comments and feedback. A compilation of comments received, together with KCHA's response and/or modifications incorporated in this FY 2012 MTW Plan is attached in Section VIII and reviewed by KCHA's Board of Commissioners prior to their approval of the draft Plan on October 12th, 2011.

SECTION II: General Housing Authority Operating Information

A. Housing Stock Information

TABLE II.A: INVENTORY BREAKDOWN for FY 2012

(Public Housing, HCV, Other-HUD and Local programs)

| Program | Inventory at MTW Program Entry: | Inventory at Beginning of Fiscal Year: Jan. 1, 2012 | Anticipated FY 2012 Inventory Additions | Anticipated FY 2012 Inventory Removals | Inventory Projected at FY End: Dec. 31, 2012 |
|------------------------------------|--|--|--|---|---|
| Public Housing: MTW | 3292 | 2518 | 29 | 509 | 2038 |
| Total PH Inventory | 3292 | 2518 | 29 | 509 | 2038¹ |
| HCV: General MTW ² | 6024 | 5742 | 0 | 85 | 5657 |
| HCV: Project-based MTW | 0 | 1382 | 666 | 8 | 2045 |
| HCV: Local MTW-funded ³ | 0 | 275 | 0 | 0 | 275 |
| Total MTW Vouchers | 6024 | 7399 | 666 | 93 | 7972 |
| Other MTW: Sponsor-based | 0 | 152 | 5 | 10 | 147 |
| Total Other-MTW | 0 | 152 | 5 | 10 | 147 |
| TOTAL MTW UNITS | 9,316 | 10,069 | 700 | 612 | 10,157 |
| HCV: VASH, non-MTW | 0 | 213 | 0 | 0 | 213 |
| HCV: Mainstream, non-MTW | 350 | 350 | 0 | 0 | 350 |
| HCV: Designated, non-MTW | 0 | 100 | 0 | 0 | 100 |
| HCV: Certain Develop, non-MTW | 0 | 100 | 0 | 0 | 100 |
| HCV: FUP-2009 & 2010, non-MTW | 0 | 132 | 0 | 0 | 132 |
| HCV: Enhanced, non-MTW | 0 | 98 | 119 | 0 | 217 |
| Total non-MTW Vouchers | 350 | 993 | 119 | 0 | 1112 |
| Other HUD: Sec 8 New Constr/236 | 174 | 196 | 0 | 0 | 196 |
| Other HUD: Preservation | 272 | 41 | 0 | 0 | 41 |
| Other, non-HUD: LOCAL | 303 | 149 | 0 | 29 | 120 |
| Total OTHER programs | 749 | 386 | 0 | 29 | 357 |
| TOTAL Non-MTW UNITS | 1,099 | 1,379 | 119 | 29 | 1,469 |
| Total Housing Stock | 10,415 | 11,448 | 819 | 641 | ⁴ 11,626 |

¹ Includes 509 units for which KCHA has requested HUD disposition approval. Timing of receipt of such approval may result variances projected PH inventory totals. Does not include the possible addition of new PH units during the FY under KCHA's initiative to use banked PH subsidy and MTW resources to acquire new (but not yet identified) sites in locations adjacent to current PH properties.

² Does not include 2,334 HCV port-ins administered by KCHA (data as of 8/1/11) or possible addition of vouchers awarded through competitive grants in FY 2012.

³ Represents HCV units funded above HUD's established baseline through use of MTW block grant resources.

⁴ In addition, KCHA's inventory includes 5,262 "Workforce" units that remain affordable to households with income below 60% of AMI.

❑ **Description of Planned Significant Capital Expenditures:**

During FY 2012, KCHA plans to expend more than \$21.8 million to complete necessary capital improvements to its Public Housing communities. With the renovation of Birch Creek (formerly the Springwood Apartments) and rental housing construction at Greenbridge complete, the primary focus of KCHA's current development efforts is on the HOPE VI reconstruction of Park Lake Homes Site II and the rehabilitation at Green River Homes – KCHA's oldest and most deteriorated housing developments whose major systems are nearing the end of their useful life. Funding for these projects, along with other capital work scheduled during FY 2012, is provided from a range of sources including Public Housing Capital and RHF funds, accumulated MTW reserves, formulaic and competitive grants awarded under the American Reinvestment and Recovery Act (ARRA) and the leveraging of private capital through debt and tax credit equity contributions. Funds received under ARRA are not included in KCHA's MTW block grant and are subject to separate reporting requirements. As of August 31st, 2011, 92 percent of the \$23.5 million in HUD ARRA funds received by KCHA had been expended. Although KCHA anticipates that only a single project - the renovation of Green River homes (detailed below) will approach HUD's 30 percent reporting threshold - major rehabilitation activities together with their projected FY 2012 related expenditures are shown below:

- **Uniform Federal Accessibility Standards (UFAS) Upgrade Project – FY 2012**
Expenditures: \$210,000. To ensure compliance with Section 504 of the Rehabilitation Act, KCHA commenced efforts in FY 2010 to modify 65 housing units and their related common areas to current UFAS accessibility standards. Work is nearly finished – with completion anticipated in early 2012. KCHA intends to utilize its MTW single-fund flexibility to supplement the \$4,679,930 ARRA grant received by the Housing Authority to complete these unit upgrades. Completion of this project will ensure that at least five percent of KCHA's Public Housing inventory is fully accessible to persons with disabilities. Targeted Public Housing developments include Northridge I, Northridge II, Casa Juanita, Valli Kee, Cascade Homes, Southridge, Eastridge, Yardley Arms, Munro Manor, Wayland Arms, Wellswood, Juanita Trace, Evergreen Court, College Place, Ballinger Homes, Brittany Park, Riverton Terrace and Pacific Court.
- **Green Communities, Energy Efficiency and Building Envelope Upgrades - FY 2012**
Expenditures: \$2,578,725. This project is part of a larger "green retrofit" initiative that

began in FY 2010 to substantially increase the energy efficiency and environmental sustainability of KCHA's inventory. In total, KCHA anticipates project costs to reach \$8,481,744 for work at designated KCHA Public Housing properties. In addition to ARRA funding received under the Green Communities and Energy Efficiency Upgrades initiative (\$4,678,341), supplemental funding is being supplied through KCHA's MTW block grant as needed to complete these projects. Planned mechanical system improvements and envelope upgrades will reduce energy costs for both KCHA and its residents. Targeted developments include Boulevard Manor, Cascade Homes, Eastside Terrace, Kirkwood Terrace, Briarwood, Federal Way Houses, Vista Heights, Forest Glen and Avondale Manor.

- **Community Facilities Project - FY 2012 Expenditures: \$3,615,368.** Through this initiative, KCHA is rebuilding and expanding community facilities to support youth and family self-sufficiency programs in seven family developments in order to enhance educational and life outcomes for low-income youth and increase community safety and security. The project will provide expanded, remodeled or new community facilities at the following family developments: Eastside Terrace, Spiritwood Manor, Hidden Village, Woodridge, Valli Kee, Burndale Homes and Firwood Circle. During FY 2011, KCHA was successful in securing partial funding for this project through the award of a Capital Fund Education and Training Community Facilities (CFCF) grant. To the extent that this funding does not fully cover development costs, KCHA has committed to supporting these projects through the use of MTW block grant funding.
- **Green River Homes Renovation/Reconstruction Project - FY 2012 Expenditures: \$12,500,000 (estimated).** One of KCHA's oldest Public Housing developments, Green River Homes requires significant reinvestment that cannot be provided under current Public Housing Capital Fund grant levels. The essential elements of the financing structure used for the renovation of the Birch Creek Apartments will be used for Green River. KCHA will leverage funds for renovation by combining federal low-income housing tax credit (LIHTC) equity with private debt, collateralized by MTW single-fund resources. The debt will be supported by project-based Section 8 rent subsidies and RHF funds using KCHA's MTW authority. To accomplish this, the property will be transferred to a KCHA-controlled tax-credit entity and KCHA will project-base Section 8 subsidies to keep rents affordable. The net cash from operations and the 10 years of RHF funding resulting from the disposition will be used to repay a portion of the private debt. MTW resources will be employed to secure the private debt.

Major milestones in the redevelopment and renovation include:

| | |
|-----------------------|---|
| <u>February 2010</u> | Request for Disposition submitted to HUD, after approval by KCHA's Board of Commissioners and consultation with residents. |
| <u>February 2011</u> | Conditional approval by HUD of the disposition via lease of Green River at fair market value to a partnership controlled by KCHA, a Washington LLC or LLLP. |
| <u>February 2011</u> | Fund Application for Section 8 Housing Choice Vouchers submitted to HUD and subsequent award of 59 units. |
| <u>October 2011</u> | Projected date for relocation of last household. (Relocation is required by the scope of work.) |
| <u>November 2011.</u> | Projected date for lease of property to a partnership controlled by KCHA. |
| <u>December 2011</u> | Projected date for KCHA issuing bonds and re-loaning the proceeds to the partnership to pay for the majority of the total development costs. |
| <u>January 2012</u> | Projected date for start of renovation. |
| <u>Mid 2012</u> | Projected date to begin leasing all 59 units to Section 8 and tax-credit eligible residents. |
| <u>November 2012</u> | Projected date for substantial completion of upgrades and improvements. |
| <u>June 2013</u> | Projected date for meeting all investor and tax credit requirements. |

Pre-development activity commenced in FY 2010 as indicated in the 2010 MTW Annual Report. The renovation is projected to be completed early in FY 2013. The work will transform the site from a dilapidated public housing project with failing mechanical systems to a modern, well designed rental community. It will have a positive impact on the quality of life for its residents as well as significantly strengthen the surrounding neighborhood. To accommodate the future widening of "M" Street SE, two 3-bedroom units will be combined into a single 5-bedroom unit, reducing the total number of units to 59. Total construction costs, including contingency and sales tax, are estimated to be \$9,915,000.

The renovation of Green River will decrease the public housing inventory by 60 units. However, in FY 2011 HUD provided 59 Section 8 vouchers in connection with the disposition of the site – resulting in an increase in the number of households served by KCHA's HCV program and no net loss of affordable inventory. The transition from public housing to Section 8 subsidy is not expected to change the demographic make-up of the community. Relocation of the residents began mid-year and will be completed by the

end of the fiscal year. KCHA anticipates the property will be leased to the development partnership in December 2011 and renovation work will begin shortly thereafter. All households, as well as the social service agency located on-site, will be assisted according to Section 18 of the United States Housing Act of 1937, as amended by the Quality Housing and Work Responsibility Act of 1998.

As indicated above, funding is being provided from more than one source, including private debt secured by MTW single-fund resources. The debt will be partially repaid with the RHF resulting from the disposition of Green River in federal FY 2012 (FFY 2012); and when approved by HUD, RHF resulting from the disposition of the 509 units of public housing referenced earlier in this Plan. The first 5-year increment of RHF resulting from the disposition of Green River is expected to be included in the FFY 2013 Capital Fund Program Award and used to make the next semi-annual debt service payment. The first increment of RHF for the 509 units is expected to be available in the FFY 2013 or 2014 Award. The last year of the second 5-year increment will be funded in FFY 2022 or 2023.

KCHA will use authorization provided under its MTW Agreement to utilize its capital funds to support project-based Section 8 housing at this site.

Table 1 below identifies the projected funding sources for the lease (acquisition) and renovation costs.

Table 2 shows the projected debt service for the KCHA-issued bonds and the Capital Fund Program RHF Grant Amounts for both Green River and the 509 Units.

Table 1
Development Funding Sources – Green River Homes Renovation

| Source | Use | Amount |
|-------------------------------|---------------------------------|-----------------------------|
| Tax Credit Equity | Lease Payments (Incl. Interest) | \$ 4,799,000 |
| | A&E, Project Management | <u>86,000</u> |
| | | 4,885,000 |
| KCHA Re-Loan of Bond Proceeds | Renovation | 9,915,000 |
| | Financing, Legal | 344,000 |
| | Relocation | 427,000 |
| | A&E, Project Management | 1,538,000 |
| | Other Soft | <u>276,000</u> |
| | | 12,500,000 |
| Total Sources & Uses | | <u>\$ 17,385,000</u> |

Table 2
Projected Debt Service and RHF Grant Awards – Green River Renovation ¹

| Year | Green River ³ | 509 Units ³ | Total Annual Award ⁴ | Debt Service ⁵ |
|---------------------|--------------------------|------------------------|---------------------------------|---------------------------|
| 2012 | | | | \$ 250,000 |
| 2013 | \$ 95,155 | | \$ 95,155 | 250,000 |
| 2014 | 95,155 | \$ 796,332 | 891,487 | 1,374,999 |
| 2015 | 95,155 | 796,332 | 891,487 | 1,352,272 |
| 2016 | 95,155 | 796,332 | 891,487 | 1,329,545 |
| 2017 | 95,155 | 796,332 | 891,487 | 1,306,817 |
| 2018 | 95,156 | 796,332 | 891,488 | 1,284,090 |
| 2019 | 95,156 | 796,332 | 891,488 | 1,261,363 |
| 2020 | 95,156 | 796,332 | 891,488 | 1,238,635 |
| 2021 | 95,156 | 796,332 | 891,488 | 1,215,908 |
| 2022 | 95,156 | 796,332 | 891,488 | 1,193,181 |
| 2023 | | 796,332 | 796,332 | 1,170,453 |
| 2024 | | | | 1,147,727 |
| 2025 | | | | - |
| Totals ² | <u>\$ 951,556</u> | <u>\$ 7,963,323</u> | <u>\$ 8,914,879</u> | <u>\$ 14,374,990</u> |

1 – Annual RHF Grant amounts shown are 100% of FFY 2011 awards which are approximately 83% of the FFY 2010 awards.

2 – Totals may not foot due to rounding differences.

3 – Year is year of FFY funding and amounts are total funds awarded.

4 – Amounts available to pay debt service; because of timing of RHF availability, all RHF may not be drawn in a particular year; any unused funds are drawn for next scheduled payment.

5 – Payments made semi-annually, two payments of interest and one of principal; additional principal payments may be made if surplus cash is available, as permitted by bond holder.

- Surface Water Management Improvements – FY 2012 Expenditures: \$1,308,175.**
Deterioration of existing storm drainage systems at Kirkwood Terrace (28 units - Kirkland, WA) and Vista Heights (30 units – Renton, WA) have resulted in significant drainage failures and flooding at these sites. Moisture conditions have led to extensive mold in a number of units – resulting in the partial vacation of Kirkwood Terrace. During FY 2012, KCHA will address surface water management and drainage issues at both developments. Scheduled work includes installation of additional catch basins and improved foundation and crawl space drainage in addition to installation of a new tight-lined roof drainage system. These sites have been included in KCHA’s proposed disposition of 509 Public Housing units currently pending HUD approval. Due to the urgency of the work, KCHA has deferred other projects to make Public Housing CFP resources available in order to address critical resident health and safety issues.

However, timely receipt of disposition approval would allow KCHA to fund SWM improvements through debt service available from asset repositioning and utilize the CFP funding recently designated to this project to support deferred capital needs of other Public Housing developments.

- **Wayland Arms – Sewer, Site and Common Area Upgrades – FY 2012 Expenditures: \$960,261.** The capital needs assessment at KCHA’s Wayland Arms development (67 units – Auburn, WA) has shown that the sewer main servicing the site has reached the end of its useful life. As a result, replacement of the main is scheduled for FY 2012. In addition, KCHA intends to complete complementary site repairs including parking lot ADA upgrades, lighting and seal coating, as well as common area upgrades and replacement of the current fire alarm system. Funding of the work will be supported using KCHA’s MTW block-grant resources.
- **Unit Upgrade Project - FY 2012 Expenditures: \$3,414,852.** KCHA’s ongoing effort to significantly upgrade Public Housing unit interiors as units become vacant will continue during FY 2012. Using KCHA’s in-house skilled workforce, the Housing Authority anticipates renovation of an additional 150 apartments. Renovations include installation of new flooring, cabinets and fixtures that will extend the useful life of unit interiors by 20 years. Projected savings when compared to a whole building/outside contractor approach are estimated at \$17,000 per unit – a total of \$2.5 million in annual savings. This project is supported in full by KCHA’s MTW block-grant using the Single-fund budget flexibility of the MTW program.
- **Use of RHF – Birch Creek Apartments (formerly Springwood) and Green River Homes – FY 2012 Expenditures: \$795,000 for Birch Creek and \$0 for Green River.** In FY 2012, KCHA will use First and Second increment RHF funds available from the disposition of Springwood, Park Lake Homes I and Park Lake Homes II to make debt service payments for bonds issued by KCHA and lent to Soosette Creek LLC to pay for development costs incurred in the renovation of Birch Creek – see the Table 3 below. KCHA may also use RHF Funds from the disposition of Green River Homes and the 509 Units to make debt service payments on the Birch Creek bonds in future years; and KCHA may use RHF funds from the disposition of Springwood, Park Lake Homes I and Park Lake Homes II to make debt service payments on the Green River bonds in future years.

Similarly, KCHA will use the First and Second Increment RHF funds as they become available from the disposition of Green River Homes and the disposition of the 509 units in FY 2012 (when such disposition is approved by HUD and complete) to make debt

service payments on bonds issued by KCHA and lent to the Green River partnership. See Table 2 above included with the Green River Renovation Capital Expenditures description for projected debt service and RHF Grant awards.

KCHA plans to extend the eligible use of RHF for debt service payments for the full ten-year period otherwise allowed for the replacement of public housing. Pursuant to the anticipated amendment of Attachment D to KCHA's Restated and Amended MTW Agreement, KCHA intends to use 100 percent of the ten (10) years of RHF funding available for both Birch Creek and Green River to make debt service payments on bonds issued by KCHA to pay for a portion of the renovation costs for these properties. KCHA will utilize any remaining RHF funds in LOCCS from previous years as well as new award amounts to pay principal and interest due in FY 2012 and beyond. Note: The last payment on the bonds for Birch Creek is scheduled to be made in 2038; and the last payment on the bonds for Green River is projected to be made in 2025.

Table 3
Projected Debt Service and RHF Grant Awards – Birch Creek Renovation ¹

| Year | Birch Creek ³ | Park Lake ³ | Total Annual Award ⁴ | Debt Service ⁵ |
|----------------------------|--------------------------|------------------------|---------------------------------|---------------------------|
| 2008-2011 | \$ 2,124,000 | \$ 1,830,000 | \$ 3,954,000 | \$ 8,232,000 |
| 2012 | 563,000 | 612,000 | 1,175,000 | 3,379,000 |
| 2013 | 563,000 | 612,000 | 1,175,000 | 3,450,000 |
| 2014 | 543,000 | 612,000 | 1,155,000 | 3,527,000 |
| 2015 | 543,000 | 612,000 | 1,155,000 | 3,570,000 |
| 2017 | 543,000 | 352,000 | 895,000 | 3,660,000 |
| 2018 | 543,000 | 352,000 | 895,000 | 3,339,000 |
| 2019 | | 352,000 | 352,000 | 3,415,000 |
| 2020 | | 352,000 | 352,000 | 3,480,000 |
| 2021 | | 352,000 | 352,000 | 2,227,000 |
| 2022-2038 | | | | 24,049,000 |
| Totals ² | \$ 5,968,000 | \$ 6,388,000 | \$ 12,356,000 | \$ 62,328,000 |

1 – RHF Grant amounts shown are FFY 2011 awards which are 60% of the FFY 2010 awards.

2 – Totals may not foot due to rounding differences.

3 – Year is year of FFY funding and amounts are total funds awarded.

4 – Amounts available to pay debt service; because of timing of RHF availability, all RHF may not be drawn in a particular year; any unused funds are drawn for next scheduled payment.

5 – Payments made semi-annually, two payments of interest and one of principal.

As previously noted, KCHA currently has pending HUD approval to transition 509 public housing units to Project-based Section 8 subsidy. Approval of the disposition application and related award of Section 8 vouchers, will allow KCHA to begin to address the \$33 million backlog of unmet capital needs identified among these 22 scattered-site developments during FY 2012. These units require significant interior, exterior, site and building systems improvements that exceed KCHA’s funding ability through standard capital fund resources. Absent disposition approval, KCHA estimates these repairs would require more than 37 years of capital funding allocations to ensure long-term viability.

❑ New Public Housing units to be added during the year by development:

KCHA does not have specific developments in its acquisition pipeline. However, during FY 2012, KCHA does intend utilize previously approved MTW authority to continue efforts to increase its public housing inventory – using MTW program flexibility to bring “banked” PH units online through site acquisition or asset repositioning as noted in Sections VI and VII of this FY 2012 MTW Plan.

Sites currently considered for addition to KCHA’s Public Housing inventory during FY 2012 include 29 locally-subsidized units operated under KCHA’s Condominium program. The program provides low-income elderly residents (age 60 or older) with access to affordable housing in the cities of Federal Way, Shoreline and Kirkland, Washington.

| NEW Public Housing Units to be Added to Inventory: FY 2012 | | |
|--|--------------------------|---------|
| Site | Unit Type | # Units |
| Echo Cove | 1 bedroom – Single Level | 5 |
| Harbor Villa | 1 bedroom – Single Level | 4 |
| Slater Park | 1 bedroom – Single Level | 5 |
| Campus Green | 1 bedroom – Single Level | 15 |
| TOTAL Units to be ADDED to INVENTORY in FY 2012: 29 | | |

As detailed in this Plan, during FY 2012 KCHA will continue to seek new opportunities in which use of banked Public Housing ACC can be effectively utilized to increase its Public Housing inventory.

■ Number of Public Housing units to be removed from inventory during the FY: 509 units

As outlined in its FY 2011 MTW Plan, KCHA intends to dispose of 509 of its smallest and most scattered Public Housing units and replace the current subsidy stream with Section 8 Project-based assistance. These units have a combined backlog of approximately \$ 33 million in critical capital repairs and incur annual operating losses due to their size and locations. In conjunction with the disposition, mobility vouchers will be provided to all current households. KCHA will dispose of the units to a KCHA-controlled non-profit and project-base vouchers in 100 percent of these former Public Housing units. This model will provide continued assistance for eligible households and allow KCHA to leverage significant additional capital investment to ensure these units remain a viable affordable housing resource for the County’s lowest income residents over the long-term.

B. Leasing Information

KCHA continues to use its MTW flexibility to expand the number of households served, to align housing and services for hard-to-house populations and to expand geographic choices for program participants.

In FY 2012, KCHA intends to continue to serve more than 415 households above its HUD Section 8 baseline. Of these, up to 275 households will be served through over-issuance of HCV assistance to households selected from the Authority’s primary waiting list. An additional 147 will be housed through KCHA’s Sponsor-based program which provides funding to non-profit service providers to house targeted populations including chronically homeless mentally ill individuals under a “housing first” model and homeless

youth. KCHA's Sponsor-based program was recently profiled on the website of the United States Interagency Council on Homelessness.

At the same time, KCHA will continue to project-base Section 8 in the most expensive market areas of the region, ensuring access to greater educational and employment opportunities and enabling working families to live in the communities in which they are employed. In FY 2011, KCHA executed a Memorandum of Understanding with A Regional Coalition for Housing (ARCH), a consortium of 15 cities in East King County to combine funds for the development of affordable housing. The MOU commits KCHA to project-base 80 Section 8 vouchers in sites being developed by ARCH. Under the agreement, a total of 50 percent of this housing must be dedicated to formerly homeless households.

In addition, KCHA is seeking to simplify and consolidate its multiple HUD rental subsidy programs. This simplification will create administrative efficiencies across the Authority. Reduction in the number of different rent subsidy programs has been a top goal identified in HUD's legislative priorities for FY 2012. To this end, KCHA is continuing to convert Public Housing and contract-based Section 8 complexes to project-based Section 8 subsidies.

Table II.A (shown on page 12) provides the total number of "hard units" owned by KCHA together with the number of HCV units funded by KCHA. In contrast, the "Leasing Information" shown in this Section of the MTW Plan on Table II.B (see page 23) details the total number of **actual households served** inclusive of Section 8 "port-ins" administered by KCHA.

As outlined above and in its FY 2011 MTW Plan, KCHA has proposed the transfer of approximately 509 Public Housing units to Project-based subsidy following disposition of the sites to a non-profit entity controlled by the Housing Authority. In addition to changes in occupancy resulting from normal operations, Table II.B (shown below) illustrates the anticipated shift in households from Public Housing to Section 8 Project-based assistance by the end of FY 2012 as a result of these dispositions.

TABLE II.B: Total HOUSEHOLDS UNDER LEASE for FY 2012

(Public Housing, HCV, Other-HUD and Local programs)

| Program | Households at MTW Program Entry: | Projected Households at Fiscal Year Begin: January 1, 2012 | Projected Households at Fiscal Year End: December 31, 2012 |
|------------------------------------|--|---|---|
| Public Housing: MTW | 3259 | 2404 | 1909 |
| Total PH Households | 3,259 | 2,404 | 1,909⁵ |
| HCV: General MTW ⁶ | 6903 | 8408 | 8311 |
| HCV: Project-based MTW | 0 | 1177 | 1756 |
| HCV: Local MTW-funded ⁷ | 0 | 116 | 98 |
| Total MTW Households | 6,903 | 9,701 | 10,165 |
| Other-MTW: Sponsor-based | 0 | 152 | 147 |
| Total Other-MTW | 0 | 152 | 147 |
| HCV: VASH, non-MTW | 0 | 184 | 213 |
| HCV: Mainstream, non-MTW | 350 | 350 | 350 |
| HCV: Designated, non-MTW | 0 | 100 | 100 |
| HCV: Certain Develop, non-MTW | 0 | 100 | 100 |
| HCV: FUP-2009 & 2010, non-MTW | 0 | 123 | 132 |
| HCV: Enhanced, non-MTW | 0 | 88 | 200 |
| Total non-MTW Vouchers | 350 | 947 | 1095 |
| Other HUD: Sec 8 New Constr / 236 | 174 | 196 | 196 |
| Other HUD: Preservation | 271 | 41 | 41 |
| Other, non-HUD : LOCAL | 303 | 149 | 149 |
| Total OTHER programs | 748 | 386 | 386 |
| Total Households Served | 11,260 | 13,590 | 13,702 |

⁵ Assumes 98% occupancy – actual results may differ due to timing of any pending HUD request for unit disposition or as a result of temporary increases to vacancies at sites under rehab or targeted for specific unit set-asides.

⁶ Includes a total of 2,334 HCV port-ins that are anticipated at the beginning of FY 2012 - this number is expected to remain steady through FYE 2012.

⁷ Voucher units funded above KCHA's HUD authorized baseline using MTW block grant resources.

❑ **Description of anticipated issues relating to any potential difficulties in leasing units**

KCHA staff works proactively to hold unit turnover time in its Public Housing inventory to an absolute minimum. With adjustment for approved off-line units and those undergoing modernization, KCHA historically maintains an overall occupancy rate of over 98.5 percent. In addition, as FY 2012 approaches, with the exception of vouchers awarded within the last six months, KCHA's Section 8 Housing Choice Voucher program lease-up rate remains above 100 percent.

During FY 2010 and FY 2011, KCHA received a number of new vouchers targeted to special needs populations through HUD's VASH and FUP programs. Although lease up of these units tends to lag that of other programs due to delays in referrals and the need to ensure appropriate services are in place to provide support to assisted households, these allocations are expected to fully lease-up in FY 2012. Careful coordination with regional service systems helps ensure the long-term success of these households in retaining their housing assistance. During FY 2012, KCHA will continue to target assistance to "hard-to-house" households and maintain its commitment to developing programs that eliminate barriers to housing access for chronically homeless and mentally-ill households - increasing housing choice for this high need population. While every effort will be made to meet established lease-up benchmarks for KCHA's assisted inventory, the continued targeting of assistance to highly vulnerable households who require intensive assistance in securing landlord approvals may slow leasing outcomes.

❑ **Number of Project-based vouchers in use at the start of the Plan year**

As shown in the "Leased Unit" analysis above, KCHA anticipates that 1,177 Project-based vouchers will be in use at the start of Fiscal Year 2012. A total of 666 additional Housing Choice Vouchers are anticipated to be project-based during FY 2012 in conjunction with new and on-going MTW activities outlined in this MTW Plan and KCHA's locally developed Project-based administrative policies. Anticipated increases in KCHA's Project-based inventory during FY 2012 include:

NEW Project-based Units to be Added to Inventory: FY 2012

| Development Name | Number of Units | Description |
|--|-----------------|---|
| Former PH Sites | 509 | As described in the FY 2011 MTW Plan, KCHA intends transfer a portion of its PH inventory to the Project-based program; KCHA anticipates this transfer to occur in late FY 2011 or 2012. |
| Eastside ARCH-allocation | 54 | Project-based permanent housing in low-poverty neighborhoods, Mix of HAP and AHAP contracts, mostly family units, with target of 50 percent for formerly homeless households. |
| Francis Village | 12 | Project-based permanent housing for formerly homeless individuals and families in partnership with Imagine Housing. In 2011, KCHA applied for a waiver to project-base 10 VASH vouchers at this site. The two additional vouchers are from an earlier allocation of replacement vouchers. |
| Joseph House | 10 | 2 BR units permanent housing for elderly residents. Currently under AHAP. HAP execution expected 8/31/12 |
| Alpine Ridge | 42 | Expiring use Section 8 project. Permanent housing for families to be project-based under KCHA's local preservation strategy. 3 1BR, 36 2BR, 3 3BR |
| Heritage Park | 39 | Expiring use Section 8 project. Permanent housing for families to be project-based under KCHA's local preservation strategy. 20 1BR, 47 2BR, 10 3BR |
| TOTAL new Project-based units in FY 2012: 666 | | |

As shown in Table II.A, it is anticipated that a total of 2,045 vouchers will be dedicated to KCHA's local Project-based program at the end of FY 2012, representing approximately 25 percent of KCHA's total Section 8 program.

C. Waiting List Information

❑ Description of anticipated changes in waiting lists (site-based; community-wide; HCV; merged)

KCHA operates separate waiting lists for its Public Housing, Section 8 and Project-based programs. Generally, applications for the **Section 8 Housing Choice Voucher program** are accepted during specified periods only. At the end of a designated application period, the waiting list is closed and KCHA enters a limited number of applicants (typically 2,500) on the Section 8 waiting list through random “lottery” number assignment. From the pool of 2,500, eligible applicants meeting local preference criteria are selected for program participation according to their assigned lottery number. The Section 8 waiting list was last opened in May 2011. It is not anticipated that this waiting list will be reopened in FY 2012. In addition to the lottery process for its general voucher pool, KCHA maintains separate waiting lists for vouchers awarded and targeted to HUD mandated priority populations. Applicants for these special program vouchers (such as those available under the VASH and Mainstream programs) may apply year-round.

KCHA’s **Public Housing program** currently operates under a Site-based, Regional and Set-aside waiting list system as well as a set of local preferences. Applicants may choose to apply for up to two (2) Site-based, or two (2) Regional waiting lists. Combining the use of Site, Regional and Set-aside systems for program entry allows KCHA maximum flexibility in matching client need to unit type, location and available resources. Site-based waiting lists allow applicants to choose specific developments in which they wish to reside. The Regional waiting list, used to fill vacant units in each of KCHA’s three regions, allows applicants access to a greater number of units for which they can be selected for residency - providing applicants who may have an urgent need for assistance faster entry into KCHA’s housing programs. At the same time, Set-aside waiting lists allow KCHA to collaborate with agency partners to address regional housing needs and ensure a continuum of support for families moving along a path toward self-sufficiency. By design, every third vacancy among KCHA’s Public Housing developments is prioritized for formerly homeless families graduating from the Sound Families transitional housing system. In addition, a specific Site-based waiting list is in place for Pacific Court, KCHA’s only Public Housing development specifically set aside to provide chronically mentally disabled households with permanent supportive housing. During FY 2012, the Housing Authority will continue to monitor the current waiting list system. Changes (such as modified preferences and priorities, etc) may be implemented during

FY 2012 to address any identified areas of concern in order to improve efficiency, increase program access, expand housing choice and address the needs of low-income households in the region.

Excluding units in KCHA's transitional and supportive service programs, the **Project-based Section 8** waiting lists operate in similar fashion to the Public Housing waiting list and are administered through KCHA's Central Applications office. Applicants can apply through Site-based or Regional waiting lists. During FY 2010, KCHA modified program administration to allow direct referrals by the managers of housing in which project-based units are sited when KCHA is unable to locate a suitable applicant to fill a vacancy in a timely manner. As noted, additional changes in waiting list preferences and priorities may be implemented during FY 2012 to further streamline program administration and improve cost efficiency.

KCHA does not currently plan to implement major modifications of the existing waiting list systems for its Public Housing, HCV or Project-based programs. However, during FY 2012 KCHA may consider potential savings that could be generated from merging waiting lists between all or a portion of its subsidized programs. In addition, during FY 2012 KCHA intends to continue explore possible use of MTW authority to create a "FUP-like" program that leverages state funding together with KCHA resources to support on-site services at Sound Families program sites. Initially outlined in the FY 2011 MTW Plan, as part of the redesigned program, KCHA may modify current waiting list protocols for these units – placing tenant selection and waitlist management responsibilities with the Department of Social and Health Services (DSHS) in conjunction with contracted service providers.

❑ **Description of anticipated changes in the number of families on the waiting list(s) and/or opening closing of the waiting lists**

KCHA continues to see an increase in the number of households actively seeking housing assistance through its Public Housing program. Currently more than 12,000 applicant households are listed as applicants through KCHA's **Public Housing and Project-based programs** – a 30 percent increase over those reported at the beginning of FY 2011. With demand for affordable housing far outpacing supply and little hope for immediate economic recovery in the region, it is anticipated the number of households seeking assistance through KCHA's affordable housing programs will continue to escalate. As a result, KCHA has no current intention of limiting access to either its Public Housing or Project-based Section 8 programs through closure of existing waiting

lists. However, during FY 2012, in addition to any changes resulting from ongoing process reviews, KCHA may undertake efforts to purge the waiting list – requiring applicants to indicate their continued interest in housing services. Such action may result in a reduction in the number of applicants reported at the end of FY 2012.

The **Section 8 Housing Choice Voucher** waiting list opened in May 2011 – its first opening since May 2007. KCHA provided extensive outreach into the community to publicize application opportunities. As a result, applications by minorities, non-English speaking households, large families and families reporting no income all increased. Significant increases in households with over six family members and those with no income will put increased strain on KCHA’s Section 8 budget as the Authority’s subsidy levels are not re-benchmarked annually by HUD to reflect actual program costs.

In total, KCHA received over 25,000 completed applications over just two weeks. Through random lottery selection, 2,500 successful applicants were assigned to the HCV waiting list. A review of current voucher turnover rates and internal commitments for HCV resources indicates these applicants will be fully served until 2014. KCHA does not anticipate re-opening the Section 8 waiting list during FY 2012.

SECTION III: Non-MTW Related Housing Authority Information

KCHA elects not to include this OPTIONAL section.

SECTION IV: Long-Term MTW Plan

As a participant in the MTW Demonstration Program, KCHA intends to use the block grant and regulatory flexibility provided by this initiative to support the Authority's overarching strategic goal of addressing affordable housing needs in the Puget Sound region. Approaches will evolve as regional priorities, demographics and housing markets shift. Two key strengths of the MTW concept is that it enables the Authority to reshape the use of federal resources as necessary to respond to these changes and that it enables KCHA to engage in multi-year financial planning in executing these strategies.

Basic strategic priorities for the Authority include the following:

- ❖ **Strategy 1:** Continue to strengthen the physical, operational, financial and environmental sustainability of the portfolio of over 8,000 affordable housing units that we own or control.
- ❖ **Strategy 2:** Expand the number of units in the region affordable to households earning below 30 percent of Area Median Income (AMI) through both development and preservation.
- ❖ **Strategy 3:** Provide expanded geographic choice for low-income households, including disabled and elderly households with mobility impairments, providing our clients with the opportunity to live in neighborhoods with high achieving schools, ready access to quality services, mass transit and employment.
- ❖ **Strategy 4:** Close coordination with the region's public and behavioral healthcare and human services systems to help end homelessness through the development of an adequate supply of supportive housing for chronically homeless and special needs populations.
- ❖ **Strategy 5:** On-going "place-centered" revitalization of King County's low income neighborhoods, involving both a focus on housing and on the wide array of other physical improvements, services and partnerships that create strong, healthy communities.
- ❖ **Strategy 6:** Working with King County, regional transit agencies and suburban cities support sustainable regional development through the integration of new affordable housing into regional growth corridors aligned with mass transit.
- ❖ **Strategy 7:** Expand partnerships with Public Health, Head Start programs, school districts, after-school providers, community colleges, the philanthropic community and (most importantly) our residents, to eliminate the achievement

gap for low-income households we serve and significantly improve educational and life outcomes for youth.

- ❖ **Strategy 8:** Promote economic self-sufficiency for subsidized households by addressing barriers to employment and providing access to training and education programs with the intent of enabling movement, where appropriate, to market-rate housing.
- ❖ **Strategy 9:** Continue to develop institutional capacity and efficiencies at the Housing Authority to ensure efficient, effective use of Federal resources. Continue to expand KCHA's non-federally subsidized programs to address the need for additional workforce housing and to support and ensure the financial sustainability of Authority initiatives.

Among the initiatives KCHA intends to explore during FY 2012, is implementation of a local subsidy program that layers Public Housing and HCV funding - increasing the number of units in the region affordable to extremely low-income households. Under this Combined Subsidy (CS) program, KCHA will utilize its "banked" PH ACC to turn on Public Housing operating subsidy in a limited number of private market rentals either owned directly or controlled by KCHA through a limited partnership.⁸ KCHA understands and acknowledges the many mitigating factors that must be carefully considered in developing the proposed program including but not restricted to: (1) the limitation to combine subsidy beyond 2018, (2) the need to properly inform and gain approval for combining subsidies from investment partners, (3) the need for HUD approval under 941 requirement (etc.) of transactions involving PH units added through mixed-finance transactions, (4) the impact on Capital funding (including RHF funds), (5) that units added would result in an adjustment to KCHA's MTW baseline and (6) that such units would be considered Public Housing for purposes of compliance with program regulations. Preliminary detail regarding this anticipated activity includes:

a. Description of MTW Activity:

To expand housing choice for extremely low income households, additional single fund resources will be layered on top of ACC operating subsidy. This approach will support debt to enable additional acquisitions, necessary rehabilitation activities as well as retargeting of existing units to extremely low-income households. CS program units will be maintained at a level affordable to households with incomes below 30 percent of AMI. Implementation of the final program design may include modification of policies and procedures relating to

⁸ Note: Per HUD instructions, KCHA may implement this activity during FY 2012 through a technical amendment to the FY12 MTW Plan, without further public process

preferences, tenant selection, admissions and continued occupancy to reconcile and integrate administration requirements of the combined funding sources.

b. Relationship to MTW Statutory Objective:

This initiative will result in increased access to deep subsidy units, providing extremely low-income residents of the County with greater housing choice.

c. Anticipated Impacts:

KCHA anticipates this initiative will increase housing choice through an increase in the number of deep subsidy units available for low-income households.

d. Metrics, Baselines & Benchmarks:

| Metric Description | Baseline | Benchmark |
|---------------------------------|-------------|-----------|
| # of CS program Units Available | FYE 2011: 0 | FYE: TBD |
| | | |

e. Data Collection:

KCHA's internal database will track information regarding the number of units, and household income levels.

f. Authorization Cited:

Single Fund Budget (Attachment C, Item B.1 and Attachment D, Item 1); Local Preference and Admission and Continued Occupancy Policies and Procedures (Attachment C, Item C.2); Public Housing and Section 8 Transfer Policies (Attachment D, Item C.3)

g. Agency Required Documentation:

None required

SECTION V: PROPOSED FY 2012 MTW Activities – HUD Approval Requested

Table V.1, shown below, summarizes planned new initiatives proposed by the Housing Authority for implementation during FY 2012. In accordance with HUD’s prescribed MTW Plan format, details regarding each of the activities summarized below are provided immediately following this table.

TABLE V.1: Proposed Activities Table

| Activity # | Activity Name |
|------------|--|
| 1 | Inter-Agency Domestic Violence Transfer Program |
| 2 | Promoting Mobility: Family Choice Initiative |
| 3 | Combined Subsidy Program <i>(Delayed, see note below)</i> |
| 4 | Supplemental Support for the Highline Community Healthy Homes Project |
| 5 | <u>Use of MTW block-grant funds to support Local, Non-traditional MTW activities</u> |

PROPOSED FY 2012 MTW Activities

Activity #1: Inter- Agency Domestic Violence Transfer Program

a. Description of MTW Activity:

In collaboration with other MTW-authorized PHA’s and designated local Domestic Violence agency partners (DV Agency), KCHA intends to implement an inter-

jurisdictional transfer program to assist residents and program participants who become victims of domestic violence. The program will ensure continued access to stable and safe housing for households for whom a move to another jurisdiction is deemed necessary. This initiative both assists clients who need to move out of KCHA's jurisdiction as well as those moving into the local area. KCHA will allocate up to \$2,000 per household from its single fund budget to provide relocation assistance when current participants referred by the participating DV agency need to relocate into the jurisdiction of an MTW partner agency. KCHA will also provide a minimum of 5 HCV annually to assist current federally subsidized clients referred into KCHA's jurisdiction by another participating PHA. Households currently participating in any federally assisted housing program administered by KCHA are eligible to apply for participation. However, all households must be referred through a designated DV Agency responsible for ensuring that the client meets eligibility guidelines and for providing advocacy and assistance in determining relocation venues. All transferring clients will be assigned to a local DV Agency who will work with the client in their new home – assisting the family in integrating into their new community and providing local access to services and advocacy programs designed to keep the household safe for the long term.

b. Relationship to MTW Statutory Objective:

This initiative increases housing choice for residents and promotes self-sufficiency by providing a continuity of services for those who may be faced with giving up their assisted housing in order to secure safe, stable housing out of the reach of their abuser.

c. Anticipated Impacts:

By increasing jurisdictional choice and providing funding and services to support a move, KCHA expects participants will feel safer and more secure in their new homes following relocation. In addition, KCHA anticipates participants will experience a lower rate of future incidents of domestic violence when compared to similarly affected households who are not offered this mobility.

d. Metrics, Baselines & Benchmarks:

| Metric Description | Baseline | Benchmark |
|---|------------------|------------------------------|
| # of DV victims <u>transferring to</u> KCHA's jurisdiction. | FY 2011: 0 units | FYE 2012: up to 5 Households |
| # of DV victims <u>transferring from</u> KCHA's jurisdiction. | FY 2011: 0 units | FYE 2012: up to 5 Households |
| Funding used to transfer KCHA's DV victims <u>out of</u> KCHA's jurisdiction to a safe location | FY 2011: \$0 | FYE 2012: \$ 10,000/year |

e. Data Collection:

KCHA's internal tenant database will be used to track information for this activity.

f. Authorization Cited:

Single Fund Budget (Attachment C, Item B.1 and Attachment D, Item 1); Local Preference and Admission and Continued Occupancy Policies and Procedures (Attachment C, Item C.2); Public Housing and Section 8 Transfer Policies (Attachment D, Item C.3)

g. Agency Required Documentation:

None required

Activity #2: Promoting Mobility: Family Choice Initiative

a. Description of MTW Activity:

In an effort to break the cycle of poverty among low-income households, this initiative will explore the provision of assistance to households with children who actively seek to locate in low-poverty markets with access to high achieving schools and high quality educational environments. Through collaboration with support service partners, landlords and local communities, KCHA is developing a program to educate households regarding the connection between locational choice and educational outcomes and helping them integrate into new communities and school systems. During FY 2012 KCHA intends to continue

program development in order to determine how MTW flexibilities can assist in encouraging household success under the program. Changes under consideration include (1) modification of tenant selection, preference and occupancy policies to provide eligible applicants priority selection and admission when choosing to locate in designated high opportunity areas (2) modification of transfer and occupancy policies to encourage residency in high opportunity neighborhoods for current program participants and/or (3) use of MTW single-fund resources and KCHA's Use of Funds authorizations to provide financial incentives – such as stipends or reimbursement for educational or living expenses – for households moving to high opportunity neighborhoods.

b. Relationship to MTW Statutory Objective:

This initiative will serve to increase housing choice by providing tools that allow residents to make informed choices regarding location and assisting households in both securing housing and integrating into the community. In addition, this initiative is aimed at increasing the economic self-sufficiency of low-income residents of KCHA's housing programs.

c. Anticipated Impacts:

KCHA anticipates that the pilot will result in a greater number of households moving to high opportunity areas of the County with access to high quality schools and quality educational environments. As a result, academic test scores and graduation rates among youth of participating households are anticipated to increase following relocation and be higher than compared to similar households living in high poverty regions of the County. Evaluation of the impacts of this initiative will require long-term longitudinal tracking and data sharing with local school districts.

d. Metrics, Baselines & Benchmarks:

| Metric Description | Baseline | Benchmark |
|--|----------|-----------|
| # of partnerships achieved under pilot | 0 | Year 1: 3 |
| | | |

Note: additional metrics may be added during FY 2012 as the initiative is further developed

e. Data Collection:

Data regarding household composition, income and family circumstances will be collected through KCHA's tenant processing database. Information relating to school test scores and academic achievement will be collected by participating school districts and service providers and provided to KCHA to evaluate program progress. KCHA has executed a data sharing agreement with the Kent School District and additional agreements with other school districts are currently under discussion.

f. Authorization Cited:

Single Fund Budget (Attachment C, Item B.1 and Attachment D, Item 1); MTW Use of Funds (Attachment D, Item A); Local Preference and Admission and Continued Occupancy Policies and Procedures (Attachment C, Item C.2); Public Housing and Section 8 Transfer Policies (Attachment D, Item C.3); Section 8 Housing Operational policies (Attachment D, Items 2.a – 2.c)

g. Agency Required Documentation:

None required

Activity #3: Combined Subsidy Program

NOTE: Proposed Activity # 3 has been moved to Section IV of this MTW Plan at HUD's instruction pending identification of the specific properties, number of units to be added to the Public Housing inventory and a timeline for implementation. Activity will continue to be explored during the fiscal year and may be implemented during the year subsequent to a technical amendment of the FY 2012 MTW Annual Plan.

Activity #4: Supplemental Support for the Highline Community Healthy Homes Program

a. Description of MTW Activity:

The Highline Communities Healthy Homes (HCHH) Program was funded through a three-year ARRA grant from the HUD Office of Healthy Homes and Lead Hazard Control (OHHLHC) in 2009. The Program is a formal research study comparing the benefits of asthma education alone to the combination of education and home improvements that reduce asthma triggers. ARRA funding received has allowed KCHA to partner with the local Public Health Department as part of a formal research study to compare the benefits of providing households with asthma education alone or in combination with completion of home improvements that reduce asthma triggers. The Seattle King-County Public Health Department provides education and trigger reducing devices such as allergen impermeable bedding, a low emission vacuum, HEPA filters, cleaning kits, and plastic medication boxes. The KCHA Weatherization Program oversees HUD-funded repairs, and non-HUD funded capital repairs and weatherization improvements including insulation, air sealing, energy efficient lighting, and mechanical ventilation for the management of indoor air quality. Households must have one or more asthmatic children and meet income requirements of the weatherization program (up to 200 percent of poverty).

KCHA has identified the need to pay for weatherization improvements for: 1) otherwise eligible families with incomes between 200 percent of poverty and 80 percent of median income; and 2) for families who will not receive assistance due to declining weatherization grant funds. KCHA will use MTW funds to assist up to 20 low-income homeowners (below 80 percent of AMI) with weatherization-related home improvements to be completed by April 2012, the date set for completion of the HCHH Program. With weatherization costs anticipated to average \$9,000 per unit, KCHA projects this initiative will utilize approximately \$180,000 of the Agency's MTW single-fund resources. Financial support of weatherization improvements will help these low-income households remain in their current home without fear of being environmentally or economically displaced.

b. Relationship to MTW Statutory Objective:

This objective increases housing choice ensuring that low income homeowners and private tenants are not economically displaced by reducing utility consumption

c. Anticipated Impacts:

This activity will assist asthma-impacted families by reducing in-home asthma triggers, as well as lowering energy consumption/utility bills. Weatherization improvements also contribute to housing preservation. The funding will allow KCHA to fully utilize ARRA funding from the OHHLCH.

d. Metrics, Baselines & Benchmarks:

| Metric Description | Baseline | Benchmark |
|-------------------------------------|----------|-----------|
| # of Additional Households Assisted | 0 | 20 |
| | | |

e. Data Collection:

KCHA's internal Weatherization Program database will be used to track activity regarding households assisted through supplemental funding.

f. Authorization Cited:

Single Fund Budget (Attachment C, Item B.1 and Attachment D, Item 1); MTW Use of Funds (Attachment D, Item A);

g. Agency Required Documentation:

None required

Activity #5: Use of MTW block-grant funds to support Local, Non-traditional MTW activities

a. Description of the MTW Activity:

KCHA utilizes its MTW block-grant to support initiatives not traditionally funded under Sections 8 and 9 of the U.S. Housing Act – but authorized under Attachment D, Item A (Use of Funds) of KCHA’s MTW program agreement. This activity allows KCHA to expand housing choice for low-income households through activities designed to increase access to affordable housing in the Puget Sound region. In addition, this activity allows KCHA to assign MTW block-grant resources to increase/ensure access to self-sufficiency and supportive services available in the region in an effort to increase the economic self-sufficiency of low-income households throughout KCHA’s jurisdiction and to ensure efficient use of KCHA’s limited financial resources. Examples of KCHA’s efforts under this activity include:

- (1) Allocation of MTW funds or provision of short/long-term financing (including gap financing) to develop, preserve, finance, renovate and/or acquire housing units, sites, buildings or developments in connection with affordable housing projects; [e.g., as noted in KCHA’s Annual Plans for FY 2006 (Section V.A.2; Section VIII.A.3); FY 2009, (pages 29 & 31); and FY 2012 (page 37);
- (2) Development and/or support of local subsidy programs (including housing such as supportive, homeless, transitional housing, etc.) to address special needs and/or provide housing assistance and services to low-income households locally – who are not current participants in KCHA’s Public Housing or Section 8 housing programs; [e.g., as noted in KCHA’s Annual Plan for FY 2008 (see pages 4, 5 and 9 etc. which describe KCHA’s Provider-based program);
- (3) Financing/renovation/construction of facilities or funding of support services (directly or indirectly) to bring self-sufficiency and support services – including educational, employment and training opportunities – to low-income households. [e.g., as noted in KCHA’s Annual Plans for FY 2009, (pages 6, 7, 9 and 53); and FY 2012 (page 13);

b. Relationship to MTW Statutory Objective:

This activity is aimed at *increasing affordable housing choices* available in the region and *increasing the economic self-sufficiency of low-income households*.

c. Anticipated Impacts:

This activity will increase housing choice by allowing the use of the MTW block-grant to support KCHA efforts to preserve and increase the supply of affordable housing available to low-income households in the Puget Sound region. In addition, this activity will increase the economic self-sufficiency of low-income households through the use of MTW block-grant funds to provide access to self-sufficiency or supportive services to households who are not current participants in KCHA's Public Housing or Section 8 housing programs.

d. Metrics, Baselines & Benchmarks:

| Metric Description | Baseline | Benchmark |
|--------------------------------------|----------|-----------|
| # of Additional Households Assisted | 0 | 50 |
| # of Units preserved and/or acquired | 0 | 25 |

e. Data Collection:

KCHA's internal database will be used to track activity regarding households assisted and units preserved and/or acquired.

f. Authorization Cited:

MTW Use of Funds (Attachment D, Item A);

g. Agency Required Documentation:

None required

NOTE: Per HUD instructions, this Amendment will add Activity 5 (as detailed above) to KCHA's FY 2012 MTW Annual Plan in order to clarify KCHA's current and on-going use of MTW funds to

support Local, non-traditional MTW activities. This activity will be implemented in compliance with requirements outlined in PIH Notice 2011-45. No other changes to this Section are proposed as a result of this Technical Amendment.

SECTION VI: ON-Going MTW Activities – HUD Approval Previously Granted

Since 2003, KCHA has increasingly utilized the flexibilities of the MTW program to reshape its federally subsidized housing programs. Through strategic planning and multi-year budgeting KCHA has successfully created innovative and sustainable solutions that meet the specific housing needs and markets of the Puget Sound region. Specific activities implemented by KCHA are summarized in **Table VI** below. This table illustrates the breadth of KCHA's use of MTW program flexibilities to design and test alternate approaches that strengthen program delivery, increase housing choice and move our residents along the path toward economic self-sufficiency. During FY 2012 these activities are subject to modification as a result of KCHA's ongoing review of program effectiveness, regulatory changes (such as policy changes that would result from passage of SEVRA legislation) and continuing analysis of the impact of MTW initiatives on KCHA clients and the communities we serve. Mid-course redirections of policies and programs may be undertaken during the FY in order to ensure activities remain on track to attain targeted results.

Table VI: On-going MTW Activities

| Item # | MTW Initiative | Activity Description | MTW Statutory Objective | Plan Year | Status | Planned FY 2012 Modification | X Ref to FY10 MTW Plan |
|--------|--|---|---|-----------|---|---|------------------------|
| 1 | Acquire new Public Housing - Increase inventory through use of "banked" PH ACC | Use banked PH ACC to turn-on Public Housing subsidy in units owned or acquired by KCHA | Increase housing choices | 2008 | Implemented - purchase of Pacific Court (30 units) and Pepper Tree (30 units) completed during FY09. An additional 23 units were added to inventory with the purchase of Park Royal in FY 2010. KCHA will continue to seek program expansion under this initiative during FY 2012 | Continue expansion, including possible assignment of banked ACC to KCHA-owned local program units (29 condos) and at sites near/adjacent to current PH sites as identified. | 1 |
| 2 | Develop a local Project-based Section 8 program | Develop a local project-based program that streamlines contract and program management | Increase housing choices; Reduce costs and achieve greater cost effectiveness | 2004 | Implemented - as shown below: additional changes may be implemented in FY 2010 and beyond as determined necessary by KCHA | Possible FY 2012 modification of PBS8 program to further streamline administration and increase tenant choice | 23 |
| | | Allow the project sponsor to manage the waiting list rather than the Housing Authority, as determined appropriate by KCHA. | Reduce costs and achieve greater cost effectiveness | 2004 | Implemented - modified in FY2005 to allow KCHA to solicit applications directly from service providers | | 24 |
| | | Modifies PBS8 regs to eliminate or replace requirement of an exit voucher with priority access to KCHA's Public Housing program | Increase housing choices; Reduce costs and achieve greater cost effectiveness | 2004 | Implemented | | 25 |

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|--|---|------|--|----|
| Expand use of Public Housing preferences to all PBS8 programs - in lieu of HCV preferences | Reduce costs and achieve greater cost effectiveness | 2008 | Implemented | 26 |
| Allow KCHA to allocate PBS8 subsidy non-competitively to KCHA controlled units and transitional housing | Increase housing choices; Reduce costs and achieve greater cost effectiveness | 2004 | Implemented - modified in 2005 to allow KCHA to assign subsidy to projects financed through conduit financing program with a minimum contract term of 20 yrs. | 27 |
| In connection with Springwood redevelopment without a mixed-finance approach; prior policy required use of PBS8 regs, provided waiver to allow default to PH policy | Reduce costs and achieve greater cost effectiveness | 2008 | Implemented | 29 |
| Modify Site Assignment and Deconcentration requirement to allow priority assignment of PB assistance to units located in low-poverty census tracts, including those with poverty rates below 20% (15% for families with children and off-site HOPE VI replacement units) Modification anticipated in late FY 2011 or 2012 to allow assignment of PBS8 subsidy (up to 80 units) to ARCH (<i>A Regional Coalition for Housing</i>) for allocation to developers in low-poverty census tracts in the North and East areas of King County. | Increase housing choice | 2004 | Implemented; Pending change in late FY 2011 or 2012 - see <i>Description</i> column to the left | 31 |
| Waives the 25% cap on the number of units in a development that can be project-based for transitional, supportive or elderly housing programs and/or sites with fewer than 20 units | Increase housing choice | 2004 | Implemented - modified in FY 2008 to allow KCHA to exceed cap when used to redevelop PH units | 32 |
| Allows PBS8 subsidy to conform to operating rules of other government subsidy program when used in mixed finance setting | Reduce costs and achieve greater cost effectiveness | 2005 | Implemented - modified in FY2008 to include redeveloped sites outside a "mixed-finance" approach when used to provide subsidy to former PH units. | 34 |
| Modifies the types of housing accepted under a PBS8 contract - allows shared housing, excludes Rehab category of units from eligibility | Increase housing choices; Reduce costs and achieve greater cost effectiveness | 2004 | Implemented - FY 2005 modification to define Existing Housing to housing that could meet HQS within 180 days adds manufactured homes, transitional housing and hi-rise buildings as eligible housing; FY 2009 expansion included cooperative housing | 35 |
| Allows KCHA to modify the HAP contract to ensure consistency with MTW changes | Reduce costs and achieve greater cost effectiveness | 2004 | Implemented - modified in FY 2009 | 36 |
| Assigns HCV Payment Standards to the program, but allows modification with Exec. Director approval where appropriate/necessary | Reduce costs and achieve greater cost effectiveness | 2004 | Implemented - modified in FY2005 to cap rents at the Payment Standard for LIHTC units, rather than the Tax Credit rent | 37 |

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|---|---|---|---|------|---|--|----|
| | | Modifies inspection rules to require owners or their agents to conduct their own construction/rehab inspections; allows the management entity to complete initial inspections (rather than KCHA); implements inspection sampling at annual review | Reduce costs and achieve greater cost effectiveness | 2004 | Implemented - modified in FY2009 to allow KCHA to inspect units at contract execution rather than proposal date | | 39 |
| | | Allows participants in wrong-sized units to remain in place and pay higher rent if needed | Increase housing choice | 2005 | Implemented - modified in 2009 | | 40 |
| | | Allows KCHA to determine Rent Reasonableness for units using same process as Tenant-based program - does not require 3rd party appraisals | Reduce costs and achieve greater cost effectiveness | 2004 | Implemented | | 41 |
| | | Allows KCHA to assign PBS8 subsidy to a limited number of "demonstration" projects not qualifying under standard policy, but which serve an important public purpose | Increase housing choices; Reduce costs and achieve greater cost effectiveness | 2004 | Implemented | | 42 |
| | | Allow direct owner referral to vacant PBS8 units when unit remains unfilled after 30 days. | Reduce costs and achieve greater cost effectiveness | 2010 | Implemented | | 75 |
| | | Waive the 20% cap on the amount of HCV budget authority that can project-based - allowing KCHA to determine the size of its PBS8 program | Increase housing choices | 2010 | Implementation anticipated in FY 2012 as new units added to PBS8 subsidy | | |
| 3 | Public Housing Site-based and Regional waiting lists | Implement a streamlined waiting list system for Public Housing that combines Site-based, Regional and Set-aside waiting lists; streamlines implementation rules | Increase housing choices; | 2004 | Implemented - possible modification in future plan years | Possible modification to further streamline administration | 44 |
| 4 | Modified rules for determining and applying Payment Standards | Delays application of any decrease in the KCHA approved Payment Standard until the next Annual Review date | Reduce costs and achieve greater cost effectiveness | 2005 | Implemented | Possible modification to further streamline administration and increase mobility | 11 |
| | | Allows Payment Standards up to 120% of FMR for HCV program (and above 120% for Reasonable Accommodation) w/o prior HUD approval | Increase housing choices; | 2007 | Implemented - modified following review of outcomes/impact, see item below | | 21 |
| | | Decouples payment standards from Fair Mkt Rents entirely, allowing the HA to establish standards that fit local and neighborhood conditions | Increase housing choices; | 2008 | Implemented | | 22 |
| 5 | Modified HQS Inspection Protocols | Ability to release HAP with minor fail @ annual inspection and owner agreement to repair within 30 days | Reduce costs and achieve greater cost effectiveness | 2004 | Implemented | Possible modification to further streamline administration. During FY 2012, KCHA will consider | 56 |

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|---|---|--|--|------|---|---|----|
| | | Ability to release HAP with minor fail @ initial inspection and owner agreement to repair within 30 days | Reduce costs and achieve greater cost effectiveness | 2007 | Implemented | applying modified HQS protocols to PH program units and will consider implementation of a modified schedule of inspections for both Public Housing and Section 8 program units. For example, KCHA may implement a biennial (or other) inspection schedule for all or a portion of PH and Section 8 units. | 57 |
| | | Increase efficiency of operation through reduction in repeated visits to the same property annually; Annual inspections completed within 8-20 months of initial inspection and annually thereafter to allow inspections to be grouped according to location/property | Reduce costs and achieve greater cost effectiveness | 2006 | Implemented | | 58 |
| | | Allows KCHA staff, rather than a 3rd party entity, to complete HQS inspection of KCHA owned properties | Reduce costs and achieve greater cost effectiveness | 2004 | Implemented | | 59 |
| | | Inspection Clustering - Allows HQS unit inspections 8-20 months following the date of initial inspection | Reduce costs and achieve greater cost effectiveness | 2007 | Implemented | | 60 |
| | | Allows annual HQS inspections under the Section 8 program to be completed within 120 days of annual date | Reduce costs and achieve greater cost effectiveness | 2004 | Implemented | | 61 |
| 6 | Sponsor-based Housing program | Pilot programs - Uses MTW Block Grant to fund a Local Sponsor-based program - provides housing funds to service provider who sub-leases to targeted household | Increase housing choices | 2007 | Implemented. 25 unit pilot (FY 2007) expanded in FY 2009 to 155 units; Modified in FY 2010 to 145 units with re-allocation of a portion of set-aside to project based subsidy for higher-need households. | Continued program expansion to address the needs of the local community as feasible. | 14 |
| 7 | Streamline PH and S8 Forms, Processes and Data Processing | Excludes payments made to a landlord by a state agency (DSHS) on behalf of a tenant from income and rent calculation under the Section 8 program | Reduce costs and achieve greater cost effectiveness | 2004 | Implemented | Possible modification to further streamline administration during FY 2012 | 16 |
| | | Allows Section 8 participants for whom \$0 HAP is paid to self-certify their annual income | Reduce costs and achieve greater cost effectiveness | 2004 | Implemented | | 17 |
| | | Allow residents to retain earnings from Resident Service stipends up to \$500 without inclusion in rent calculation | Reduce costs and achieve greater cost effectiveness | 2008 | Implemented | | 50 |
| | | Streamline verification of assets by changing definition to include only assets valued above \$50,000; Income of assets below threshold is excluded from income calculation; Tenant allowed to self-certify valued below \$50,000. | Reduce costs and achieve greater cost effectiveness; | 2008 | Implemented - may further modify in future years to revise / eliminate treatment of imputed income and disposal costs | | 51 |
| | | Require participants to provide notice to move by the 20th of the month in order to have the paperwork processed that month | Reduce costs and achieve greater cost effectiveness | 2004 | Implemented | | 62 |

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|----|---|--|--|------|--|--|----|
| | | Allow Section 8 program participants to self-certify \$50 or less received as pass through from DSHS childcare subsidy | Reduce costs and achieve greater cost effectiveness | 2004 | Implemented | | 63 |
| | | Allows applicants to self-certify membership in the household at the time of admission | Reduce costs and achieve greater cost effectiveness | 2004 | Implemented | | 64 |
| | | Applicants with income below 75% of 30% of AMI allowed to self-certify housing preference | Reduce costs and achieve greater cost effectiveness; Increase housing choice | 2004 | Implemented. FY 2009 change to conform PBS8 to Public Housing - all under 30% AMI qualify as a preference without further documentation or certification | | 65 |
| | | Modified SSN verification/documentation to household members 18 and older - rather than the regulatory requirement of age 6 | Reduce costs and achieve greater cost effectiveness | 2004 | Implemented - however, PIC reporting currently limits cost savings of this initiative | | 66 |
| | | Expand the term over which verifications are valid to an outside limit of 180 days | Reduce costs and achieve greater cost effectiveness | 2008 | Implemented | | 68 |
| | | Identify and modify and/or replace HUD forms in order to more readily comply with HA's revised policies and increase administrative efficiency | Reduce costs and achieve greater cost effectiveness | 2010 | Initial forms identified, delayed to allow for implementation of revised Rent Reform policies adopted in FY 2010 - item will be ongoing as forms/processes are identified. | | 71 |
| | | Replace current policies with alternate system where possible to simplify third-party and other KCHA verification systems | Reduce costs and achieve greater cost effectiveness | 2010 | Implemented in FY 2010 through modifications to Interim and regular recertification process. Further changes possible in future years pending review of outcomes for Rent Reform changes | | 74 |
| 8 | Remove Cap on Voucher Distribution | Allow KCHA to maintain utilization above 100% during year without impact on funding; current allocation formulas require avg utilization at or below 100% | Increase housing choices | 2007 | Implemented | | 45 |
| 9 | Rent Reasonableness modifications | Allows KCHA to complete Rent Reasonableness determinations only when a Section 8 Landlord has asked for an increase in the contract rent | Reduce costs and achieve greater cost effectiveness | 2004 | Implemented | | 47 |
| | | Allow KCHA staff to perform Rent Reasonableness inspections of KCHA-owned properties | Reduce costs and achieve greater cost effectiveness | 2004 | Implemented | | 48 |
| 10 | Easy Rent Policy for Elderly and Disabled Households living on a Fixed Income | Streamline income, rent and recertification policies for elderly and disabled households. Move to triennial recertifications; rent based on 28.3% of gross income, automatic Soc Sec COLA adjustment annually; deductions eliminated except medical when expenses exceed \$3,000 | Reduce costs and achieve greater cost effectiveness | 2008 | Implemented in 2008. Modified in 2010: to reduce % to 28%; decrease minimum medical expense threshold to \$2500 and incorporate use of Deduction bands. Conformed basic policy to match WIN Rent policy for work-able households adopted in FY 2010. | Policy changes may be implemented including, but not limited to, changes relating to application of KCHA's Hardship policy and interim and annual review process as a result on ongoing implementation | 10 |

monitoring (see #11 below for additional detail)

| | | | | | | | |
|----|--|--|--|------|--|---|----|
| | | Revise policies to limit interims between full recertifications without adversely impacting KCHA operations. | Reduce costs and achieve greater cost effectiveness | 2010 | Implemented | | 76 |
| 11 | Develop Revised Rent Policies for Work-able and Working Households | Develop a revised rent policy for working and work-able households that encourages self-sufficiency and income progression and increases positive graduation from subsidized housing while increasing administrative efficiency and cost effectiveness | Encourage employment and economic self-sufficiency; Reduce costs and achieve greater cost effectiveness; | 2008 | Policy adopted in July 2010 - included change to income based tiered rent set at 28.3% of low-end of income tier. Eliminated deductions (other than childcare/medical), earned income disregards and flat rents. Moved to Biennial recertifications and reduced interim recertification policy. | Continued review / monitoring of implementation may result in changes including but not limited to: (1) require an interim review when tenant income rises above an established maximum; (2) clarify application of the \$100 rent cap when clients opt to move on the program and (3) denial of rent reductions resulting from client caused reductions in income. | 46 |
| | | Revise policies to limit interims between full recertifications without adversely impacting KCHA operations. | Reduce costs and achieve greater cost effectiveness | 2010 | Implemented | | 76 |
| 12 | Increase the Rent Cap | Moves the Section 8 program rent cap to 40% of Gross Rent, up from the 40% of adjusted rent standard | Increase Housing Choice | 2005 | Implemented | | 12 |
| 13 | ESCO development | Use of MTW program and single fund flexibility to develop and operate our own ESCO | Reduce costs and achieve greater cost effectiveness | 2004 | Implemented | May consider contract term modification in future years | 13 |
| 14 | MTW-Enhanced Transfer Policy | Increase Housing Choice for residents by developing a policy that allows residents to transfer among KCHA programs - promotes efficient use of KCHA housing resources to meet client needs through streamlined access | Increase housing choice; Reduce costs and achieve greater cost effectiveness | 2007 | Implemented - minor modifications in FY 2009 following review of first year results. Modified in FY 2010 to expedite KCHA ability to conform units to UFAS standards. Additional changes may result from review and follow-up of existing policy. In addition, during late FY 2011 or early FY 2012, KCHA intends to explore and may execute a Domestic Violence Transfer Partnership between other MTW PHAs in the Western Region in order to facilitate resident moves to safe, secure housing in times of crisis. | | 53 |

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|------|---|---|---|------|--|--|----|
| 15 | Combined Program Management - Streamline program administration through a series of policy changes that ease operations of units converted from PH to PBS8 subsidy or those located in sites supported mixed funding streams. | Childcare Policy - Establishes specific policies relating to designated childcare units @ Greenbridge. | Reduce costs and achieve greater cost effectiveness | 2008 | Implemented | Possible modification to further streamline administration and increase tenant choice | 4 |
| | | Modify lease term for PH units @ Tax Credit Sites - Current regs conflict with Tax Credit renewal terms which required lease to be no more than 1 year. | Reduce costs and achieve greater cost effectiveness | 2008 | Implemented | | 19 |
| | | Additional changes to accommodate combined program approach in relation to NIA development: eligibility for 2 bdrm units; income cap @ 50%; Tenant selection | Reduce costs and achieve greater cost effectiveness | 2008 | Implemented | | 6 |
| 16 | Occupancy requirements of Section 8 households | Allows tenants to remain in occupancy when family size exceeds standards by 1 member | Reduce costs and achieve greater cost effectiveness; Increase housing choice | 2004 | Implemented | | 20 |
| 17 | Single Person Eligibility | Allow Public Housing program to restrict eligibility of single persons households who do not otherwise qualify as elderly, near-elderly, disabled, or displaced - unless assigned to targeted program | Reduce costs and achieve greater cost effectiveness | 2008 | Implemented | | 43 |
| | | Section 8 programs - Restrict eligibility of single person households who are neither elderly or disabled or near-elderly - similar to PH | Reduce costs and achieve greater cost effectiveness | 2009 | Implemented | | 55 |
| 18 | Resident Opportunity Plan (ROP) | Develop a local FSS program pilot that empowers residents to increase income and successfully graduate from housing subsidy | Give incentives that assist in obtaining employment and becoming economically self-sufficient | 2007 | ROP finalized development in July 2009 - program targets 100 households in E. King County and Park Lake Homes Site II (Seola Gardens) | Possible program expansion to new markets in FY 2012 | 49 |
| 19 | Section 8 Applicant Eligibility | Increase program efficiency by removing eligibility for those currently on a Federal Subsidy program | Reduce costs and achieve greater cost effectiveness | 2007 | Implemented | | 54 |
| 21 | Utility Allowances - PH - S8 | Develop alternate protocols for establishing and applying Utility Allowances for PH, PBS8 and S8 households | Reduce costs and achieve greater cost effectiveness | 2008 | Implemented in FY 2010 in conjunction with Phase II rent reform (WIN Rent and Easy Rent modifications). | Continue to review / monitor and modify in conjunction with WIN and EASY rent policy modifications | 67 |
| 11-1 | Transfer of Public Housing units to Project-based Subsidy | Preserve long-term viability of 509 units of Public Housing with disposition to KCHA controlled entity. Allows HA to leverage \$ to accelerate capital repairs, and increase tenant mobility through transfer to project-based funding of all 509 units | Reduce costs and achieve greater cost effectiveness; Increase housing choice | 2011 | Submitted HUD disposition application in January 2011 following FY 2011 Plan approval. Approval at FYE 2011 as HA staff continued work to resolve outstanding issues/questions. Work will continue in FY 2012 to move this project forward | | |

Approved MTW Activities Scheduled for Possible Implementation in FY 2012

| | | | | | | |
|--|---|---|------|---|--|---------|
| Modified PH and Section 8 Inspection process | Modify HQS approach using risk-based analysis to decrease administration while maintaining program integrity and unit quality. | Reduce costs and achieve greater cost effectiveness | 2010 | Delayed due to time constraints. Will review in late FY 2011 / FY 2012. | Possible implementation during FY 2012 | On Hold |
| Allow double subsidy between programs (PBS8/PH/S8) in limited circumstances to allow transition to new program | Increase landlord participation, reduce impact on PH program when tenants transfer | Increase housing choice | 2008 | Under review for possible implementation in FY 2011 - may carry over to FY 2012. | Possible implementation during FY 2012 | On Hold |
| Definition of Live-in Attendant | Consider changes that redefine who is considered a "Live-in Attendant" | Reduce costs and achieve greater cost effectiveness | 2009 | Following initial review item placed on hold in FY 2010 for future consideration. | Possible implementation during FY 2012 | On Hold |
| FSS Program modifications | Explore possible changes to increase incentives for resident participation, income growth and decrease costs of program management | Reduce costs and achieve greater cost effectiveness; Increase housing choice | 2008 | Temporarily placed on hold - will consider following implementation of Rent Policy changes for PH, S8 HCV and PBS8 residents adopted in FY 2010 | Possible implementation during FY 2012 | On Hold |
| Income Eligibility - maximum income limits | Consider policy that would cap the income residents may have and still be eligible for KCHA programs | Increase housing choice | 2008 | On hold pending review of impact of rent structure implemented in FY 2010. May be considered in future years if WIN Rent policy changes do not sufficiently address need. | Possible implementation during FY 2012 | On Hold |
| PBS8 Local program: Contract term | Consider possible changes to lengthen the allowable term of the Section 8 project based contract | Increase housing choice | 2009 | On hold. May be brought forward in FY 2012 if need warrants | Possible implementation during FY 2012 | On Hold |
| Performance Standards | Develop locally relevant performance standards and benchmarks to evaluate the MTW Program | Reduce costs and achieve greater cost effectiveness | 2008 | In progress but delayed however will be impacted by pending PHAS reporting requirements - item will move forward in FY 2012 as final results of PHAS reporting requirements become clear. | Possible implementation during FY 2012 | On Hold |
| Supportive Housing for high need homeless families | Develop demonstration program for up to 20 households in Project-based FUP-like environment | Increase housing choice and encourage economic self-sufficiency | 2010 | Deferred. Program partners opted for tenant-based model in current FY. May be brought forward in future program year. | Possible implementation during FY 2012 | On Hold |
| Limit number of moves for a Section 8 participant | Increase family stability and reduce program administration by limiting the number of times a HCV participant can move to once per year | Reduce costs and achieve greater cost effectiveness; increase economic self-sufficiency | 2010 | Deferred for consideration in a future year if need arises | Possible implementation during FY 2012 | On Hold |
| Implement a Maximum Asset Threshold for program eligibility | Limit the value of assets that can be held by a family in order to obtain (or retain) program eligibility | Increase housing choice | 2010 | On hold pending outcome analysis of Rent Reform policies adopted in FY 2010 | Possible implementation during FY 2012 | On Hold |

| | | | | | | | |
|------|---|--|-------------------------|------|--|--|---------|
| | Incentive Payments to Section 8 participants to leave the program | Offer incentive to families receiving less than \$100 per month in HAP to voluntarily withdraw from the program | Increase housing choice | 2010 | On hold pending outcome analysis of Rent Reform policies adopted in FY 2010 | Possible implementation during FY 2012 | On Hold |
| 11-2 | Redesign of the Sound Families program | Develop alternative to Sound Families program - combining HCV with DCFS service \$ to continue support of at risk homeless households in "FUP-like" model. | Increase housing choice | 2011 | Limitation in Federal requirements for use of DSHS/DCFS funds has delayed implementation in FY 2011. | Continue to review / monitor and modify in conjunction with WIN and EASY rent policy modifications | |

MTW Activities Completed

| | | | | | | | |
|--|---|--|---|------|--|--|----------|
| | Block Grant non-mainstream vouchers | Expand KCHA's MTW block grant to include all non-Mainstream program vouchers | Reduce costs and achieve greater cost effectiveness | 2006 | Implemented | | Complete |
| | Develop a local PH Asset Mgmt Funding model | Streamlines current HUD requirements to track budget expenses and income down to the AMP level | Reduce costs and achieve greater cost effectiveness | 2007 | Implemented | | Complete |
| | Resident Satisfaction Survey | Development internal Satisfaction Survey in lieu of requirement to comply with RASS portion of HUD's PHAS system | Reduce costs and achieve greater cost effectiveness | 2010 | KCHA internal survey process is in place. However, KCHA has temporary exemption from HUD's RASS reporting requirements Will determine need for use as a RASS substitute upon publication of revised PHAS rule. | | Complete |
| | ROSS Grant Homeownership | Financial Assistance funded through MTW reserves, Modified rules to meet local circumstances: eligibility to allow use for PH residents with an HCV; minimum income requirement; min savings prior to entry, not limited to first time homebuyers, etc | Increase housing choice; | 2004 | Complete - program exceeded goal to assist 30 households over 3-year term | | Complete |

Previously Approved and Implemented MTW Activities (Required use of Single Fund Budget Only)

| | | | | | | | |
|--|--|---|---|------|--|--|--------------------|
| | Client Assistance program | Pilot program - utilizes MTW reserves to provide emergency financial assistance to qualified residents | Reduce costs and achieve greater cost effectiveness | 2008 | Implemented | | Single Fund Budget |
| | Use MTW Reserves to fund Resident Incentives | Develop policies to encourage lease compliance - fund using MTW single-block-grant authority and accumulated reserves | Reduce costs and achieve greater cost effectiveness | 2010 | Initiated in FY 2010 with policy to allow payment of \$200 to encourage over-housed residents to accept first unit offer. Will consider other incentive payments as warranted in future years. | | Single Fund Budget |

SECTION VII: Sources and Uses of Funding

A. Sources and Uses of MTW Funds

As an MTW Block Grant agency, KCHA combines all Public Housing Operation, Capital and Section 8 resources into a single fund with full funding flexibility. The tables below, presented in the format required under KCHA's MTW Agreement with HUD, detail KCHA's anticipated sources and uses of funds for the fiscal year beginning January 1, 2012 and ending December 31, 2012. Revenue and expense levels shown are estimated as actual amounts cannot be precisely established until HUD funding levels for the year have been finalized and KCHA's FY 2012 budget adopted. As indicated, KCHA anticipates a shortfall in funding needed to carry out planned program activities. To the extent available, KCHA will utilize MTW reserves to cover projected deficits between sources and uses of funds during FY 2012.

| Sources of MTW funds | Planned Amount |
|----------------------------------|----------------|
| HCV block grant | \$ 87,891,363 |
| Public Housing subsidy | \$ 7,300,000 |
| Public Housing rental income | \$ 6,000,000 |
| Public Housing non-rental income | \$ 125,000 |
| Public Housing Capital Fund | \$ 5,100,000 |
| Interest income | \$ 100,000 |

| | |
|--------------|-----------------------|
| Total | \$ 106,516,363 |
|--------------|-----------------------|

| Uses of MTW funds | Planned Amount |
|---|-----------------------|
| HCV Program Operations | \$ 76,165,534 |
| Sponsor-based Program Operations | \$ 1,600,000 |
| Public Housing Program Operations | \$ 8,500,000 |
| Public Housing Rehabilitation | \$ 10,100,000 |
| Resident Service Activities | \$ 3,200,000 |
| Site and Facility Utilities | \$ 2,600,000 |
| Provision/Acquisition of New Affordable Housing | \$ 3,000,000 |
| Debt Repayment | \$ 750,000 |
| MTW Program Administration | \$ 330,000 |
| Misc. Development Costs | \$ 250,000 |
| Other Misc. Operations | \$ 0 |
| Total | \$ 106,540,534 |

B. Sources and Uses of State and Local Funds

| Sources of State/Local funds | Planned Amount |
|-----------------------------------|---------------------|
| Washington State Dept of Commerce | \$ 1,302,000 |
| Puget Sound Energy | \$ 1,151,000 |
| Total | \$ 2,453,000 |

| Uses of State/Local funds | Planned Amount |
|------------------------------|----------------|
| Home Repair & Weatherization | \$ 2,453,000 |

| | |
|--------------|---------------------|
| Total | \$ 2,453,000 |
|--------------|---------------------|

C. Sources and Uses of Central Office Cost Center Funds

| Sources of COCC funds | Planned Amount |
|--------------------------------------|----------------|
| Public Housing Management Fee | \$ 1,300,000 |
| Public Housing Bookkeeping Fee | \$ 180,000 |
| Public Housing Asset Management Fee | \$ 240,000 |
| CFP Management Fee | \$ 1,010,000 |
| HCV Management Fee | \$ 1,535,000 |
| HCV Bookkeeping Fee | \$ 955,000 |
| Local property management fees | \$ 575,000 |
| Local property bookkeeping fees | \$ 560,000 |
| Local property asset management fees | \$ 935,000 |
| Regional Maintenance charges | \$ 2,100,000 |
| Grant Income - CFP | \$ 0 |
| Investment income-operating | \$ 200,000 |
| Conduit loan fees | \$ 120,000 |
| Misc income | \$ 150,000 |
| Incoming payments on note receivable | \$ 2,300,000 |

| | |
|--------------|----------------------|
| Total | \$ 12,160,000 |
|--------------|----------------------|

| Uses of COCC funds | Planned Amount |
|---|----------------------|
| Administrative Salaries & Benefits | \$ 9,099,676 |
| Supplies & Equipment | \$ 344,128 |
| Professional Services & Admin Contracts | \$ 617,587 |
| Transportation | \$ 28,494 |
| Travel & Training | \$ 231,637 |
| Communications | \$ 194,078 |
| Other Administrative Expenses | \$ 794,171 |
| Occupancy Expenses | \$ 411,437 |
| Other Expenses - Interest | \$ 182,540 |
| Total | \$ 11,858,748 |

D. Changes in Cost Allocations from 1937 Act Regulations

To date, changes from 1937 Act Regulations have not been implemented. Although no changes are currently planned, KCHA reserves the right to implement changes to current cost allocations should any be identified as necessary during FY 2012.

A description of KCHA's Local Asset Management Plan, as proposed and adopted under its FY 2008 MTW Annual Plan is attached as an addendum to this Plan.

E. Uses of Single Fund Flexibility

KCHA has utilized the funding flexibility of the MTW Block grant to cross traditional funding silos in supporting a number of the MTW activities outlined in this and prior Annual Plans and Reports. The following is a listing of major activities where single-fund budget authority has assisted KCHA in the development of innovative programs that meet the housing needs of the local jurisdiction:

- ❖ KCHA's Sponsor-based program implemented in 2007. Using Single-fund budget authority, KCHA has designed and implemented a Sponsor-based approach that breaks down barriers to housing access for chronically homeless, mentally ill households and homeless youth who typically could not be successfully housed through traditional subsidized housing programs. The program ensures nearly 150 at-risk households access to safe, secure housing with wrap-around supportive services designed to break the cycle of homelessness. Ongoing supportive funding commitments are leveraged through multi-year housing subsidy contracts with participating service providers.
- ❖ KCHA's Resident Opportunity Plan (ROP). Approved for implementation by the Board of Commissioners in 2009, this five-year demonstration program links participants with resources to assist them in achieving economic self-sufficiency. Financial support provided through KCHA's Single-fund budget will assist up to 100 households gain the tools needed to move up and out of subsidized housing.
- ❖ Redevelopment of distressed Public Housing. To date, Single-fund flexibility has enabled KCHA to take proactive steps to preserve more than 1,000 units of public housing for extremely low-income households over the long-term. KCHA's planned disposition of an additional 509 scattered-site public housing units and the substitution of project based vouchers at these sites will stabilize another tranche of distressed properties and allow the recapitalization necessary to address significant capital needs.
- ❖ Use of Replacement Housing Factor (RHF) funding available from its disposed public housing sites to redevelop former Public Housing. RHF funds available through KCHA's single-fund budget are supporting a portion of the debt incurred to rehabilitate Birch Creek (formerly Springwood) Apartments. RHF funds available as a result of the disposition of Green River Homes (approved in FY 2011) will be used to partially finance substantial rehabilitation at this site. Similarly, following disposition approval of an additional 509 Public Housing units (as outlined in the FY 2011 MTW Plan) KCHA intends to use related RHF to support the Green River Homes redevelopment. Currently, KCHA is working with HUD to extend eligible uses of RHF for the full ten-year period presently allowed for non-MTW agencies.
- ❖ Acquisition and preservation of affordable housing throughout the Puget Sound region. The Authority continues to seek opportunities to acquire additional housing, generally in proximity to existing KCHA properties, leveraging existing housing

management capacity. In FY 2011, the Authority purchased Kirkland Place, a 9-unit development in Kirkland WA, for eventual conversion to Public Housing and Island Crest, a 30-unit development on Mercer Island. Both properties are in highly regarded school districts and strong employment markets. Initially purchased using short term lines of credit, once the developments pass Environmental Review, MTW funds may be used to replace their debt. The flexibility provided through the MTW block grant – and the ability to provide short and long-term financial assistance to encourage investment in affordable housing development – is a key component of KCHA’s strategy for expanding supply and increasing housing choice.

During FY 2012, as new opportunities arise, KCHA will continue to utilize its single-fund flexibility to support programs and activities that address the varied housing and service needs of the region’s low-income residents. A sample of new activities anticipated for FY 2012 includes:

- ❖ Continued partnership with the Building Better Futures consortium, which includes KCHA, Kent Youth and Family Services, Neighborhood House, the Puget Sound Educational Service District and the Kent School District, to develop a pilot program designed to improve academic performance, encourage parental engagement and ultimately increase high school graduation rates for the 900 children living in public housing on Kent’s East Hill. As part of this initiative, KCHA has developed a data sharing agreement with the local school district and is funding “complementary learning” programs located on-site at targeted public housing communities. This activity will enhance educational and family support in order to improve academic performance and assist in building a strong foundation for future success. If successful, this approach may be expanded to additional school districts in 2013.
- ❖ During FY 2012, KCHA will continue to analyze the impact of mobility and housing choice upon its Public Housing and Section 8 households. As detailed in this FY 2012 and prior MTW Plans, KCHA intends to utilize its single-fund budget to support a number of activities that increase housing choice and improve life outcomes for participant households. Examples of activities KCHA intends to undertake in FY 2012 include:
 - ❑ Increased mobility in the HCV program. Internal KCHA studies seem to indicate that many Section 8 residents choose to live in neighborhoods where poverty remains concentrated and subsequent moves appear unrelated to either better educational opportunities for their children or

their own job opportunities. To assist residents in making informed choices about where to live, KCHA may utilize MTW resources to provide mobility counseling and incentives that encourage residents to consider moves to low-poverty neighborhoods where access to jobs, transportation and high performing schools provide a foundation for economic self-sufficiency and to assist relocating households in successfully integrating into their new communities.

- ❑ Ensuring continued and expanded access to affordable, safe and secure housing for Public Housing and Section 8 households who have become victims of domestic violence. In FY 2011, KCHA intends to finalize its Inter-agency Domestic Violence Transfer Agreement. The agreement, a collaboration of partner MTW agencies and designated DV advocates in five states, allows eligible households who have become victims of domestic violence to move to the jurisdiction of another MTW PHA when such a move is considered necessary to ensure the safety of the household. Single-fund budget resources will fund relocation expenses of current KCHA participants who move to a partner agency's jurisdiction under the program.
- ❖ In FY 2012 KCHA will begin the process of replacing its Public Housing and Section 8 software. This follows the conversion of financial and reporting software in FY 2010-11. MTW Authorities have unique and evolving software needs; systems must be flexible enough to allow for significant changes in rent calculations and inspections beyond those required in the non-MTW workplace. Once supporting software has been reconfigured, it may require numerous additional changes as initiatives unfold. KCHA's current software is nine years old and the vendor has very limited capacity to make major changes for a single client. The Authority anticipates that this will be at least an 18-month process with a "go live" date scheduled for 2013.
- ❖ With the redevelopment of a significant portion of its Public Housing Portfolio, KCHA has removed 1,139 PH units. While one-for-one replacement of deeply subsidized "hard" units is taking place – the majority of these units involves the project-basing of Section 8 subsidy. In consequence, the Authority has 699 units of unused ACC capacity. The Authority continues to explore the acquisition of additional replacement sites where these public housing subsidies could be reactivated. As detailed in this Plan, in FY 2012 KCHA will consider combining subsidy programs to expand the availability of housing for extremely low income households.

F. MTW Reserves Balance (*Optional*)

One of the most important elements of the MTW Demonstration Program is that it frees participating housing authorities from having to restrict their budgetary planning to single year cycles of revenues and expenditures. This enables multi-year financial planning and strategic budgeting to achieve long term growth and complex operational goals. It also provides an incentive for the implementation of operational efficiencies and policy innovations that increase operating stability and enable the reallocation of resources to fund multi-year initiatives that support the core mission.

KCHA has been successful in implementing program and policy initiatives that have enabled reinvestment in core priorities. These re-investments, intended to be implemented over a multi-year period, support the MTW long-term strategic priorities outlined in Section IV of this Report as noted below:

- ❖ KCHA is utilizing MTW resources to accelerate capital repairs to its affordable housing inventory in order to preserve existing housing and address a substantial backlog of critical repairs (Strategy 1). These improvements also improve the energy efficiency of KCHA's housing and reduce long term operating costs. Finally, conversion of units to UFAS standards increases housing choice for households with mobility impairments (Strategy 3).
- ❖ The Authority recently opened its waiting list, accepting over 25,000 applications in just two weeks - more than double the demand experienced during any prior application period. In response, KCHA is utilizing these resources to fund the over issuance of Section 8 vouchers to increase the supply of affordable housing for the region's growing number of extremely low income households (Strategy 2). KCHA's Board of Commissioners has authorized the issuance of 275 vouchers above KCHA's HUD base-line. A number of these vouchers are being project-based through multi-year HAP agreements in partnership with local government capital funding awards to assist in underwriting housing production in low poverty areas of the region (Strategy 3).
- ❖ KCHA is also utilizing MTW resources to purchase existing Class B multifamily properties that are adjacent existing public housing complexes or in low poverty neighborhoods. Use of MTW reserves to fund new purchases eliminates the need to

finance these acquisitions and enables KCHA to activate replacement public housing subsidies, expanding the supply of ELI units in the region (Strategy 2). MTW funds are also being used to purchase existing expiring use federally subsidized properties, preserving these valuable “hard unit” resources.

- ❖ KCHA has designed a local “sponsor-based” leased housing program to enable service providers to successfully lease housing for “hard to house” populations such as chronically homeless mentally ill individuals and homeless youth (Strategy 4). These “housing first” programs leverage significant local service funding to provide wrap-around services. In order to secure long term commitments of service dollars, it was necessary for KCHA to enter into multi-year funding commitments with its non-profit partners.
- ❖ To reduce financing expenses across a number of programs serving low income households KCHA is utilizing MTW resources to restructure existing debt by retiring or replacing high interest loans (Strategy 7). Pursuant to HUD’s request, KCHA is retiring outstanding CFFP obligations as part of its initiative to dispose of a number of public housing properties. In addition, among its allowable use of MTW resources, KCHA may borrow funds, including from its internal resources to acquire, develop, and rehabilitate housing for low-income households. KCHA may enter into such loans in order to:
 - ❑ Redevelop the former Green River Homes in Auburn, WA in combination with LIHTC and other financing sources;
 - ❑ Provide capital funds for a portion of the necessary renovation of the 509 scattered-site public housing units when that disposition is approved;
 - ❑ Retire short-term, high interest debt incurred in the redevelopment of its HOPE VI sites;
 - ❑ Defease at least a portion of CFFP debt as will be required as a condition of the disposition of the 509 units.

Use of MTW resources for this purpose enables KCHA to proceed with the repositioning of a portion of its inventory to ensure long term viability (Strategy 1).

- ❖ KCHA is expanding and modernizing its on-site community facilities to bolster programs designed to increase academic and life success for youth living in our

subsidized housing and economic self-sufficiency for their parents. Seven facilities are in either design or construction (Strategy 6 & 7). These community centers serve as the foundation for family self-sufficiency by providing the site for a multitude of community services. MTW reserves are being utilized in conjunction with other monies to fund these projects.

- ❖ Unlike many other housing authorities, KCHA is self-developing two Hope VI projects. These large scale developments in King County's poorest neighborhood have required significant public and private investment above and beyond funding available either through the HUD Hope VI grant or equity contributions leveraged through the Low Income Housing Tax Credit program. Sales proceeds from finished and unfinished lots on these sites to homebuilders will eventually provide a significant portion of the overall project funding. KCHA is utilizing MTW reserves to bridge these sale proceeds through direct KCHA loans into the projects and through the collateralization of short term lines of credit being provided by the private capital market (Strategy 5).

Prudent reserves not only support KCHA's mission critical long-term objectives but also allows it to maintain access to capital markets and backstops operational exigencies. For example, KCHA has seen a significant increase in subsidy needs in the last six months as Washington State has eliminated its cash transfer program for single adults and sanctioned thousands of families off the TANF roles. A total of 2,834 KCHA households were affected. Under the terms of its MTW funding agreement, KCHA's block granted Section 8 funding does not get re-benchmarked to reflect this loss of tenant paid rent – the considerable increase in subsidy payments must be covered by operating reserves. KCHA also relies on significant short-term borrowing to bridge lot sale proceeds that are intended to repay infrastructure expenditures on its major development sites. Significant reserves, as in any business, are critical for continued access to capital markets.

SECTION VIII: Administrative Information

A. Required Resolution, Forms and Certifications

☐ **Comments received regarding MTW Annual Plan Components**

✓ Please see Page 62

☐ **Board Resolution approving the FY 2012 Annual Plan**

✓ Please see Pages 63-64

☐ **PHA Certification of Compliance with MTW Plan requirements**

✓ Please see Pages 65-66

☐ **Other HUD Information Required by HUD – Attached as Appendices and submitted as a separate .pdf file**

- ✓ **Appendix A:** Audit Report in compliance with OMB Circular A-133
- ✓ **Appendix B:** Disclosure of Lobbying Activities (HUD SF-LLL)
- ✓ **Appendix C:** Drug-Free Housing Certification (HUD 50070)
- ✓ **Appendix D:** Certification of Payments to Influence Federal Transactions (HUD 50071)
- ✓ **Appendix E:** Description of KCHA's Local Asset Management Plan
- ✓ **Appendix F:** Replacement Housing Factor (RHF) Plan

B. Description of any Planned or Ongoing Agency Evaluations of the MTW Demonstration

KCHA carefully tracks outcomes and impacts of activities made possible through participation in the MTW demonstration to ensure that initiatives continue to meet intended targets and identify areas where course corrections may be warranted. Data regarding outcomes and program progress is reported in the MTW Annual Report submitted in March of each fiscal year. KCHA remains in discussions with HUD and other MTW Agencies regarding the use of outside contractors to conduct an extensive evaluation of the MTW Demonstration program and on how successful MTW innovations can be brought to scale across the industry.

FY 2012 MTW Annual Plan

PUBLIC COMMENTS

| Name | Group/Agency | Comment Received | KCHA Response |
|----------------|---|--|---|
| Terry Stewart | Resident ; Resident Advisory Council member | Reviewed the Plan and liked what KCHA was doing; Noted that the proposed DV transfer program was great. | None needed |
| Derick Taylor | Wellspring | Liked the idea of the DV transfer program and KCHA's work to assist residents and expand programs. | None needed |
| Lillie Clinton | Resident ; Resident Advisory Council member | Asked for clarification relating to sites where community facilities would be built – would like Wellswood included. | Wellswood is not included in the current Plan. However, KCHA continues to seek ways to expand access to community services and facilities to all family developments. |
| | | | |
| | | | |

THE HOUSING AUTHORITY OF THE COUNTY OF KING
RESOLUTION NO. 5346
APPROVING KCHA'S MOVING TO WORK ANNUAL PLAN
FOR FISCAL YEAR 2012

WHEREAS, the King County Housing Authority (KCHA) entered the Department of Housing and Urban Development's (HUD) Moving to Work Demonstration Program (MTW) under a 2003 MTW Agreement with HUD; and

WHEREAS, as intended by Congress, the MTW Agreement authorizes KCHA to design and test new ways of providing housing assistance and needed services to low-income households; and

WHEREAS, in 2009 KCHA and HUD executed a Restated and Amended MTW Agreement (Restated Agreement), extending KCHA's participation in the MTW Demonstration through 2018 while preserving program flexibility to develop and manage housing programs and services in a manner that responds to the unique needs and circumstances of the Puget Sound region; and

WHEREAS, the Restated MTW Agreement requires the Authority to develop an MTW Annual Plan (the Plan) that identifies anticipated MTW program resources and expenditures, while outlining ongoing MTW activities and detailing new initiatives that KCHA intends to pursue during the coming fiscal year; and

WHEREAS, staff has developed the required MTW Annual Plan covering Fiscal Year 2012 (January 1, 2012 through December 31, 2012) in a manner that is responsive to and complies with the Restated MTW Agreement requirements; and

WHEREAS, in developing the FY 2012 Annual Plan, KCHA provided opportunity for public and resident input regarding the Plan components, including coordination with the KCHA Resident Advisory Council and community stakeholders and including a public hearing held on September 26th, 2011; and

WHEREAS, the Plan envisions a number of significant changes in the operational policies of the Section 8 and Public Housing programs which are consistent with the goals of the MTW Demonstration and KCHA's mission; and

WHEREAS, a Board Resolution approving the Plan and certifying that the Plan complies with MTW Plan requirements must be included when it is submitted to HUD.

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

1. The Board of Commissioners hereby approves the MTW Plan attached to this resolution and the accompanying memorandum ("Fiscal Year 2012 Annual Plan") for implementation and submission to HUD.
2. The Board of Commissioners certifies that the Public Hearing Requirement has been met and authorizes the Chair of the Board to execute the Attached HUD Certification of Compliance with MTW Plan Requirements and Related Regulations.

ADOPTED AT A MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE COUNTY OF KING THIS 12th DAY OF OCTOBER 2011.

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


Nancy Holland-Young, Chair
Board of Commissioners


for **STEPHEN NORMAN**
Secretary

**Annual Moving to Work Plan
Certifications of Compliance**

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

**Certifications of Compliance with Regulations
Board Resolution to Accompany the Annual Moving to Work Plan**

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the Annual Moving to Work Plan for the PHA fiscal year beginning January 1, 2012, hereinafter referred to as "the Plan", of which this document is apart and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

1. The PHA published a notice that a hearing would be held, that the Plan and all information relevant to the public hearing was available for public inspection for at least 30 days, that there were no less than 15 days between the public hearing and the approval of the Plan by the Board of Commissioners, and that the PHA conducted a public hearing to discuss the Plan and invited public comment.
2. The Agency took into consideration public and resident comment before approval of the Plan by the Board of Commissioners or Board of Directors in order to incorporate any public comments into the Annual MTW Plan;
3. The PHA will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
4. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identify any impediments to fair housing choice within those programs, address those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and maintain records reflecting these analyses and actions.
5. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
6. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
7. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part
8. The PHA will comply with requirements with regard to a drug free workplace required by 24 CFR Part 24, Subpart F.
9. The PHA will comply with requirements with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms if required by this Part, and with restrictions on payments to influence Federal Transactions, in accordance with the Byrd Amendment and implementing regulations at 49 CFR Part 24.
10. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.

11. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).
12. The PHA will provide HUD or the responsible entity any documentation that the Department needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58.
13. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
14. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
15. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act and 24 CFR Part 35.
16. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments) and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments.).
17. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the Moving to Work Agreement and Statement of Authorizations and included in its Plan.
18. All attachments to the Plan have been and will continue to be available at all times and all locations that the Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its Plan and will continue to be made available at least at the primary business office of the PHA.

King County Housing Authority
PHA Name

WA002
PHA Number/HA Code

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)

Nancy Holland-Young
Name of Authorized Official

Chair, Board of Commissioners
Title

Nancy Holland-Young
Signature

10/12/2011
Date

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

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

Audit Period
January 1, 2010 through December 31, 2010

Report No. 1006520

Issue Date
September 30, 2011



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

September 30, 2011

Board of Commissioners
King County Housing Authority
Tukwila, Washington

Report on Financial Statements and Federal Single Audit

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

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

Sincerely,

BRIAN SONNTAG, CGFM
STATE AUDITOR

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Federal Summary

King County Housing Authority January 1, 2010 through December 31, 2010

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

FINANCIAL STATEMENTS

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

Internal Control Over Financial Reporting:

- ***Significant Deficiencies:*** We identified 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 unqualified opinion on the Housing Authority's compliance with requirements applicable to each of its major federal programs.

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

Identification of Major Programs:

The following were major programs during the period under audit:

| <u>CFDA No.</u> | <u>Program Title</u> |
|-----------------|--|
| 14.042 | Move to Work Operating Subsidy (Shown on SEFA as 14.OPS) |
| 81.042 | ARRA - Weatherization Assistance for Low Income (Recovery Act) |
| 81.042 | Weatherization Assistance for Low Income |
| 14.871 | Housing Choice Vouchers (Shown on SEFA as 14.HCV) |
| 14.872 | Public Housing Capital Fund (Shown on SEFA as 14.CFP) |
| 14.884 | ARRA - Public Housing Capital Fund Competitive Cluster (Recovery Act) |
| 14.885 | ARRA - Public Housing Capital Fund Stimulus Formula Cluster (Recovery Act) |

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

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

Schedule of Audit Findings and Responses

King County Housing Authority January 1, 2010 through December 31, 2010

1. **Other auditors reported that related entities of the Housing Authority do not have adequate internal controls over accounting.**

Background

Housing Authority management, taxpayers, bondholders, creditors, banks, the state Legislature, and state and federal agencies rely on the information in financial statements and reports to make decisions. It is the responsibility of Housing Authority management to design and follow effective internal controls to provide reasonable assurance regarding the reliability of financial reporting.

Government Auditing Standards, prescribed by the Comptroller General of the United States, require the auditor to communicate internal control deficiencies, as defined below in the Applicable Laws and Regulations section, as a finding. Auditing guidance also allows the auditor to report significant deficiencies identified by other auditors. Therefore, these findings have been included in our report.

Description of Condition

Tax Credit Partnerships

Housing authorities create tax credit partnerships as separate limited liability partnerships or limited liability companies to obtain private funding for low-income housing projects. The Housing Authority is the general (or managing) partner and the investor is the limited partner. The King County Housing Authority had 23 such partnerships in 2010. Because they have a significant operational or financial relationship with the Housing Authority, they are included in its financial reporting. As private companies, the partnerships are audited by auditors other than those at the State Auditor's Office. The audited financial statements are combined and presented in the Housing Authority's financial statements.

The other auditors identified significant deficiencies in internal controls for 11 of the 23 Tax Credit Partnerships, as follows:

Sixth Place Apartments Limited Liability Partnership:

Not all construction costs incurred were recorded, resulting in work in progress, contractor's payable, and retention being understated by \$789,521

Salmon Creek Housing Limited Liability Partnership:

Depreciation expense was not recorded, resulting in depreciation expense and accumulated depreciation being understated by \$1,000,871.

Soosette Creek Limited Liability Company:

- Retained earnings did not include the total amount of prior year losses, resulting in retained earnings being understated by \$486,728.
- Depreciation expense was recorded for more than a reasonable amount, resulting in depreciation expense and accumulated depreciation being overstated by \$1,934,123.

Seola Crossing Limited Liability Partnership:

Depreciation expense was not recorded in accordance with the depreciable lives stated in the financial statements, resulting in depreciation expense and accumulated depreciation being overstated by \$278,908.

Colonial Gardens Limited Partnership:

Depreciation expense was not recorded, resulting in depreciation expense and accumulated depreciation being understated by \$169,441.

Woodridge Park Liability Partnership:

Transfer of property to KCHA was not recorded, resulting in fixed assets, and non-recourse debt being overstated, and gain on transfer at fair market value being understated by \$471,160.

Seatac Limited Partnership:

- Additions to fixed assets were not capitalized, resulting in fixed assets being understated and net loss being overstated by \$121,412.
- Involuntary conversions of fixed assets and the gain on the involuntary conversion from the fire that occurred were not recorded, resulting in fixed assets being understated and net loss being overstated by \$653,082.

Cones Limited Partnership:

Excessive depreciation expense was taken on fixed assets, resulting in depreciation expense and accumulated depreciation being understated by \$93,112.

Nia Apartments Limited Liability Company:

Depreciation expense was not recorded accurately, resulting in depreciation expense and accumulated depreciation being understated by \$682,895.

Eastbridge Apartments Limited Liability Company:

- Depreciation expense was not recorded, resulting in depreciation expense and accumulated depreciation being understated by \$759,867.
- ASC 835 (FAS 62) assets on bonds were not capitalized, resulting in fixed assets being understated and interest expense being overstated by \$281,175.

Egis Housing Limited Partnership:

Additions to building were not capitalized, resulting in fixed assets being understated and net loss being overstated by \$216,740.

Effect of Condition

The tax credit partnerships corrected all of the errors listed above in their accounting records and financial statements.

Recommendation

The other auditors recommended the tax credit partnerships take the following actions, which include improvements to their internal controls over financial reporting:

- Record all the costs incurred for construction projects
- Record depreciation and amortization expense in accordance with the methods listed in their notes to the financial statements
- Record all prior year's net loss into retained earnings
- Record the transfer of property made to the King County Housing Authority
- Capitalize material additions to fixed assets
- Record involuntary conversions when they occur
- Record the interest incurred on bonds during the construction period to fixed assets.

Housing Authority's Response

The King County Housing Authority strenuously disagrees with the SAO in its classification of these SAS 115 letters as a finding. Our disagreement is based on the following issues:

- 1) *The outside auditors clearly state in their correspondence to the management of the limited partnerships "this communication is intended solely for the information and use of management, the Partnership, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties." This language exists for a very explicit reason: to allow private auditors to convey issues to management in an educational manner. While it is common for the SAO to rely on the work of component unit private auditors for attestation purposes, it is not commonplace to include such management letters as a finding for the primary government. Indeed, the wording above makes it*

clear that the private auditors are not expecting or allowing others to rely on their management letter.

- 2) The management letters are discussing deficiencies that do not even rise to the level of a "material weakness". Instead, they are categorized as a "significant deficiency" which is "less severe than a material weakness". It is inconsistent for the SAO to report these lower-level management letter items as findings, the SAO's most serious reporting level.*
- 3) Notwithstanding the above, we disagree with the private auditor's assertion that the issues they identified even rise to the level of being a significant deficiency. It has been the strategy of the partnerships to have the CPA firm suggest final closing entries rather than having the management companies make them, as the CPA firm has the necessary technical background. Indeed, this procedure is part of the internal control process, not a deficiency.*
- 4) Although such management letters existed during the 2009 audit, the SAO chose to not include such letters in their 2009 report, and they gave no indication they had any issues with the letters. It was only after the time had passed for KCHA to make the objection listed in (3) above to the private auditor that the SAO changed their position on the management letters. This is inherently unfair.*

Auditor's Remarks

The Washington State Auditor's Office performs its audits in accordance with *Government Audit Standards*, issued by the Comptroller General of the United States. As stated below, these standards require us to include information about significant deficiencies in internal control that were noted during the audits of the Housing Authority and its related entities. We reaffirm our finding.

Applicable Laws and Regulations

Government Auditing Standards, July 2007 Revision – Section 5.11, states that auditors should report significant deficiencies and material weaknesses in internal control.

Statement on Auditing Standards No. 115, issued by the Auditing Standards Board of the American Institute of Certified Public Accountants, defines material weakness and significant deficiency as follows:

a. Material weakness:

A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

b. Significant deficiency:

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.

State law (RCW 43.09.200) states:

The state auditor shall formulate, prescribe, and install a system of accounting and reporting for all local governments, which shall be uniform for every public institution, and every public office, and every public account of the same class.

The system shall exhibit true accounts and detailed statements of funds collected, received, and expended for account of the public for any purpose whatever, and by all public officers, employees, or other persons.

The accounts shall show the receipt, use, and disposition of all public property, and the income, if any, derived therefore; all sources of public income, and the amounts due and received from each source; all receipts, vouchers, and other documents kept, or required to be kept, necessary to isolate and prove the validity of every transaction; all statements and reports made or required to be made, for the internal administration of the office to which they pertain; and all reports published or required to be published, for the information of the people regarding any and all details of the financial administration of public affairs.

Budgeting, Accounting and Reporting System (BARS) Manual, Part 3, Accounting, Chapter 1, Accounting Principles and General Procedures, Section B, Internal Control, states in part:

Internal control is a management process for keeping an entity on course in achieving its business objectives, as adopted by the governing body. This management control system should ensure that resources are guarded against waste, loss and misuse; that reliable data is obtained, maintained, and fairly disclosed in financial statement and other reports; and resource use is consistent with laws, regulations and policies.

Each entity is responsible for establishing and maintaining an effective system of internal control throughout their government.

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters in Accordance with *Government Auditing Standards*

**King County Housing Authority
January 1, 2010 through December 31, 2010**

Board of Commissioners
King County Housing Authority
Tukwila, Washington

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the King County Housing Authority, King County, Washington, as of and for the year ended December 31, 2010, which collectively comprise the Housing Authority's basic financial statements, and have issued our report thereon dated September 20, 2011. During the year ended December 31, 2010, the Housing Authority implemented Governmental Accounting Standards Board *Statement No. 53 - Accounting and Financial Reporting for Derivative Instruments*.

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. Other auditors audited the financial statements of the tax credit partnerships identified in Note 10, as described in our report on the Authority's financial statements. Those financial statements were not audited in accordance with *Governmental Auditing Standards*.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the Housing Authority's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control over financial reporting.

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 Housing Authority's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies

in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying Schedule of Audit Findings and Responses as Finding 1 that we consider to be significant deficiencies in internal control over financial reporting. 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.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Housing Authority's financial statements are free of 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*.

The Housing Authority's response to the finding identified in our audit is described in the accompanying Schedule of Audit Findings and Responses. We did not audit the Housing Authority's response and, accordingly, we express no opinion on it.

This report is intended for the information and use of management, the Board of Commissioners, federal awarding agencies and pass-through entities. 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, appearing to read "Brian Sonntag", with a stylized, flowing script.

BRIAN SONNTAG, CGFM
STATE AUDITOR

September 20, 2011

Independent Auditor's Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133

**King County Housing Authority
January 1, 2010 through December 31, 2010**

Board of Commissioners
King County Housing Authority
Tukwila, Washington

COMPLIANCE

We have audited the compliance of the King County Housing Authority, King County, Washington, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010. The Housing Authority's major federal programs are identified in the Federal Summary. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on the Housing Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Housing Authority's compliance with those requirements.

In our opinion, the Housing Authority complied, in all material respects, with the 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, 2010.

INTERNAL CONTROL OVER COMPLIANCE

The management of the Housing Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of management, the Board of Commissioners, federal awarding agencies and pass-through entities. 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, appearing to read "Brian Sonntag", is positioned above the printed name and title.

BRIAN SONNTAG, CGFM
STATE AUDITOR

September 20, 2011

Independent Auditor's Report on Financial Statements

King County Housing Authority January 1, 2010 through December 31, 2010

Board of Commissioners
King County Housing Authority
Tukwila, Washington

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the King County Housing Authority, King County, Washington, as of and for the year ended December 31, 2010, which collectively comprise the Housing Authority's basic financial statements as listed on page 14. These financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express opinions on these financial statements based on our audit.

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 of material misstatement. The financial statements of the tax credit partnerships identified in Note 10 were not audited in accordance with *Governmental Auditing Standards*. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the King County Housing Authority, as of December 31, 2010, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 2, during the year ended December 31, 2010, the Housing Authority implemented Governmental Accounting Standards Board *Statement No. 53 - Accounting and Financial Reporting for Derivative Instruments*.

In accordance with *Government Auditing Standards*, we have also issued our report 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 the internal control over financial reporting or on compliance. That report is an

integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 15 through 21 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. The accompanying Financial Data Schedule and HUD forms AMCC are supplemental information required by HUD. These schedules are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

The Property Listing is not a required part of the basic financial statements but is supplementary information presented for purposes of additional analysis. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

A handwritten signature in black ink, appearing to read "Brian Sonntag", with a stylized, flowing script.

BRIAN SONNTAG, CGFM
STATE AUDITOR

September 20, 2011

Financial Section

King County Housing Authority January 1, 2010 through December 31, 2010

REQUIRED SUPPLEMENTAL INFORMATION

Management's Discussion and Analysis – 2010

BASIC FINANCIAL STATEMENTS

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Housing Authority of King County – Balance Sheet – 2010
Pooled Housing Refunding Revenue Bonds, Series 1998A – A Proprietary Fund of the
Housing Authority of King County – Statement of Revenues, Expenses and Changes
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Pooled Housing Refunding Revenue Bonds, Series 1998A – A Proprietary Fund of the
Housing Authority of King County – Statement of Cash Flows – 2010
Pooled Housing Refunding Revenue Bonds, Series 1998A – Notes to the Financial
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Actual Modernization Cost Certificate – WA19P002501-03
Actual Modernization Cost Certificate – WA19P002502-03
Actual Modernization Cost Certificate – WA19P002501-04

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, 2010. It should be read in conjunction with the Authority's financial statements, which immediately follow this section.

KCHA administers a broad range of federally and locally financed housing programs serving an area of over 2,134 square miles, covering all of King County outside of the cities of Seattle and Renton. The King County Housing Authority owns or manages 8,389 units of housing and provides rental subsidies to over 7,900 additional households. The majority of KCHA's program participants have incomes below 20% of area median income. KCHA's inventory includes 2,539 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 19 sites and 2,103 units, are owned by separate limited partnerships/corporations with the Authority acting as general partner/managing member. The tax credit properties are fee managed by outside private property management firms with the exception of Harrison House, Valley Park, Birch Creek, and Egis, which are managed by KCHA's Housing Management department. Because of the different corporate structure of the partnerships, their operations are not carried directly on the books of the Authority but are listed as component units on the Balance Sheet and Statement of Revenues, Expenses and Changes in Net Assets and are detailed in Note 10. With those exceptions, neither these units, nor their financial data, are included in the analysis and financial reports that follow.

2010 FINANCIAL HIGHLIGHTS

- The Authority continues to be a Moving to Work (MTW) Public Housing agency, allowing for certain financial flexibilities and empowering the Authority to waive certain sections of Section 8 and 9 of the Housing Act of 1937.
- Total assets of the Authority exceeded total liabilities at December 31, 2010 by \$381.1 million.
- Total change in net assets for 2010 was \$34 million and includes \$17.8 million in capital grant contributions.
- MTW reserves continued to serve the low and very-low income populace through an array of innovative programs and the purchase of additional affordable housing.
- Operating expenses were \$148.1 million and include \$74.8 million in housing assistance payments made to landlords, or 51% of operating expenses.
- Rental property at the Greenbridge HOPE VI redevelopment site is fully operational with project completions and occupancy at Seola Crossing, Eastbridge, Nia, and Salmon Creek. A new public housing project funded by an American Recovery and Reinvestment Act (ARRA) grant, Sixth Place Apartments, has been added to the Greenbridge site while the ongoing rehabilitation of Seola Gardens (formerly Park Lake Site II) continues.
- Significant capital projects involving ADA compliance and weatherization were undertaken and aided by funding through 18 ARRA grants.

AUTHORITY-WIDE FINANCIAL STATEMENTS

The Authority-wide financial statements are designed to be corporate-like in that all business type activities are consolidated into columnar format, presenting totals by category for the entire Authority.

These statements include a *Balance Sheet*. The balance sheet reports all financial and capital resources for the Authority. The balance sheet is presented in the format where assets equal liabilities plus “net assets”, formerly known as equity. 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”.

The balance sheet presents information about the net available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net assets are reported in three broad categories:

Net Assets, Invested in Capital Assets, Net of Related Debt: This component of net assets consists of all capital assets, 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 Net Assets: This component of net assets 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. Restrictions on assets imposed voluntarily by KCHA do not result in restricted net assets.

Unrestricted Net Assets: This component of net assets consists of net assets that do not meet the definition of “Net Assets Invested in Capital Assets, Net of related Debt”, or “Restricted Net Assets”.

The Authority-wide financial statements also include a *Statement of Revenues, Expenses and Changes in Net Assets* (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 Assets is the “Change in Net Assets” 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 Balance Sheet:

Table A-1 presents the Authority’s *Condensed Balance Sheet* for 2010 and 2009. 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 assets 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.

Current and other assets, excluding capital assets, for the year ended December 31, 2010 total \$437.5 million and are comprised of \$132.1 million in cash, cash equivalents, and investments and \$305.4 million in accounts, notes and financing lease receivables. The \$22.4 million increase from the prior year is due to a \$9.7 million increase in cash, cash equivalents, and investments and a \$12.7 million increase in accounts, notes, and financing leases receivable. The increase in accounts receivable was mainly attributable to the increase in grant receivables related to Birch Creek, Sixth Place Apartments, and Seola Gardens capital projects.

Capital assets for the year ended December 31, 2010 are \$280.4 million. Included in this category are land and improvements, buildings and improvements, personal property, and construction-in-progress. The \$26.2 million net increase in capital assets from 2009 is primarily attributable to a \$15.8 million increase in construction-in-progress related to the Greenbridge project and ARRA funded capital projects. Another \$10.2 million of assets were added with the purchase of Westminster, Park Royal, and the Central Office Annex. Additionally, the Authority reacquired the Woodridge Park property from the Tax Credit Partnership by assuming the property's outstanding debt. 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 \$83.3 million at December 31, 2010, an increase of \$28.9 million from 2009. This increase is due primarily to the reclassification from long-term to current of lines of credit related to Birch Creek and the Greenbridge project.

Total net assets increased by \$33.7 million during 2010. Net assets represent the Authority's equity, a portion of which is restricted for certain uses. The \$22 million increase in unrestricted net assets resulted primarily from an \$8 million increase in unrestricted cash and investments, a \$26 million increase in capital assets, and a \$15 million increase in long-term debt mainly attributable to continuing construction in relation to Greenbridge and Seola Gardens.

Table A-1, Condensed Balance Sheet ⁽¹⁾

| | 2010 | 2009 |
|---|------------------------------|------------------------------|
| Assets: | | |
| Current and other assets | \$ 437,531,903 | \$ 415,107,526 |
| Capital assets | 280,405,014 | 254,222,252 |
| Total Assets | <u>\$ 717,936,917</u> | <u>\$ 669,329,778</u> |
| Liabilities: | | |
| Current and other liabilities | \$ 83,320,039 | \$ 54,457,448 |
| Long-term debt, net of current | 253,428,366 | 263,027,769 |
| Total Liabilities | <u>336,748,405</u> | <u>317,485,217</u> |
| Net Assets: | | |
| Invested in capital assets, net of related debt | (34,439,403) | 101,367,860 |
| Restricted | 15,671,646 | 22,453,022 |
| Unrestricted | 399,956,270 | 228,023,679 |
| Total Net Assets | <u>381,188,513</u> | <u>351,844,561</u> |
| Liabilities and Net Assets | <u>\$ 717,936,918</u> | <u>\$ 669,329,778</u> |

(1) Component units are not included.

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

The purpose of the “Condensed Statement of Revenues, Expenses and Changes in Net Assets” 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 Assets for 2010 and 2009:

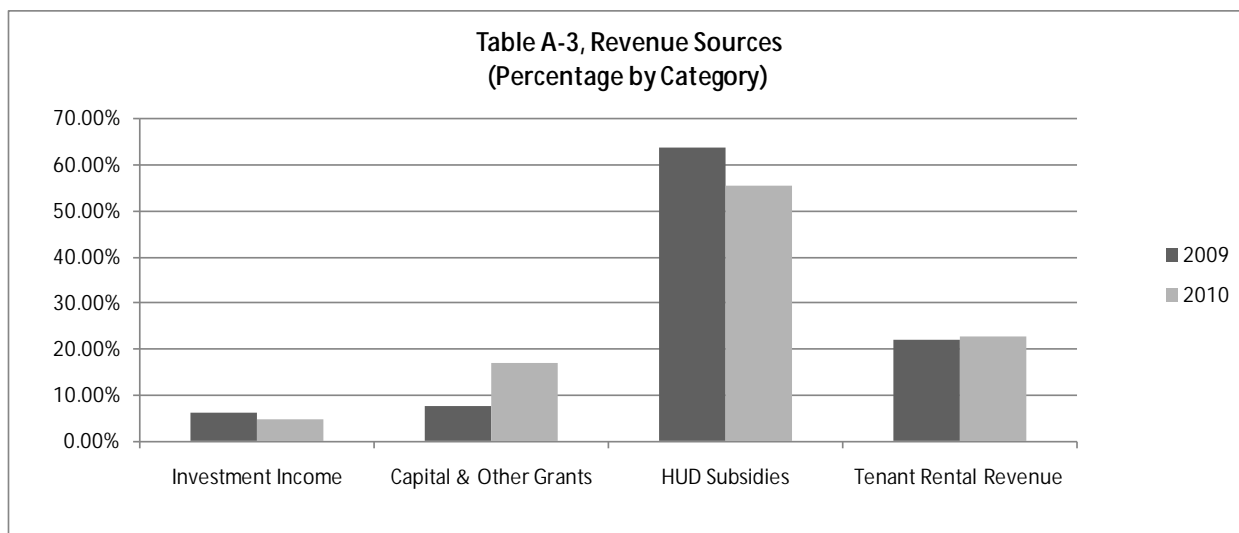
Table A-2, Condensed Statement of Revenues, Expense, and Changes in Net Assets ⁽¹⁾

| | 2010 | 2009 |
|---|----------------|----------------|
| Operating Revenues | \$ 45,790,338 | \$ 39,851,358 |
| Nonoperating revenues | 130,087,204 | 121,125,914 |
| Total Revenues | 175,877,542 | 160,977,272 |
| Operating expenses | 148,155,839 | 132,448,348 |
| Nonoperating expenses | 11,811,143 | 12,034,639 |
| Total Expenses | 159,966,981 | 144,482,987 |
| Excess or deficiency before contributions | 15,910,560 | 16,494,285 |
| Capital grant contributions | 17,856,451 | 18,317,852 |
| Change in Net Assets | 33,767,011 | 34,812,137 |
| Beginning Net Assets | 351,844,561 | 317,032,423 |
| Accounting Adjustment ⁽²⁾ | \$ (4,423,059) | \$ - |
| Ending Net Assets | \$ 381,188,513 | \$ 351,844,561 |

(1) Component units are not included.

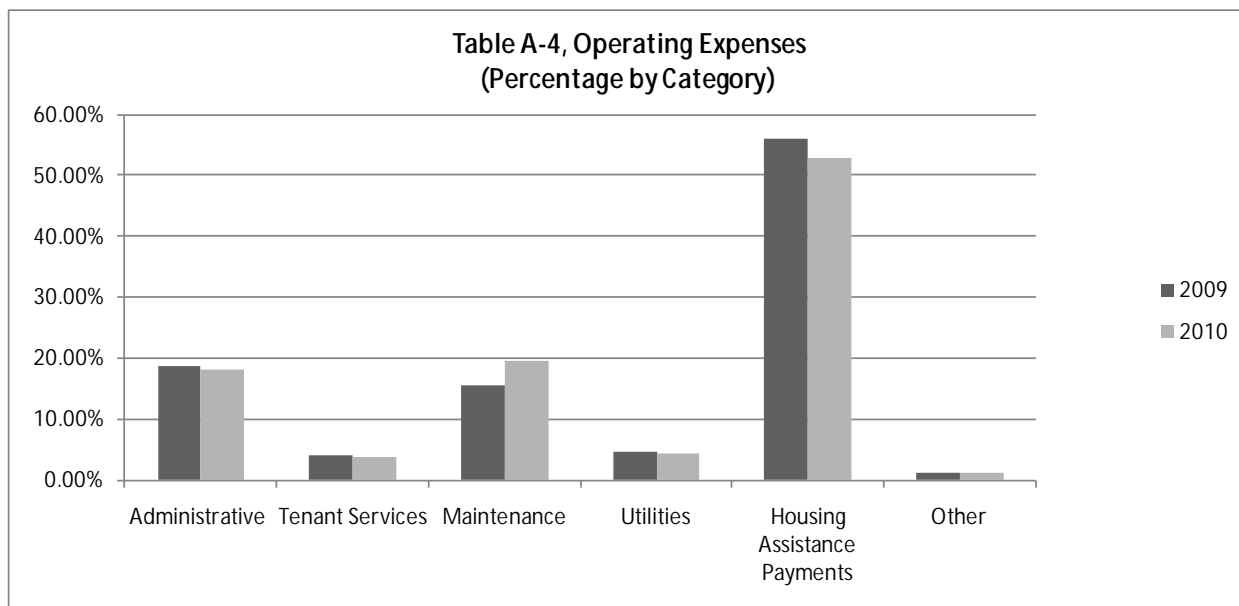
(2) Restatement of Beginning Net Assets to reflect implementation of GASB 53. See Footnote 2.

Revenues are classified as operating, non-operating or capital grant contributions. Table A-3 shows the sources of revenues for 2010 and 2009 as a percentage of all revenues. The overall contribution for each revenue type remained relatively constant from 2009 to 2010. The steady decline in investment interest rates has continued to make the Authority more reliant on HUD subsidies while ARRA funds result in a slight increase in capital grant revenue.



Operating expenses are amounts paid for providing housing services to the Authority's tenants and administering the various programs. Total operating expenses for 2010 were \$141.4 million (excluding depreciation), a \$15.6 million increase compared to 2009. The increase is primarily the result of a \$4.8 million increase in HUD housing assistance payments as well as a \$2.4 million increase in administrative expense.

Table A-4 demonstrates that the mix of operating expenses as a percentage of total expenses has remained relatively static from 2009 to 2010.



CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION

During 2010, net capital assets increased by \$26.2 million. An increase of \$36.3 million, driven primarily by capital construction costs and ARRA-funded rehabilitation projects, was offset by \$11.4 million of net capital asset disposals. Major capital asset disposals included \$6.8 million of public housing units at Park Lake II that were demolished as part of the HOPE VI redevelopment project. 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

| | 2010 | 2009 |
|------------------------------------|---------------------------------|---------------------------------|
| Land - Non Depreciable | \$57,667,372 | \$57,056,844 |
| Land Improvements | 22,718,300 | 20,870,992 |
| Land | 80,385,672 | 77,927,836 |
| Buildings and Improvements | 211,255,668 | 207,567,675 |
| Furniture, Equipment & Machinery | 3,112,164 | 3,142,077 |
| Construction in Progress | <u>98,982,338</u> | <u>76,086,359</u> |
| | 393,735,843 | 364,723,947 |
| Total accumulated depreciation | <u>(113,330,829)</u> | <u>(110,501,695)</u> |
| Net Capital Assets | <u><u>\$280,405,014</u></u> | <u><u>\$254,222,252</u></u> |

LONG TERM DEBT & OTHER NONCURRENT LIABILITIES

The Authority has issued various forms of debt for the purpose of acquiring and rehabilitating projects located throughout King County. At year-end, the Authority had \$253 million in net long-term bonds and notes outstanding (as shown in table A-6) which represents a \$9.3 million decrease over the prior year-end balance. Included in the other noncurrent liabilities category are payments in lieu of taxes, deferred revenues, and the fair value of interest rate swaps. For more information on the Authority's long-term debt, please see Note 7.

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

| | 2010 | 2009 |
|---|-----------------------------|-----------------------------|
| Long-term, net of current portion | \$253,428,366 | \$262,590,938 |
| Other noncurrent liabilities | <u>6,485,772</u> | <u>3,476,130</u> |
| Total long-term debt & other noncurrent liabilities | <u><u>\$259,914,138</u></u> | <u><u>\$266,067,067</u></u> |

ECONOMIC FACTORS AFFECTING THE AUTHORITY'S FUTURE

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

An additional source of revenue for the Authority in 2010 was funds distributed by the American Recovery and Reinvestment Act. The Authority was a prime recipient of 18 Capital Fund Recovery Grants. These grants have enabled the Authority to engage in projects related to weatherization upgrades and the upgrading of select public housing units to Americans with Disabilities Act compliance.

The current recession, the worst in several decades, has continued to severely impact the ability of the Authority to gain access to funding sources for many of its rehabilitation projects. The tight credit market, along with the difficulty of getting Low Income Housing Tax Credit program equity partners, is a challenge that continues to require creative strategies.

The Authority continues to plan to convert the ownership structure on certain public housing complexes from Authority-owned to ownership by partnerships under the Low Income Housing Tax program. The financing generated through federal income tax credits that flows to the project in the form of partnership equity contributions helps fund the redevelopment and major renovation activities.

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
BALANCE SHEET
As of December 31, 2010

| | <u>AUTHORITY</u> | <u>COMPONENT UNITS</u> |
|---|-----------------------|----------------------------|
| ASSETS: | | |
| CURRENT ASSETS: | | |
| Cash and cash equivalents | \$ 75,344,861 | \$ 6,192,883 |
| Restricted cash and cash equivalents | 2,121,615 | 12,636,511 |
| Receivables, net | 17,776,746 | 242,346 |
| Investments | 41,030,236 | - |
| Restricted investments | 7,863,563 | 1,829,300 |
| Other current assets | 826,665 | 345,258 |
| Total Current Assets | <u>144,963,686</u> | <u>21,246,298</u> |
| NONCURRENT ASSETS: | | |
| Restricted cash and cash equivalents | \$ 5,686,467 | \$ - |
| Land, buildings and equipment, net | 280,405,014 | 390,917,429 |
| Noncurrent receivables | 284,106,070 | - |
| Other noncurrent assets | 2,775,680 | 4,021,491 |
| Total Noncurrent Assets | <u>572,973,231</u> | <u>394,938,920</u> |
| TOTAL ASSETS | <u>\$ 717,936,917</u> | <u>\$ 416,185,218</u> |
| LIABILITIES and NET ASSETS: | | |
| CURRENT LIABILITIES: | | |
| Current portion of long term debt | \$ 61,416,050 | \$ 1,144,866 |
| Other current liabilities | 15,418,216 | 10,931,498 |
| Total Current Liabilities | <u>76,834,266</u> | <u>12,076,364</u> |
| LONG-TERM LIABILITIES: | | |
| Long-term debt, net of current | 253,428,366 | 306,457,509 |
| Interest Rate Swaps - Fair Value | 5,436,935 | 403,295 |
| Other noncurrent liabilities | 1,048,837 | 6,687,630 |
| Total Long-Term Liabilities | <u>259,914,138</u> | <u>313,548,434</u> |
| TOTAL LIABILITIES | <u>336,748,404</u> | <u>325,624,798</u> |
| NET ASSETS: | | |
| Invested in capital assets, net of related debt | (34,439,403) | 83,315,054 |
| Restricted net assets | 15,671,646 | 12,636,511 |
| Unrestricted net assets | 399,956,270 | (5,391,145) |
| TOTAL NET ASSETS | <u>381,188,513</u> | <u>90,560,420</u> |
| TOTAL LIABILITIES and NET ASSETS | <u>\$ 717,936,917</u> | <u>\$ 416,185,218</u> |

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

HOUSING AUTHORITY OF THE COUNTY OF KING
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the 12 Month Period Ended December 31, 2010

| | AUTHORITY | COMPONENT UNITS |
|---|----------------|--------------------|
| OPERATING REVENUES | | |
| Tenant revenue | \$ 35,355,618 | \$ 23,616,577 |
| Other revenue | 10,434,720 | 998,427 |
| Total Operating Revenues | 45,790,338 | 24,615,004 |
| OPERATING EXPENSES | | |
| Administrative | 25,657,975 | 6,244,600 |
| Tenant services | 5,351,961 | - |
| Maintenance | 27,782,413 | 3,035,283 |
| Utilities | 6,156,982 | 2,909,586 |
| Housing assistance payments | 74,835,937 | - |
| Depreciation | 6,674,218 | 12,045,050 |
| Other expenses | 1,696,354 | 1,610,844 |
| Total Operating Expenses | 148,155,839 | 25,845,363 |
| Operating Income (Loss) | (102,365,501) | (1,230,359) |
| NONOPERATING REVENUE (EXPENSE) | | |
| HUD subsidies and grant revenue | 110,828,961 | - |
| Other government grants | 13,128,631 | - |
| Investment income | 9,304,227 | 126,690 |
| Interest expense | (11,811,143) | (8,641,157) |
| Net gain (loss) on disposal of capital assets | (3,174,615) | - |
| Net Nonoperating Revenues (Expenses) | 118,276,061 | (8,514,467) |
| INCOME (LOSS) before contributions | 15,910,560 | (9,744,826) |
| Capital grant contributions | 17,856,451 | |
| Partner contributions (disbursements) | | 15,164,707 |
| CHANGE IN NET ASSETS | \$ 33,767,011 | \$ 5,419,881 |
| Total Net Assets -- beginning | 351,844,561 | 85,140,539 |
| Deduct: Prior Period Adjustment | (4,423,059) | |
| Total Net Assets -- ending | \$ 381,188,513 | \$ 90,560,420 |

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, 2010

| | AUTHORITY |
|--|------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | |
| Receipts from tenants | \$ 32,179,128 |
| Payments to employees | (18,924,734) |
| Payments to suppliers of goods and services | (41,016,993) |
| Payments to landlords | (69,195,196) |
| Payments received from (made to) other housing authorities | (4,102,786) |
| Other receipts (payments) | 1,574,115 |
| Net cash provided by (used in) operating activities | <u>(99,486,465)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | |
| Receipts from HUD | 107,884,456 |
| Receipts from other governments | 13,179,212 |
| Net cash provided by noncapital financing activities | <u>121,063,668</u> |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | |
| Capital grant contributions | 17,856,451 |
| Purchase of capital assets | (59,052,269) |
| Proceeds from issuance of capital debt | 51,883,358 |
| Principal payments on capital debt | (35,923,182) |
| Interest paid on capital debt | (11,412,135) |
| Other receipts (payments) | 1,903,693 |
| Net cash used in capital and related financing activities | <u>(34,744,084)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | |
| Net sale (purchase) of investments | (22,505,053) |
| Investment in notes and financing leases | (1,156,046) a) |
| Payments received on notes and financing leases | 20,865,010 |
| Investment income -- notes and financing leases | 5,220,649 |
| Investment income -- other | 1,424,768 |
| Other receipts (payments) | (3,576,327) |
| Net cash provided by investing activities | <u>273,001</u> |
| Net Increase in Cash and Cash Equivalents | (12,893,880) |
| Cash and cash equivalents -- beginning of the year | 96,046,824 |
| Cash and cash equivalents -- end of the year | <u>\$ 83,152,944</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | |
| Operating income (loss) | (102,365,501) |
| Adjustment to reconcile operating income to net cash: | |
| Depreciation expense | 6,674,218 |
| Change in assets and liabilities: | |
| Receivables and other assets | (2,451,445) |
| Accounts and other payables | (1,343,738) |
| Net cash provided by (used in) operating activities | <u>\$ (99,486,465)</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 \$25.7 million of notes and financing leases received in exchange for capital assets -- \$8 million from Salmon Creek, \$8.6 million for Eastbridge, \$5.1 million from Zephyr, and \$3.9 million for Sixth Place Apts.

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE COUNTY OF KING
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

a) THE AUTHORITY

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

The Authority operates in all of King County, except within the cities of Seattle and Renton, and in the city of Olympia. The Authority also serves as the management agent for the Housing Authority of the City of Sedro-Woolley in Skagit County. King County covers 2,134 square miles, and with more than 1.9 million people it ranks as the most populous county in Washington State, and the 14th most populous county in the nation. The County is the financial, economic and industrial center of the entire Pacific Northwest region. The Authority's jurisdiction encompasses an area of over 2,100 square miles and a population estimated at 1.7 million representing almost 30% of the state's total population. The Authority has its central office in Tukwila. A five-member Board of Commissioners appointed for five-year terms by the Metropolitan-King County Council governs the Authority. The Authority's commissioners serve without pay.

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

FEDERALLY ASSISTED HOUSING PROGRAMS

Low Rent Public Housing –The Authority owns, operates or maintains 56 housing projects consisting of 2,539 units of public housing of which 1,097 units are for the low-income elderly and disabled. The properties were acquired through bonds and notes guaranteed by HUD and through grants from HUD. Revenues consist of rents and other fees collected from tenants and an operating subsidy received from HUD. Typically residents pay 30% of their adjusted income in rents. Two thirds of public housing residents earn less than 20% of the area median income, with almost 80% having some form of entitlement payment as their main source of income. The Authority's subsidy is received under an Annual Contributions Contract to offset the cost of operating the units. HUD also provides funds to maintain and improve the public housing projects under the Capital Fund Program. Historically, all additions to land, structures and equipment of public housing are accomplished through these capital grant funds.

Tenant Based Housing Choice Vouchers—The Authority provides rental assistance payments to approximately 7,947 households who live in private rental housing. Funded by HUD pursuant to Section 8 of the U.S. Housing Act, this program allows participating families and individuals to choose their own housing with the use of a housing voucher. Generally the participant pays no more than 30% of income towards rent and the Authority pays the remainder. The Authority targets this program to the elderly, disabled households and families that are homeless or at the risk of homelessness. Program participants average 15% of area median income.

Project Based Section 8 Housing - The Authority owns seven developments with 446 units subsidized under the Section 8 program. Under this program, subsidies attach to qualifying housing units rather than to qualifying individuals or families. The Authority built three of these projects comprising 174 units under the Section 8 New Construction program. The Authority purchased the other four projects comprising 272 units under the Preservation Program to prevent loss of affordability upon their sale by private owners.

UNASSISTED LOCALLY FINANCED HOUSING PROGRAMS

Tax-Exempt Bond Financed - The Authority owns 18 apartment complexes totaling 2,722 units through the issuance of tax-exempt bonds. These properties receive no operating subsidy from the Federal government or any other State or local source. The Authority acquired the properties in order to place selected housing developments within the public domain so that rents could be maintained as low as possible over time. Typically these units have a broad mix of residents with the majority having income below 80% of area median. Of the eighteen complexes, Cascadian, Fairwood, and Woodbridge Park were formerly owned by Tax Credit Partnerships. Westminster was a new purchase by the Authority in 2010.

Homeownership - The Authority owns four mobile home parks located in South King County comprising 430 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 (see Note 7). The Authority is general partner/managing member (hereafter referred to as “general partner”) in 18 partnerships representing 26 housing complexes comprising 2,103 units. During 2010, Woodridge Park was acquired by the Authority from the Tax Credit Partnership and was folded into the bond-financed portfolio.

Miscellaneous Local Programs - The Authority has an inventory of 13 different housing developments comprising 149 units of housing. The units are generally leased to non-profit service providers for the benefit of the economically disadvantaged, developmentally disabled, transitional, homeless and other groups who have traditionally experienced barriers in finding housing.

OTHER PROGRAMS

Housing Repair and Weatherization. - The Authority receives federal and state money to provide housing rehabilitation loans and weatherization grants to low-income homeowners and renters. The Authority has been administering these types of programs since 1975. In 2010, the Authority assisted 1,303 homes with structural upgrades, air quality improvements and energy efficiencies.

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

DEVELOPMENT

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

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

The Authority was awarded a \$20 million HOPE VI grant in September 2008 to revitalize Park Lake Homes Site II public housing development in the unincorporated King County neighborhood of White Center, four blocks south of the Greenbridge HOPE VI site. The redevelopment has been named Seola Gardens. Continuing the quality housing initiative of Greenbridge, Seola Gardens will provide the same mix of housing opportunities. For rental households, the redevelopment includes 112 public housing units, 10 project based Section 8 units, and 55 HUD Section 202 elderly units. There will be an additional 110 lots available to provide homeownership opportunities. The first rental housing phase, 25 units of family housing in the Zephyr Apartments project, will complete construction and be occupied in the summer of 2011. The second rental housing phase, Providence Joseph House Apartments, comprises 65 units of senior and younger disabled housing. It begins construction in May 2011 for an expected rent-up in the last quarter of 2012. The last rental phase, the Fairwind Apartments 87 units of family housing will begin construction in the spring of 2012 for occupancy in the second half of 2013.

b) BASIS OF ACCOUNTING

Accounting records are maintained according to the proprietary fund model that is similar to private business enterprises. The Authority applies all relevant Governmental Accounting Standards Board (GASB) pronouncements and all Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. As allowed by GASB reporting standards, the Authority has elected not to apply FASB Statements and Interpretations, APB opinions, and Accounting Research Bulletins of the Committee of Accounting Procedures issued after November 30, 1989.

c) ACCOUNTS ORGANIZED BY FUNDS

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

d) USE OF ESTIMATES

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

e) COMPONENT UNITS

The Authority serves as general partner in several partnerships (see Note 7). These partnerships constitute component units of the Authority as defined by GASB Statement 14 because they are separate legal entities and subject to the Authority's will and financial accountability. As the general partner/managing member, the Authority has issued bonds and other debt instruments to finance the purchase and renovation of rental housing on behalf of the partnerships. The Authority also oversees the day-to-day operation of these properties.

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

f) REVENUES AND EXPENSES

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

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

g) CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash consists of Federal Depository Insurance Corporation (FDIC) insurable deposits with original maturities of less than three months. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash. Investments include deposits with original maturities exceeding three months, and securities and other assets held by trustees. Most assets held by trustees are restricted for specific uses including capital additions and improvements and debt service. Restricted accounts at December 31, 2010 include the following:

| | RESTRICTED | | |
|--------------------------|----------------------------|---------------------|----------------------|
| | Cash & Cash Equivalents | Investments | Total |
| Capital improvements | \$ 2,814,976 | \$ 2,071,701 | \$ 4,886,677 |
| Debt service | 387,182 | 5,791,863 | 6,179,045 |
| Tenant security deposits | 1,084,928 | | 1,084,928 |
| Other | 3,520,997 | - | 3,520,997 |
| | <u>\$ 7,808,083</u> | <u>\$ 7,863,563</u> | <u>\$ 15,671,646</u> |

h) RECEIVABLES

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

i) INVENTORIES

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

j) CAPITAL ASSETS

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

Depreciable lives for the capital asset categories follow:

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

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

k) TAX LIABILITY

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

l) COMPENSATED ABSENCES

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

m) INTERFUND ACCOUNTS

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

n) DERIVATIVE FINANCIAL INSTRUMENTS

The fair value of interest rate swap agreements (See Note 6) is determined by dealer quote. These values represent the estimated amount the Authority would receive or pay to terminate the agreements taking into consideration current interest rates.

o) COMMITMENTS

The Authority has entered into various long-term contracts for the development of the Greenbridge and other housing projects. As of December 31, 2010, the Authority was obligated under these contracts to purchase approximately \$37 million of goods and services.

p) ACCOUNTING SOFTWARE

During 2010, the Authority converted to a new accounting software system created by UNIT4 (formerly Aggresso.) As part of the conversion process, a new chart of accounts was created.

NOTE 2-ACCOUNTING CHANGES

In accordance with GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, derivative instruments are required to be reported in the financial statements of state and local governments for reporting periods no later than the fiscal year beginning after June 15, 2009. For the Authority, 2010 was the initial period for GASB 53 reporting.

The implementation of GASB Statement No. 53 requires the Fair Market Value of the derivative instruments to be reported on the Balance Sheet. The recording of the Fair Market Value of the derivatives at 12/31/2009 resulted in a Prior Period Adjustment on the Statement of Revenues, Expenses, and Changes in Net Assets. For details of this Prior Period Adjustment, please see Note 3.

Changes in Fair Market Value of the derivatives would be reported on either the Balance Sheet (deferred inflows/outflows) or the Statement of Revenues, Expenses, and Changes in Net Assets depending on the effectiveness of the derivative. For this determination, derivative effectiveness is tested at the end of each year. For more information on the Authority's derivative instruments, please see Note 9.

NOTE 3-PRIOR PERIOD ADJUSTMENT

As a result of implementing GASB Statement No. 53, the Authority reported a Prior Period Adjustment in order to record the Fair Market Value of derivative instruments at 12/31/2009. The values were as follows:

| | |
|--|--------------------|
| Bank of America, Overlake Demand Bond Swap | -\$1,835,754 |
| Wachovia, 2005 Bond Pool A | -\$1,365,515 |
| Bank of America, 2005 Bond Pool B | -\$ 613,142 |
| Bank of America, 2005 Bond Pool C | <u>-\$ 608,648</u> |
| | -\$4,423,059 |

It was the judgment of the Authority that the adjustment did not possess the materiality warranted to make restating the 2009 Annual Financial Statements practical.

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.

Other Information:

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

Valuation and Classification

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

Cash equivalents include an investment in a Local Government Investment Pool (the Pool). The Pool is not registered with the Securities and Exchange Commission (SEC), but adheres to SEC Rule 2(a)(7) of the Investment Company Act of 1940 that requires portfolio diversification, divestiture considerations and action if the market value of the portfolio deviates more than .5 percent from the amortized costs. Government pools that adhere to the SEC rule can report their investments at amortized costs if the remaining maturities of the debt securities are 90 days or less. As of December 31, 2010, the pool had an average days-to-maturity of 55 days and therefore is reported at cost. Government securities are reported at fair value.

A summary of cash and investments at December 31, 2010 follows:

| | UNRESTRICTED | RESTRICTED | TOTAL |
|--|-----------------------|----------------------|-----------------------|
| CASH and CASH EQUIVALENTS: | | | |
| Cash on hand | \$ 7,300 | \$ - | \$ 7,300 |
| Depository accounts | 15,987,630 | 1,955,185 | 17,942,815 |
| Washington State Investment Pool | 59,349,931 | 4,312,805 | 63,662,736 |
| U.S. Treasury money market | - | 387,182 | 387,182 |
| Other money market | - | 1,152,911 | 1,152,911 |
| TOTAL CASH AND CASH EQUIVALENTS | \$ 75,344,861 | \$ 7,808,083 | \$ 83,152,944 |
| INVESTMENTS: | | | |
| FNMA, FHLB, FFCB, and FHLMC bonds | \$ 41,030,236 | \$ - | \$ 41,030,236 |
| U.S. Treasury money market | - | 2,976,890 | 2,976,890 |
| Repurchase agreement | - | 973,898 | 973,898 |
| JP Morgan Chase Investment Agreement, 6.92%, 7/1/2024 | - | 686,696 | 686,696 |
| Private Debt Obligations: | | | |
| Westdeutsche Landesbank Gironzentrale, 5.42%, 7/1/2028 | - | 2,209,431 | 2,209,431 |
| Bank of America 6.1% 7/1/2028 | - | 1,016,648 | 1,016,648 |
| TOTAL INVESTMENTS | \$ 41,030,236 | \$ 7,863,563 | \$ 48,893,799 |
| TOTAL | \$ 116,375,097 | \$ 15,671,646 | \$ 132,046,743 |

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

NOTE 5—NOTE AND FINANCING LEASE RECEIVABLES

The notes and financing leases held by the Authority are primarily the result of the Authority's transactions with the tax credit partnerships. At December 31, 2010, all of the financing leases and developer fee notes, and \$186.7 million of the other notes were receivable from tax credit partnerships. The notes are received for fees earned by the Authority from developing the rental properties and for funds advanced to the partnerships to purchase and rehabilitate the properties. The notes earn interest at varying rates up 8.5% per annum. The Authority acquires financing leases when it purchases or develops rental properties then transfers substantially all of the risks and benefits of ownership to the partnerships under financing lease. See Note 7 - Tax Credit Partnerships, for further discussion of the Authority's financial relationship with the partnerships.

A summary of the notes and direct financing leases receivable at December 31, 2010 follows.

| | Beginning Balance | Additions | Payments | Ending Balance | Current Portion |
|--|-----------------------|----------------------|------------------------|-----------------------|---------------------|
| Developer fee notes | \$ 12,626,715 | \$ 1,226,906 | \$ (1,681,752) | \$ 12,171,869 | \$ 8,492,822 |
| Other notes | 164,773,631 | 21,999,833 | (48,178) | 186,725,286 | 241,557 |
| Total Notes | 177,400,346 | 23,226,739 | (1,729,930) | 198,897,155 | 8,734,379 |
| Financing Leases, net | 101,722,405 | 3,605,000 | (19,135,080) | 86,192,325 | 1,014,838 |
| Notes & Financing Leases Receivable | \$ 279,122,751 | \$ 26,831,739 | \$ (20,865,010) | \$ 285,089,480 | \$ 9,749,217 |

The construction of the Zephyr Apartments, Eastbridge Apartments, and Sixth Place Apartments under a Low Income Housing Tax Credit transaction resulted in an \$8.7 million addition to the other notes receivable. Continued redevelopment of the Springwood Apartments by Soosette Creek LLC under a Low Income Housing Tax Credit transaction resulted in an increase in other note receivables (a Line of Credit) of \$11.1 million in 2010. See Note 7 for further information on the tax credit properties.

The maturity schedule for notes receivable follow:

| <i>FISCAL YEAR</i> | <i>PRINCIPAL</i> | <i>INTEREST **</i> | <i>TOTAL</i> |
|---------------------------|-------------------------|---------------------------|-----------------------|
| 2011 | \$ 8,734,379 | \$ 1,587,859 | \$ 10,322,238 |
| 2012 | 112,301,435 | 1,667,434 | 113,968,869 |
| 2013 | 1,837,064 | 1,456,214 | 3,293,278 |
| 2014 | 1,558,378 | 1,573,314 | 3,131,692 |
| 2015 | 313,411 | 1,567,171 | 1,880,582 |
| 2016-2019 | 2,676,199 | 6,215,409 | 8,891,608 |
| 2020-2024 | 3,888,271 | 7,603,058 | 11,491,328 |
| 2025-2029 | 10,475,077 | 6,953,959 | 17,429,036 |
| 2030-2034 | 5,855,979 | 5,314,542 | 11,170,522 |
| 2035-2039 | 16,626,170 | 4,587,965 | 21,214,135 |
| 2040-2044 | 18,876,488 | 3,318,792 | 22,195,280 |
| 2045-2049 | 1,534,770 | 149,995 | 1,684,766 |
| 2050-2054 | 2,244,631 | 60,328 | 2,304,959 |
| 2055-2059 | 11,974,900 | 481,146 | 12,456,046 |
| NOTE RECEIVABLE BALANCE | <u>\$ 198,897,155</u> | <u>\$ 42,537,185</u> | <u>\$ 241,434,338</u> |

** On amortizing notes.

The maturity schedule for financing leases receivable follows:

| <i>FISCAL YEAR</i> | <i>PRINCIPAL</i> | <i>INTEREST **</i> | <i>TOTAL</i> |
|----------------------------|-------------------------|---------------------------|-----------------------|
| 2011 | \$ 1,014,838 | \$ 2,369,208 | \$ 3,384,046 |
| 2012 | 23,237,045 | 2,310,468 | 25,547,513 |
| 2013 | 1,134,414 | 2,247,868 | 3,382,282 |
| 2014 | 4,801,959 | 2,180,076 | 6,982,035 |
| 2015 | 1,274,692 | 1,913,424 | 3,188,116 |
| 2016-2019 | 5,894,015 | 6,840,781 | 12,734,795 |
| 2020-2024 | 9,595,911 | 6,295,067 | 15,890,979 |
| 2025-2029 | 27,279,565 | 3,210,622 | 30,490,187 |
| 2030-2034 | 3,214,426 | 840,670 | 4,055,096 |
| 2035-2039 | 1,229,245 | 391,990 | 1,621,235 |
| 2040-2044 | 7,157,661 | 83,909 | 7,241,570 |
| 2045-2049 | 131,053 | 31,663 | 162,716 |
| 2050-2054 | 227,500 | 15,801 | 243,301 |
| FINANCING LEASE RECEIVABLE | <u>\$ 86,192,325</u> | <u>\$ 28,731,545</u> | <u>\$ 114,923,870</u> |

** Unearned interest.

NOTE 6 – CAPITAL ASSETS

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

| | Beginning Balances | Additions | Disposals | Adjustments | Ending Balances |
|--------------------------|-----------------------|----------------------|------------------------|---------------------|-----------------------|
| NONDEPRECIABLE: | | | | | |
| Land | \$ 52,527,831 | \$ 5,190,583 | \$ (51,042) | | \$ 57,667,372 |
| Land Improvements | 4,529,013 | | | | 4,529,013 |
| Construction-in-progress | | | | | |
| Greenbridge Project | 66,726,311 | 30,216,238 | (25,679,311) | 4,118,058 | 75,381,296 |
| Other | 9,360,048 | 14,983,994 | (743,000) | | 23,601,042 |
| Total Nondepreciable | <u>133,143,203</u> | <u>50,396,518</u> | <u>(26,479,056)</u> | <u>4,118,058</u> | <u>161,178,723</u> |
| DEPRECIABLE: | | | | | |
| Land Improvements | 20,870,993 | - | (2,681,706) | | 18,189,287 |
| Buildings | 207,567,675 | 7,797,181 | (4,109,188) | | 211,255,668 |
| Equipment | 3,142,076 | 862,187 | (892,099) | | 3,112,164 |
| Total Depreciable | <u>231,580,744</u> | <u>8,659,368</u> | <u>(7,682,993)</u> | <u>-</u> | <u>232,557,119</u> |
| TOTAL CAPITAL ASSETS: | 364,723,947 | 59,055,886 | (34,162,049) | 4,118,058 | 393,735,842 |
| Accumulated depreciation | <u>(110,501,695)</u> | <u>(6,558,869)</u> | <u>3,729,736</u> | <u>-</u> | <u>(113,330,828)</u> |
| NET CAPITAL ASSETS | <u>\$ 254,222,252</u> | <u>\$ 52,497,017</u> | <u>\$ (30,432,313)</u> | <u>\$ 4,118,058</u> | <u>\$ 280,405,014</u> |

Capital asset activity resulted primarily from transactions associated with the Greenbridge redevelopment project and the purchases of Park Royal, Westminster, and the Central Office Annex. Additionally, Woodridge Park was reacquired from the Tax Credit Partnership by assuming the property's outstanding debt. . Other major capital asset activities were capital projects funded by the American Recovery and Reinvestment Act of 2009.

Of the \$59 million of additions to the capital assets, approximately \$30.2 million was attributable to the Greenbridge project construction in process while another \$7.6 million of construction in process was a result of capital projects funded by ARRA. Other capital asset additions include \$2.7 million for the purchase of Westminster, \$2.3 million for the acquisition of Woodridge Park, and \$3.5 and \$1.7 million for the purchase of the Central Office Annex and Park Royal, respectively.

Of the \$34.1 million net capital asset dispositions, approximately \$6.7 million represents the disposal of public housing assets at Park Lake Site II. Approximately \$8 million of disposals from the Greenbridge construction in process represented capital assets sold to the Salmon Creek Apartments LLC, \$8.6 to Eastbridge, \$5.1 million to Zephyr, and \$3.9 million to Sixth Place Apartments.

Beginning in 2010, Land Improvements not subject to depreciation will be presented separately on its own line. This amount was included with Land in prior periods. The variance between the prior period's ending balance for Land and 2010's beginning balance for Land is the balance of non-depreciable Land Improvements.

NOTE 7 - LONG TERM DEBT OBLIGATIONS

The Authority has issued various forms of debt for the purpose of acquiring and rehabilitating projects located throughout King County. The debt is secured by revenue pledges and deeds of trust on property and equipment. Compliance with all indentures has been met. During the year, lines of credit were refinanced to take advantage of lower interest rates. The components of outstanding debt at December 31, 2010 and the activity are stated below.

| | Beginning Balance | Additions | Retirements/ Payments | Ending Balance | Current Portion |
|-----------------|-----------------------|----------------------|--------------------------|-----------------------|----------------------|
| Revenue Bonds | \$ 143,146,588 | \$ - | \$ (6,034,097) | \$ 137,112,491 | \$ 4,445,402 |
| Demand Bonds | 88,810,000 | - | \$ (1,090,000) | 87,720,000 | 1,543,104 |
| Mortgage Notes | 2,632,890 | 165,994 | \$ (74,806) | 2,724,078 | 96,321 |
| Financing Lease | 2,270,764 | - | \$ (223,224) | 2,047,540 | 252,581 |
| Lines of Credit | 55,574,978 | 34,314,740 | \$ (13,038,975) | 76,850,743 | 55,069,824 |
| Notes Payable | 6,449,020 | 1,950,000 | \$ (9,457) | 8,389,563 | 8,819 |
| | <u>\$ 298,884,240</u> | <u>\$ 36,430,734</u> | <u>\$ (20,470,559)</u> | <u>\$ 314,844,416</u> | <u>\$ 61,416,050</u> |

Details of each issuance of long-term obligations follow:

| | Fiscal Year Issued | Amount Issued | Interest Rates | Fiscal Year Maturity | Amount Outstanding | Current Portion |
|--------------------------------|-----------------------|-----------------------|-------------------|-------------------------|-----------------------|---------------------|
| Revenue Bonds: | | | | | | |
| <i>Tax Credit:</i> | | | | | | |
| Cascadian | 1994 | \$ 8,385,000 | 4.00-6.50% | 2025 | \$ 5,840,000 | \$ 260,000 |
| Fairwood | 1995 | 5,260,000 | 3.80-5.60% | 2026 | 3,682,104 | 160,000 |
| Rural Housing | 1997 | 2,230,000 | 4.50-5.75% | 2028 | 1,707,009 | 60,000 |
| Laurelwood | 1997 | 2,500,000 | 4.40-6.00% | 2028 | 1,864,464 | 65,000 |
| Heritage Park | 1998 | 4,950,000 | 4.15-5.60% | 2030 | 3,865,015 | 120,000 |
| Windsor Heights | 1998 | 10,650,000 | 4.00-5.40% | 2029 | 8,075,548 | 280,000 |
| Alpine Ridge | 1999 | 2,875,000 | 4.25-6.40% | 2031 | 2,380,423 | 60,000 |
| Colonial Gardens | 1999 | 4,950,000 | 3.75-6.20% | 2031 | 4,090,000 | - |
| Somerset | 1999 | 3,605,000 | 4.80-6.80% | 2014 | 3,605,000 | - |
| Somerset (Kv) | 1999 | 2,535,000 | 4.80-6.80% | 2031 | 2,099,355 | 55,000 |
| Eastwood Square | 2001 | 4,000,000 | 5.35-5.45% | 2041 | 3,680,000 | 50,000 |
| Somerset | 2001 | 3,895,000 | 5.00% | 2033 | 3,360,000 | 80,000 |
| Southwood Square | 2001 | 5,000,000 | 2.25-6.00% | 2032 | 4,171,514 | 105,000 |
| Greenbridge - Nia | 2006 | 3,000,000 | 5.41-5.87% | 2037 | 2,970,000 | 30,000 |
| Seola Crossing 1 | 2006 | 1,650,000 | 6.38% | 2047 | 1,632,761 | 6,157 |
| Seola Crossing 2 | 2006 | 5,050,000 | 6.38% | 2047 | 4,997,239 | 18,843 |
| Egis | 2007 | 8,000,000 | 4.00% | 2027 | 6,995,000 | 280,000 |
| Soosette Creek | 2008 | 37,500,000 | 0.00-0.65% | 2058 | 36,295,000 | 1,630,000 |
| Total tax credit | | <u>\$ 116,035,000</u> | | | <u>\$ 101,310,432</u> | <u>\$ 3,260,000</u> |
| <i>Other:</i> | | | | | | |
| Northlake House | 1980 | \$ 1,170,000 | 8.00% | 2012 | \$ 18,160 | \$ 18,160 |
| Condos | 1991 | 325,000 | 5.25-7.35% | 2010 | - | - |
| Spiritwood / Newport | 1992 | 5,705,000 | 3.50-6.50% | 2013 | (0) | - |
| Woodridge Park | 1995 | 4,860,000 | 4.50-6.35% | 2026 | 3,408,008 | 145,000 |
| 1998 Pool | 1998 | 32,955,000 | 4.35-5.65% | 2029 | 24,406,987 | 870,000 |
| Central Office Building | 2000 | 2,000,000 | 4.35-5.32% | 2016 | 848,903 | 152,241 |
| Meadows | 2005 | 1,570,989 | 4.61% | 2010 | (0) | - |
| Greenbridge - Eastbridge Apts. | 2008 | 7,120,000 | 5.65% | 2029 | 7,120,000 | - |
| Total other | | <u>\$ 55,705,989</u> | | | <u>\$ 35,802,059</u> | <u>\$ 1,185,401</u> |
| Total revenue bonds | | <u>\$ 171,740,989</u> | | | <u>\$ 137,112,491</u> | <u>\$ 4,445,402</u> |

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

| | Fiscal Year Issued | Amount Issued | Interest Rates | Fiscal Year Maturity | Amount Outstanding | Current Portion |
|---------------------------------|-----------------------|------------------------------|-------------------|-------------------------|-----------------------------|-----------------------------|
| <u>Demand Bonds:</u> | | | | | | |
| <i>Tax Credit:</i> | | | | | | |
| Overlake | 2000 | \$ 23,725,000 | 0.28-2.61% | 2043 | \$ 23,485,000 | \$ 85,000 |
| Total tax credit | | <u>\$ 23,725,000</u> | | | <u>\$ 23,485,000</u> | <u>\$ 85,000</u> |
| <i>Other:</i> | | | | | | |
| Landmark | 2002 | \$ 18,500,000 | 0.28-2.56% | 2043 | \$ 17,950,000 | \$ 470,000 |
| 2005 Pool | 2005 | 46,290,000 | 0.33% | 2035 | 42,035,000 | 943,104 |
| Salmon Creek | 2008 | 4,250,000 | 1.10-2.61% | 2048 | 4,250,000 | 45,000 |
| Total other | | <u>\$ 69,040,000</u> | | | <u>\$ 64,235,000</u> | <u>\$ 1,458,104</u> |
| Total demand bonds | | <u><u>\$ 92,765,000</u></u> | | | <u><u>\$ 87,720,000</u></u> | <u><u>\$ 1,543,104</u></u> |
| <u>Mortgage Notes:</u> | | | | | | |
| <i>Tax Credit:</i> | | | | | | |
| Rural Housing | 1998 | \$ 1,350,949 | 7.25% | 2033 | \$ 1,153,765 | \$ 24,265 |
| Total tax credit | | <u>\$ 1,350,949</u> | | | <u>\$ 1,153,765</u> | <u>\$ 24,265</u> |
| <i>Other:</i> | | | | | | |
| Parkway - 2 | 1995 | 1,568,000 | 9.25% | 2035 | \$ 1,439,342 | 16,371 |
| Westminster | 2010 | 165,994 | 7.00% | 2013 | \$ 130,971 | 55,685 |
| Total other | | <u>\$ 1,733,994</u> | | | <u>\$ 1,570,313</u> | <u>\$ 72,056</u> |
| Total mortgage notes | | <u><u>\$ 3,084,943</u></u> | | | <u><u>\$ 2,724,078</u></u> | <u><u>\$ 96,321</u></u> |
| <u>Financing Lease:</u> | | | | | | |
| ESCO | 2005 | \$ 3,900,000 | 3.90% | 2018 | \$ 2,047,540 | \$ 252,581 |
| Total financing leases | | <u>\$ 3,900,000</u> | | | <u>\$ 2,047,540</u> | <u>\$ 252,581</u> |
| <u>Lines of Credit:</u> | | | | | | |
| <i>Tax Credit:</i> | | | | | | |
| Soosette Creek | 2008 | \$ 27,500,000 | 1.40% | 2011 | \$ 10,925,112 | \$ 10,925,112 |
| Zephyr | 2009 | 4,500,000 | 1.28% | 2012 | 2,846,264 | - |
| Soosette Creek | 2010 | 12,500,000 | 1.38% | 2011 | \$ 12,500,000 | 12,500,000 |
| Total tax credit | | <u>\$ 44,500,000</u> | | | <u>\$ 26,271,376</u> | <u>\$ 23,425,112</u> |
| <i>Other:</i> | | | | | | |
| Burien Park | 2010 | 1,214,764 | 1.55% | 2013 | 1,109,113 | 425,311 |
| Greenbridge - LOC | 2010 | \$ 18,000,000 | 1.01% | 2011 | \$ 10,934,845 | \$ 10,934,845 |
| Greenbridge - Nia | 2010 | 15,000,000 | 1.02 % - 1.5 % | 2011 | 5,403,550 | 5,403,550 |
| Meadows | 2010 | 2,800,000 | 2% | 2011 | 2,705,783 | 2,705,783 |
| Seola Gardens | 2010 | 20,000,000 | 1.38% -1.51% | 2013 | 8,676,025 | - |
| Sixth Place Apts | 2010 | 5,500,000 | 1.37% - 1.68% | 2011 | 3,307,167 | 3,307,167 |
| Bank of America Line of Credit: | 2010 | 10,000,000 | 1.26% | 2012 | 9,574,828 | |
| <i>Pacific Court</i> | | | | | 687,700 | - |
| <i>Westminster</i> | | | | | 2,577,129 | - |
| <i>Central Office Annex</i> | | | | | 6,310,000 | - |
| Key Bank Line of Credit: | 2010 | 9,250,000 | 2.04% | 2011 | 8,868,056 | 8,868,056 |
| <i>Wonderland Estates</i> | | | | | 5,618,056 | 5,618,056 |
| <i>Pacific Court</i> | | | | | 1,000,000 | 1,000,000 |
| <i>Newporter Apts</i> | | | | | 500,000 | 500,000 |
| <i>Park Royal</i> | | | | | 1,750,000 | 1,750,000 |
| Total | | <u>\$ 81,764,764</u> | | | <u>\$ 50,579,367</u> | <u>\$ 31,644,712</u> |
| Total lines of credit | | <u><u>\$ 126,264,764</u></u> | | | <u><u>\$ 76,850,743</u></u> | <u><u>\$ 55,069,824</u></u> |

Details of each issuance of long-term obligations follow— continued:

| | Fiscal Year Issued | Amount Issued | Interest Rates | Fiscal Year Maturity | Amount Outstanding | Current Portion |
|-----------------------------|-----------------------|-----------------------|-------------------|-------------------------|-----------------------|----------------------|
| Notes Payable: | | | | | | |
| <i>Tax Credit:</i> | | | | | | |
| Somerset - Bellevue | 2000 | \$ 700,000 | 1.00% | 2030 | \$ 700,000 | \$ - |
| Somerset | 2000 | 400,000 | 1.00% | 2032 | 368,951 | 3,246 |
| Eastwood Square | 2001 | 600,000 | 6.95% | 2041 | 563,612 | 5,573 |
| Overlake - 2, 3 | 2001 | 1,456,000 | 3.42% | 2042 | 750,000 | - |
| Overlake - 4 | 2001 | 1,500,000 | 1.00% | 2050 | 1,500,000 | - |
| Overlake - 5 | 2001 | 500,000 | 1.00% | 2050 | 500,000 | - |
| Southwood Square | 2001 | 380,000 | 1.00% | 2053 | 380,000 | - |
| Greenbridge - Nia | 2007 | 328,000 | 0.00% | 2022 | 328,000 | - |
| Seola Crossing II | 2007 | 250,000 | 6.38% | 2058 | 250,000 | - |
| Soosette Creek | 2010 | 1,950,000 | 0.65% | 2060 | 1,949,000 | - |
| <i>Total tax credit</i> | | <u>\$ 8,064,000</u> | | | <u>\$ 7,289,563</u> | <u>\$ 8,819</u> |
| <i>Other:</i> | | | | | | |
| Hidden Village - Bellevue | 1992 | \$ 200,000 | 5.00% | 2042 | \$ 200,000 | \$ - |
| Spiritwood - Bellevue | 1992 | 400,000 | 5.00% | 2042 | 400,000 | - |
| Spiritwood - State | 1992 | 207,843 | 5.00% | 2043 | 207,843 | - |
| Hidden Village - State | 1992 | 292,157 | 5.00% | 2044 | 292,157 | - |
| <i>Total other</i> | | <u>\$ 1,100,000</u> | | | <u>\$ 1,100,000</u> | <u>\$ -</u> |
| Total notes payable | | <u>\$ 9,164,000</u> | | | <u>\$ 8,389,563</u> | <u>\$ 8,819</u> |
| TOTAL LONG-TERM OBLIGATIONS | | <u>\$ 406,919,696</u> | | | <u>\$ 314,844,416</u> | <u>\$ 61,416,050</u> |

The schedule of principal payments follows:

| Debt Service - Principal | Revenue Bonds | Demand Bonds | Mortgage Notes | Financing Lease | Lines of Credit | Notes | Total |
|-----------------------------|-----------------------|----------------------|---------------------|---------------------|----------------------|---------------------|-----------------------|
| 2011 | \$ 4,445,401 | \$ 1,543,104 | \$ 96,321 | \$ 252,581 | \$ 55,069,824 | \$ 8,819 | \$ 61,416,050 |
| 2012 | 4,765,504 | 1,122,216 | 103,746 | 262,608 | \$ 21,780,919 | 25,701 | 28,060,695 |
| 2013 | 5,079,214 | 1,178,392 | 63,298 | 273,034 | \$ - | 19,026 | 6,612,965 |
| 2014 | 10,333,398 | 1,231,728 | 51,725 | 283,874 | \$ - | 25,768 | 11,926,493 |
| 2015 | 5,628,546 | 1,297,324 | 56,067 | 295,144 | \$ - | 24,209 | 7,301,291 |
| 2016-2019 | 25,695,000 | 6,024,286 | 275,606 | 680,299 | - | 292,193 | 32,967,384 |
| 2020 -2024 | 27,995,000 | 10,082,999 | 497,574 | - | - | 773,944 | 39,349,517 |
| 2025-2029 | 31,939,136 | 12,889,331 | 712,076 | - | - | 548,038 | 46,088,581 |
| 2030-2034 | 8,826,292 | 16,490,876 | 807,101 | - | - | 719,816 | 26,844,085 |
| 2035-2039 | 9,060,000 | 7,414,742 | 60,564 | - | - | 476,773 | 17,012,078 |
| 2040-2044 | 2,385,000 | 27,625,000 | - | - | - | 1,067,331 | 31,077,331 |
| 2045-2049 | 960,000 | 820,000 | - | - | - | 38,949 | 1,818,949 |
| 2050-2054 | - | - | - | - | - | 2,169,998 | 2,169,998 |
| 2055-2059 | - | - | - | - | - | 250,000 | 250,000 |
| 2060-2064 | - | - | - | - | - | 1,949,000 | 1,949,000 |
| Total | <u>\$ 137,112,492</u> | <u>\$ 87,719,999</u> | <u>\$ 2,724,078</u> | <u>\$ 2,047,540</u> | <u>\$ 76,850,743</u> | <u>\$ 8,389,563</u> | <u>\$ 314,844,416</u> |

The schedule of interest payments follows:

| Debt Service - Interest | Revenue Bonds | Demand Bonds | Mortgage Notes | Financing Lease | Lines of Credit | Notes | Total |
|------------------------------------|--------------------------|-------------------------|---------------------------|----------------------------|----------------------------|---------------------|-----------------------|
| 2011 | \$ 9,140,421 | \$ 1,337,274 | \$ 222,710 | \$ 75,365 | \$ - | \$ 61,917 | \$ 10,837,687 |
| 2012 | 7,304,577 | 1,336,086 | 215,286 | 65,337 | - | 83,552 | 9,004,837 |
| 2013 | 6,955,112 | 1,334,836 | 208,401 | 54,911 | - | 90,227 | 8,643,487 |
| 2014 | 6,754,609 | 1,333,524 | 204,217 | 44,071 | - | 96,829 | 8,433,250 |
| 2015 | 6,283,649 | 1,332,149 | 199,875 | 32,801 | - | 98,388 | 7,946,862 |
| 2016-2019 | 22,245,377 | 5,314,219 | 748,164 | 30,161 | - | 377,977 | 28,715,898 |
| 2020 -2024 | 20,151,891 | 6,605,365 | 782,138 | - | - | 436,783 | 27,976,176 |
| 2025-2029 | 11,906,599 | 6,554,237 | 534,083 | - | - | 427,221 | 19,422,141 |
| 2030-2034 | 5,052,501 | 6,490,358 | 199,148 | - | - | 416,527 | 12,158,534 |
| 2035-2039 | 2,387,318 | 5,800,847 | 89,457 | - | - | 226,020 | 8,503,641 |
| 2040-2044 | 699,066 | 4,473,215 | - | - | - | 96,195 | 5,268,476 |
| 2045-2049 | 85,220 | 37,402 | - | - | - | 65,097 | 187,719 |
| 2050-2054 | - | - | - | - | - | 60,485 | 60,485 |
| 2055-2059 | - | - | - | - | - | 44,768 | 44,768 |
| 2060-2064 | - | - | - | - | - | - | - |
| Total | \$ 98,966,339 | \$ 41,949,513 | \$ 3,403,479 | \$ 302,646 | \$ - | \$ 2,581,986 | \$ 147,203,962 |

The schedule of debt service payments follows:

| Debt Service - Total | Revenue Bonds | Demand Bonds | Mortgage Notes | Financing Lease | Lines of Credit | Notes | Total |
|---------------------------------|--------------------------|-------------------------|---------------------------|----------------------------|----------------------------|---------------------|-----------------------|
| 2011 | \$ 13,585,822 | \$ 2,880,378 | \$ 319,031 | \$ 327,945 | \$ 55,069,824 | \$ 70,736 | \$ 72,253,737 |
| 2012 | 12,070,081 | 2,458,303 | 319,032 | 327,945 | 21,780,919 | 109,253 | 37,065,533 |
| 2013 | 12,034,326 | 2,513,229 | 271,699 | 327,945 | - | 109,253 | 15,256,452 |
| 2014 | 17,088,007 | 2,565,252 | 255,942 | 327,945 | - | 122,597 | 20,359,743 |
| 2015 | 11,912,196 | 2,629,473 | 255,942 | 327,945 | - | 122,597 | 15,248,153 |
| 2016-2019 | 47,940,377 | 11,338,505 | 1,023,770 | 710,459 | - | 670,171 | 61,683,281 |
| 2020 -2024 | 48,146,891 | 16,688,364 | 1,279,712 | - | - | 1,210,727 | 67,325,693 |
| 2025-2029 | 43,845,736 | 19,443,568 | 1,246,159 | - | - | 975,259 | 65,510,722 |
| 2030-2034 | 13,878,793 | 22,981,235 | 1,006,249 | - | - | 1,136,343 | 39,002,619 |
| 2035-2039 | 11,447,318 | 13,215,588 | 150,021 | - | - | 702,792 | 25,515,719 |
| 2040-2044 | 3,084,066 | 32,098,215 | - | - | - | 1,163,525 | 36,345,806 |
| 2045-2049 | 1,045,220 | 857,402 | - | - | - | 104,046 | 2,006,668 |
| 2050-2054 | - | - | - | - | - | 2,230,483 | 2,230,483 |
| 2055-2059 | - | - | - | - | - | 294,768 | 294,768 |
| 2060-2064 | - | - | - | - | - | 1,949,000 | 1,949,000 |
| Total | \$ 236,078,831 | \$ 129,669,512 | \$ 6,127,557 | \$ 2,350,186 | \$ 76,850,743 | \$ 9,022,549 | \$ 462,048,378 |

NOTE 8-DEMAND BONDS

The Authority had \$87.8 million in outstanding variable rate demand bonds on three projects and one 8-project bond pool. The Landmark Apartments (Landmark) had \$18 million, the Village at Overlake Station (Overlake) had \$23.5 million, Salmon Creek Apartments had \$4.3 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 \$42 million outstanding, respectively, at December 31, 2010. 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 .20% of the facility. For the 2005 Pool, the credit enhancement is in the form of a direct pay credit enhancement agreement issued by the Federal Home Loan Mortgage Corporation priced at .30% of the facility.
- The credit enhancements are intended to not only provide security to bondholders, but also to pay periodic interest payments for which the Authority regularly reimburses the credit enhancement providers.
- The Banc of America Securities LLC acts as remarketing agent, reselling at market rates any bonds sold by bondholders. It has committed to repurchasing bonds for its own portfolio if the bonds cannot be resold on the open market.
- Interest rates are recalculated weekly, based on the rate at which bonds can be remarketed.
- The bonds are subject to an annual remarketing fee of .05% of the outstanding amount of the bonds or \$5,000 whichever is greater.
- Underlying source of repayment for the bonds is the revenues produced by the respective properties.
- In conjunction with the sale of these bonds, the Authority entered into interest rate swap agreements as a cash flow hedge to reduce the volatility related to variable rate interest debt.
- Bonds are convertible to fixed rate at the Authority's option.

The Landmark bond matures in 2042. At December 31, 2010 the variable rate on the bonds was 0.40%. The Landmark 2002 variable rate demand note bonds have a year-end principal balance of \$17,950,000, after a December 1, 2010 principal payment of \$225,000. An Irrevocable Letter of Credit, issued by Bank of America, was extended from an expiration of July 10, 2009 to July 10, 2011. The LOC guarantees payment of the variable rate bonds. There is currently no swap agreement in place.

The Overlake bonds mature in 2040. At December 31, 2010 the variable rates on the bonds was 0.42%. The Letter of Credit was extended in 2010 for an additional two years and supports the variable rate bonds only. Under the swap contract terms, the Authority pays a fixed rate of 4.11% and receives a variable rate equal to 70% of the 1 Month USD-LIBOR-BBA on the declining notional amount. As of December 31, 2010, the notional amount was \$22,515,000 and the fair market value of the swap contract was (\$1,648,537).

Salmon Creek Apartments bond matures in 2047. At December 31, 2010 the variable rate on the bond was 0.40%. The Salmon Creek variable rate demand bond had a year-end principle balance of \$4,250,000. This bond has a swap agreement in place, but not held by the Authority. The interest the Authority pays through the swap agreement is 3.9%.

The 2005 bond pool bonds mature in 2035. At December 31, 2010 the variable rate on the bonds was 0.40%. The credit enhancement agreement is for a fixed term of 15 years and, upon maturity of the credit facility, the Authority will either refinance the bond issue or obtain another credit enhancement. The Authority has entered into three swap contracts with respect to the bonds. Under the swap contract terms, the Authority pays a fixed rate of 3.9%; 3.5%; and 3.6% 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, 2010, the notional amounts were \$22,773,000, \$9,985,495, and \$9,109,000 respectively and the aggregate fair market value of the swaps was (\$3,788,398).

NOTE 9- DERIVATIVE INSTRUMENTS

a) *Summary of Derivative Instruments*

At December 31, 2010, the Authority had the following derivative instruments outstanding:

| | Changes in Fair Value | | Fair Value at December 31, 2010 | | Notional |
|--------------------------------|-----------------------|-----------------------|---------------------------------|-----------------------|---------------|
| | Classification | Amount | Classification | Amount | |
| Governmental Activities | | | | | |
| Investment derivatives: | | | | | |
| Pay-fixed interest rate swaps | | | | | |
| B of A, Overlake Swap | Investment Income | \$ 187,217 | Investment | \$ (1,648,537) | \$ 22,515,000 |
| Wachovia, 2005 Pool A | Investment Income | (839,768) | Investment | (2,205,283) | \$ 22,773,000 |
| B of A, 2005 Pool B | Investment Income | (164,623) | Investment | (777,764) | \$ 9,109,000 |
| B of A, 2005 Pool C | Investment Income | (196,703) | Investment | (805,351) | \$ 9,985,496 |
| | | <u>\$ (1,013,876)</u> | | <u>\$ (5,436,935)</u> | |

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

b) *Investment Derivative Risks*

- The credit ratings of the swap counterparties are as follows: Bank of America, N.A. (A+/Aa3/A+) and Wells Fargo Bank, N.A. (AA-/Aa2/AA)
- The potential loss if the counterparties fail to fulfill their obligations is \$9,507,112.
- The swap providers' obligations under the swap are supported by contractual obligations of Bank of America, N.A. and Wells Fargo Bank, N.A, as successor in interest to Wachovia Bank, N.A.
- Significant concentration of credit risk exists with Bank of America as it holds three of the four swap contracts.

NOTE 10 -TAX CREDIT PROPERTIES

Low Income Housing Tax Credit (LIHTC)

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

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

Typically, at the time of closing, the Authority will earn a developer's fee for its role in bringing the project to fruition. Developer fees are paid primarily from available cash flows and development proceeds. Under the various partnership agreements, any outstanding developer fees are generally required to be paid within 10 to 15 years of the project's placed-in-service date and may accrue interest on unpaid balances. Certain tax credit projects also incur a management fee and sometimes a construction management fee owed to the general partner. These incurred fees and interest are reflected in the Authority's operating income and totaled \$1,226,095 in 2010.

The financing for the tax credit partnerships was structured as direct financing leases from the Authority to the partnerships. Upon issuance of the bonds, the Authority purchases the projects. The Authority retains ownership of the buildings, and leases them to the partnerships under terms of a long term financing lease, which is treated as a sale for tax purposes. Payments from the partnerships are sufficient to pay the outstanding bonds, but the Authority remains contingently liable for their payment. The debt interest expense and an offsetting amount of interest income are reflected on the Authority's books and total \$2,180,448 for the year.

Although the bonds are the primary source of funds for the purchase of the developments, other funding is usually required. Lines of credit, both taxable and non-taxable, are secured by the Authority to pay some of the acquisition costs and most of the rehabilitation costs. These lines are retired primarily using proceeds from the sale of Low Income Housing Tax Credits to the limited partners usually within two to three years of the partnership's inception. The Authority also may receive grant funds or other loans to assist in purchasing the properties and in preserving affordability within the projects. Because of limitations posed by the Internal Revenue Service, all such funds are lent to the partnerships. These advances are accounted for as part of the financing lease if the proceeds are used for purchasing the property and are accounted for as notes receivable from the partnerships if the proceeds are used for rehabilitating the property. A summary of the Authority's long-term debt is reflected in Note 7. A summary of notes receivable and investments in direct financing leases with the partnerships is reflected in Note 5.

On October 7, 2010 the Tax Credit Partnership of Woodridge Park was dissolved. Financial data for these partnerships is not reflected in the component units column on the 2010 financial statements. Assets and liabilities of these partnerships were transferred to the Authority and are reflected on its general ledger.

Summarized partnership information for the year ended December 31, 2010 is as follows:

| Partnership Name | Alpine Ridge | Colonial Gardens | Cones | Eastbridge | Egis | Green River Homes | Greenbridge Foundation |
|--|---------------------|---------------------|---------------------|-----------------------|----------------------|-------------------------|---------------------------|
| Fiscal Year Acquired / Sold | 1999 | 1999 | 2003 | 2010 | 2007 | 2004 | 2007 |
| ASSETS, LIABILITIES AND NET ASSETS: | | | | | | | |
| ASSETS | | | | | | | |
| Cash and investments | \$ 524,927 | \$ 890,049 | \$ 640,481 | \$ 361,451 | \$ 1,284,839 | \$ 524,356 | \$ 414,528 |
| Receivables and other | 57,925 | 92,540 | 11,840 | 267,212 | 862,656 | 62,316 | 199,333 |
| Capital assets, net | 3,030,213 | 5,287,215 | 9,075,220 | 22,808,523 | 65,875,548 | 7,565,345 | 9,294,671 |
| Total Assets | <u>\$ 3,613,065</u> | <u>\$ 6,269,804</u> | <u>\$ 9,727,541</u> | <u>\$ 23,437,186</u> | <u>\$ 68,023,043</u> | <u>\$ 8,152,017</u> | <u>\$ 9,908,532</u> |
| LIABILITIES | | | | | | | |
| Current liabilities | \$ 83,857 | \$ 166,729 | \$ 822,479 | \$ 1,160,059 | \$ 219,712 | \$ 58,203 | \$ 41,413 |
| Long-term liabilities | 2,765,650 | 4,541,395 | 4,610,810 | 23,291,319 | 51,019,332 | 4,907,140 | 10,925,000 |
| NET ASSETS | 763,558 | 1,561,680 | 4,294,252 | (1,014,192) | 16,783,999 | 3,186,674 | (1,057,881) |
| Total Liabilities & Net Assets | <u>\$ 3,613,065</u> | <u>\$ 6,269,804</u> | <u>\$ 9,727,541</u> | <u>\$ 23,437,186</u> | <u>\$ 68,023,043</u> | <u>\$ 8,152,017</u> | <u>\$ 9,908,532</u> |
| REVENUE, EXPENSES AND CHANGE IN NET ASSETS: | | | | | | | |
| OPERATING REVENUES | \$ 483,520 | \$ 854,133 | \$ 837,109 | \$ 603,167 | \$ 2,324,980 | \$ 595,274 | \$ 247,645 |
| OPERATING EXPENSES | | | | | | | |
| Administrative | 35,074 | 118,151 | 202,228 | 183,799 | 1,081,885 | 192,604 | 60,467 |
| Operating and maintenance | 288,307 | 362,071 | 317,404 | 215,247 | 680,162 | 186,920 | 111,401 |
| Depreciation | 96,513 | 169,441 | 274,658 | 759,867 | 1,817,162 | 344,484 | 256,309 |
| Total Operating Expense | 419,894 | 649,663 | 794,290 | 1,158,913 | 3,579,209 | 724,008 | 428,177 |
| Total Operating Income | 63,626 | 204,470 | 42,819 | (555,746) | (1,254,229) | (128,734) | (180,532) |
| NONOPERATING REVENUES (EXPENSES) | | | | | | | |
| Grant Revenue | - | - | - | - | - | - | - |
| Investment income | 12,228 | 17,557 | 2,093 | 14 | - | - | 599 |
| Interest expense | (152,395) | (248,785) | (184,104) | (423,560) | (814,270) | (182,485) | (110,767) |
| Gain (loss) on disposal of assets | - | - | - | - | - | - | - |
| Total nonoperating revenues (expenses) | (140,167) | (231,228) | (182,011) | (423,546) | (814,270) | (182,485) | (110,168) |
| Total Net Income (Loss) | (76,541) | (26,758) | (139,192) | (979,292) | (2,068,499) | (311,219) | (290,700) |
| Contributions (distributions) | - | - | (5,796) | (34,900) | - | - | - |
| CHANGE IN NET ASSETS | (76,541) | (26,758) | (144,988) | (1,014,192) | (2,068,499) | (311,219) | (290,700) |
| Beginning Net Assets | 840,099 | 1,588,438 | 4,439,240 | - | 18,852,498 | 3,497,893 | (767,184) |
| Adjustment for accounting change | | | | | | | |
| Restated Beginning Net Assets | 840,099 | 1,588,438 | 4,439,240 | - | 18,852,498 | 3,497,893 | (767,184) |
| Total Ending Net Assets | <u>\$ 763,558</u> | <u>\$ 1,561,680</u> | <u>\$ 4,294,252</u> | <u>\$ (1,014,192)</u> | <u>\$ 16,783,999</u> | <u>\$ 3,186,674</u> | <u>\$ (1,057,881)</u> |

Continued - Summarized partnership information for the year ended December 31, 2010:

| Partnership Name | Harrison House Apts. 2004 | Heritage Park 1999 | Kona Village 1999 | Laurelwood Gardens 1997 | Nia 2008 | Overlake TOD Housing 2000 | Rural Housing 1997 |
|--|------------------------------------|--------------------------|-------------------------|-------------------------------|----------------------|------------------------------------|--------------------------|
| Fiscal Year Acquired / Sold | | | | | | | |
| ASSETS, LIABILITIES AND NET ASSETS: | | | | | | | |
| ASSETS | | | | | | | |
| Cash and investments | \$ 570,216 | \$ 846,288 | \$ 1,700,086 | \$ 986,547 | \$ 369,352 | \$ 2,410,575 | \$ 657,674 |
| Receivables and other | 128,582 | 110,832 | 152,936 | 57,243 | 272,282 | 280,854 | 100,769 |
| Capital assets, net | 7,147,286 | 5,577,490 | 14,239,964 | 3,453,460 | 18,897,698 | 32,247,247 | 3,980,485 |
| Total Assets | <u>\$ 7,846,084</u> | <u>\$ 6,534,610</u> | <u>\$ 16,092,986</u> | <u>\$ 4,497,250</u> | <u>\$ 19,539,332</u> | <u>\$ 34,938,676</u> | <u>\$ 4,738,928</u> |
| LIABILITIES | | | | | | | |
| Current liabilities | \$ 73,972 | \$ 156,176 | \$ 234,108 | \$ 62,293 | \$ 24,156 | \$ 275,499 | \$ 129,874 |
| Long-term liabilities | 6,090,767 | 4,579,893 | 12,591,942 | 3,053,690 | 8,244,292 | 28,500,472 | 3,675,239 |
| NET ASSETS | 1,681,345 | 1,798,541 | 3,266,936 | 1,381,267 | 11,270,884 | 6,162,705 | 933,815 |
| Total Liabilities & Net Assets | <u>\$ 7,846,084</u> | <u>\$ 6,534,610</u> | <u>\$ 16,092,986</u> | <u>\$ 4,497,250</u> | <u>\$ 19,539,332</u> | <u>\$ 34,938,676</u> | <u>\$ 4,738,928</u> |
| REVENUE, EXPENSES AND CHANGE IN NET ASSETS: | | | | | | | |
| OPERATING REVENUES | \$ 647,704 | \$ 832,543 | \$ 1,769,070 | \$ 849,300 | \$ 612,863 | \$ 3,302,778 | \$ 819,897 |
| OPERATING EXPENSES | | | | | | | |
| Administrative | 207,830 | 166,179 | 317,714 | 174,830 | 206,211 | 569,638 | 289,777 |
| Operating and maintenance | 189,351 | 292,588 | 534,358 | 390,026 | 187,536 | 757,585 | 245,608 |
| Depreciation | 322,104 | 183,828 | 413,721 | 185,076 | 793,622 | 1,109,892 | 216,557 |
| Total Operating Expense | 719,285 | 642,595 | 1,265,793 | 749,932 | 1,187,369 | 2,437,115 | 751,942 |
| Total Operating Income | (71,581) | 189,948 | 503,277 | 99,368 | (574,506) | 865,663 | 67,955 |
| NONOPERATING REVENUES (EXPENSES) | | | | | | | |
| Grant Revenue | - | - | - | - | - | - | - |
| Investment income | - | 999 | 15,615 | - | 59 | 5,442 | 7,274 |
| Interest expense | (236,950) | (218,780) | (679,609) | (149,354) | (326,054) | (1,256,306) | (132,308) |
| Gain (loss) on disposal of assets | - | - | - | - | - | - | - |
| Total nonoperating revenues (expenses) | (236,950) | (217,781) | (663,994) | (149,354) | (325,995) | (1,250,864) | (125,034) |
| Total Net Income (Loss) | (308,531) | (27,833) | (160,717) | (49,986) | (900,501) | (385,201) | (57,079) |
| Contributions (distributions) | - | - | - | - | - | - | - |
| CHANGE IN NET ASSETS | (308,531) | (27,833) | (160,717) | (49,986) | (900,501) | (385,201) | (57,079) |
| Beginning Net Assets | 1,989,876 | 1,826,374 | 3,427,653 | 1,431,253 | 12,171,385 | 6,547,906 | 990,894 |
| Adjustment for accounting change | | | | | | | |
| Restated Beginning Net Assets | 1,989,876 | 1,826,374 | 3,427,653 | 1,431,253 | 12,171,385 | 6,547,906 | 990,894 |
| Total Ending Net Assets | <u>\$ 1,681,345</u> | <u>\$ 1,798,541</u> | <u>\$ 3,266,936</u> | <u>\$ 1,381,267</u> | <u>\$ 11,270,884</u> | <u>\$ 6,162,705</u> | <u>\$ 933,815</u> |

Continued - Summarized partnership information for the year ended December 31, 2010:

| Partnership Name Fiscal Year Acquired / Sold | Salmon Creek 2009 | Seatac 1998 | Seola Crossing 2007 | Sixth Place 2010 | South- wood Square 2001 | Soosette Creek 2008 | Zephyr 2010 | GRAND TOTAL |
|--|----------------------|----------------------|---------------------------|---------------------|----------------------------------|------------------------|---------------------|-----------------------|
| ASSETS, LIABILITIES AND NET ASSETS: | | | | | | | | |
| ASSETS | | | | | | | | |
| Cash and investments | \$ 536,468 | \$ 2,801,439 | \$ 930,363 | \$ - | \$ 1,024,667 | \$ 2,581,282 | \$ 603,106 | \$ 20,658,694 |
| Receivables and other | 256,327 | 176,201 | 443,690 | - | 91,642 | 983,915 | - | 4,609,095 |
| Capital assets, net | 21,112,049 | 14,405,807 | 36,479,941 | 4,694,323 | 7,299,040 | 93,336,153 | 5,109,751 | 390,917,429 |
| Total Assets | <u>\$ 21,904,844</u> | <u>\$ 17,383,447</u> | <u>\$37,853,994</u> | <u>\$ 4,694,323</u> | <u>\$ 8,415,349</u> | <u>\$ 96,901,350</u> | <u>\$ 5,712,857</u> | <u>\$ 416,185,218</u> |
| LIABILITIES | | | | | | | | |
| Current liabilities | \$ 435,874 | \$ 906,623 | \$ 81,073 | \$ 1,387,156 | \$ 135,615 | \$ 4,328,026 | \$ 10,095 | \$ 10,792,992 |
| Long-term liabilities | 8,082,848 | 10,832,835 | 19,189,798 | 3,307,167 | 5,916,660 | 93,002,695 | 5,702,662 | 314,831,606 |
| NET ASSETS | 13,386,122 | 5,643,989 | 18,583,123 | - | 2,363,074 | (429,371) | 100 | 90,560,620 |
| Total Liabilities & Net Assets | <u>\$ 21,904,844</u> | <u>\$ 17,383,447</u> | <u>\$37,853,994</u> | <u>\$ 4,694,323</u> | <u>\$ 8,415,349</u> | <u>\$ 96,901,350</u> | <u>\$ 5,712,857</u> | <u>\$ 416,185,218</u> |
| REVENUE, EXPENSES AND CHANGE IN NET ASSETS: | | | | | | | | |
| OPERATING REVENUES | \$ 774,085 | \$ 2,680,800 | \$ 1,715,156 | \$ - | \$ 1,022,311 | \$ 3,642,669 | \$ 100 | \$ 24,615,104 |
| OPERATING EXPENSES | | | | | | | | |
| Administrative | 213,996 | 548,015 | 274,762 | - | 220,189 | 1,181,151 | - | 6,244,500 |
| Operating and maintenance | 400,175 | 959,067 | 663,058 | - | 310,764 | 464,085 | - | 7,555,713 |
| Depreciation | 645,021 | 450,754 | 1,302,019 | - | 218,817 | 2,485,205 | - | 12,045,050 |
| Total Operating Expense | 1,259,192 | 1,957,836 | 2,239,839 | - | 749,770 | 4,130,441 | - | 25,845,263 |
| Total Operating Income | (485,107) | 722,964 | (524,683) | - | 272,541 | (487,772) | 100 | (1,230,159) |
| NONOPERATING REVENUES (EXPENSES) | | | | | | | | |
| Grant Revenue | - | - | - | - | - | - | - | - |
| Investment income | 42 | 45,202 | 491 | - | 18,707 | 368 | - | 126,690 |
| Interest expense | (395,448) | (472,208) | (932,161) | - | (308,093) | (1,417,520) | - | (8,641,157) |
| Gain (loss) on disposal of assets | - | - | - | - | - | - | - | - |
| Total nonoperating revenues (expenses) | (395,406) | (427,006) | (931,670) | - | (289,386) | (1,417,152) | - | (8,514,467) |
| Total Net Income (Loss) | (880,513) | 295,958 | (1,456,353) | - | (16,845) | (1,904,924) | 100 | (9,744,626) |
| Contributions (distributions) | 15,211,373 | - | - | - | (5,970) | - | - | 15,164,707 |
| CHANGE IN NET ASSETS | 14,330,860 | 295,958 | (1,456,353) | - | (22,815) | (1,904,924) | 100 | 5,420,081 |
| Beginning Net Assets | (944,738) | 5,348,031 | 20,039,476 | - | 2,385,889 | 1,475,553 | - | 85,140,539 |
| Adjustment for accounting change | | | | | | | | - |
| Restated Beginning Net Assets | (944,738) | 5,348,031 | 20,039,476 | - | 2,385,889 | 1,475,553 | - | 85,140,539 |
| Total Ending Net Assets | <u>\$ 13,386,122</u> | <u>\$ 5,643,989</u> | <u>\$18,583,123</u> | <u>\$ -</u> | <u>\$ 2,363,074</u> | <u>\$ (429,371)</u> | <u>\$ 100</u> | <u>\$ 90,560,620</u> |

NOTE 11 – SUPPLEMENTAL FINANCIAL INFORMATION

Following are details of selected financial statement line items.

Other Revenue:

| | | | |
|---|----|-----------|---------------|
| Portability administrative fee from other authorities | \$ | 1,653,935 | |
| Developer fees | | 1,226,095 | |
| Unit Upgrade | | 4,934,324 | |
| Other | | 2,620,366 | \$ 10,434,720 |

Net Gain (Loss) on Disposal of Capital Assets:

| | | | |
|---|----|-------------|----------------|
| Demolition of Park Lake II Public Housing | | (3,188,535) | |
| Other | \$ | 13,920 | \$ (3,174,615) |

Current Receivables:

| | | | |
|-------------------------------------|----|-----------|---------------|
| Grants: HUD, Section 8 program | \$ | 44,823 | |
| Grants: HUD, other programs | | 3,551,251 | |
| Sixth Place ARRA Receivable | | 3,307,167 | |
| Grants: Other | | 642,085 | |
| Notes and financing leases | | 9,749,217 | |
| Interest: Notes and financing lease | | 1,036,940 | |
| Tenants | | 241,829 | |
| Other | | 2,510,600 | \$ 21,083,913 |

Other Current Assets:

| | | | |
|-----------------------------------|----|---------|------------|
| Prepaid insurance and other | \$ | 587,306 | |
| Materials & mobile home inventory | | 239,359 | \$ 826,665 |

Noncurrent Receivables:

| | | | |
|----------------------------|----|-------------|----------------|
| Notes and financing leases | \$ | 275,344,083 | |
| Noncurrent interest | | 8,761,987 | \$ 284,106,070 |

Other Noncurrent Assets:

| | | | |
|---|----|-----------|--------------|
| Investment in tax credit properties and other | \$ | 625,572 | |
| Unamortized bond issuance costs | | 2,150,108 | \$ 2,775,680 |

Other Current Liabilities:

| | | | |
|--------------------------------|----|-----------|---------------|
| Accounts payable | \$ | 4,757,003 | |
| Contract retention | | 1,809,185 | |
| Interest payable | | 2,362,831 | |
| Accrued compensated absences | | 2,050,113 | |
| Tenant security deposits | | 1,356,155 | |
| Accrued wages and benefits | | 1,231,518 | |
| Family Self Sufficiency escrow | | 625,752 | |
| Prepaid revenue and other | | 1,225,660 | \$ 15,418,216 |

Other Noncurrent Liabilities:

| | | | |
|---------------------|----|---------|--------------|
| Deferred revenue | \$ | 748,749 | |
| Noncurrent interest | | 300,088 | \$ 1,048,837 |

NOTE 12 - PENSION PLAN

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

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

Plan Description

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

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

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

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

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

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

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

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

PERS Plan 2 members who have at least 20 years of service credit and are 55 years of age or older are eligible for early retirement with a reduced benefit. The benefit is reduced by an early retirement factor (ERF) that varies according to age, for each year before age 65.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

There are 1,189 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2009:

| | |
|--|----------------|
| Retirees and Beneficiaries Receiving Benefits | 74,857 |
| Terminated Plan Members Entitled to But Not Yet Receiving Benefits | 28,074 |
| Active Plan Members Vested | 105,339 |
| Active Plan Members Non-vested | 53,896 |
| Total | 262,166 |

Funding Policy

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

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2010, are as follows:

| | <i>PERS Plan 1</i> | <i>PERS Plan 2</i> | <i>PERS Plan 3</i> |
|-----------|---------------------------|---------------------------|---------------------------|
| Employer* | 5.31% ** | 5.31% ** | 5.31% *** |
| Employee | 6.00% **** | 3.90% **** | ***** |

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

** The employer rate for state elected officials is 7.89% for Plan 1 and 5.31% for Plan 2 and Plan 3.

*** Plan 3 defined benefit portion only.

**** The employee rate for state elected officials is 7.50% for Plan 1 and 3.90% for Plan 2.

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

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

| | PERS Plan 1 | PERS Plan 2 | PERS Plan 3 |
|------|--------------------|--------------------|--------------------|
| 2010 | \$ 57,696 | \$ 606,184 | \$ 161,340 |
| 2009 | \$ 67,343 | \$ 707,921 | \$ 141,312 |
| 2008 | \$ 66,324 | \$ 662,006 | \$ 109,401 |

NOTE 13 - CONDUIT DEBT OBLIGATIONS

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

| Non-governmental Corporation | Project Description | Date of Issue | Balance 12/31/2010 |
|--|---|-------------------|--------------------|
| Baptist Rest Home Association | Refinancing of an existing 82 unit building known as Fred Lind Manor, located in Seattle, WA | May 1, 1997 | \$3,650,000 |
| 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 | \$2,400,000* |
| Seaview Apartments Limited Partnership | Acquisition and rehabilitation of a 72-unit multifamily development in Des Moines, Washington. | December 1, 1998 | \$2,060,000 |
| St. Andrews Housing Group | Acquisition of a 59-unit apartment complex located on Mercer Island, Washington, known as Ellsworth House. | October 20, 1999 | \$2,689,213 |
| Vashon Island Community Care | Construction of a 40-unit assisted living and 30-bed skilled nursing facility on Vashon Island to be known as Vashon Community Care Center. | September 1, 2001 | \$6,565,000 |
| Evergreen Court Associates Ltd | Acquisition and rehabilitation of 111-unit Washington Court assisted living in Bellevue to be rehabilitated into a 82-unit complex known as Evergreen Court | September 7, 2001 | \$6,124,478 |
| Angle Lake Apartments | Construction of an 80-unit independent living, senior housing facility located in SeaTac. | November 14, 2002 | \$5,500,000* |
| Radcliffe Place, LLC | Construction of a 135 unit senior housing facility located in Kent know as Radcliffe Place Senior Apartments | December 22, 2004 | \$9,827,222 |
| 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 | \$7,120,736 |
| Summerfield | Acquisition of an existing 52 unit affordable apartment complex in the City of Bellevue known as Summerfield Apartments | September 1, 2005 | \$3,250,000 |
| Eernisse Apartments | Construction of a 26 unit affordable rental townhouse project on Vashon Island known as Eernisse Apartments. | December 20, 2005 | \$1,615,950 |
| Young Women's Association of Seattle, King and Snohomish County (YWCA) | Acquisition, rehabilitation, or construction of housing for persons of low income to be located on multiple sites within King County, Snohomish County, and the City of Seattle | June 27, 2007 | \$15,040,000 |
| 280 Clark Limited Partnership | To finance or refinance a portion of the costs of acquiring, constructing and rehabilitating the 280 Clark Apartments to provide housing for low-income persons in King County | November 1, 2007 | \$4,500,000* |
| Young Women's Association of Seattle, King and Snohomish County (YWCA) | Construction of 98 rental dwelling units as part of the YWCA Family Village in Issaquah | December 23, 2009 | \$14,450,000 |

*Original Issue Amount

NOTE 14 – CONSTRUCTION COMMITMENTS

At December 31, 2010 the Authority had the following contractual obligations on construction projects:

| | |
|----------------------|----------------------|
| Ballinger | \$ 61,609 |
| Boulevard Manor | 1,587,072 |
| Briarwood | 1,017,083 |
| Casa Juanita | 199,080 |
| Cascade Homes | 3,964,171 |
| Eastbridge | 948,758 |
| Eastridge | 98,595 |
| Evergreen Court | 25,246 |
| Forest Glen/Avondale | 989,002 |
| Juanita Trace | 48,281 |
| Lakehouse | 8,935 |
| Merlino | 581,806 |
| Northridge I & II | 374,802 |
| Notch | 8,269 |
| Pacific Court | 138,745 |
| Seola Gardens | 3,197,160 |
| Southridge House | 659,067 |
| Valli Kee | 7,876 |
| Wellswood | 6,484 |
| Total | \$ 13,922,041 |

NOTE 15 - RISK MANAGEMENT

The Authority is exposed to perils commonly associated with the ownership and rental of real property. Perils including bodily injury to individuals; property damage by fire and forces of nature; loss of assets from theft and employee dishonesty; and liability for public officials' and employees' conduct are handled through a combination of purchased commercial insurance, voluntary self-insurance, participation in a risk-sharing pool or group, and contractual risk transfer via indemnification agreements.

For Public Housing, the Authority secures third-party liability insurance primarily through the Housing Authority Risk Retention Pool (HAARP), a public entity risk-sharing pool. The General Liability limit, including Washington Stop-Gap or Employer's Liability, is \$2,000,000 per occurrence on an occurrence basis with a \$1,000 deductible. Contractor's Pollution Liability limit is \$1,000,000 on a claims-made basis with a \$10,000 per claim self-insured retention provided through Colony Insurance Company. Automobile Liability insurance is \$5,000,000 in total limits provided through a combination of Philadelphia Insurance Company with \$1,000,000 liability limit and excess liability of \$4,000,000 provided by Princeton Excess and Specialty. Property insurance including Rental Income coverage through HARRP has a standard limit of \$3,000,000 replacement cost basis, with higher limits available upon request. Property deductible is \$50,000 per loss. The Authority has secured Fidelity coverage through HARRP for \$100,000 per occurrence for all employees, and \$500,000 for employees with greater exposure.

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

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

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

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

No closed claims are known to have exceeded the applicable limits of insurance secured from any of the mentioned providers.

NOTE 16 – SUBSEQUENT EVENTS

In February of 2011, the Authority received approval for disposition of 60 public housing units at Green River Homes via a negotiated sale for \$4.5 million. The Authority had requested this disposition in order to transfer the source of funds for these units from public housing subsidy to Section 8 project-based funds.

**HOUSING AUTHORITY OF THE COUNTY OF KING
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

For the Year Ended December 31, 2010

| GRANTOR PROGRAM TITLE | FEDERAL CFDA NUMBER | OTHER ID NUMBER | PASS THROUGH ENTITY | CURRENT YEAR EXPENDITURES | DEBT LIABILITY BALANCE |
|---|---------------------------|-----------------------|---------------------------|---------------------------------|------------------------------|
| <u>DIRECT ASSISTANCE</u> | | | | | |
| U.S. DEPARTMENT OF AGRICULTURE | | | | | |
| RURAL RENTAL HOUSING LOANS: | | | | | |
| RAINIER I | 10.415 | LOAN | | | 415,355 |
| RAINIER II | 10.415 | LOAN | | | 576,883 |
| SI VIEW | 10.415 | LOAN | | | 161,527 |
| TOTAL - U.S. DEPARTMENT OF AGRICULTURE | | | | - | 1,153,765 |
| U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) | | | | | |
| SUPPORTIVE HOUSING FOR PERSONS WITH DISABILITIES: | | | | | |
| MAINSTREAM | 14.181 | | | 2,439,232 | |
| SECTION 8 NEW CONSTRUCTION: | | | | | |
| BURIEN PARK | 14.182 | WA19-8023-007 | | 639,282 | - |
| NORTHLAKE HOUSE | 14.182 | WA19-0049-002 | | 271,288 | - |
| NORTHWOOD | 14.182 | WA19-8023-006 | | 252,371 | - |
| MULTIFAMILY HOUSING SERVICE COORDINATOR: | | | | | |
| SENIOR HOUSING (2002) | 14.191 | WA19HS00003 | | - | - |
| SENIOR HOUSING (2004) | 14.191 | WA19HS02005 | | 48,415 | - |
| SECTION 8 HAP PROGRAM SPECIAL ALLOCATIONS: | | | | | |
| HIDDEN VILLAGE | 14.195 | WA19M000184 | | 408,999 | - |
| PARKWAY | 14.195 | WA19M000203 | | 354,872 | 1,421,663 |
| SECTION 8 HAP PROGRAM ADDITIONAL SUPPORT: | | | | | |
| WESTMINSTER MANOR | 14.317 | WA19M000148 | | 33,956 | 75,286 |
| ECONOMIC DEVELOPMENT INITIATIVE: | | | | | |
| HUD TRANSPORTATION GRANT EDI | 14.251 | B09SPWA0286 | | 787,179 | - |
| SECTION 8 MODERATE REHABILITATION: | | | | | |
| TITUSVILLE | 14.856 | S0023K | | 84,396 | - |
| REVITALIZATION SEVERLY DISTRESSED PUBLIC HOUSING: | | | | | |
| HOPE VI | 14.866 | WA19URD0021101 | | 112,689 | - |
| HOPE VI | 14.866 | WA19URD0021108 | | 3,144,025 | - |
| RESIDENT OPPORTUNITY AND SELF SUFFICIENCY: | | | | | |
| AUBURN COMPUTER CENTERS | 14.870 | WA002RNN041A005 | | 3,052 | - |
| SOMALI/SOMALI BANTU PROGRAM | 14.870 | WA002REF014A007 | | 113,222 | - |
| GREENBRIDGE COMPUTER CENTER | 14.870 | WA002RNN009A006 | | 62,178 | - |
| SPRINGWOOD CDC | 14.870 | WA002REF015A006 | | 29,364 | - |
| KENT EXPANDED COMPUTER CENTER | 14.870 | WA002RNN002A007 | | 77,243 | - |
| FSS PROJECT COORDINATOR-2009 | 14.870 | WA002RFS196A008 | | 20,477 | - |
| FSS PROJECT COORDINATOR-2010 | 14.870 | WA002RFS196A009 | | 38,884 | - |
| HOUSING CHOICE VOUCHERS: | | | | | |
| SECTION 8 HOUSING CHOICE VOUCHERS | 14.871 | | | 3,145,510 | - |
| VETERAN'S AFFAIRS SUPPORTIVE HOUSING | 14.VSH | | | 920,561 | - |
| MOVING TO WORK DEMONSTRATION PROGRAM: | | | | | |
| SECTION 8 HOUSING CHOICE VOUCHERS | 14.HCV | | | 90,819,291 | - |
| OPERATING SUBSIDY | 14.OPS | | | 7,889,630 | - |
| CAPITAL FUND PROGRAM | | | | | |
| CFP-2006 | 14.CFP | WA19P002501-06 | | 1,263,469 | - |
| CFP-2006 | 14.CFP | WA19P002502-06 | | 236,740 | - |
| CFP-2009 | 14.CFP | WA19P002501-09 | | 3,816,358 | - |
| CFP-2010 | 14.CFP | WA19P002501-10 | | 2,963,643 | - |
| RHF-2009 | 14.CFP | WA19R002501-09 | | 204,868 | - |
| RHF-2010 | 14.CFP | WA19R002501-10 | | 643,932 | - |
| PUBLIC HOUSING CAPITAL FUND COMPETITIVE (RECOVERY ACT FUNDED): | | | | | |
| Ballinger | 14.884 | WA00200010109E | | 271,033 | - |
| Briarwood | 14.884 | WA00200015209R | | 1,080,484 | - |
| Northridge II | 14.884 | WA00200015309E | | 228,662 | - |
| Forest Glen | 14.884 | WA00200020109R | | 591,701 | - |
| College Place | 14.884 | WA00200020309E | | 137,547 | - |
| Juanita Trace I | 14.884 | WA00200020709E | | 81,804 | - |
| Casa Juanita | 14.884 | WA00200025109E | | 180,374 | - |
| Greenbridge Phase V | 14.884 | WA00200034109F | | 588,789 | - |
| Boulevard Manor | 14.884 | WA00200035009R | | 57,371 | - |
| Yardley Arms | 14.884 | WA00200035209E | | 273,609 | - |
| Riverton Terrace | 14.884 | WA00200035409E | | 303,430 | - |
| Valli Kee | 14.884 | WA00200040109E | | 316,003 | - |
| Cascade Homes | 14.884 | WA00200040309E | | 157,145 | - |
| Eastridge House | 14.884 | WA00200045109E | | 91,805 | - |
| Kings Court | 14.884 | WA00200050509E | | 82,306 | - |
| Wayland Arms | 14.884 | WA00200055009E | | 188,739 | - |
| Southridge | 14.884 | WA00200055209E | | 280,017 | - |
| PUBLIC HOUSING CAPITAL FUND FORMULA (RECOVERY ACT FUNDED): | | | | | |
| ARRA-2009 | 14.885 | WA19S002501-09 | | 3,816,623 | - |
| HEALTHY HOMES DEMONSTRATION GRANT (RECOVERY ACT FUNDED): | | | | | |
| HEALTHY HOMES GRANT | 14.908 | WALHH018608 | | 357,756 | - |
| TOTAL - U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) | | | | 129,910,324 | 1,496,948 |

U.S. DEPARTMENT OF HOMELAND SECURITY

ASSISTANCE TO FIREFIGHTERS GRANT PROGRAM - FIRE PREVENTION AND SAFETY

| | | | | | |
|---|--------|-------------------|--|----------------|----------|
| FIRE PREVENTION - SAFE-T-ELEMENT | 97.044 | EMW-2009-FP-00435 | | 378,294 | |
| TOTAL - U.S. DEPARTMENT OF AGRICULTURE | | | | 378,294 | - |

SUBTOTAL DIRECT ASSISTANCE

| | |
|--------------------|------------------|
| 130,288,618 | 2,650,713 |
|--------------------|------------------|

PASS-THROUGH ASSISTANCE**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)**

COMMUNITY DEVELOPMENT BLOCK GRANT/ENTITLEMENT GRANT:

| | | | | | |
|--|--------|----------|---|---------|---|
| BELLEVUE HOUSING REPAIR (2008) | 14.218 | CDBG-218 | 1 | - | - |
| BELLEVUE HOUSING REPAIR (2009) | 14.218 | CDBG-229 | 1 | 74,530 | - |
| BELLEVUE HOUSING REPAIR (2010) | 14.218 | CDBG-242 | 1 | 148,070 | - |
| KING COUNTY HOUSING REPAIR (2003) | 14.218 | C03461 | 2 | 22,734 | - |
| KINGS COURT COMM. FACILITY REHAB. (2009) | 14.218 | D37817 D | 2 | 1,348 | - |

COMMUNITY DEVELOPMENT BLOCK GRANT ARRA ENTITLEMENT (Recovery Act Funded):

| | | | | | |
|--|--------|--------|---|--------|---|
| BELLEVUE HOUSING REPAIR (2009) ARRA Funded | 14.253 | CDBG-R | 1 | 75,037 | - |
|--|--------|--------|---|--------|---|

TOTAL - U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

| | |
|----------------|----------|
| 321,718 | - |
|----------------|----------|

U.S. DEPARTMENT OF ENERGY

WEATHERIZATION ASSISTANCE FOR LOW INCOME PERSONS:

| | | | | | |
|------------------|--------|-------------------|---|-----------|--|
| 2009 | 81.042 | F09-43103-413 DOE | 3 | 22,878 | |
| 2009 ARRA Funded | 81.042 | F09-431AR-413 DOE | 3 | 2,756,418 | |
| 2010 | 81.042 | F10-43104-413 BPA | 3 | 65,342 | |

TOTAL - U.S. DEPARTMENT OF ENERGY

| | |
|------------------|----------|
| 2,844,638 | - |
|------------------|----------|

U.S. DEPARTMENT OF HUMAN AND HEALTH SERVICES

LOW-INCOME HOME ENERGY ASSISTANCE:

| | | | | | |
|------|--------|-------------------|---|-----------|---|
| 2009 | 93.568 | F09-43101-413 HHS | 3 | 1,950,452 | - |
| 2010 | 93.568 | F11-43101-413 | 3 | 86,024 | - |

TOTAL U.S. DEPARTMENT OF HUMAN AND HEALTH SERVICES

| | |
|------------------|----------|
| 2,036,476 | - |
|------------------|----------|

AMERICORPS

| | | | | | |
|--------------------------|--------|-----------|---|--------|---|
| AMERICORPS - (2008-2009) | 94.006 | ESD K501 | 4 | - | - |
| AMERICORPS - (2009-2010) | 94.006 | ESD K983 | 4 | 32,634 | - |
| AMERICORPS - (2010-2011) | 94.006 | ESD K1394 | 4 | 25,168 | - |

TOTAL - AMERICORPS

| | |
|---------------|----------|
| 57,801 | - |
|---------------|----------|

SUBTOTAL PASS-THROUGH ASSISTANCE

| | |
|------------------|----------|
| 5,260,633 | - |
|------------------|----------|

TOTAL ASSISTANCE

| | |
|--------------------|------------------|
| 135,549,251 | 2,650,713 |
|--------------------|------------------|

Pass Through Entity:

| | | | |
|---|-------------------------|---|---|
| 1 | City of Bellevue, WA | 3 | Washington State Department of Commerce |
| 2 | King County, Washington | 4 | Washington State Employment Security Department |

NOTE 1 - BASIS OF ACCOUNTING

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

NOTE 2 - PROGRAM COSTS

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

HOUSING AUTHORITY OF THE COUNTY OF KING
Federal Data Schedule (FDS)
Balance Sheet
As of December 31, 2010

| | | Supportive Housing for Persons with Disabilities | Section 8 - New Construction | Multifamily Housing Service coordinators | Section 8 - Special Allocation | Section 8 - HAP Program Additional Support | Section 8 - Moderate Rehabilitation | Hope VI |
|-----|---|--|---------------------------------|--|--------------------------------------|---|---|---------------|
| | | 14,181 | 14,182 | 14,191 | 14,195 | 14,317 | 14,856 | 14,866 |
| 111 | Cash: | \$ - | \$ 299,581 | \$ - | \$ 131,904 | \$ - | \$ 54,764 | \$ - |
| 112 | Cash - unrestricted | - | - | - | - | - | - | - |
| 113 | Cash - restricted - modernization and development | - | 814,816 | - | 2,061,737 | - | - | - |
| 114 | Cash - other restricted | - | 35,662 | - | 35,952 | - | - | - |
| 115 | Cash - tenant security deposits | - | - | - | - | - | - | - |
| 116 | Cash - restricted for payment of current liability | - | - | - | - | - | - | - |
| 117 | Total cash | - | 1,150,059 | - | 2,229,593 | - | 54,764 | - |
| 118 | Accounts and notes receivables: | - | - | - | - | - | - | - |
| 119 | AR - PHA projects | - | - | - | - | - | - | - |
| 120 | AR - HUD other projects | - | - | 26,034 | - | - | - | 13,677 |
| 121 | Accounts receivable - other government | - | - | - | 4,731 | - | - | - |
| 122 | Accounts receivable - miscellaneous | - | - | - | (0) | - | - | - |
| 123 | Accounts receivable- tenants | - | 0 | - | 28,532 | - | - | - |
| 124 | Allowance for doubtful accounts - tenants | - | - | - | (3,000) | - | - | - |
| 125 | Allowance for doubtful accounts - other | - | - | - | - | - | - | - |
| 126 | Notes and mortgages receivable- current | - | - | - | - | - | - | - |
| 127 | Fraud recovery | - | - | - | - | - | - | - |
| 128 | Allowance for doubtful accounts - fraud | - | - | - | - | - | - | - |
| 129 | Accrued interest receivable | - | - | - | - | - | - | - |
| 130 | Total receivables, net of allowances | - | 0 | 26,034 | 30,263 | - | - | 13,677 |
| 131 | Current investments: | - | - | - | - | - | - | - |
| 132 | Investments - unrestricted | - | - | - | - | - | - | - |
| 133 | Investments - restricted | - | - | - | 351,979 | - | - | - |
| 134 | Prepaid expenses and other assets | 629 | 14,116 | - | 8,865 | - | 34 | - |
| 135 | Inventories | - | - | - | - | - | - | - |
| 136 | Interprogram - due from | - | - | - | - | - | - | - |
| 137 | TOTAL CURRENT ASSETS | 629 | 1,164,176 | 26,034 | 2,620,700 | - | 54,798 | 13,677 |
| 138 | NONCURRENT ASSETS: | - | - | - | - | - | - | - |
| 139 | Fixed assets: | - | - | - | - | - | - | - |
| 140 | Land | - | 935,327 | - | 1,535,732 | - | - | - |
| 141 | Buildings | - | 9,757,795 | - | 4,238,362 | - | - | - |
| 142 | Furniture, equipment & machinery - dwellings | - | - | - | - | - | - | - |
| 143 | Furniture, equipment & machinery - administration | - | 15,088 | - | - | - | - | - |
| 144 | Leasehold improvements | - | 923,428 | - | 44,000 | - | - | - |
| 145 | Accumulated depreciation | - | (4,662,746) | - | (3,712,627) | - | - | - |
| 146 | Work in progress | - | 1,720 | - | (0) | - | - | 35,190,353 |
| 147 | Net fixed assets | - | 6,970,613 | - | 2,105,467 | - | - | 35,190,353 |
| 148 | Other non-current assets: | - | - | - | - | - | - | - |
| 149 | Notes and mortgages receivable - non-current | - | (0) | - | 76,043 | - | - | - |
| 150 | Other assets | - | - | - | 2,181,510 | - | - | 35,190,353 |
| 151 | TOTAL NONCURRENT ASSETS | - | 6,970,613 | - | 2,181,510 | - | - | 35,190,353 |
| 152 | TOTAL ASSETS | \$ 629 | \$ 8,134,789 | \$ 26,034 | \$ 4,802,210 | \$ - | \$ 54,798 | \$ 35,204,029 |
| 153 | LIABILITIES AND EQUITY: | - | - | - | - | - | - | - |
| 154 | LIABILITIES: | - | - | - | - | - | - | - |
| 155 | Current liabilities: | - | - | - | - | - | - | - |
| 156 | Bank overdraft | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 157 | Accounts payable < 90 days | 33 | 18,163 | 276 | 23,741 | - | 33 | - |
| 158 | Accounts payable > 90 days past due | - | - | - | - | - | - | - |
| 159 | Accrued wage/payroll taxes payable | 2,258 | 29,447 | 1,188 | 22,169 | - | 170 | - |
| 160 | Accrued compensated absences | 3,835 | 29,920 | - | 20,092 | - | 207 | - |
| 161 | Accrued contingency liability | - | - | - | - | - | - | - |
| 162 | Accrued interest payable | - | 1,701 | - | 70,469 | - | - | - |
| 163 | Accounts Payable - HUD PHA Programs | - | - | - | - | - | 1,483 | - |
| 164 | Accounts Payable - PHA projects | - | - | - | - | - | - | - |
| 165 | Accounts payable - other government | - | - | - | - | - | - | - |
| 166 | Tenant security deposits | - | 35,648 | - | 34,657 | - | - | - |
| 167 | Deferred revenue | - | - | - | - | - | 0 | - |
| 168 | Current portion of L-T debt - capital projects | - | 443,471 | - | 108,939 | - | - | - |
| 169 | Current portion of L-T debt - operating borrowings | - | - | - | - | - | - | - |
| 170 | Other current liabilities | - | - | - | - | - | - | - |
| 171 | Accrued liabilities - other | - | - | - | - | - | - | - |
| 172 | Interprogram - due to | - | - | - | - | - | - | - |
| 173 | Loan Liability - current | - | - | - | - | - | - | - |
| 174 | TOTAL CURRENT LIABILITIES | 6,126 | 558,351 | 1,464 | 280,067 | - | 1,894 | - |
| 175 | Noncurrent liabilities: | - | - | - | - | - | - | - |
| 176 | Long-term debt, net of current - capital projects | - | 683,802 | - | 4,362,863 | - | - | - |
| 177 | Long-term debt, net of current - operating borrowings | - | - | - | - | - | - | - |
| 178 | Non-current liabilities- other | - | 3,342 | - | 9,756 | - | - | - |
| 179 | Accrued compensated absences - non-current | - | - | - | - | - | - | - |
| 180 | Loan Liability - non-current | - | - | - | - | - | - | - |
| 181 | FASB 5 liabilities | - | - | - | - | - | - | - |
| 182 | Accrued pension and OPEB liabilities | - | - | - | - | - | - | - |
| 183 | TOTAL NONCURRENT LIABILITIES | - | 687,144 | - | 4,372,619 | - | - | - |
| 184 | TOTAL LIABILITIES | 6,126 | 1,245,495 | 1,464 | 4,652,686 | - | 1,894 | - |
| 185 | EQUITY: | - | - | - | - | - | - | - |
| 186 | Invested in capital assets, net of related debt | - | 5,843,339 | - | (2,366,335) | - | - | 35,190,353 |
| 187 | Restricted net assets | - | 814,830 | - | 2,415,011 | - | - | - |
| 188 | Unrestricted net assets | (5,497) | 231,124 | 24,571 | 100,848 | - | 52,904 | 13,677 |
| 189 | TOTAL EQUITY | (5,497) | 6,889,294 | 24,571 | 149,523 | - | 52,904 | 35,204,029 |
| 190 | TOTAL LIABILITIES AND EQUITY | \$ 629 | \$ 8,134,789 | \$ 26,035 | \$ 4,802,210 | \$ - | \$ 54,798 | \$ 35,204,029 |

| | | Resident Opportunity and Self-Sufficiency | Section 8 Housing Choice Vouchers | Moving-To-Work Demonstration Program | Competitive Capital Fund Stimulus Grant | Formula Capital Fund Stimulus Grant | Veteran's Affairs Supportive Housing | Disaster Housing Assistance Program |
|-----|---|--|---|--|---|--|---|---|
| | | 14.870 | 14.871 | 14.881 | 14.884 | 14.885 | 14.VSH | 97.109 |
| 111 | Cash: | | | | | | | |
| 112 | Cash - unrestricted | \$ - | \$ 2,711,492 | \$ 16,010,725 | \$ - | \$ - | \$ - | \$ - |
| 113 | Cash - restricted - modernization and development | - | - | - | - | - | - | - |
| 114 | Cash - other restricted | - | 625,752 | - | - | - | - | - |
| 115 | Cash - tenant security deposits | - | - | - | - | - | - | - |
| 116 | Cash - restricted for payment of current liability | - | - | - | - | - | - | - |
| 117 | Total cash | - | 3,337,244 | 16,010,725 | - | - | - | - |
| 118 | Accounts and notes receivable: | | | | | | | |
| 119 | AR - PHA projects | - | 67,696 | - | - | - | - | - |
| 120 | AR - HUD other projects | 79,853 | 24,507 | (0) | 2,715,397 | (0) | 8,451 | 3,447 |
| 121 | Accounts receivable - other government | - | - | - | - | - | - | - |
| 122 | Accounts receivable - miscellaneous | - | - | 136,451 | - | - | - | - |
| 123 | Accounts receivable- tenants | - | - | - | - | - | - | - |
| 124 | Allowance for doubtful accounts - tenants | - | - | - | - | - | - | - |
| 125 | Allowance for doubtful accounts - other | - | - | - | - | - | - | - |
| 126 | Notes and mortgages receivable- current | - | - | - | - | - | - | - |
| 127 | Fraud recovery | - | - | - | - | - | - | - |
| 128 | Allowance for doubtful accounts - fraud | - | - | - | - | - | - | - |
| 129 | Accrued interest receivable | - | - | - | - | - | - | - |
| 130 | Total receivables, net of allowances | 79,853 | 92,203 | 136,451 | 2,715,397 | (0) | 8,451 | 3,447 |
| 131 | Current investments: | | | | | | | |
| 132 | Investments - unrestricted | - | - | 35,982,881 | - | - | - | - |
| 133 | Investments - restricted | - | - | - | - | - | - | - |
| 134 | Prepaid expenses and other assets | - | 7,533 | 17,738 | - | - | - | - |
| 135 | Inventories | - | - | - | - | - | - | - |
| 136 | Interprogram - due from | - | - | - | - | - | - | - |
| 137 | TOTAL CURRENT ASSETS | 79,853 | 3,436,981 | 52,147,795 | 2,715,397 | (0) | 8,451 | 3,447 |
| 138 | NONCURRENT ASSETS: | | | | | | | |
| 139 | Fixed assets: | | | | | | | |
| 140 | Land | - | 710,375 | - | - | - | - | - |
| 141 | Buildings | - | 1,527,609 | - | - | - | - | - |
| 142 | Furniture, equipment & machinery - dwellings | - | - | - | - | - | - | - |
| 143 | Furniture, equipment & machinery - administration | - | 225,881 | - | - | - | - | - |
| 144 | Leasehold improvements | - | - | - | - | - | - | - |
| 145 | Accumulated depreciation | - | (324,667) | - | - | - | - | - |
| 146 | Work in progress | - | - | 5,000 | - | - | - | - |
| 147 | Net fixed assets | - | 2,139,197 | 5,000 | - | - | - | - |
| 148 | Other non-current assets: | | | | | | | |
| 149 | Notes and mortgages receivable - non-current | - | - | 15,000,000 | - | - | - | - |
| 150 | Other assets | - | - | - | - | - | - | - |
| 151 | TOTAL NONCURRENT ASSETS | - | 2,139,197 | 15,000,000 | - | - | - | - |
| 152 | TOTAL ASSETS | \$ 79,853 | \$ 5,576,178 | \$ 67,152,795 | \$ 2,715,397 | \$ (0) | \$ 8,451 | \$ 3,447 |
| 153 | LIABILITIES AND EQUITY: | | | | | | | |
| 154 | LIABILITIES: | | | | | | | |
| 155 | Current liabilities: | | | | | | | |
| 156 | Bank overdraft | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 157 | Accounts payable < 90 days | - | 59,948 | 169,727 | - | - | - | - |
| 158 | Accounts payable > 90 days past due | - | - | - | - | - | - | - |
| 159 | Accrued wage/payroll taxes payable | - | 195,582 | 86,215 | - | - | - | - |
| 160 | Accrued compensated absences | - | 277,755 | 118,671 | - | - | - | - |
| 161 | Accrued contingency liability | - | - | - | - | - | - | - |
| 162 | Accrued interest payable | - | - | - | - | - | - | - |
| 163 | Accounts Payable - HUD PHA Programs | - | 8,507 | - | - | - | - | - |
| 164 | Accounts Payable - PHA projects | - | - | - | - | - | - | - |
| 165 | Accounts payable - other government | - | - | - | - | - | - | - |
| 166 | Tenant security deposits | - | - | - | - | - | - | - |
| 167 | Deferred revenue | - | 0 | (0) | - | - | (0) | - |
| 168 | Current portion of L-T debt - capital projects | - | - | 48,131,563 | - | - | - | - |
| 169 | Current portion of L-T debt - operating borrowings | - | - | - | - | - | - | - |
| 170 | Other current liabilities | - | 625,752 | - | - | - | - | - |
| 171 | Accrued liabilities - other | - | - | 77,600 | - | - | - | - |
| 172 | Interprogram - due to | - | - | - | 2,715,397 | - | - | - |
| 173 | Loan Liability - current | - | - | - | - | - | - | - |
| 174 | TOTAL CURRENT LIABILITIES | - | 1,167,545 | 48,583,776 | 2,715,397 | - | (0) | - |
| 175 | Noncurrent liabilities: | | | | | | | |
| 176 | Long-term debt, net of current - capital projects | - | - | - | - | - | - | - |
| 177 | Long-term debt, net of current - operating borrowings | - | - | - | - | - | - | - |
| 178 | Non-current liabilities- other | - | - | - | - | - | - | - |
| 179 | Accrued compensated absences - non-current | - | - | - | - | - | - | - |
| 180 | Loan Liability - non-current | - | - | - | - | - | - | - |
| 181 | FASB 5 liabilities | - | - | - | - | - | - | - |
| 182 | Accrued pension and OPEB liabilities | - | - | - | - | - | - | - |
| 183 | TOTAL NONCURRENT LIABILITIES | - | - | - | - | - | - | - |
| 184 | TOTAL LIABILITIES | - | 1,167,545 | 48,583,776 | 2,715,397 | - | (0) | - |
| 185 | EQUITY: | | | | | | | |
| 186 | Invested in capital assets, net of related debt | - | 2,139,197 | (48,126,563) | - | - | - | - |
| 187 | Restricted net assets | - | 625,752 | - | - | - | - | - |
| 188 | Unrestricted net assets | 79,853 | 1,643,683 | 66,695,583 | - | - | 8,451 | 3,447 |
| 189 | TOTAL EQUITY | 79,853 | 4,408,633 | 18,569,020 | - | - | 8,451 | 3,447 |
| 190 | TOTAL LIABILITIES AND EQUITY | \$ 79,853 | \$ 5,576,178 | \$ 67,152,795 | \$ 2,715,397 | \$ - | \$ 8,451 | \$ 3,447 |

HOUSING AUTHORITY OF THE COUNTY OF KING
Federal Data Schedule (FDS)
Balance Sheet
As of December 31, 2010

| | | State/Local Programs | Business Activities | Americorp | Other Federal Programs | Other Federal Programs | COCC | AMP 101 |
|-----|---|----------------------|---------------------|-----------|------------------------|------------------------|---------------|--------------|
| | | | | 94,006 | 14,251 | 14,908 | | |
| 111 | Cash: | \$ 288,528 | \$ 13,543,359 | \$ (0) | \$ - | \$ - | \$ 27,809,252 | \$ 262,684 |
| 112 | Cash - unrestricted | - | - | - | - | - | - | - |
| 113 | Cash - restricted - modernization and development | - | - | - | - | - | - | - |
| 114 | Cash - other restricted | - | 12,408,298 | - | - | - | 556,340 | - |
| 115 | Cash - tenant security deposits | - | 1,009,036 | - | - | - | 4,278 | 22,061 |
| 116 | Cash - restricted for payment of current liability | - | - | - | - | - | - | - |
| 117 | Total cash | 288,528 | 26,960,692 | (0) | - | - | 28,369,870 | 284,745 |
| 118 | Accounts and notes receivables: | | | | | | | |
| 119 | AR - PHA projects | - | - | - | - | - | - | - |
| 120 | AR - HUD other projects | - | (0) | - | - | 48,013 | - | 7,964 |
| 121 | Accounts receivable - other government | 585,893 | 24,462 | 27,000 | - | - | - | - |
| 122 | Accounts receivable - miscellaneous | - | 12,786,895 | - | - | - | 27,555 | - |
| 123 | Accounts receivable- tenants | - | 134,080 | - | - | - | (0) | 300 |
| 124 | Allowance for doubtful accounts - tenants | - | (3,000) | - | - | - | - | (623) |
| 125 | Allowance for doubtful accounts - other | - | - | - | - | - | - | - |
| 126 | Notes and mortgages receivable- current | - | - | - | - | - | - | - |
| 127 | Fraud recovery | - | - | - | - | - | - | - |
| 128 | Allowance for doubtful accounts - fraud | - | - | - | - | - | - | - |
| 129 | Accrued interest receivable | - | - | - | - | - | - | - |
| 130 | Total receivables, net of allowances | 585,893 | 12,942,437 | 27,000 | - | 48,013 | 27,554 | 7,641 |
| 131 | Current investments: | | | | | | | |
| 132 | Investments - unrestricted | - | - | - | - | - | 5,047,355 | - |
| 133 | Investments - restricted | - | 7,828,446 | - | - | - | - | - |
| 134 | Prepaid expenses and other assets | 10,492 | 302,524 | 167 | - | - | 52,304 | 10,139 |
| 135 | Inventories | - | 182,980 | - | - | - | 55,949 | - |
| 136 | Interprogram - due from | - | - | - | - | - | - | 180,041 |
| 137 | TOTAL CURRENT ASSETS | 884,913 | 48,217,080 | 27,167 | - | 48,013 | 33,553,033 | 482,566 |
| 138 | NONCURRENT ASSETS: | | | | | | | |
| 139 | Fixed assets: | | | | | | | |
| 140 | Land | - | 38,081,573 | - | - | - | 4,346,094 | 1,960,510 |
| 141 | Buildings | - | 96,976,672 | - | - | - | 6,276,278 | 7,865,821 |
| 142 | Furniture, equipment & machinery - dwellings | - | 35,400 | - | - | - | - | - |
| 143 | Furniture, equipment & machinery - administration | 15,260 | 229,043 | - | - | - | 1,707,644 | 138,992 |
| 144 | Leasehold improvements | - | 8,363,094 | - | - | - | 34,438 | 2,029,068 |
| 145 | Accumulated depreciation | (15,260) | (46,199,411) | - | - | - | (2,686,662) | (4,923,856) |
| 146 | Work in progress | - | 40,925,101 | - | 2,435,000 | - | 1,781,996 | 303,197 |
| 147 | Net fixed assets | - | 138,411,472 | - | 2,435,000 | - | 11,459,787 | 7,373,732 |
| 148 | Other non-current assets: | | | | | | | |
| 149 | Notes and mortgages receivable - non-current | 209,641 | 186,017,021 | - | - | - | 2,800,000 | - |
| 150 | Other assets | - | 6,925,100 | - | - | - | 1,286,277 | - |
| 151 | TOTAL NONCURRENT ASSETS | 209,641 | 331,353,593 | - | 2,435,000 | - | 15,546,064 | 7,373,732 |
| 152 | TOTAL ASSETS | \$ 1,094,554 | \$ 379,570,673 | \$ 27,167 | \$ 2,435,000 | \$ 48,013 | \$ 49,099,096 | \$ 7,856,298 |
| 153 | LIABILITIES AND EQUITY: | | | | | | | |
| 154 | LIABILITIES: | | | | | | | |
| 155 | Current liabilities: | | | | | | | |
| 156 | Bank overdraft | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 157 | Accounts payable < 90 days | 45,039 | 2,692,052 | 450 | - | - | 278,264 | 119,828 |
| 158 | Accounts payable > 90 days past due | - | - | - | - | - | - | - |
| 159 | Accrued wage/payroll taxes payable | 18,740 | 93,028 | 1,239 | - | - | 472,368 | 21,338 |
| 160 | Accrued compensated absences | - | 125,559 | - | - | - | 970,339 | 14,739 |
| 161 | Accrued contingency liability | - | - | - | - | - | - | - |
| 162 | Accrued interest payable | - | 2,105,870 | - | - | - | - | - |
| 163 | Accounts Payable - HUD PHA Programs | - | 440 | - | - | - | - | - |
| 164 | Accounts Payable - PHA projects | - | - | - | - | - | - | - |
| 165 | Accounts payable - other government | - | - | - | - | - | - | - |
| 166 | Tenant security deposits | - | 1,050,507 | - | - | - | 3,911 | 22,061 |
| 167 | Deferred revenue | - | 865,145 | - | - | - | (0) | - |
| 168 | Current portion of L-T debt - capital projects | - | 8,701,853 | - | - | - | 90,477 | 18,340 |
| 169 | Current portion of L-T debt - operating borrowings | - | - | - | - | - | - | - |
| 170 | Other current liabilities | 8,898 | 1,247,578 | - | - | - | 80,312 | 11,868 |
| 171 | Accrued liabilities - other | - | 193,503 | - | - | - | 48,618 | - |
| 172 | Interprogram - due to | - | - | - | - | - | - | - |
| 173 | Loan Liability - current | - | - | - | - | - | - | - |
| 174 | TOTAL CURRENT LIABILITIES | 72,676 | 17,075,535 | 1,689 | - | - | 1,944,288 | 208,174 |
| 175 | Noncurrent liabilities: | | | | | | | |
| 176 | Long-term debt, net of current - capital projects | - | 208,201,393 | - | - | - | 6,688,385 | 130,211 |
| 177 | Long-term debt, net of current - operating borrowings | - | - | - | - | - | - | - |
| 178 | Non-current liabilities- other | - | 25,967,090 | - | - | - | 413,614 | 7,080 |
| 179 | Accrued compensated absences - non-current | - | - | - | - | - | - | - |
| 180 | Loan Liability - non-current | - | - | - | - | - | - | - |
| 181 | FASB 5 liabilities | - | - | - | - | - | - | - |
| 182 | Accrued pension and OPEB liabilities | - | - | - | - | - | - | - |
| 183 | TOTAL NONCURRENT LIABILITIES | - | 234,168,484 | - | - | - | 7,101,998 | 137,291 |
| 184 | TOTAL LIABILITIES | 72,676 | 251,244,019 | 1,689 | - | - | 9,046,286 | 345,465 |
| 185 | EQUITY: | | | | | | | |
| 186 | Invested in capital assets, net of related debt | - | (78,491,774) | - | 2,435,000 | - | 4,680,926 | 7,225,182 |
| 187 | Restricted net assets | - | 20,195,273 | - | - | - | 556,707 | (0) |
| 188 | Unrestricted net assets | 1,021,878 | 186,623,155 | 25,478 | - | 48,013 | 34,815,177 | 285,652 |
| 189 | TOTAL EQUITY | 1,021,878 | 128,326,654 | 25,478 | 2,435,000 | 48,013 | 40,052,810 | 7,510,833 |
| 190 | TOTAL LIABILITIES AND EQUITY | \$ 1,094,554 | \$ 379,570,673 | \$ 27,167 | \$ 2,435,000 | \$ 48,013 | \$ 49,099,096 | \$ 7,856,298 |

HOUSING AUTHORITY OF THE COUNTY OF KING
Federal Data Schedule (FDS)
Balance Sheet
As of December 31, 2010

| | | AMP 105 | AMP 150 | AMP 152 | AMP 153 | AMP 201 | AMP 203 | AMP 206 |
|-----|---|---------|----------|--------------|--------------|--------------|--------------|--------------|
| | | | | | | | | |
| 111 | Cash: | | | | | | | |
| 112 | Cash - unrestricted | \$ - | \$ 9,316 | \$ 174 | \$ 182,197 | \$ 5,812 | \$ 256,075 | \$ 135,399 |
| 113 | Cash - restricted - modernization and development | - | - | - | - | - | - | - |
| 114 | Cash - other restricted | - | - | - | - | - | - | - |
| 115 | Cash - tenant security deposits | - | - | 10,367 | 11,775 | 10,378 | 21,550 | 9,330 |
| 100 | Cash - restricted for payment of current liability | - | - | - | - | - | - | - |
| | Total cash | - | 9,316 | 10,541 | 193,972 | 16,190 | 277,625 | 144,729 |
| 121 | Accounts and notes receivables: | | | | | | | |
| 122 | AR - PHA projects | - | - | - | - | - | - | - |
| 124 | AR - HUD other projects | - | - | 49,490 | 13,003 | 21,093 | 16,217 | 17,767 |
| 125 | Accounts receivable - other government | - | - | - | - | - | - | - |
| 126 | Accounts receivable - miscellaneous | - | - | - | - | - | (0) | - |
| 126 | Accounts receivable - tenants | - | - | 5,561 | (0) | 237 | 29,654 | (0) |
| 126 | Allowance for doubtful accounts - tenants | - | - | (312) | (1,783) | (1,099) | (3,651) | (1,535) |
| 127 | Allowance for doubtful accounts - other | - | - | - | - | - | - | - |
| 128 | Notes and mortgages receivable - current | - | - | - | - | - | - | - |
| 128 | Fraud recovery | - | - | - | - | - | - | - |
| 128 | Allowance for doubtful accounts - fraud | - | - | - | - | - | - | - |
| 129 | Accrued interest receivable | - | - | - | - | - | - | - |
| 120 | Total receivables, net of allowances | - | - | 54,738 | 11,219 | 20,231 | 42,220 | 16,232 |
| 131 | Current investments: | | | | | | | |
| 132 | Investments - unrestricted | - | - | - | - | - | - | - |
| 142 | Investments - restricted | - | - | - | - | - | - | - |
| 143 | Prepaid expenses and other assets | - | 5 | 9,744 | 11,732 | 5,471 | 10,313 | 4,825 |
| 144 | Inventories | - | - | - | 125 | - | - | - |
| 150 | Interprogram - due from | - | - | 560,066 | 58,568 | 503,016 | 79,424 | - |
| | TOTAL CURRENT ASSETS | - | 9,321 | 635,089 | 275,616 | 544,907 | 409,581 | 165,787 |
| 161 | NONCURRENT ASSETS: | | | | | | | |
| 162 | Fixed assets: | | | | | | | |
| 163 | Land | - | - | - | - | - | - | - |
| 164 | Buildings | - | - | 246,728 | 224,064 | 285,906 | 1,740,113 | 404,865 |
| 165 | Furniture, equipment & machinery - dwellings | - | - | 4,065,943 | 5,856,503 | 3,495,676 | 4,961,837 | 3,013,698 |
| 166 | Furniture, equipment & machinery - administration | - | - | - | - | - | - | - |
| 167 | Leasehold improvements | - | - | 49,354 | 32,976 | 6,467 | 75,175 | 61,450 |
| 168 | Accumulated depreciation | - | - | 143,913 | 149,697 | 755,969 | 2,786,585 | 395,582 |
| 169 | Work in progress | - | - | (2,805,763) | (2,391,548) | (2,529,756) | (5,408,451) | (3,071,725) |
| 170 | Net fixed assets | - | - | 3,249,548 | 197,571 | 662,836 | 1,908,019 | 87,160 |
| 171 | Other non-current assets: | | | | | | | |
| 172 | Notes and mortgages receivable - non-current | - | - | - | - | - | - | - |
| 173 | Other assets | - | - | - | - | - | - | - |
| 180 | TOTAL NONCURRENT ASSETS | - | - | 4,949,724 | 4,069,263 | 2,677,098 | 6,063,279 | 891,029 |
| 190 | TOTAL ASSETS | \$ - | \$ 9,321 | \$ 5,584,812 | \$ 4,344,880 | \$ 3,222,005 | \$ 6,472,861 | \$ 1,056,817 |
| 311 | LIABILITIES AND EQUITY: | | | | | | | |
| 312 | LIABILITIES: | | | | | | | |
| 313 | Current liabilities: | | | | | | | |
| 314 | Bank overdraft | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 315 | Accounts payable < 90 days | - | 4 | 240,096 | 46,750 | 309,092 | 40,386 | 18,489 |
| 316 | Accounts payable > 90 days past due | - | - | - | - | - | - | - |
| 317 | Accrued wage/payroll taxes payable | - | 98 | 16,478 | 21,165 | 13,369 | 23,543 | 8,913 |
| 318 | Accrued compensated absences | - | 44 | 15,828 | 17,461 | 18,485 | 33,949 | 12,684 |
| 319 | Accrued contingency liability | - | - | - | - | - | - | - |
| 320 | Accrued interest payable | - | - | - | - | - | - | - |
| 321 | Accounts Payable - HUD PHA Programs | - | - | - | - | - | - | - |
| 322 | Accounts Payable - PHA projects | - | - | - | - | - | - | - |
| 323 | Accounts payable - other government | - | - | - | - | - | - | - |
| 324 | Tenant security deposits | - | - | 10,367 | 11,775 | 10,378 | 21,550 | 9,330 |
| 325 | Deferred revenue | - | - | - | - | - | 0 | - |
| 326 | Current portion of L-T debt - capital projects | - | - | 9,850 | 9,573 | 9,068 | 21,748 | 8,284 |
| 327 | Current portion of L-T debt - operating borrowings | - | - | - | - | - | - | - |
| 328 | Other current liabilities | - | - | 142,960 | 5,575 | 24,979 | 6,305 | - |
| 329 | Accrued liabilities - other | - | - | - | - | - | - | - |
| 330 | Interprogram - due to | - | - | - | - | - | - | - |
| 331 | Loan Liability - current | - | - | - | - | - | - | - |
| 332 | TOTAL CURRENT LIABILITIES | - | 146 | 435,579 | 112,298 | 385,370 | 147,481 | 57,699 |
| 333 | Noncurrent liabilities: | | | | | | | |
| 334 | Long-term debt, net of current - capital projects | - | - | 70,016 | 68,007 | 64,440 | 154,520 | 58,866 |
| 335 | Long-term debt, net of current - operating borrowings | - | - | - | - | - | - | - |
| 336 | Non-current liabilities- other | - | 34,585 | 5,569 | 2,123 | 2,663 | 5,292 | 23 |
| 337 | Accrued compensated absences - non-current | - | - | - | - | - | - | - |
| 338 | Loan Liability - non-current | - | - | - | - | - | - | - |
| 339 | FASB 5 liabilities | - | - | - | - | - | - | - |
| 340 | Accrued pension and OPEB liabilities | - | - | - | - | - | - | - |
| 341 | TOTAL NONCURRENT LIABILITIES | - | 34,585 | 75,584 | 70,129 | 67,103 | 159,812 | 58,889 |
| 342 | TOTAL LIABILITIES | - | 34,731 | 511,164 | 182,428 | 452,473 | 307,293 | 116,588 |
| 508 | EQUITY: | | | | | | | |
| 509 | Invested in capital assets, net of related debt | - | - | 4,869,858 | 3,991,684 | 2,603,591 | 5,887,011 | 823,880 |
| 510 | Restricted net assets | - | - | (0) | - | - | - | - |
| 511 | Unrestricted net assets | - | (25,410) | 203,791 | 170,768 | 165,942 | 278,557 | 116,349 |
| 512 | TOTAL EQUITY | - | (25,410) | 5,073,649 | 4,162,452 | 2,769,532 | 6,165,568 | 940,228 |
| 600 | TOTAL LIABILITIES AND EQUITY | \$ - | \$ 9,321 | \$ 5,584,812 | \$ 4,344,880 | \$ 3,222,005 | \$ 6,472,861 | \$ 1,056,817 |

HOUSING AUTHORITY OF THE COUNTY OF KING
Federal Data Schedule (FDS)
Balance Sheet
As of December 31, 2010

| | | AMP 207 | AMP 251 | AMP 301 | AMP 302 | AMP 340 | AMP 341 | AMP 343 |
|-----|---|--------------|--------------|----------|------------|---------------|--------------|--------------|
| | | | | | | | | |
| 111 | Cash: | | | | | | | |
| 112 | Cash - unrestricted | \$ 248,301 | \$ 89,237 | \$ 3,513 | \$ 503,670 | \$ 144,418 | \$ 8,769 | \$ 196,874 |
| 113 | Cash - restricted - modernization and development | - | - | - | - | - | - | - |
| 114 | Cash - other restricted | - | - | - | - | - | - | - |
| 115 | Cash - tenant security deposits | 15,118 | 6,142 | - | - | - | - | - |
| 120 | Cash - restricted for payment of current liability | - | - | - | - | - | - | - |
| | Total cash | 263,419 | 95,379 | 3,513 | 503,670 | 144,418 | 8,769 | 196,874 |
| 121 | Accounts and notes receivables: | | | | | | | |
| 122 | AR - PHA projects | - | - | - | - | - | - | - |
| 124 | AR - HUD other projects | 21,470 | 20,488 | - | 30,656 | 0 | - | - |
| 125 | Accounts receivable - other government | - | - | - | - | - | - | - |
| 126 | Accounts receivable - miscellaneous | - | - | (0) | - | 25,000 | - | 45,000 |
| 126 | Accounts receivable- tenants | 0 | 2,139 | (0) | 4,089 | - | - | - |
| 126 | Allowance for doubtful accounts - tenants | (1,395) | (359) | (528) | (1,716) | - | - | - |
| 127 | Allowance for doubtful accounts - other | - | - | - | - | - | - | - |
| 128 | Notes and mortgages receivable- current | - | - | - | - | - | - | - |
| 128 | Fraud recovery | - | - | - | - | - | - | - |
| 129 | Allowance for doubtful accounts - fraud | - | - | - | - | - | - | - |
| 129 | Accrued interest receivable | - | - | - | - | - | - | - |
| 120 | Total receivables, net of allowances | 20,075 | 22,268 | (528) | 33,029 | 25,000 | - | 45,000 |
| 131 | Current investments: | | | | | | | |
| 132 | Investments - unrestricted | - | - | - | - | - | - | - |
| 142 | Investments - restricted | - | - | - | - | 0 | - | - |
| 143 | Prepaid expenses and other assets | 7,271 | 5,517 | - | 0 | 4,070 | - | 22 |
| 144 | Inventories | - | - | - | - | - | - | - |
| 150 | Interprogram - due from | 15,592 | 44,782 | - | - | - | - | - |
| | TOTAL CURRENT ASSETS | 306,356 | 167,945 | 2,985 | 536,699 | 173,487 | 8,769 | 241,896 |
| 161 | NONCURRENT ASSETS: | | | | | | | |
| 162 | Fixed assets: | | | | | | | |
| 163 | Land | 816,743 | 62,146 | - | - | - | - | - |
| 163 | Buildings | 3,912,641 | 3,169,505 | - | - | - | - | - |
| 164 | Furniture, equipment & machinery - dwellings | - | - | - | - | - | - | - |
| 165 | Furniture, equipment & machinery - administration | 91,639 | - | - | - | - | - | - |
| 166 | Leasehold improvements | 999,743 | 583,879 | - | - | - | - | - |
| 167 | Accumulated depreciation | (4,636,605) | (1,710,924) | - | - | - | - | - |
| 160 | Work in progress | 113,147 | 152,876 | - | - | 448 | - | - |
| | Net fixed assets | 1,297,308 | 2,257,482 | - | - | 448 | - | - |
| 171 | Other non-current assets: | | | | | | | |
| 174 | Notes and mortgages receivable - non-current | - | - | - | - | 16,035,154 | 8,673,132 | 8,076,843 |
| 180 | Other assets | - | - | - | - | 200 | - | - |
| 190 | TOTAL NONCURRENT ASSETS | 1,297,308 | 2,257,482 | - | - | 16,035,802 | 8,673,132 | 8,076,843 |
| | TOTAL ASSETS | \$ 1,603,666 | \$ 2,425,427 | \$ 2,985 | \$ 536,699 | \$ 16,209,289 | \$ 8,681,900 | \$ 8,318,739 |
| 311 | LIABILITIES AND EQUITY: | | | | | | | |
| 312 | LIABILITIES: | | | | | | | |
| 313 | Current liabilities: | | | | | | | |
| 321 | Bank overdraft | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 322 | Accounts payable < 90 days | 61,338 | 27,213 | - | 21,754 | 8,262 | 316 | 7,918 |
| 323 | Accounts payable > 90 days past due | - | - | - | - | - | - | - |
| 324 | Accrued wage/payroll taxes payable | 13,125 | 11,193 | - | 710 | 1,611 | 104 | 719 |
| 325 | Accrued compensated absences | 21,839 | 13,674 | - | 1,991 | 3,098 | - | 723 |
| 326 | Accrued contingency liability | - | - | - | - | - | - | - |
| 327 | Accrued interest payable | - | - | - | - | - | - | 84,745 |
| 331 | Accounts Payable - HUD PHA Programs | - | - | - | - | - | - | - |
| 332 | Accounts Payable - PHA projects | - | - | - | - | - | - | - |
| 333 | Accounts payable - other government | - | - | - | - | - | - | - |
| 341 | Tenant security deposits | 15,118 | 6,142 | 600 | - | - | - | - |
| 342 | Deferred revenue | - | - | - | - | 424 | - | - |
| 343 | Current portion of L-T debt - capital projects | 14,523 | 16,064 | - | 34,982 | 25,000 | - | 45,000 |
| 344 | Current portion of L-T debt - operating borrowings | - | - | - | - | - | - | - |
| 345 | Other current liabilities | 2,635 | 4,566 | - | - | - | - | - |
| 346 | Accrued liabilities - other | - | - | - | - | - | - | - |
| 347 | Interprogram - due to | - | - | - | - | - | - | - |
| 348 | Loan Liability - current | - | - | - | - | - | - | - |
| 310 | TOTAL CURRENT LIABILITIES | 128,577 | 78,852 | 600 | 59,437 | 38,394 | 420 | 139,105 |
| 351 | Noncurrent liabilities: | | | | | | | |
| 352 | Long-term debt, net of current - capital projects | 103,240 | 114,164 | - | 248,620 | 6,855,000 | 7,120,000 | 4,205,000 |
| 353 | Long-term debt, net of current - operating borrowings | - | - | - | - | - | - | - |
| 354 | Non-current liabilities- other | 2,160 | 3,189 | 100 | - | - | - | - |
| 355 | Accrued compensated absences - non-current | - | - | - | - | - | - | - |
| 356 | Loan Liability - non-current | - | - | - | - | - | - | - |
| 357 | FASB 5 liabilities | - | - | - | - | - | - | - |
| 358 | Accrued pension and OPEB liabilities | - | - | - | - | - | - | - |
| 360 | TOTAL NONCURRENT LIABILITIES | 105,400 | 117,353 | 100 | 248,620 | 6,855,000 | 7,120,000 | 4,205,000 |
| | TOTAL LIABILITIES | 233,977 | 196,204 | 700 | 308,057 | 6,893,394 | 7,120,420 | 4,344,105 |
| 508 | EQUITY: | | | | | | | |
| 511 | Invested in capital assets, net of related debt | 1,179,545 | 2,127,254 | - | (283,602) | (6,879,552) | (7,120,000) | (4,250,000) |
| 512 | Restricted net assets | 1 | - | - | - | 0 | - | - |
| 513 | Unrestricted net assets | 190,143 | 101,969 | 2,285 | 512,244 | 16,195,447 | 8,681,481 | 8,224,633 |
| 600 | TOTAL EQUITY | 1,369,688 | 2,229,222 | 2,285 | 228,642 | 9,315,895 | 1,561,481 | 3,974,633 |
| | TOTAL LIABILITIES AND EQUITY | \$ 1,603,666 | \$ 2,425,427 | \$ 2,985 | \$ 536,699 | \$ 16,209,289 | \$ 8,681,900 | \$ 8,318,739 |

HOUSING AUTHORITY OF THE COUNTY OF KING
Federal Data Schedule (FDS)
Balance Sheet
As of December 31, 2010

| | | AMP 344 | AMP 345 | AMP 350 | AMP 352 | AMP 354 | AMP 355 | AMP 401 |
|-----|---|--------------|--------------|--------------|--------------|---------------|--------------|--------------|
| | | | | | | | | |
| 111 | Cash: | | | | | | | |
| 112 | Cash - unrestricted | \$ 0 | \$ - | \$ 71,984 | \$ 38,554 | \$ 471,087 | \$ 61,569 | \$ 79,794 |
| 113 | Cash - restricted - modernization and development | - | - | - | - | - | - | - |
| 114 | Cash - other restricted | - | - | - | - | - | - | - |
| 115 | Cash - tenant security deposits | - | - | 5,365 | 5,200 | 14,875 | - | 21,795 |
| 116 | Cash - restricted for payment of current liability | - | - | - | - | - | - | - |
| 117 | Total cash | 0 | - | 77,349 | 43,754 | 485,962 | 61,569 | 101,589 |
| 118 | Accounts and notes receivables: | | | | | | | |
| 119 | AR - PHA projects | - | - | - | - | - | - | - |
| 120 | AR - HUD other projects | - | - | 75,524 | 10,733 | 37,641 | - | 281,492 |
| 121 | Accounts receivable - other government | - | - | - | - | - | - | - |
| 122 | Accounts receivable - miscellaneous | - | - | - | - | 106,035 | 99,803 | (0) |
| 123 | Accounts receivable- tenants | - | - | 0 | 0 | 44,593 | - | 18,659 |
| 124 | Allowance for doubtful accounts - tenants | - | - | (2,907) | (940) | (979) | - | (4,521) |
| 125 | Allowance for doubtful accounts - other | - | - | - | - | - | - | - |
| 126 | Notes and mortgages receivable- current | - | 3,307,167 | - | - | - | - | - |
| 127 | Fraud recovery | - | - | - | - | - | - | - |
| 128 | Allowance for doubtful accounts - fraud | - | - | - | - | - | - | - |
| 129 | Accrued interest receivable | - | - | - | - | - | - | - |
| 130 | Total receivables, net of allowances | - | 3,307,167 | 72,617 | 9,794 | 187,289 | 99,803 | 295,630 |
| 131 | Current investments: | | | | | | | |
| 132 | Investments - unrestricted | - | - | - | - | - | - | - |
| 133 | Investments - restricted | - | - | - | - | 423 | - | - |
| 134 | Prepaid expenses and other assets | - | - | 5,325 | 5,024 | 7,960 | 652 | 12,772 |
| 135 | Inventories | - | - | - | - | - | - | 2,037 |
| 136 | Interprogram - due from | - | 588,789 | 1,125 | 83,371 | 97,105 | - | 115,169 |
| 137 | TOTAL CURRENT ASSETS | 0 | 3,895,956 | 156,416 | 141,942 | 778,740 | 162,025 | 527,197 |
| 138 | NONCURRENT ASSETS: | | | | | | | |
| 139 | Fixed assets: | | | | | | | |
| 140 | Land | - | - | 72,003 | 227,040 | 973,765 | - | 540,599 |
| 141 | Buildings | - | - | 2,455,077 | 4,127,589 | 7,505,585 | - | 5,691,535 |
| 142 | Furniture, equipment & machinery - dwellings | - | - | - | - | - | - | - |
| 143 | Furniture, equipment & machinery - administration | - | - | 30,642 | - | 39,801 | - | 107,484 |
| 144 | Leasehold improvements | - | - | 60,123 | 160,031 | 421,300 | - | 1,865,782 |
| 145 | Accumulated depreciation | - | - | (1,608,264) | (1,800,889) | (2,359,590) | - | (4,251,827) |
| 146 | Work in progress | - | - | 172,072 | 165,297 | 441,527 | - | 3,843,786 |
| 147 | Net fixed assets | - | - | 1,181,653 | 2,879,068 | 7,022,388 | - | 7,797,360 |
| 148 | Other non-current assets: | | | | | | | |
| 149 | Notes and mortgages receivable - non-current | 3,921,075 | - | - | - | 48,208,723 | 6,853,492 | - |
| 150 | Other assets | - | - | - | - | - | - | - |
| 151 | TOTAL NONCURRENT ASSETS | 3,921,075 | - | 1,181,653 | 2,879,068 | 55,231,112 | 6,853,492 | 7,797,360 |
| 152 | TOTAL ASSETS | \$ 3,921,075 | \$ 3,895,956 | \$ 1,338,068 | \$ 3,021,010 | \$ 56,009,851 | \$ 7,015,517 | \$ 8,324,558 |
| 153 | LIABILITIES AND EQUITY: | | | | | | | |
| 154 | LIABILITIES: | | | | | | | |
| 155 | Current liabilities: | | | | | | | |
| 156 | Bank overdraft | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 157 | Accounts payable < 90 days | - | - | 9,082 | 44,110 | 70,512 | 1,394 | 95,536 |
| 158 | Accounts payable > 90 days past due | - | - | - | - | - | - | - |
| 159 | Accrued wage/payroll taxes payable | - | - | 9,201 | 9,619 | 23,026 | 1,043 | 27,493 |
| 160 | Accrued compensated absences | - | - | 9,996 | 10,339 | 110,166 | 1,991 | 22,198 |
| 161 | Accrued contingency liability | - | - | - | - | - | - | - |
| 162 | Accrued interest payable | - | - | - | - | 30,242 | 69,803 | - |
| 163 | Accounts Payable - HUD PHA Programs | - | - | - | - | - | - | - |
| 164 | Accounts Payable - PHA projects | - | - | - | - | - | - | - |
| 165 | Accounts payable - other government | - | - | - | - | - | - | - |
| 166 | Tenant security deposits | - | - | 5,365 | 5,200 | 14,875 | - | 21,795 |
| 167 | Deferred revenue | - | - | - | - | (0) | - | (0) |
| 168 | Current portion of L-T debt - capital projects | - | 3,307,167 | 4,925 | 4,673 | 294,245 | 30,000 | 4,926 |
| 169 | Current portion of L-T debt - operating borrowings | - | - | - | - | - | - | - |
| 170 | Other current liabilities | - | - | 2,690 | 6,815 | 7,858 | - | 160,279 |
| 171 | Accrued liabilities - other | - | - | - | - | 853 | - | - |
| 172 | Interprogram - due to | - | - | - | - | - | - | - |
| 173 | Loan Liability - current | - | - | - | - | - | - | - |
| 174 | TOTAL CURRENT LIABILITIES | - | 3,307,167 | 41,259 | 80,754 | 551,777 | 104,232 | 332,227 |
| 175 | Noncurrent liabilities: | | | | | | | |
| 176 | Long-term debt, net of current - capital projects | 2,846,264 | - | 35,008 | 33,225 | 7,503,931 | 3,268,000 | 35,007 |
| 177 | Long-term debt, net of current - operating borrowings | - | - | - | - | - | - | - |
| 178 | Non-current liabilities- other | - | - | 1,764 | 36,165 | 45,373 | - | 157,439 |
| 179 | Accrued compensated absences - non-current | - | - | - | - | - | - | - |
| 180 | Loan Liability - non-current | - | - | - | - | - | - | - |
| 181 | FASB 5 liabilities | - | - | - | - | - | - | - |
| 182 | Accrued pension and OPEB liabilities | - | - | - | - | - | - | - |
| 183 | TOTAL NONCURRENT LIABILITIES | 2,846,264 | - | 36,772 | 69,390 | 7,549,304 | 3,268,000 | 192,446 |
| 184 | TOTAL LIABILITIES | 2,846,264 | 3,307,167 | 78,031 | 150,144 | 8,101,081 | 3,372,232 | 524,674 |
| 185 | EQUITY: | | | | | | | |
| 186 | Invested in capital assets, net of related debt | (2,846,264) | (3,307,167) | 1,141,720 | 2,841,171 | (775,788) | (3,298,000) | 7,757,427 |
| 187 | Restricted net assets | - | - | - | - | 423 | - | 0 |
| 188 | Unrestricted net assets | 3,921,075 | 3,895,956 | 118,317 | 29,695 | 48,684,135 | 6,941,285 | 42,458 |
| 189 | TOTAL EQUITY | 1,074,811 | 588,789 | 1,260,037 | 2,870,866 | 47,908,770 | 3,643,285 | 7,799,885 |
| 190 | TOTAL LIABILITIES AND EQUITY | \$ 3,921,075 | \$ 3,895,956 | \$ 1,338,068 | \$ 3,021,010 | \$ 56,009,851 | \$ 7,015,517 | \$ 8,324,558 |

HOUSING AUTHORITY OF THE COUNTY OF KING
Federal Data Schedule (FDS)
Balance Sheet
As of December 31, 2010

| | | AMP 402 | AMP 403 | AMP 404 | AMP 408 | AMP 450 | AMP 451 | AMP 502 |
|-----|---|--------------|--------------|--------------|--------------|----------|------------|--------------|
| | | | | | | | | |
| 111 | Cash: | | | | | | | |
| 112 | Cash - unrestricted | \$ 30,697 | \$ 309,808 | \$ 57,954 | \$ 92,614 | \$ 9,274 | \$ 52,764 | \$ 205,309 |
| 113 | Cash - restricted - modernization and development | - | - | - | - | - | - | - |
| 114 | Cash - other restricted | - | - | - | - | - | - | - |
| 115 | Cash - tenant security deposits | - | 17,025 | 5,700 | 4,000 | - | 3,550 | 9,450 |
| 116 | Cash - restricted for payment of current liability | - | - | - | - | - | - | - |
| 117 | Total cash | 30,697 | 326,833 | 63,654 | 96,614 | 9,274 | 56,314 | 214,759 |
| 118 | Accounts and notes receivables: | | | | | | | |
| 119 | AR - PHA projects | - | - | - | - | - | - | - |
| 120 | AR - HUD other projects | - | 14,154 | 164 | 0 | - | 2 | 2,758 |
| 121 | Accounts receivable - other government | - | - | - | - | - | - | - |
| 122 | Accounts receivable - miscellaneous | - | - | (0) | - | - | - | - |
| 123 | Accounts receivable - tenants | - | (0) | 9,241 | (0) | - | 275 | 2,456 |
| 124 | Allowance for doubtful accounts - tenants | - | (634) | (1,945) | (272) | - | (73) | (56) |
| 125 | Allowance for doubtful accounts - other | - | - | - | - | - | - | - |
| 126 | Notes and mortgages receivable - current | - | - | - | - | - | - | - |
| 127 | Fraud recovery | - | - | - | - | - | - | - |
| 128 | Allowance for doubtful accounts - fraud | - | - | - | - | - | - | - |
| 129 | Accrued interest receivable | - | - | - | - | - | - | - |
| 130 | Total receivables, net of allowances | - | 13,520 | 7,460 | (272) | - | 203 | 5,159 |
| 131 | Current investments: | | | | | | | |
| 132 | Investments - unrestricted | - | - | - | - | - | - | - |
| 133 | Investments - restricted | - | - | - | - | - | - | - |
| 134 | Prepaid expenses and other assets | 0 | 11,515 | 17,625 | 2,269 | 4 | 3,374 | 1,119 |
| 135 | Inventories | - | 0 | - | - | - | - | - |
| 136 | Interprogram - due from | - | 84,865 | - | - | - | 35,278 | - |
| 137 | TOTAL CURRENT ASSETS | 30,698 | 436,733 | 88,739 | 98,612 | 9,278 | 95,169 | 221,036 |
| 138 | NONCURRENT ASSETS: | | | | | | | |
| 139 | Fixed assets: | | | | | | | |
| 140 | Land | - | 1,961,029 | 70,795 | 1,616,552 | - | 64,197 | 17,177 |
| 141 | Buildings | 3,070,388 | 6,325,152 | 3,207,835 | 1,389,548 | - | 1,561,652 | 2,529,087 |
| 142 | Furniture, equipment & machinery - dwellings | - | - | - | - | - | - | - |
| 143 | Furniture, equipment & machinery - administration | - | 55,349 | - | - | - | - | 50,547 |
| 144 | Leasehold improvements | - | 491,987 | 242,308 | 90,551 | - | 76,234 | 681,497 |
| 145 | Accumulated depreciation | (474,515) | (3,169,718) | (1,673,750) | (551,594) | - | (930,214) | (1,807,060) |
| 146 | Work in progress | - | 2,544,161 | 29,910 | 14,715 | - | 78,610 | 720,138 |
| 147 | Net fixed assets | 2,595,874 | 8,207,960 | 1,877,097 | 2,559,774 | - | 850,479 | 2,191,386 |
| 148 | Other non-current assets: | | | | | | | |
| 149 | Notes and mortgages receivable - non-current | - | - | - | - | - | - | - |
| 150 | Other assets | - | - | - | - | - | - | - |
| 151 | TOTAL NONCURRENT ASSETS | 2,595,874 | 8,207,960 | 1,877,097 | 2,559,774 | - | 850,479 | 2,191,386 |
| 152 | TOTAL ASSETS | \$ 2,626,571 | \$ 8,644,693 | \$ 1,965,836 | \$ 2,658,385 | \$ 9,278 | \$ 945,648 | \$ 2,412,422 |
| 153 | LIABILITIES AND EQUITY: | | | | | | | |
| 154 | LIABILITIES: | | | | | | | |
| 155 | Current liabilities: | | | | | | | |
| 156 | Bank overdraft | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 157 | Accounts payable < 90 days | 4,395 | 114,448 | 7,301 | 7,065 | 4 | 22,534 | 19,942 |
| 158 | Accounts payable > 90 days past due | - | - | - | - | - | - | - |
| 159 | Accrued wage/payroll taxes payable | 465 | 18,740 | 4,168 | 7,123 | 87 | 9,378 | 15,166 |
| 160 | Accrued compensated absences | 83 | 22,893 | 4,315 | 10,779 | 39 | 10,375 | 15,841 |
| 161 | Accrued contingency liability | - | - | - | - | - | - | - |
| 162 | Accrued interest payable | - | - | - | - | - | - | - |
| 163 | Accounts Payable - HUD PHA Programs | - | - | - | - | - | - | - |
| 164 | Accounts Payable - PHA projects | - | - | - | - | - | - | - |
| 165 | Accounts payable - other government | - | - | - | - | - | - | - |
| 166 | Tenant security deposits | - | 17,025 | 5,700 | 4,000 | - | 3,550 | 9,450 |
| 167 | Deferred revenue | - | - | - | - | - | - | - |
| 168 | Current portion of L-T debt - capital projects | - | 19,170 | 4,673 | 4,142 | - | 2,854 | 9,573 |
| 169 | Current portion of L-T debt - operating borrowings | - | - | - | - | - | - | - |
| 170 | Other current liabilities | - | 6,035 | - | - | - | 2,475 | - |
| 171 | Accrued liabilities - other | - | - | - | - | - | - | - |
| 172 | Interprogram - due to | - | - | - | - | - | - | - |
| 173 | Loan Liability - current | - | - | - | - | - | - | - |
| 174 | TOTAL CURRENT LIABILITIES | 4,944 | 198,312 | 26,156 | 33,109 | 130 | 51,167 | 69,972 |
| 175 | Noncurrent liabilities: | | | | | | | |
| 176 | Long-term debt, net of current - capital projects | - | 136,239 | 33,225 | 29,433 | - | 20,291 | 68,007 |
| 177 | Long-term debt, net of current - operating borrowings | - | - | - | - | - | - | - |
| 178 | Non-current liabilities- other | - | 3,391 | 1,928 | 3,512 | 67,660 | 1,372 | 6,013 |
| 179 | Accrued compensated absences - non-current | - | - | - | - | - | - | - |
| 180 | Loan Liability - non-current | - | - | - | - | - | - | - |
| 181 | FASB 5 liabilities | - | - | - | - | - | - | - |
| 182 | Accrued pension and OPEB liabilities | - | - | - | - | - | - | - |
| 183 | TOTAL NONCURRENT LIABILITIES | - | 139,630 | 35,152 | 32,945 | 67,660 | 21,663 | 74,020 |
| 184 | TOTAL LIABILITIES | 4,944 | 337,942 | 61,308 | 66,054 | 67,790 | 72,830 | 143,991 |
| 185 | EQUITY: | | | | | | | |
| 186 | Invested in capital assets, net of related debt | 2,595,874 | 8,052,550 | 1,839,200 | 2,526,199 | - | 827,334 | 2,113,806 |
| 187 | Restricted net assets | - | - | - | - | - | - | - |
| 188 | Unrestricted net assets | 25,754 | 254,201 | 65,328 | 66,133 | (58,512) | 45,486 | 154,623 |
| 189 | TOTAL EQUITY | 2,621,627 | 8,306,751 | 1,904,528 | 2,592,331 | (58,512) | 872,819 | 2,268,430 |
| 190 | TOTAL LIABILITIES AND EQUITY | \$ 2,626,571 | \$ 8,644,693 | \$ 1,965,836 | \$ 2,658,385 | \$ 9,278 | \$ 945,648 | \$ 2,412,422 |

HOUSING AUTHORITY OF THE COUNTY OF KING
Federal Data Schedule (FDS)
Balance Sheet
As of December 31, 2010

| | | AMP 503 | AMP 504 | AMP 505 | AMP 550 | AMP 551 | AMP 552 | AMP 553 |
|-----|---|--------------|--------------|--------------|--------------|----------|--------------|-----------|
| | | | | | | | | |
| 111 | Cash: | | | | | | | |
| 112 | Cash - unrestricted | \$ 188,364 | \$ 174,354 | \$ 194,988 | \$ 76,105 | \$ 9,029 | \$ 24,835 | \$ 9,424 |
| 113 | Cash - restricted - modernization and development | - | - | - | - | - | - | - |
| 114 | Cash - other restricted | - | - | - | - | - | - | - |
| 115 | Cash - tenant security deposits | 8,400 | 7,975 | 10,025 | 5,075 | - | 5,676 | - |
| 116 | Cash - restricted for payment of current liability | - | - | - | - | - | - | - |
| 117 | Total cash | 196,764 | 182,329 | 205,013 | 81,180 | 9,029 | 30,511 | 9,424 |
| 118 | Accounts and notes receivables: | | | | | | | |
| 119 | AR - PHA projects | - | - | - | - | - | - | - |
| 120 | AR - HUD other projects | 11,006 | 9,183 | 25,701 | 1,652 | - | 1,178 | - |
| 121 | Accounts receivable - other government | - | - | - | - | - | - | - |
| 122 | Accounts receivable - miscellaneous | - | - | - | (0) | - | - | - |
| 123 | Accounts receivable - tenants | 2,694 | 774 | (0) | (0) | - | 0 | - |
| 124 | Allowance for doubtful accounts - tenants | (12) | (451) | (1,155) | (279) | - | (139) | - |
| 125 | Allowance for doubtful accounts - other | - | - | - | - | - | - | - |
| 126 | Notes and mortgages receivable - current | - | - | - | - | - | - | - |
| 127 | Fraud recovery | - | - | - | - | - | - | - |
| 128 | Allowance for doubtful accounts - fraud | - | - | - | - | - | - | - |
| 129 | Accrued interest receivable | - | - | - | - | - | - | - |
| 130 | Total receivables, net of allowances | 13,688 | 9,506 | 24,546 | 1,374 | - | 1,039 | - |
| 131 | Current investments: | | | | | | | |
| 132 | Investments - unrestricted | - | - | - | - | - | - | - |
| 133 | Investments - restricted | - | - | - | - | - | - | - |
| 134 | Prepaid expenses and other assets | 4,173 | 13,175 | 5,306 | 4,876 | 5 | 6,888 | - |
| 135 | Inventories | - | - | - | - | - | - | - |
| 136 | Interprogram - due from | - | - | 39,641 | 71,426 | - | 157,139 | - |
| 137 | TOTAL CURRENT ASSETS | 214,625 | 205,010 | 274,506 | 158,855 | 9,034 | 195,577 | 9,424 |
| 138 | NONCURRENT ASSETS: | | | | | | | |
| 139 | Fixed assets: | | | | | | | |
| 140 | Land | 113,808 | 154,682 | 369,033 | 70,350 | - | 66,167 | - |
| 141 | Buildings | 3,969,900 | 3,359,161 | 3,888,756 | 2,231,398 | - | 4,824,664 | - |
| 142 | Furniture, equipment & machinery - dwellings | - | - | - | - | - | - | - |
| 143 | Furniture, equipment & machinery - administration | 50,589 | 45,015 | 48,369 | - | - | - | - |
| 144 | Leasehold improvements | 322,380 | 276,581 | 545,532 | 127,940 | - | 146,656 | - |
| 145 | Accumulated depreciation | (1,647,730) | (1,617,558) | (2,910,378) | (1,413,549) | - | (2,034,193) | - |
| 146 | Work in progress | 147,716 | 191,754 | 538,356 | 663,368 | - | 2,416,958 | - |
| 147 | Net fixed assets | 2,956,662 | 2,409,635 | 2,479,667 | 1,679,508 | - | 5,420,252 | - |
| 148 | Other non-current assets: | | | | | | | |
| 149 | Notes and mortgages receivable - non-current | - | - | - | - | - | - | - |
| 150 | Other assets | - | - | - | - | - | - | - |
| 151 | TOTAL NONCURRENT ASSETS | 2,956,662 | 2,409,635 | 2,479,667 | 1,679,508 | - | 5,420,252 | - |
| 152 | TOTAL ASSETS | \$ 3,171,287 | \$ 2,614,646 | \$ 2,754,173 | \$ 1,838,362 | \$ 9,034 | \$ 5,615,829 | \$ 9,424 |
| 153 | LIABILITIES AND EQUITY: | | | | | | | |
| 154 | LIABILITIES: | | | | | | | |
| 155 | Current liabilities: | | | | | | | |
| 156 | Bank overdraft | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 157 | Accounts payable < 90 days | 33,856 | 25,891 | 34,686 | 28,239 | 4 | 48,833 | - |
| 158 | Accounts payable > 90 days past due | - | - | - | - | - | - | - |
| 159 | Accrued wage/payroll taxes payable | 8,102 | 10,681 | 11,865 | 9,512 | 98 | 10,977 | - |
| 160 | Accrued compensated absences | 7,775 | 12,758 | 62,227 | 12,029 | 44 | 35,375 | - |
| 161 | Accrued contingency liability | - | - | - | - | - | - | - |
| 162 | Accrued interest payable | - | - | - | - | - | - | - |
| 163 | Accounts Payable - HUD PHA Programs | - | - | - | - | - | - | - |
| 164 | Accounts Payable - PHA projects | - | - | - | - | - | - | - |
| 165 | Accounts payable - other government | - | - | - | - | - | - | - |
| 166 | Tenant security deposits | 8,400 | 7,975 | 10,025 | 5,075 | - | 5,676 | - |
| 167 | Deferred revenue | - | - | (0) | - | - | - | - |
| 168 | Current portion of L-T debt - capital projects | 8,033 | 8,285 | 12,982 | 5,961 | - | 5,708 | - |
| 169 | Current portion of L-T debt - operating borrowings | - | - | - | - | - | - | - |
| 170 | Other current liabilities | - | - | 3,385 | 6,529 | - | 106,531 | - |
| 171 | Accrued liabilities - other | - | - | - | - | - | - | - |
| 172 | Interprogram - due to | - | - | - | - | - | - | - |
| 173 | Loan Liability - current | - | - | - | - | - | - | - |
| 174 | TOTAL CURRENT LIABILITIES | 66,166 | 65,590 | 135,171 | 67,344 | 146 | 213,099 | - |
| 175 | Noncurrent liabilities: | | | | | | | |
| 176 | Long-term debt, net of current - capital projects | 57,082 | 58,865 | 92,315 | 42,366 | - | 40,583 | - |
| 177 | Long-term debt, net of current - operating borrowings | - | - | - | - | - | - | - |
| 178 | Non-current liabilities- other | 3,015 | 4,500 | 4,518 | 26,506 | 40,596 | 318 | 133,237 |
| 179 | Accrued compensated absences - non-current | - | - | - | - | - | - | - |
| 180 | Loan Liability - non-current | - | - | - | - | - | - | - |
| 181 | FASB 5 liabilities | - | - | - | - | - | - | - |
| 182 | Accrued pension and OPEB liabilities | - | - | - | - | - | - | - |
| 183 | TOTAL NONCURRENT LIABILITIES | 60,097 | 63,365 | 96,833 | 68,872 | 40,596 | 40,901 | 133,237 |
| 184 | TOTAL LIABILITIES | 126,262 | 128,955 | 232,004 | 136,216 | 40,742 | 254,000 | 133,237 |
| 185 | EQUITY: | | | | | | | |
| 186 | Invested in capital assets, net of related debt | 2,891,548 | 2,342,485 | 2,374,369 | 1,631,181 | - | 5,373,961 | - |
| 187 | Restricted net assets | - | - | - | - | - | (0) | - |
| 188 | Unrestricted net assets | 153,477 | 143,207 | 147,800 | 70,965 | (31,708) | (121,322) | (123,813) |
| 189 | TOTAL EQUITY | 3,045,025 | 2,485,691 | 2,522,169 | 1,702,147 | (31,708) | 5,361,829 | (123,813) |
| 190 | TOTAL LIABILITIES AND EQUITY | \$ 3,171,287 | \$ 2,614,646 | \$ 2,754,173 | \$ 1,838,362 | \$ 9,034 | \$ 5,615,829 | \$ 9,424 |

HOUSING AUTHORITY OF THE COUNTY OF KING
Federal Data Schedule (FDS)
Balance Sheet
As of December 31, 2010

| | | Subtotal | Elimination | Total Authority |
|-----|---|----------------|-----------------|-----------------|
| | Cash: | | | |
| 111 | Cash - unrestricted | \$ 65,054,549 | | \$ 65,054,549 |
| 112 | Cash - restricted - modernization and development | - | | - |
| 113 | Cash - other restricted | 16,466,944 | | 16,466,944 |
| 114 | Cash - tenant security deposits | 1,315,760 | | 1,315,760 |
| 115 | Cash - restricted for payment of current liability | - | | - |
| 100 | Total cash | 82,837,252 | | 82,837,252 |
| | Accounts and notes receivables: | | | |
| 121 | AR - PHA projects | 67,696 | | 67,696 |
| 122 | AR - HUD other projects | 3,588,714 | | 3,588,714 |
| 124 | Accounts receivable - other government | 642,085 | | 642,085 |
| 125 | Accounts receivable - miscellaneous | 13,226,739 | | 13,226,739 |
| 126 | Accounts receivable - tenants | 283,284 | | 283,284 |
| 126 | Allowance for doubtful accounts - tenants | (33,366) | | (33,366) |
| 126 | Allowance for doubtful accounts - other | - | | - |
| 127 | Notes and mortgages receivable - current | 3,307,167 | | 3,307,167 |
| 128 | Fraud recovery | - | | - |
| 128 | Allowance for doubtful accounts - fraud | - | | - |
| 129 | Accrued interest receivable | - | | - |
| 120 | Total receivables, net of allowances | 21,082,319 | | 21,082,319 |
| | Current investments: | | | |
| 131 | Investments - unrestricted | 41,030,236 | | 41,030,236 |
| 132 | Investments - restricted | 8,180,848 | | 8,180,848 |
| 142 | Prepaid expenses and other assets | 585,573 | | 585,573 |
| 143 | Inventories | 241,092 | | 241,092 |
| 144 | Interprogram - due from | 2,715,397 | (2,715,397) | (0) |
| 150 | TOTAL CURRENT ASSETS | 156,672,717 | (2,715,397) | 153,957,320 |
| | NONCURRENT ASSETS: | | | |
| | Fixed assets: | | | |
| 161 | Land | 57,667,372 | | 57,667,372 |
| 162 | Buildings | 211,255,668 | | 211,255,668 |
| 163 | Furniture, equipment & machinery - dwellings | 35,400 | | 35,400 |
| 164 | Furniture, equipment & machinery - administration | 3,076,763 | | 3,076,763 |
| 165 | Leasehold improvements | 22,718,299 | | 22,718,299 |
| 166 | Accumulated depreciation | (113,330,828) | | (113,330,828) |
| 167 | Work in progress | 98,982,339 | | 98,982,339 |
| 160 | Net fixed assets | 280,405,014 | | 280,405,014 |
| | Other non-current assets: | | | |
| 171 | Notes and mortgages receivable - non-current | 280,795,081 | | 280,795,081 |
| 174 | Other assets | 23,287,620 | (20,508,118) | 2,779,502 |
| 180 | TOTAL NONCURRENT ASSETS | 584,487,715 | (20,508,118) | 563,979,597 |
| 190 | TOTAL ASSETS | \$ 741,160,435 | \$ (23,223,515) | \$ 717,936,920 |
| | LIABILITIES AND EQUITY: | | | |
| | LIABILITIES: | | | |
| | Current liabilities: | | | |
| 311 | Bank overdraft | \$ - | | - |
| 312 | Accounts payable < 90 days | 4,757,003 | | 4,757,003 |
| 313 | Accounts payable > 90 days past due | - | | - |
| 321 | Accrued wage/payroll taxes payable | 1,231,518 | | 1,231,518 |
| 322 | Accrued compensated absences | 2,050,113 | | 2,050,113 |
| 324 | Accrued contingency liability | - | | - |
| 325 | Accrued interest payable | 2,362,831 | | 2,362,831 |
| 331 | Accounts Payable - HUD PHA Programs | 10,430 | | 10,430 |
| 332 | Accounts Payable - PHA projects | - | | - |
| 333 | Accounts payable - other government | - | | - |
| 341 | Tenant security deposits | 1,356,155 | | 1,356,155 |
| 342 | Deferred revenue | 865,569 | | 865,569 |
| 343 | Current portion of L-T debt - capital projects | 61,416,050 | | 61,416,050 |
| 344 | Current portion of L-T debt - operating borrowings | - | | - |
| 345 | Other current liabilities | 2,464,024 | | 2,464,024 |
| 346 | Accrued liabilities - other | 320,575 | | 320,575 |
| 347 | Interprogram - due to | 2,715,397 | (2,715,397) | (0) |
| 348 | Loan Liability - current | - | | - |
| 310 | TOTAL CURRENT LIABILITIES | 79,549,663 | (2,715,397) | 76,834,266 |
| | Noncurrent liabilities: | | | |
| 351 | Long-term debt, net of current - capital projects | 253,428,366 | | 253,428,366 |
| 352 | Long-term debt, net of current - operating borrowings | - | | - |
| 353 | Non-current liabilities - other | 26,993,891 | (20,508,118) | 6,485,773 |
| 354 | Accrued compensated absences - non-current | - | | - |
| 355 | Loan Liability - non-current | - | | - |
| 356 | FASB 5 liabilities | - | | - |
| 357 | Accrued pension and OPEB liabilities | - | | - |
| 350 | TOTAL NONCURRENT LIABILITIES | 280,422,257 | (20,508,118) | 259,914,139 |
| 300 | TOTAL LIABILITIES | 359,971,920 | (23,223,515) | 336,748,405 |
| | EQUITY: | | | |
| 508 | Invested in capital assets, net of related debt | (34,439,403) | - | (34,439,403) |
| 511 | Restricted net assets | 24,607,997 | - | 24,607,997 |
| 512 | Unrestricted net assets | 391,019,921 | | 391,019,921 |
| 513 | TOTAL EQUITY | 381,188,515 | - | 381,188,515 |
| 600 | TOTAL LIABILITIES AND EQUITY | \$ 741,160,435 | \$ (23,223,515) | \$ 717,936,920 |

HOUSING AUTHORITY OF THE COUNTY OF KING
Financial Data Schedule (FDS)
Statement of Revenues and Expenses
For the 12 Month Period Ending December 31, 2010

| | Capital Fund Program | Section 8 Housing Choice Voucher | Low Rent Public Housing | Supportive Housing for Persons with Disabilities | Section 8 - New Construction | Multifamily Housing Service coordinators | Section 8 - Special Allocation | Section 8 - HAP Program Additional Support | Section 8 - Moderate Rehabilitation |
|---|--|----------------------------------|-------------------------|--|------------------------------|--|--------------------------------|--|-------------------------------------|
| | 14.CFP | 14.HCV | 14.OPS | 14.181 | 14.182 | 14.191 | 14.195 | 14.317 | 14.456 |
| REVENUE: | | | | | | | | | |
| 70300 | Net tenant rental revenue | \$ - | \$ - | \$ - | \$ 398,155 | \$ - | \$ 519,828 | \$ - | \$ - |
| 70400 | Tenant revenue - other | - | - | 1,950 | 10,214 | - | 16,966 | - | - |
| 70500 | Total tenant revenue | - | - | 1,950 | 408,369 | - | 536,794 | - | - |
| 70600 | HUD PHA Operating Grants | 3,548,831 | 90,819,291 | 7,889,630 | 2,439,232 | 1,162,941 | 48,415 | 763,671 | 33,956 |
| 70610 | Capital Grants | 5,580,179 | - | - | - | - | - | - | 84,396 |
| 70710 | Management Fee | - | - | - | - | - | - | - | - |
| 70720 | Asset Management Fee | - | - | - | - | - | - | - | - |
| 70730 | Book-keeping Fee | - | - | - | - | - | - | - | - |
| 70740 | Frontline Service Fee | - | - | - | - | - | - | - | - |
| 70750 | Other Fees | - | - | - | - | - | - | - | - |
| 70760 | Total Fee Revenue | - | - | - | - | - | - | - | - |
| 70800 | Other Government Grants | - | - | - | - | - | 44,779 | - | - |
| 71100 | Investment Income - unrestricted | - | - | - | - | - | - | - | - |
| 71200 | Mortgage Interest Income | - | - | - | - | - | - | - | - |
| 71300 | Proceeds from disposition of assets held for sale | - | - | - | - | - | - | - | - |
| 71310 | Cost of Sale of Assets | - | - | - | - | - | - | - | - |
| 71400 | Final Recovery | - | - | - | - | - | - | - | - |
| 71500 | Other Revenue | - | - | 872 | 4,444 | - | 3,921 | - | 0 |
| 71600 | Gain (loss) on the sale of capital assets | - | - | - | - | - | - | - | 143 |
| 72000 | Investment income - restricted | - | - | 116 | 1,658 | - | 20,916 | - | - |
| 70000 | TOTAL REVENUE | 9,129,010 | 90,819,291 | 7,889,630 | 2,442,169 | 1,577,402 | 48,415 | 1,370,280 | 33,956 |
| EXPENSES: | | | | | | | | | |
| Administrative | | | | | | | | | |
| 91100 | Administrative salaries | - | - | 41,131 | 100,296 | - | 180,177 | - | 2,238 |
| 91200 | Auditing fees | - | - | 965 | 643 | - | 414 | - | 46 |
| 91300 | Management fees | - | - | 50,652 | 76,750 | - | 65,154 | - | 2,160 |
| 91310 | Book-keeping Fee | - | - | 31,658 | 10,713 | - | 7,520 | - | 24 |
| 91400 | Advertising and Marketing | - | - | - | - | - | - | - | - |
| 91500 | Employee benefit contributions - administrative | - | - | 14,324 | 139,765 | 12,241 | 95,701 | - | 775 |
| 91600 | Office Expenses | - | - | 5,066 | 7,802 | 515 | 6,410 | - | 285 |
| 91700 | Legal expense | - | - | 152 | 4,664 | - | 447 | - | 8 |
| 91800 | Travel | - | - | 927 | 8,959 | 2,224 | 9,846 | - | 50 |
| 91810 | Allocated Overhead | - | - | - | - | - | - | - | - |
| 91900 | Other | - | - | 15,474 | 35,527 | 248 | 14,938 | - | 489 |
| 91900 | Total Operating - Administrative | - | - | 160,349 | 385,118 | 15,228 | 350,606 | - | 6,075 |
| 92000 | Asset Management Fee | - | - | - | - | - | - | - | - |
| Tenant services | | | | | | | | | |
| 92100 | Tenant services - salaries | - | - | - | 102,589 | 36,999 | - | - | - |
| 92200 | Relocation costs | - | - | - | - | - | 5,982 | - | - |
| 92300 | Employee benefits | - | - | - | - | - | - | - | - |
| 92400 | Tenant services - other | - | - | 262 | 7,564 | 395 | 14,441 | - | 14 |
| 92500 | Total Tenant Services | - | - | 262 | 110,152 | 37,394 | 20,423 | - | 14 |
| Utilities | | | | | | | | | |
| 93100 | Water | - | - | 56 | 35,932 | - | 39,732 | - | 3 |
| 93200 | Electricity | - | - | 239 | 35,828 | - | 19,555 | - | 16 |
| 93300 | Gas | - | - | 37 | 6,619 | - | - | - | 2 |
| 93400 | Fuel | - | - | - | - | - | - | - | - |
| 93500 | Labor | - | - | - | - | - | - | - | - |
| 93600 | Sewer | - | - | 14 | 24,975 | - | 49,589 | - | 1 |
| 93700 | Employee benefits | - | - | - | - | - | - | - | - |
| 93800 | Other utilities expense | - | - | 53 | 25,533 | - | 34,639 | - | 3 |
| 93900 | Total Utilities | - | - | 398 | 128,887 | - | 143,515 | - | 25 |
| Ordinary maintenance & operation | | | | | | | | | |
| 94100 | Ordinary maintenance and operations - labor | - | - | - | 170,797 | - | 131,295 | - | - |
| 94200 | Ordinary maintenance and operations - material and other | - | - | 1 | 278,093 | - | 186,242 | - | 0 |
| 94300 | Ordinary maintenance and operations - contracts | - | - | - | 39,559 | - | 128,739 | - | - |
| 94500 | Employee benefit contributions - ordinary maintenance | - | - | - | - | - | - | - | - |
| 94000 | Total Maintenance | - | - | 1 | 488,449 | - | 446,276 | - | 0 |
| Protective services | | | | | | | | | |
| 95100 | Protective services - labor | - | - | - | - | - | - | - | - |
| 95200 | Other contract costs | - | - | - | - | - | - | - | - |
| 95300 | Protective services - other | - | - | - | - | - | - | - | - |
| 95500 | Employee benefits | - | - | - | - | - | - | - | - |
| 95000 | Total Protective Services | - | - | - | - | - | - | - | - |
| General expenses | | | | | | | | | |
| 96110 | Property Insurance | - | - | 76 | 9,275 | - | 6,110 | - | 4 |
| 96120 | Liability Insurance | - | - | 229 | 6,360 | - | 4,922 | - | 12 |
| 96130 | Workmen's compensation | - | - | - | - | - | - | - | - |
| 96140 | All other insurance | - | - | - | - | - | 6,981 | - | - |
| 96100 | Total Insurance Premiums | - | - | 305 | 15,635 | - | 18,014 | - | 16 |
| 96200 | Other General Expenses | - | - | - | - | - | 1,308 | - | - |
| 96210 | Compensated Absences | - | - | 4,639 | 6,595 | - | - | - | 245 |
| 96300 | Payments in lieu of taxes | - | - | - | 828 | - | - | - | - |
| 96400 | Bad debt - tenant rents | - | - | - | - | - | - | - | - |
| 96500 | Bad debt - mortgages | - | - | - | - | - | - | - | - |
| 96600 | Bad debt - other | - | - | - | - | - | - | - | - |
| 96800 | Severance expense | - | - | - | 0 | - | 36 | - | - |
| 96000 | Total Other General Expenses | - | - | 4,944 | 23,058 | - | 19,387 | - | 261 |
| 96710 | Interest on mortgage (or bonds) payable | - | - | - | - | - | 276,207 | - | - |
| 96720 | Interest on notes payable (short and long term) | - | - | - | 24,995 | - | 11,911 | - | - |
| 96730 | Amortization of bond issue costs | - | - | - | - | - | - | - | - |
| 96700 | Interest expense and amortization cost | - | - | - | - | - | - | - | - |
| 96900 | TOTAL OPERATING EXPENSES | - | - | 165,954 | 1,160,660 | 52,622 | 1,298,295 | - | 6,375 |
| EXCESS OPERATING REVENUE OVER OPERATING EXPENSES | 9,129,010 | 90,819,291 | 7,889,630 | 2,276,216 | 416,742 | (4,207) | 101,984 | 33,956 | 78,163 |
| 97100 | Extraordinary maintenance | - | - | - | 964 | - | 2,500 | - | - |
| 97200 | Casualty losses - non-capitalized | - | - | - | - | - | - | - | - |
| 97300 | Housing assistance payments | - | - | 2,101,384 | - | - | - | - | 69,877 |
| 97350 | HAP Portability In | - | - | - | - | - | - | - | - |
| 97400 | Depreciation expense | - | - | - | 305,633 | - | 185,350 | - | - |
| 97500 | Fraild losses | - | - | - | - | - | - | - | - |
| 97800 | Dwelling units rent expense | - | - | - | - | - | - | - | - |
| 90000 | TOTAL EXPENSES | - | - | 2,267,338 | 1,467,256 | 52,622 | 1,456,146 | - | 76,252 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| 10010 | Operating transfers in | - | - | - | 4,119 | 5,801 | - | - | - |
| 10020 | Operating transfers out | (9,129,010) | (90,819,291) | (7,889,630) | - | - | - | (33,956) | - |
| 10030 | Operating transfers from/to primary government | - | - | - | - | - | - | - | - |
| 10040 | Operating transfers from/to component unit | - | - | - | - | - | - | - | - |
| 10070 | Extraordinary items, net gain/loss | - | - | - | - | - | - | - | - |
| 10080 | Special items, net gain/loss | - | - | - | - | - | - | - | - |
| 10091 | Inter-project excess cash transfer in | - | - | - | - | - | - | - | - |
| 10092 | Inter-project excess cash transfer out | - | - | - | - | - | - | - | - |
| 10093 | Transfers between programs and projects in | - | - | - | - | - | - | - | - |
| 10094 | Transfers between programs and projects out | - | - | - | - | - | - | - | - |
| 10100 | TOTAL OTHER FINANCING SOURCES | (9,129,010) | (90,819,291) | (7,889,630) | - | 4,119 | 5,801 | (33,956) | - |
| EXCESS (DEFICIENCY) OF TOTAL REVENUES OVER (UNDER) TOTAL EXPENSES | \$ - | \$ - | \$ - | \$ 174,832 | \$ 114,264 | \$ 1,594 | \$ (85,866) | \$ - | \$ 8,286 |
| MEMO ACCT INFORMATION | | | | | | | | | |
| 11020 | Required annual debt principal payments | - | - | - | 512,503 | - | - | - | - |
| 11030 | Beginning of year equity | - | - | - | (180,329) | 6,775,029 | 22,977 | 235,389 | 44,618 |
| 11040 | Prior period adjustments, equity transfers | - | - | - | - | - | - | - | - |
| 11170 | Administrative Fee Equity | - | - | - | - | - | - | - | - |
| 11180 | Housing Assistance Fee Equity | - | - | - | - | - | - | - | - |
| 11190 | Unit Months Available | - | - | 4,200 | 2,088 | - | 1,212 | - | 180 |
| 11210 | Number of unit months leased | - | - | 4,200 | 2,077 | - | 921 | - | 180 |
| 11270 | Excess cash | - | - | - | - | - | - | - | - |
| 11610 | Land Purchases | - | - | - | - | - | - | - | - |
| 11620 | Building Purchases | - | - | - | - | - | - | - | - |
| 11630 | Furniture and Equipment - dwelling purchases | - | - | - | - | - | - | - | - |
| 11640 | Furniture and equipment - administrative purchases | - | - | - | - | - | - | - | - |
| 11650 | Leasehold improvements purchases | - | - | - | - | - | - | - | - |
| 11660 | Infrastructure purchases | - | - | - | - | - | - | - | - |
| 13510 | CFPP debt service payments | - | - | - | - | - | - | - | - |
| 13901 | Replacement housing factor funds | - | - | - | - | - | - | - | - |

HOUSING AUTHORITY OF THE COUNTY OF KING
Financial Data Schedule (FDS)
Statement of Revenues and Expenses
For the 12 Month Period Ending December 31, 2010

| | Hope VI | Resident Opportunity and Self-Sufficiency | Section 8 Housing Choice Vouchers | Moving-To-Work Demonstration Program | Competitive Capital Fund Stimulus Grant | Formula Capital Fund Stimulus Grant | Veteran's Affairs Supportive Housing | Disaster Housing Assistance Program | State/Local Programs |
|--|--------------|--|--------------------------------------|--|---|---|--|--|-------------------------|
| | 14,866 | 14,870 | 14,871 | 14,881 | 14,884 | 14,885 | 14,VSH | 97,109 | |
| REVENUE: | | | | | | | | | |
| 70300 Net tenant rental revenue | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 70400 Tenant revenue - other | - | - | (0) | 113,345 | - | - | - | - | - |
| 70500 Total tenant revenue | - | - | (0) | 113,345 | - | - | - | - | - |
| 70600 HUD PHA Operating Grants | 3,256,714 | 344,420 | 3,145,510 | (0) | 714,450 | 372,853 | 920,561 | - | 0 |
| 70610 Capital Grants | - | - | - | - | 4,196,369 | 3,443,770 | - | - | - |
| 70710 Management Fee | - | - | - | - | - | - | - | - | - |
| 70720 Asset Management Fee | - | - | - | - | - | - | - | - | - |
| 70730 Book-keeping Fee | - | - | - | - | - | - | - | - | - |
| 70740 Frontline Service Fee | - | - | - | - | - | - | - | - | - |
| 70750 Other Fees | - | - | (0) | 429,023 | - | - | - | - | - |
| 70800 Total Fee Revenue | - | - | (0) | 429,023 | - | - | - | - | - |
| 70900 Other Government Grants | - | - | 108,459 | - | - | - | - | - | 8,068,432 |
| 71100 Investment Income - unrestricted | - | - | - | (0) | - | - | - | - | - |
| 71200 Mortgage Interest Income | - | - | - | - | - | - | - | - | - |
| 71300 Proceeds from disposition of assets held for sale | - | - | - | - | - | - | - | - | - |
| 71310 Cost of Sale of Assets | - | - | - | - | - | - | - | - | - |
| 71400 Fraud Recovery | - | - | - | - | - | - | - | - | - |
| 71500 Other Revenue | - | - | 25,733 | 2 | - | - | - | - | 187 |
| 71600 Gain (loss) on the sale of capital assets | - | - | - | - | - | - | - | - | - |
| 72000 Investment income - restricted | - | - | 4,768 | 476,026 | - | - | - | - | - |
| 70000 TOTAL REVENUE | 3,256,714 | 344,420 | 3,264,471 | 1,018,395 | 4,910,819 | 3,816,623 | 920,561 | - | 8,068,619 |
| EXPENSES: | | | | | | | | | |
| Administrative | | | | | | | | | |
| 91100 Administrative salaries | 70 | - | 1,911,152 | 1,318,322 | 1,270 | 176 | - | - | 856,127 |
| 91200 Auditing fees | - | - | (0) | 25,136 | - | - | - | - | 819 |
| 91300 Management fees | - | - | 26,664 | 1,200,784 | 434,829 | 372,677 | 9,012 | 2,820 | - |
| 91310 Book-keeping Fee | - | - | 16,665 | 912,158 | - | - | 5,633 | 1,763 | - |
| 91400 Advertising and Marketing | - | - | - | - | - | - | - | - | - |
| 91500 Employee benefit contributions - administrative | 30,519 | 16,435 | 742,982 | 528,973 | 23,024 | 0 | - | - | 258,925 |
| 91600 Office Expenses | 3,140 | - | 15,613 | 159,684 | 608 | - | - | - | 60,749 |
| 91700 Legal expense | - | - | 9,188 | 7,811 | - | - | - | - | 3,640 |
| 91800 Travel | 1,144 | - | 3,998 | 35,263 | 460 | - | - | - | 42,556 |
| 91810 Allocated Overhead | - | - | - | - | - | - | - | - | - |
| 91900 Other | 4,048 | - | 490,191 | 710,739 | 9,114 | - | 2,476 | - | 152,030 |
| 91000 Total Operating - Administrative | 38,920 | 16,435 | 3,216,453 | 4,898,889 | 469,304 | 372,853 | 17,121 | 4,583 | 1,374,845 |
| 92000 Asset Management Fee | - | - | - | - | - | - | - | - | - |
| Tenant services | | | | | | | | | |
| 92100 Tenant services - salaries | 102,657 | 42,926 | 172,720 | 167,528 | 60,042 | - | - | - | - |
| 92200 Relocation costs | 33,496 | - | 2,605 | - | 39,289 | - | - | - | - |
| 92300 Employee benefits | - | - | - | - | - | - | - | - | - |
| 92400 Tenant services - other | 3,840 | 285,099 | 150,799 | 1,588,596 | 12,548 | - | - | - | 22 |
| 92500 Total Tenant Services | 139,993 | 327,984 | 326,124 | 1,756,124 | 111,879 | - | - | - | 22 |
| Utilities | | | | | | | | | |
| 93100 Water | - | - | 717 | 1,452 | - | - | - | - | - |
| 93200 Electricity | - | - | 9,396 | 6,207 | - | - | - | - | - |
| 93300 Gas | - | - | 864 | 971 | - | - | - | - | - |
| 93400 Fuel | - | - | - | - | - | - | - | - | - |
| 93500 Labor | - | - | - | - | - | - | - | - | - |
| 93600 Sewer | - | - | 373 | 351 | - | - | - | - | - |
| 93700 Employee benefits | - | - | - | - | - | - | - | - | - |
| 93800 Other utilities expense | - | - | 1,341 | 1,368 | - | - | - | - | - |
| 93900 Total Utilities | - | - | 12,690 | 10,349 | - | - | - | - | - |
| Ordinary maintenance & operation | | | | | | | | | |
| 94100 Ordinary maintenance and operations - labor | - | - | 6,582 | - | 77,428 | - | - | - | 3,454 |
| 94200 Ordinary maintenance and operations - material and other | 90 | - | 2,349 | 23 | 54,013 | - | - | - | 5,359,496 |
| 94300 Ordinary maintenance and operations - contracts | 3,497 | - | 65,516 | - | 1,827 | - | - | - | 60,440 |
| 94500 Employee benefit contributions - ordinary maintenance | - | - | - | - | - | - | - | - | - |
| 94000 Total Maintenance | 3,587 | - | 74,448 | 23 | 133,267 | - | - | - | 6,033,300 |
| Protective services | | | | | | | | | |
| 95100 Protective services - labor | - | - | - | - | - | - | - | - | - |
| 95200 Other contract costs | - | - | - | - | - | - | - | - | - |
| 95300 Protective services - other | - | - | - | - | - | - | - | - | - |
| 95500 Employee benefits | - | - | - | - | - | - | - | - | - |
| 95000 Total Protective Services | - | - | - | - | - | - | - | - | - |
| General expenses | | | | | | | | | |
| 96110 Property Insurance | - | - | 0 | 1,975 | - | - | - | - | 42 |
| 96120 Liability Insurance | 0 | - | 7,357 | 3,559 | - | - | - | - | 7,533 |
| 96130 Workmen's compensation | - | - | - | - | - | - | - | - | - |
| 96140 All other insurance | - | - | - | - | - | - | - | - | - |
| 96100 Total Insurance Premiums | 0 | - | 7,357 | 5,534 | - | - | - | - | 7,575 |
| 96200 Other General Expenses | - | - | - | - | - | - | - | - | - |
| 96210 Compensated Absences | - | - | 147,836 | 202,728 | - | - | - | - | - |
| 96300 Payments in lieu of taxes | - | - | - | - | - | - | - | - | - |
| 96400 Bad debt - tenant rents | - | - | - | - | - | - | - | - | - |
| 96500 Bad debt - mortgages | - | - | - | - | - | - | - | - | - |
| 96600 Bad debt - other | - | - | - | - | - | - | - | - | - |
| 96800 Severance expense | - | - | 232 | 2,868 | - | - | - | - | 1,018 |
| 96000 Total Other General Expenses | 0 | - | 155,425 | 211,130 | - | - | - | - | 8,594 |
| 96710 Interest on mortgage (or bonds) payable | - | - | - | - | - | - | - | - | - |
| 96720 Interest on notes payable (short and long term) | - | - | - | - | - | - | - | - | - |
| 96730 Amortization of bond issue costs | - | - | - | - | - | - | - | - | - |
| 96750 Interest expense and amortization cost | - | - | - | - | - | - | - | - | - |
| 96900 TOTAL OPERATING EXPENSES | 182,501 | 344,420 | 3,785,140 | 6,876,516 | 714,450 | 372,853 | 17,121 | 4,583 | 7,416,761 |
| EXCESS OPERATING REVENUE | | | | | | | | | |
| 97000 | 3,074,213 | - | (500,670) | (5,858,121) | 4,196,369 | 3,443,770 | 903,441 | (4,585) | 651,858 |
| 97100 Extraordinary maintenance | - | - | - | - | - | - | - | - | - |
| 97200 Casualty losses - non-capitalized | - | - | - | - | - | - | - | - | - |
| 97300 Housing assistance payments | - | - | 2,008,162 | 69,943,017 | - | - | 700,493 | 13,004 | - |
| 97350 HAP Portability In | - | - | - | - | - | - | - | - | - |
| 97400 Depreciation expense | - | - | 74,500 | - | - | - | - | - | - |
| 97500 Fraud losses | - | - | - | - | - | - | - | - | - |
| 97600 Dwelling units rent expense | - | - | - | - | - | - | - | - | - |
| 90000 TOTAL EXPENSES | 182,501 | 344,420 | 5,867,802 | 76,819,532 | 714,450 | 372,853 | 717,614 | 17,587 | 7,416,761 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | |
| 10010 Operating transfers in | 185 | - | 5,666 | 113,314,475 | - | - | 2,476 | - | 11,815 |
| 10020 Operating transfers out | - | - | (5,839) | (67,989,210) | - | - | - | - | (536,340) |
| 10030 Operating transfers from/to primary government | - | - | - | - | - | - | - | - | - |
| 10040 Operating transfers from/to component unit | - | - | - | - | - | - | - | - | - |
| 10070 Extraordinary items, net gain/loss | - | - | - | - | - | - | - | - | - |
| 10080 Special items, net gain/loss | - | - | - | - | - | - | - | - | - |
| 10091 Inter-project excess cash transfer in | - | - | - | - | - | - | - | - | - |
| 10092 Inter-project excess cash transfer out | - | - | - | - | - | - | - | - | - |
| 10093 Transfers between programs and projects in | - | - | - | - | - | - | - | - | - |
| 10094 Transfers between programs and projects out | - | - | - | - | - | - | - | - | - |
| 10100 TOTAL OTHER FINANCING SOURCES | 185 | - | (173) | 45,325,266 | - | - | 2,476 | - | (524,526) |
| EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES | \$ 3,074,398 | \$ 0 | \$ (2,583,505) | \$ (30,475,872) | \$ 4,196,369 | \$ 3,443,770 | \$ 205,424 | \$ (17,587) | \$ 127,332 |
| MEMO ACCT INFORMATION | | | | | | | | | |
| 11020 Required annual debt principal payments | - | - | - | - | - | - | - | - | 48,465 |
| 11030 Beginning of year equity | 32,129,631 | 79,853 | 6,992,138 | 49,044,892 | - | - | (196,973) | 21,033 | 894,546 |
| 11040 Prior period adjustments, equity transfers | - | - | - | - | (4,196,369) | (3,443,770) | - | - | - |
| 11170 Administrative Fee Equity | - | \$ | 3,782,880 | - | - | - | - | - | - |
| 11180 Housing Assistance Fee Equity | - | \$ | 625,752 | - | - | - | - | - | - |
| 11190 Unit Months Available | - | - | 3,632 | 85,860 | - | - | 1,596 | - | - |
| 11210 Number of unit months leased | - | - | 2,868 | 85,842 | - | - | 1,097 | - | - |
| 11270 Excess cash | - | - | - | - | - | - | - | - | - |
| 11610 Land Purchases | - | - | - | - | - | - | - | - | - |
| 11620 Building Purchases | - | - | - | - | - | - | - | - | - |
| 11630 Furniture and Equipment - dwelling purchases | - | - | - | - | - | - | - | - | - |
| 11640 Furniture and equipment - administrative purchases | - | - | - | - | - | - | - | - | - |
| 11650 Leasehold improvements purchases | - | - | - | - | - | - | - | - | - |
| 11660 Infrastructure purchases | - | - | - | - | - | - | - | - | - |
| 13510 CFFP debt service payments | - | - | - | - | - | - | - | - | - |
| 13901 Replacement housing factor funds | - | - | - | - | - | - | - | - | - |

HOUSING AUTHORITY OF THE COUNTY OF KING
Financial Data Schedule (FDS)
Statement of Revenues and Expenses
For the 12 Month Period Ending December 31, 2010

| | Americorp | Other Federal Programs | Other Federal Programs | Business Activities | COCC | | AMP 101 | | AMP 105 | |
|--|-----------|------------------------|------------------------|---------------------|------------------------|----------------------|------------------------|----------------------|------------------------|----------------------|
| | | | | | Operating Fund Program | Capital Fund Program | Operating Fund Program | Capital Fund Program | Operating Fund Program | Capital Fund Program |
| | | | | | | | | | | |
| | 94.006 | 14.251 | 14.908 | Total | | | | | | |
| REVENUE: | | | | | | | | | | |
| 70300 Net tenant rental revenue | \$ - | \$ - | \$ - | \$ 27,799,097 | \$ - | \$ - | \$ 506,651 | \$ - | \$ - | \$ - |
| 70400 Tenant revenue - other | - | - | - | 786,998 | - | - | 10,923 | - | - | - |
| 70500 Total tenant revenue | - | - | - | 28,586,095 | - | - | 517,574 | - | - | - |
| 70600 HUD PHA Operating Grants | - | 787,179 | 357,756 | 0 | - | - | (0) | - | - | - |
| 70610 Capital Grants | - | - | - | - | - | - | - | - | - | - |
| 70710 Management Fee | - | - | - | 0 | 4,600,823 | - | - | - | - | - |
| 70720 Asset Management Fee | - | - | - | - | 1,167,975 | - | - | - | - | - |
| 70730 Book-keeping Fee | - | - | - | - | 1,680,456 | - | - | - | - | - |
| 70740 Frontline Service Fee | - | - | - | - | - | - | - | - | - | - |
| 70750 Other Fees | - | - | - | 0 | 5,078,167 | - | - | - | - | - |
| 70760 Total Fee Revenue | - | - | - | - | 12,527,421 | - | - | - | - | - |
| 70800 Other Government Grants | 57,801 | - | - | 1,298,725 | - | - | 1,750,000 | - | - | - |
| 71100 Investment Income - unrestricted | - | - | - | 5,447,633 | 279,251 | - | - | - | - | - |
| 71200 Mortgage Interest Income | - | - | - | - | - | - | - | - | - | - |
| 71300 Proceeds from disposition of assets held for sale | - | - | - | 826,843 | - | - | - | - | - | - |
| 71310 Cost of Sale of Assets | - | - | - | 0 | - | - | - | - | - | - |
| 71400 Fraud Recovery | - | - | - | - | - | - | - | - | - | - |
| 71500 Other Revenue | 21,500 | - | - | 1,993,796 | 219,822 | - | 13,754 | - | - | - |
| 71600 Gain (loss) on the sale of capital assets | - | - | - | 4,908 | 4,979 | - | - | - | - | - |
| 72000 Investment income - restricted | - | - | - | 375,136 | 154,210 | - | 766 | - | - | - |
| 70000 TOTAL REVENUE | 79,301 | 787,179 | 357,756 | 38,533,137 | 13,185,682 | - | 2,282,094 | (0) | - | - |
| EXPENSES: | | | | | | | | | | |
| Administrative | | | | | | | | | | |
| 91100 Administrative salaries | - | - | 59,274 | 1,521,148 | 5,072,042 | - | 91,003 | - | - | - |
| 91200 Auditing fees | - | - | - | 27,986 | 20,524 | - | 1,896 | - | - | - |
| 91300 Management fees | - | - | - | 1,121,375 | - | - | 71,157 | 0 | - | - |
| 91310 Book-keeping Fee | - | - | - | 467,631 | 7,989 | - | 12,229 | - | - | - |
| 91400 Advertising and Marketing | - | - | - | - | - | - | - | - | - | - |
| 91500 Employee benefit contributions - administrative | 19,375 | - | 18,867 | 1,195,590 | 1,868,859 | - | 94,688 | 83 | - | - |
| 91600 Office Expenses | 2,064 | - | 1,215 | 133,335 | 258,222 | (0) | 7,056 | 0 | - | - |
| 91700 Legal expense | - | - | - | 102,993 | 88,760 | - | 3,879 | - | - | - |
| 91800 Travel | 6,522 | - | 6,998 | 20,570 | 197,470 | - | 6,896 | - | - | - |
| 91810 Allocated Overhead | - | - | - | - | - | - | - | - | - | - |
| 91900 Other | 59,135 | - | 20,804 | 719,974 | 687,536 | (0) | 55,821 | - | - | - |
| 91000 Total Operating - Administrative | 87,096 | - | 107,157 | 5,310,601 | 8,201,401 | (0) | 344,623 | 83 | - | - |
| 92000 Asset Management Fee | - | - | - | 830,415 | - | - | 16,800 | - | - | - |
| Tenant services | | | | | | | | | | |
| 92100 Tenant services - salaries | 60,818 | - | - | 167,902 | - | - | 29,252 | 0 | - | - |
| 92200 Relocation costs | - | - | - | 14,316 | 2,092 | - | 937 | 5,000 | - | - |
| 92300 Employee benefits | - | - | - | - | - | - | - | - | - | - |
| 92400 Tenant services - other | - | - | - | 665,840 | 6,991 | - | 45,001 | 3,096 | - | - |
| 92500 Total Tenant Services | 60,818 | - | - | 848,059 | 9,083 | - | 75,190 | 8,096 | - | - |
| Utilities | | | | | | | | | | |
| 93100 Water | - | - | - | 903,300 | 2,863 | - | 72,339 | - | - | - |
| 93200 Electricity | - | - | - | 397,438 | 49,934 | - | 13,169 | - | - | - |
| 93300 Gas | - | - | - | 34,591 | - | - | - | - | - | - |
| 93400 Fuel | - | - | - | 5,403 | - | - | - | - | - | - |
| 93500 Labor | - | - | - | - | - | - | - | - | - | - |
| 93600 Sewer | - | - | - | 1,288,159 | 2,470 | - | 59,878 | - | - | - |
| 93700 Employee benefits | - | - | - | - | - | - | - | - | - | - |
| 93800 Other utilities expense | - | - | - | 737,560 | 12,863 | - | 43,171 | - | - | - |
| 93900 Total Utilities | - | - | - | 3,366,452 | 68,131 | - | 188,857 | - | - | - |
| Ordinary maintenance & operation | | | | | | | | | | |
| 94100 Ordinary maintenance and operations - labor | - | - | - | 1,664,550 | 1,306,868 | - | 127,747 | - | - | - |
| 94200 Ordinary maintenance and operations - material and other | - | - | - | 196,103 | 7,663,560 | 935,601 | 38,945 | 16,499 | - | - |
| 94300 Ordinary maintenance and operations - contracts | - | - | - | 54,496 | 1,458,367 | 1,989,045 | 17,884 | - | - | - |
| 94500 Employee benefit contributions - ordinary maintenance | - | - | - | - | - | - | - | - | - | - |
| 94000 Total Maintenance | - | - | - | 250,999 | 10,786,477 | 4,231,514 | 183,776 | 16,499 | - | - |
| Protective services | | | | | | | | | | |
| 95100 Protective services - labor | - | - | - | - | - | - | - | - | - | - |
| 95200 Other contract costs | - | - | - | - | - | - | - | - | - | - |
| 95300 Protective services - other | - | - | - | - | - | - | - | - | - | - |
| 95500 Employee benefits | - | - | - | - | - | - | - | - | - | - |
| 95000 Total Protective Services | - | - | - | - | - | - | - | - | - | - |
| General expenses | | | | | | | | | | |
| 96110 Property Insurance | - | - | - | 139,085 | 12,252 | - | 6,198 | - | - | - |
| 96120 Liability Insurance | 23 | - | 0 | 73,357 | 27,021 | - | 5,727 | - | - | - |
| 96130 Workman's compensation | - | - | - | - | - | - | - | - | - | - |
| 96140 All other insurance | - | - | - | 0 | - | - | - | - | - | - |
| 96100 Total Insurance Premiums | 23 | - | 0 | 212,443 | 39,273 | - | 11,925 | - | - | - |
| 96200 Other General Expenses | - | - | - | 1,061,915 | 119,648 | - | - | - | - | - |
| 96210 Compensated Absences | - | - | - | 185,853 | 365,576 | - | 5,516 | - | - | - |
| 96300 Payments in lieu of taxes | - | - | - | 21,912 | - | - | - | - | - | - |
| 96400 Bad debt - tenant rents | - | - | - | - | - | - | - | - | - | - |
| 96500 Bad debt - mortgages | - | - | - | - | - | - | - | - | - | - |
| 96600 Bad debt - other | - | - | - | - | - | - | - | - | - | - |
| 96800 Severance expense | - | - | - | 1,018 | 47,107 | - | 63 | - | - | - |
| 96000 Total Other General Expenses | 23 | - | 0 | 1,483,138 | 571,605 | - | 17,504 | - | - | - |
| 96710 Interest on mortgage (or bonds) payable | - | - | - | 6,998,398 | - | - | - | - | - | - |
| 96720 Interest on notes payable (short and long term) | - | - | - | 3,185,210 | 21,464 | - | 32,408 | - | - | - |
| 96730 Amortization of bond issue costs | - | - | - | - | - | - | - | - | - | - |
| 96700 Interest expense and amortization cost | - | - | - | - | - | - | - | - | - | - |
| 96000 TOTAL OPERATING EXPENSES | 147,937 | - | 357,756 | 32,808,748 | 13,103,196 | (0) | 858,857 | 24,677 | - | - |
| EXCESS OPERATING REVENUE | | | | | | | | | | |
| 97000 OVER OPERATING EXPENSES | (68,636) | 787,179 | - | 5,724,388 | 82,486 | 0 | 1,423,237 | (24,677) | - | - |
| 97100 Extraordinary maintenance | - | - | - | 8,329 | - | - | 3,100 | - | - | - |
| 97200 Casualty losses - non-capitalized | - | - | - | 5,687 | - | - | - | - | - | - |
| 97300 Housing assistance payments | - | - | - | - | - | - | - | - | - | - |
| 97350 HAP Portability In | - | - | - | - | - | - | - | - | - | - |
| 97400 Depreciation expense | - | - | - | 3,220,171 | 217,916 | - | 274,095 | - | - | - |
| 97500 Fraud losses | - | - | - | - | - | - | - | - | - | - |
| 97800 Dwelling units rent expense | - | - | - | - | - | - | - | - | - | - |
| 90000 TOTAL EXPENSES | 147,937 | - | 357,756 | 36,042,935 | 13,321,202 | (0) | 1,136,051 | 24,677 | - | - |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| 10010 Operating transfers in | 94,134 | - | - | 70,761,478 | 4,159,604 | 558,052 | 1,166,998 | 31,944 | - | - |
| 10020 Operating transfers out | - | - | - | (27,006,171) | (4,252,320) | - | - | - | - | - |
| 10030 Operating transfers from/to primary government | - | - | - | - | - | - | - | - | - | - |
| 10040 Operating transfers from/to component unit | - | - | - | - | - | - | - | - | - | - |
| 10070 Extraordinary items, net gain/loss | - | - | - | - | - | - | - | - | - | - |
| 10080 Special items, net gain/loss | - | - | - | - | - | - | - | - | - | - |
| 10091 Inter-project excess cash transfer in | - | - | - | - | - | - | - | - | - | - |
| 10092 Inter-project excess cash transfer out | - | - | - | - | - | - | - | - | - | - |
| 10093 Transfers between programs and projects in | - | - | - | - | - | - | - | - | - | - |
| 10094 Transfers between programs and projects out | - | - | - | - | - | - | - | - | - | - |
| 10100 TOTAL OTHER FINANCING SOURCES | 94,134 | - | - | 43,755,307 | (92,716) | 558,052 | 1,166,998 | 31,944 | - | - |
| EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES | | | | | | | | | | |
| | \$ 25,498 | \$ 787,179 | \$ (0) | \$ 46,245,508 | \$ (228,236) | \$ 558,052 | \$ 2,313,041 | \$ 7,266 | \$ - | \$ - |
| MEMO ACCT INFORMATION | | | | | | | | | | |
| 11020 Required annual debt principal payments | - | - | - | 34,672,138 | 107,527 | - | 2,452,830 | - | - | - |
| 11030 Beginning of year equity | (21) | 1,647,821 | 48,013 | 86,504,205 | 39,722,994 | - | 4,959,485 | 376 | - | - |
| 11040 Prior period adjustments, equity transfers | - | - | - | (4,423,059) | - | - | - | 230,665 | - | - |
| 11170 Administrative Fee Equity | - | - | - | - | - | - | - | - | - | - |
| 11180 Housing Assistance Fee Equity | - | - | - | - | - | - | - | - | - | - |
| 11190 Unit Months Available | - | - | - | 32,664 | - | - | 1,666 | - | - | - |
| 11210 Number of unit months leased | - | - | - | 32,010 | - | - | 1,626 | - | - | - |
| 11270 Excess cash | - | - | - | - | - | - | - | - | - | - |
| 11610 Land Purchases | - | - | - | - | - | - | - | - | - | - |
| 11620 Building Purchases | - | - | \$ | 848,800 | - | - | - | 237,931 | - | - |
| 11630 Furniture and equipment - dwelling purchases | - | - | - | - | - | - | - | - | - | - |
| 11640 Furniture and equipment - administrative purchases | - | - | - | - | - | 558,052 | - | - | - | - |
| 11650 Leasehold improvements purchases | - | - | - | - | - | - | - | - | - | - |
| 11660 Infrastructure purchases | - | - | - | - | - | - | - | - | - | - |
| 13510 CTFP debt service payments | - | - | - | - | - | - | - | - | - | - |
| 13901 Replacement housing factor funds | - | - | - | 848,800 | - | - | - | - | - | - |

HOUSING AUTHORITY OF THE COUNTY OF KING
Financial Data Schedule (FDS)
Statement of Revenues and Expenses
For the 12 Month Period Ending December 31, 2010

| | AMP 150 | | AMP 152 | | AMP 153 | | AMP 201 | | AMP 203 | |
|--|------------------------|----------------------|------------------------|----------------------|------------------------|----------------------|------------------------|----------------------|------------------------|----------------------|
| | Operating Fund Program | Capital Fund Program | Operating Fund Program | Capital Fund Program | Operating Fund Program | Capital Fund Program | Operating Fund Program | Capital Fund Program | Operating Fund Program | Capital Fund Program |
| | PH | | PH | | PH | | PH | | PH | |
| REVENUE: | | | | | | | | | | |
| 70300 Net tenant rental revenue | \$ - | \$ - | \$ 314,085 | \$ - | \$ 309,262 | \$ - | \$ 214,382 | \$ - | \$ 387,150 | \$ - |
| 70400 Tenant revenue - other | - | - | 11,540 | - | 7,231 | - | 7,381 | - | 9,892 | - |
| 70500 Total tenant revenue | - | - | 325,625 | - | 316,493 | - | 221,763 | - | 397,042 | - |
| 70600 HUD PHIA Operating Grants | - | - | - | 0 | - | (0) | - | (0) | - | 0 |
| 70610 Capital Grants | - | - | - | - | - | - | - | - | - | - |
| 70710 Management Fee | - | - | - | - | - | - | - | - | - | - |
| 70720 Asset Management Fee | - | - | - | - | - | - | - | - | - | - |
| 70730 Book keeping Fee | - | - | - | - | - | - | - | - | - | - |
| 70740 Frontline Service Fee | - | - | - | - | - | - | - | - | - | - |
| 70750 Other Fees | - | - | - | - | - | - | - | - | - | - |
| 70760 Total Fee Revenue | - | - | - | - | - | - | - | - | - | - |
| 70800 Other Government Grants | 13,389 | - | - | - | - | - | - | - | - | - |
| 71100 Investment Income - unrestricted | 122,264 | - | - | - | - | - | - | - | - | - |
| 71200 Mortgage Interest Income | - | - | - | - | - | - | - | - | - | - |
| 71300 Proceeds from disposition of assets held for sale | - | - | - | - | - | - | - | - | - | - |
| 71310 Cost of Sale of Assets | - | - | - | - | - | - | - | - | - | - |
| 71400 Fraud Recovery | - | - | - | - | - | - | - | - | - | - |
| 71500 Other Revenue | - | - | 2,812 | - | 2,731 | - | 1,789 | - | 3,266 | - |
| 71600 Gain (loss) on the sale of capital assets | - | - | - | - | - | - | - | - | - | - |
| 72000 Investment income - restricted | - | - | 1,208 | - | 1,724 | - | 804 | - | 1,083 | - |
| 70000 TOTAL REVENUE | 135,652 | - | 329,645 | 0 | 320,947 | (0) | 224,357 | (0) | 401,390 | 0 |
| EXPENSES: | | | | | | | | | | |
| Administrative | | | | | | | | | | |
| 91100 Administrative salaries | 2,212 | - | 80,365 | 768 | 71,402 | (0) | 49,207 | 2,843 | 94,676 | 350 |
| 91200 Auditing fees | - | - | 1,896 | - | 1,925 | - | 1,134 | - | 1,821 | - |
| 91300 Management fees | - | - | 70,309 | 6,024 | 70,094 | (0) | 43,208 | - | 73,889 | (0) |
| 91310 Book keeping Fee | 6,237 | - | 12,283 | - | 12,359 | - | 7,580 | - | 12,270 | - |
| 91400 Advertising and Marketing | - | - | - | - | - | - | - | - | - | - |
| 91500 Employee benefit contributions - administrative | 456 | - | 72,029 | 1,224 | 79,129 | 599 | 56,877 | 712 | 102,021 | 1,004 |
| 91600 Office Expenses | 467 | - | 8,094 | 36 | 9,116 | 0 | 3,882 | - | 10,496 | (0) |
| 91700 Legal expense | 109 | - | 2,485 | - | 1,698 | - | 399 | - | 1,787 | - |
| 91800 Travel | 340 | - | 3,458 | - | 6,459 | - | 5,759 | - | 10,654 | - |
| 91810 Allocated Overhead | - | - | - | - | - | - | - | - | - | - |
| 91900 Other | 4,131 | - | 27,486 | 154 | 20,400 | - | 9,375 | - | 17,445 | - |
| 91900 Total Operating - Administrative | 13,972 | - | 273,406 | 8,206 | 272,582 | 599 | 177,421 | 3,555 | 325,199 | 1,354 |
| 92000 Asset Management Fee | 8,440 | - | 16,809 | - | 16,809 | - | 10,210 | - | 16,440 | - |
| Tenant services | | | | | | | | | | |
| 92100 Tenant services - salaries | 1,892 | - | 46,150 | - | 77,812 | 0 | 19,906 | - | 21,393 | - |
| 92200 Relocation costs | 883 | - | 1,410 | 3,090 | 2,196 | 5,100 | 5,667 | - | 8,218 | 2,916 |
| 92300 Employee benefits | - | - | - | - | - | - | - | - | - | - |
| 92400 Tenant services - other | 56 | - | 5,010 | 3,096 | 6,959 | 3,096 | 4,407 | - | 11,082 | 0 |
| 92500 Total Tenant Services | 2,831 | - | 52,571 | 6,186 | 86,967 | 8,196 | 29,980 | - | 40,693 | 2,916 |
| Utilities | | | | | | | | | | |
| 93100 Water | - | - | 25,865 | - | 53,720 | - | 37,925 | - | 67,502 | - |
| 93200 Electricity | - | - | 22,671 | - | 22,467 | - | 10,739 | - | 13,330 | - |
| 93300 Gas | - | - | - | - | 6,388 | - | - | - | - | - |
| 93400 Fuel | - | - | - | - | - | - | - | - | - | - |
| 93500 Labor | - | - | - | - | - | - | - | - | - | - |
| 93600 Sewer | - | - | 49,451 | - | 35,305 | - | 35,941 | - | 58,745 | - |
| 93700 Employee benefits | - | - | - | - | - | - | - | - | - | - |
| 93800 Other utilities expense | - | - | 16,077 | - | 19,458 | - | 31,021 | - | 49,448 | - |
| 93900 Total Utilities | - | - | 114,034 | - | 137,339 | - | 115,626 | - | 189,045 | - |
| Ordinary maintenance & operation | | | | | | | | | | |
| 94100 Ordinary maintenance and operations - labor | 715 | - | 74,490 | 1,106 | 79,753 | - | 76,987 | - | 146,512 | 12,887 |
| 94200 Ordinary maintenance and operations - material and other | - | - | 26,545 | 229,812 | 68,161 | 178,958 | 24,346 | 131,862 | 66,099 | 194,229 |
| 94300 Ordinary maintenance and operations - contracts | - | - | 45,536 | - | 34,069 | - | 5,193 | - | 17,308 | 43 |
| 94500 Employee benefit contributions - ordinary maintenance | - | - | - | - | - | - | - | - | - | - |
| 94000 Total Maintenance | 715 | - | 156,571 | 230,918 | 181,983 | 178,958 | 106,425 | 131,862 | 229,920 | 207,159 |
| Protective services | | | | | | | | | | |
| 95100 Protective services - labor | - | - | - | - | - | - | - | - | - | - |
| 95200 Other contract costs | - | - | - | - | - | - | - | - | - | - |
| 95300 Protective services - other | - | - | - | - | - | - | - | - | - | - |
| 95500 Employee benefits | - | - | - | - | - | - | - | - | - | - |
| 95000 Total Protective Services | - | - | - | - | - | - | - | - | - | - |
| General expenses | | | | | | | | | | |
| 96110 Property Insurance | - | - | 5,723 | - | 8,374 | - | 2,787 | - | 5,355 | - |
| 96120 Liability Insurance | 0 | - | 4,825 | - | 4,294 | - | 3,146 | - | 4,961 | - |
| 96130 Workmen's compensation | - | - | - | - | - | - | - | - | - | - |
| 96140 All other insurance | - | - | - | - | - | - | - | - | - | - |
| 96100 Total Insurance Premiums | 0 | - | 10,548 | - | 12,669 | - | 5,934 | - | 10,316 | - |
| 96200 Other General Expenses | - | - | - | - | - | - | - | - | - | - |
| 96210 Compensated Absences | 234 | - | 3,767 | 92 | 9,452 | - | 3,771 | 341 | 12,419 | 42 |
| 96300 Payments in lieu of taxes | - | - | - | - | - | - | - | - | - | - |
| 96400 Bad debt - tenant rents | - | - | - | - | - | - | - | - | - | - |
| 96500 Bad debt - mortgages | - | - | - | - | - | - | - | - | - | - |
| 96600 Bad debt - other | - | - | - | - | - | - | - | - | - | - |
| 96800 Severance expense | - | - | 64 | - | 157 | - | 2,648 | - | 64 | - |
| 96000 Total Other General Expenses | 234 | - | 14,379 | 92 | 22,278 | - | 12,352 | 341 | 22,799 | 42 |
| 96710 Interest on mortgage (or bonds) payable | - | - | - | - | - | - | - | - | - | - |
| 96720 Interest on notes payable (short and long term) | 1,491 | - | 4,075 | - | 3,968 | - | 3,753 | - | 9,008 | - |
| 96730 Amortization of bond issue costs | - | - | - | - | - | - | - | - | - | - |
| 96700 Interest expense and amortization cost | - | - | - | - | - | - | - | - | - | - |
| 96900 TOTAL OPERATING EXPENSES | 27,643 | - | 631,816 | 245,402 | 721,017 | 187,752 | 455,757 | 135,759 | 832,963 | 211,471 |
| EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES | \$ 135,706 | \$ - | \$ (273,720) | \$ 629,757 | \$ (519,234) | \$ 32,716 | \$ (136,394) | \$ 4,262 | \$ (64,324) | \$ 291,262 |
| MEMO ACCT INFORMATION | | | | | | | | | | |
| 11020 Required annual debt principal payments | - | - | 8,700 | - | 8,471 | - | 8,013 | - | 19,232 | - |
| 11030 Beginning of year equity | (161,116) | - | 3,745,955 | - | 4,451,562 | 12,789 | 2,369,967 | - | 4,987,515 | 844,419 |
| 11040 Prior period adjustments, equity transfers | - | - | - | 971,656 | - | 184,619 | - | 531,696 | - | 106,696 |
| 11170 Administrative Fee Equity | - | - | - | - | - | - | - | - | - | - |
| 11180 Housing Assistance Fee Equity | - | - | - | - | - | - | - | - | - | - |
| 11190 Unit Months Available | 840 | - | 1,672 | - | 1,641 | - | 1,019 | - | 1,642 | - |
| 11210 Number of unit months leased | 834 | - | 1,652 | - | 1,584 | - | 1,008 | - | 1,641 | - |
| 11270 Excess cash | - | - | - | - | - | - | - | - | - | - |
| 11610 Land Purchases | - | - | - | - | - | - | - | - | - | - |
| 11620 Building Purchases | - | - | - | 1,601,413 | - | 217,336 | - | 535,959 | - | 397,958 |
| 11630 Furniture and Equipment - dwelling purchases | - | - | - | - | - | - | - | - | - | - |
| 11640 Furniture and equipment - administrative purchases | - | - | - | - | - | - | - | - | - | - |
| 11650 Leasehold improvements purchases | - | - | - | - | - | - | - | - | - | - |
| 11660 Infrastructure purchases | - | - | - | - | - | - | - | - | - | - |
| 13510 CFFP debt service payments | - | - | - | - | - | - | - | - | - | - |
| 13901 Replacement housing factor funds | - | - | - | - | - | - | - | - | - | - |

HOUSING AUTHORITY OF THE COUNTY OF KING
Financial Data Schedule (FDS)
Statement of Revenues and Expenses
For the 12 Month Period Ending December 31, 2010

| | AMP 206 | | AMP 207 | | AMP 251 | | AMP 301 | | AMP 302 | |
|--|------------------------|----------------------|------------------------|----------------------|------------------------|----------------------|------------------------|----------------------|------------------------|----------------------|
| | Operating Fund Program | Capital Fund Program | Operating Fund Program | Capital Fund Program | Operating Fund Program | Capital Fund Program | Operating Fund Program | Capital Fund Program | Operating Fund Program | Capital Fund Program |
| | PH | | PH | | PH | | PH | | PH | |
| REVENUE: | | | | | | | | | | |
| 70300 Net tenant rental revenue | \$ 164,957 | \$ - | \$ 266,726 | \$ - | \$ 202,717 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 70400 Tenant revenue - other | 6,064 | - | (0) | - | 3,487 | - | - | - | 50 | - |
| 70500 Total tenant revenue | 171,021 | - | 266,726 | - | 206,204 | - | - | - | 50 | - |
| 70600 HUD PHA Operating Grants | - | - | - | 0 | - | (0) | - | - | - | - |
| 70610 Capital Grants | - | - | - | - | - | - | - | - | - | - |
| 70710 Management Fee | - | - | - | - | - | - | - | - | - | - |
| 70720 Asset Management Fee | - | - | - | - | - | - | - | - | - | - |
| 70730 Book-keeping Fee | - | - | - | - | - | - | - | - | - | - |
| 70740 Frontline Service Fee | - | - | - | - | - | - | - | - | - | - |
| 70750 Other Fees | - | - | - | - | - | - | - | - | - | - |
| 70800 Total Fee Revenue | - | - | - | - | - | - | - | - | - | - |
| 70800 Other Government Grants | - | - | - | - | - | - | - | - | - | - |
| 71100 Investment Income - unrestricted | - | - | - | - | - | - | - | - | - | - |
| 71200 Mortgage Interest Income | - | - | - | - | - | - | - | - | - | - |
| 71300 Proceeds from disposition of assets held for sale | - | - | - | - | - | - | - | - | - | - |
| 71310 Cost of Sale of Assets | - | - | - | - | - | - | - | - | - | - |
| 71400 Fraud Recovery | - | - | - | - | - | - | - | - | - | - |
| 71500 Other Revenue | 1,738 | - | 93,049 | - | 2,616 | - | 15,906 | - | 35 | - |
| 71600 Gain (loss) on the sale of capital assets | - | - | - | - | - | - | - | - | (3,188,535) | - |
| 72000 Investment income - restricted | 775 | - | 1,468 | - | 1,052 | - | - | - | 1,230 | - |
| 70000 TOTAL REVENUE | 173,535 | - | 361,242 | 0 | 209,871 | (0) | 15,906 | - | (3,187,230) | - |
| EXPENSES: | | | | | | | | | | |
| Administrative | | | | | | | | | | |
| 91100 Administrative salaries | 36,738 | - | 56,168 | - | 48,303 | 451 | - | - | (2,392) | - |
| 91200 Auditing fees | 776 | - | 1,254 | - | 1,090 | - | - | - | 1,212 | - |
| 91300 Management fees | 28,991 | - | 47,988 | - | 38,655 | 30,118 | - | - | 305 | - |
| 91310 Book-keeping Fee | 5,063 | - | 8,428 | - | 6,750 | - | - | - | 693 | - |
| 91400 Advertising and Marketing | - | - | - | - | - | - | - | - | - | - |
| 91500 Employee benefit contributions - administrative | 37,619 | - | 73,813 | 46 | 43,032 | 236 | - | - | 9,477 | - |
| 91600 Office Expenses | 3,876 | - | 4,672 | (0) | 2,421 | 180 | - | - | 3,172 | - |
| 91700 Legal expense | 790 | - | 939 | - | 107 | - | - | - | 211 | - |
| 91800 Travel | 2,551 | - | 6,231 | - | 3,672 | - | - | - | 711 | - |
| 91810 Allocated Overhead | - | - | - | - | - | - | - | - | - | - |
| 91900 Other | 8,142 | - | 10,102 | - | 11,122 | 290 | - | - | 30,263 | - |
| 91000 Total Operating - Administrative | 124,546 | - | 209,994 | 46 | 155,152 | 31,274 | - | - | 43,652 | - |
| 92000 Asset Management Fee | 6,840 | - | 11,280 | - | 9,600 | - | - | - | - | - |
| Tenant services | | | | | | | | | | |
| 92100 Tenant services - salaries | 9,719 | - | 16,901 | (0) | 15,696 | 0 | - | - | 12,213 | - |
| 92200 Relocation costs | - | - | 990 | 1,200 | 960 | 8,000 | - | - | - | - |
| 92300 Employee benefits | - | - | - | - | - | - | - | - | - | - |
| 92400 Tenant services - other | 2,188 | - | 2,059 | (0) | 2,959 | 0 | - | - | 233,191 | 30,656 |
| 92500 Total Tenant Services | 11,907 | - | 19,951 | 1,200 | 19,616 | 8,000 | - | - | 245,404 | 30,656 |
| Utilities | | | | | | | | | | |
| 93100 Water | 22,167 | - | 45,648 | - | 28,737 | - | 2,358 | - | 23,597 | - |
| 93200 Electricity | 5,053 | - | 6,492 | - | 35,299 | - | 3,341 | - | 523 | - |
| 93300 Gas | - | - | 438 | - | 20,752 | - | - | - | 467 | - |
| 93400 Fuel | - | - | - | - | - | - | - | - | - | - |
| 93500 Labor | - | - | - | - | - | - | - | - | - | - |
| 93600 Sewer | 25,379 | - | 42,413 | - | 35,449 | - | - | - | 7,907 | - |
| 93700 Employee benefits | - | - | - | - | - | - | - | - | - | - |
| 93800 Other utilities expense | 19,513 | - | 33,458 | - | 7,385 | - | - | - | 23 | - |
| 93000 Total Utilities | 72,112 | - | 128,450 | - | 127,622 | - | 5,699 | - | 32,517 | - |
| Ordinary maintenance & operation | | | | | | | | | | |
| 94100 Ordinary maintenance and operations - labor | 65,008 | - | 117,182 | - | 50,544 | - | 163 | - | 1,572 | - |
| 94200 Ordinary maintenance and operations - material and other | 16,701 | 109,717 | 33,035 | 174,281 | 13,273 | 76,265 | - | - | 140 | - |
| 94300 Ordinary maintenance and operations - contracts | 7,303 | 434 | 2,678 | 1,381 | 10,945 | - | - | - | 1 | - |
| 94500 Employee benefit contributions - ordinary maintenance | - | - | - | - | - | - | - | - | - | - |
| 94000 Total Maintenance | 89,012 | 110,171 | 152,895 | 175,662 | 74,761 | 76,265 | 163 | - | 1,713 | - |
| Protective services | | | | | | | | | | |
| 95100 Protective services - labor | - | - | - | - | - | - | - | - | - | - |
| 95200 Other contract costs | - | - | - | - | - | - | - | - | - | - |
| 95300 Protective services - other | - | - | - | - | - | - | - | - | - | - |
| 95500 Employee benefits | - | - | - | - | - | - | - | - | - | - |
| 95000 Total Protective Services | - | - | - | - | - | - | - | - | - | - |
| General expenses | | | | | | | | | | |
| 96110 Property Insurance | 3,195 | - | 4,246 | - | 2,938 | - | - | - | 1,980 | - |
| 96120 Liability Insurance | 1,454 | - | 2,859 | - | 2,848 | - | - | - | (0) | - |
| 96130 Workmen's compensation | - | - | - | - | - | - | - | - | - | - |
| 96140 All other insurance | - | - | - | - | - | - | - | - | - | - |
| 96100 Total Insurance Premiums | 4,649 | - | 7,105 | - | 5,786 | - | - | - | 1,979 | - |
| 96200 Other General Expenses | - | - | - | - | - | - | - | - | - | - |
| 96210 Compensated Absences | 7,994 | - | 8,871 | - | 10,256 | 54 | - | - | 12,705 | - |
| 96300 Payments in lieu of taxes | 2,544 | - | - | - | - | - | - | - | - | - |
| 96400 Bad debt - tenant rents | - | - | - | - | - | - | - | - | - | - |
| 96500 Bad debt - mortgages | - | - | - | - | - | - | - | - | - | - |
| 96600 Bad debt - other | - | - | - | - | - | - | - | - | - | - |
| 96800 Severance expense | 1,229 | - | 3,186 | - | 1,290 | - | - | - | 2,392 | - |
| 96000 Total Other General Expenses | 16,415 | - | 19,162 | - | 17,332 | 54 | - | - | 17,077 | - |
| 96710 Interest on mortgage (or bonds) payable | - | - | - | - | - | - | - | - | - | - |
| 96720 Interest on notes payable (short and long term) | 3,432 | - | 6,005 | - | 6,649 | - | - | - | 14,477 | - |
| 96730 Amortization of bond issue costs | - | - | - | - | - | - | - | - | - | - |
| 96750 Interest expense and amortization cost | - | - | - | - | - | - | - | - | - | - |
| 96000 TOTAL OPERATING EXPENSES | 324,264 | 110,171 | 547,336 | 176,908 | 410,733 | 115,593 | 5,861 | - | 354,840 | 30,656 |
| EXCESS (DEFICIENCY) OF OVER OPERATING REVENUE | (150,729) | (110,171) | (186,094) | (176,908) | (200,861) | (115,593) | 10,045 | - | (3,542,069) | (30,656) |
| Extraordinary maintenance | | | | | | | | | | |
| 97100 Extraordinary maintenance | - | - | 19,498 | - | - | - | - | - | - | - |
| 97200 Casualty losses - non-capitalized | - | - | - | - | - | - | - | - | - | - |
| 97300 Housing assistance payments | - | - | - | - | - | - | - | - | - | - |
| 97350 HAP Portability-In | - | - | - | - | - | - | - | - | - | - |
| 97400 Depreciation expense | 67,953 | - | 20,025 | - | 93,436 | - | - | - | 29,191 | - |
| 97500 Fraud losses | - | - | - | - | - | - | - | - | - | - |
| 97800 Dwelling units rent expense | - | - | - | - | - | - | - | - | - | - |
| 90000 TOTAL EXPENSES | 392,217 | 110,171 | 586,859 | 176,908 | 504,169 | 115,593 | 5,861 | - | 384,031 | 30,656 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| 10010 Operating transfers in | 158,836 | 182,217 | 334,598 | 193,210 | 216,743 | 125,840 | 350 | - | 425,358 | 30,656 |
| 10020 Operating transfers out | (129,023) | - | (343,991) | - | (186,465) | - | (6,826) | - | - | - |
| 10030 Operating transfers from/to primary government | - | - | - | - | - | - | - | - | - | - |
| 10040 Operating transfers from/to component unit | - | - | - | - | - | - | - | - | - | - |
| 10070 Extraordinary items, net gain/loss | - | - | - | - | - | - | - | - | - | - |
| 10080 Special items, net gain/loss | - | - | - | - | - | - | - | - | - | - |
| 10091 Inter-project excess cash transfer in | - | - | - | - | - | - | - | - | - | - |
| 10092 Inter-project excess cash transfer out | - | - | - | - | - | - | - | - | - | - |
| 10093 Transfers between programs and projects in | - | - | - | - | - | - | - | - | - | - |
| 10094 Transfers between programs and projects out | - | - | - | - | - | - | - | - | - | - |
| 10100 TOTAL OTHER FINANCING SOURCES | 29,813 | 182,217 | (9,393) | 193,210 | 30,278 | 125,840 | (6,476) | - | 425,358 | 30,656 |
| EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES | \$ (188,860) | \$ 72,046 | \$ (235,010) | \$ 16,302 | \$ (264,019) | \$ 10,247 | \$ 3,569 | \$ - | \$ (3,145,903) | \$ - |
| MEMO ACCT INFORMATION | | | | | | | | | | |
| 11020 Required annual debt principal payments | 7,326 | - | 12,821 | - | 141,05 | - | - | - | 30,907 | - |
| 11030 Beginning of year equity | 1,057,051 | - | 1,480,490 | 41,455 | 2,254,656 | 77,833 | (1,284) | - | 3,251,994 | 122,552 |
| 11040 Prior period adjustments, equity transfers | - | - | - | 66,451 | - | 150,505 | - | - | - | - |
| 11170 Administrative Fee Equity | - | - | - | - | - | - | - | - | - | - |
| 11180 Housing Assistance Fee Equity | - | - | - | - | - | - | - | - | - | - |
| 11190 Unit Months Available | 684 | - | 1,121 | - | 944 | - | - | - | - | - |
| 11210 Number of unit months leased | 679 | - | 1,107 | - | 911 | - | - | - | - | - |
| 11220 Excess cash | - | - | - | - | - | - | - | - | - | - |
| 11410 Land Purchases | - | - | - | - | - | - | - | - | - | - |
| 11620 Building Purchases | - | 72,046 | - | 82,753 | - | 160,752 | - | - | - | - |
| 11630 Furniture and Equipment - dwelling purchases | - | - | - | - | - | - | - | - | - | - |
| 11640 Furniture and equipment - administrative purchases | - | - | - | - | - | - | - | - | - | - |
| 11650 Leasehold improvements purchases | - | - | - | - | - | - | - | - | - | - |
| 11660 Infrastructure purchases | - | - | - | - | - | - | - | - | - | - |
| 13510 CFFP debt service payments | - | - | - | - | - | - | - | - | - | - |
| 13901 Replacement housing factor funds | - | - | - | - | - | - | - | - | - | - |

HOUSING AUTHORITY OF THE COUNTY OF KING
Financial Data Schedule (FDS)
Statement of Revenues and Expenses
For the 12 Month Period Ending December 31, 2010

| | AMP 340 | | AMP 341 | | AMP 343 | | AMP 344 | | AMP 345 | |
|--|------------------------|----------------------|------------------------|----------------------|------------------------|----------------------|------------------------|----------------------|------------------------|----------------------|
| | Operating Fund Program | Capital Fund Program | Operating Fund Program | Capital Fund Program | Operating Fund Program | Capital Fund Program | Operating Fund Program | Capital Fund Program | Operating Fund Program | Capital Fund Program |
| REVENUE: | PH | | | | | | | | | |
| 70300 Net tenant rental revenue | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 70400 Tenant revenue - other | 300 | - | - | - | - | - | - | - | - | - |
| 70500 Total tenant revenue | 300 | - | - | - | - | - | - | - | - | - |
| 70600 HUD PHIA Operating Grants | - | - | - | - | - | - | - | - | - | - |
| 70610 Capital Grants | - | - | - | - | - | - | - | - | - | - |
| 70710 Management Fee | - | - | - | - | - | - | - | - | - | - |
| 70720 Asset Management Fee | 7,725 | - | - | - | - | - | - | - | - | - |
| 70730 Book-keeping Fee | - | - | - | - | - | - | - | - | - | - |
| 70740 Frontline Service Fee | - | - | - | - | - | - | - | - | - | - |
| 70750 Other Fees | - | - | - | - | - | - | - | - | - | - |
| 70800 Total Fee Revenue | 7,725 | - | - | - | - | - | - | - | - | - |
| 70800 Other Government Grants | - | - | - | - | - | - | - | - | - | - |
| 71100 Investment Income - unrestricted | 865,488 | - | 82,576 | - | 380,993 | - | 1,785 | - | - | - |
| 71200 Mortgage Interest Income | - | - | - | - | - | - | - | - | - | - |
| 71300 Proceeds from disposition of assets held for sale | - | - | - | - | - | - | - | - | - | - |
| 71310 Cost of Sale of Assets | - | - | - | - | - | - | - | - | - | - |
| 71400 Fraud Recovery | - | - | - | - | - | - | - | - | - | - |
| 71500 Other Revenue | 0 | - | - | - | - | - | - | - | - | - |
| 71600 Gain (loss) on the sale of capital assets | - | - | - | - | - | - | - | - | - | - |
| 72000 Investment Income - restricted | 52 | - | 202 | - | 256 | - | - | - | - | - |
| 70000 TOTAL REVENUE | 873,565 | - | 82,867 | - | 381,249 | - | 1,785 | - | - | - |
| EXPENSES: | | | | | | | | | | |
| Administrative | | | | | | | | | | |
| 91100 Administrative salaries | 910 | - | - | - | 0 | - | - | - | - | - |
| 91200 Auditing fees | - | - | - | - | - | - | - | - | - | - |
| 91300 Management fees | 1,045 | - | - | - | 1,917 | - | - | - | - | - |
| 91310 Book-keeping Fee | 16,935 | - | 8,100 | - | 7,920 | - | - | - | - | - |
| 91400 Advertising and Marketing | - | - | - | - | - | - | - | - | - | - |
| 91500 Employee benefit contributions - administrative | 7,038 | - | - | - | 3,677 | - | - | - | - | - |
| 91600 Office Expenses | 1,063 | - | 659 | - | 920 | - | - | - | - | - |
| 91700 Legal expense | - | - | - | - | - | - | - | - | - | - |
| 91800 Travel | 1,145 | - | 362 | - | 387 | - | - | - | - | - |
| 91810 Allocated Overhead | - | - | - | - | - | - | - | - | - | - |
| 91900 Other | 25,211 | - | 940 | - | 88,913 | - | - | - | - | - |
| 91900 Total Operating - Administrative | 53,367 | - | 10,061 | - | 103,733 | - | - | - | - | - |
| 92000 Asset Management Fee | 22,440 | - | 10,000 | - | 10,560 | - | - | - | - | - |
| Tenant services | | | | | | | | | | |
| 92100 Tenant services - salaries | 22,685 | - | - | - | 11,312 | - | - | - | - | - |
| 92200 Relocation costs | 1,175 | - | 1,745 | - | 450 | - | - | - | - | - |
| 92300 Employee benefits | - | - | - | - | - | - | - | - | - | - |
| 92400 Tenant services - other | 36,856 | - | 2,400 | - | 10,578 | - | - | - | - | - |
| 92500 Total Tenant Services | 60,716 | - | 4,145 | - | 22,340 | - | - | - | - | - |
| Utilities | | | | | | | | | | |
| 93100 Water | - | - | - | - | - | - | - | - | - | - |
| 93200 Electricity | - | - | - | - | - | - | - | - | - | - |
| 93300 Gas | - | - | - | - | - | - | - | - | - | - |
| 93400 Fuel | - | - | - | - | - | - | - | - | - | - |
| 93500 Labor | - | - | - | - | - | - | - | - | - | - |
| 93600 Sewer | - | - | - | - | - | - | - | - | - | - |
| 93700 Employee benefits | - | - | - | - | - | - | - | - | - | - |
| 93800 Other utility expense | - | - | - | - | - | - | - | - | - | - |
| 93000 Total Utilities | - | - | - | - | - | - | - | - | - | - |
| Ordinary maintenance & operation | | | | | | | | | | |
| 94100 Ordinary maintenance and operations - labor | - | - | - | - | - | - | - | - | - | - |
| 94200 Ordinary maintenance and operations - material and other | - | - | - | - | - | - | - | - | - | - |
| 94300 Ordinary maintenance and operations - contracts | 303 | - | - | - | 198 | - | - | - | - | - |
| 94500 Employee benefit contributions - ordinary maintenance | - | - | - | - | - | - | - | - | - | - |
| 94000 Total Maintenance | 303 | - | - | - | 198 | - | - | - | - | - |
| Protective services | | | | | | | | | | |
| 95100 Protective services - labor | - | - | - | - | - | - | - | - | - | - |
| 95200 Other contract costs | - | - | - | - | - | - | - | - | - | - |
| 95300 Protective services - other | - | - | - | - | - | - | - | - | - | - |
| 95500 Employee benefits | - | - | - | - | - | - | - | - | - | - |
| 95000 Total Protective Services | - | - | - | - | - | - | - | - | - | - |
| General expenses | | | | | | | | | | |
| 96110 Property Insurance | - | - | - | - | - | - | - | - | - | - |
| 96120 Liability Insurance | 0 | - | 42 | - | 88 | - | - | - | - | - |
| 96130 Workmen's compensation | - | - | - | - | - | - | - | - | - | - |
| 96140 All other insurance | - | - | - | - | - | - | - | - | - | - |
| 96100 Total Insurance Premiums | 0 | - | 42 | - | 88 | - | - | - | - | - |
| 96200 Other General Expenses | - | - | - | - | - | - | - | - | - | - |
| 96210 Compensated Absences | 948 | - | - | - | 1,626 | - | - | - | - | - |
| 96300 Payments in lieu of taxes | - | - | - | - | - | - | - | - | - | - |
| 96400 Bad debt - tenant rents | - | - | - | - | - | - | - | - | - | - |
| 96500 Bad debt - mortgages | - | - | - | - | - | - | - | - | - | - |
| 96600 Bad debt - other | - | - | - | - | - | - | - | - | - | - |
| 96800 Severance expense | - | - | - | - | - | - | - | - | - | - |
| 96000 Total Other General Expenses | 948 | - | 42 | - | 1,714 | - | - | - | - | - |
| 96710 Interest on mortgage (or bonds) payable | 424,256 | - | - | - | 169,490 | - | - | - | - | - |
| 96720 Interest on notes payable (short and long term) | - | - | - | - | - | - | - | - | - | - |
| 96730 Amortization of bond issue costs | - | - | - | - | - | - | - | - | - | - |
| 96700 Interest expense and amortization cost | - | - | - | - | - | - | - | - | - | - |
| 96000 TOTAL OPERATING EXPENSES | 562,031 | - | 25,048 | - | 308,037 | - | - | - | - | - |
| EXCESS OPERATING REVENUE OVER OPERATING EXPENSES | 311,534 | - | 57,819 | - | 73,211 | - | 1,785 | - | - | - |
| Extraordinary maintenance | | | | | | | | | | |
| 97100 Casualty losses - non-capitalized | - | - | - | - | - | - | - | - | - | - |
| 97200 Housing assistance payments | - | - | - | - | - | - | - | - | - | - |
| 97350 HAP Portability-In | - | - | - | - | - | - | - | - | - | - |
| 97400 Depreciation expense | - | - | - | - | - | - | - | - | - | - |
| 97500 Fraud losses | - | - | - | - | - | - | - | - | - | - |
| 97600 Dwelling units rent expense | - | - | - | - | - | - | - | - | - | - |
| 90000 TOTAL EXPENSES | 562,031 | - | 25,048 | - | 308,037 | - | - | - | - | - |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| 10010 Operating transfers in | 327,865 | - | 2,542,954 | - | 21,403,601 | - | 1,074,969 | - | - | - |
| 10020 Operating transfers out | (234,903) | - | (1,039,464) | - | (17,501,292) | - | (1,943) | - | - | - |
| 10030 Operating transfers from/to primary government | - | - | - | - | - | - | - | - | - | - |
| 10040 Operating transfers from/to component unit | - | - | - | - | - | - | - | - | - | - |
| 10070 Extraordinary items, net gain/loss | - | - | - | - | - | - | - | - | - | - |
| 10080 Special items, net gain/loss | - | - | - | - | - | - | - | - | - | - |
| 10091 Inter-project excess cash transfer in | - | - | - | - | - | - | - | - | - | - |
| 10092 Inter-project excess cash transfer out | - | - | - | - | - | - | - | - | - | - |
| 10093 Transfers between programs and projects in | - | - | - | - | - | - | - | - | - | - |
| 10094 Transfers between programs and projects out | - | - | - | - | - | - | - | - | - | - |
| 10100 TOTAL OTHER FINANCING SOURCES | 92,962 | - | 1,503,490 | - | 3,902,309 | - | 1,073,026 | - | - | - |
| EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES | \$ 404,496 | \$ - | \$ 1,561,309 | \$ - | \$ 3,975,521 | \$ - | \$ 1,074,811 | \$ - | \$ - | \$ - |
| MEMO ACCT INFORMATION | | | | | | | | | | |
| 11020 Required annual debt principal payments | 45,000 | - | - | - | - | - | - | - | - | - |
| 11030 Beginning of year equity | 8,911,399 | - | 171 | - | (887) | - | - | - | - | - |
| 11040 Prior period adjustments, equity transfers | - | - | - | - | - | - | - | - | - | 588,789 |
| 11170 Administrative Fee Equity | - | - | - | - | - | - | - | - | - | - |
| 11180 Housing Assistance Fee Equity | - | - | - | - | - | - | - | - | - | - |
| 11190 Unit Months Available | 924 | - | 119 | - | 600 | - | - | - | - | - |
| 11210 Number of unit months leased | 908 | - | 119 | - | 594 | - | - | - | - | - |
| 11270 Excess cash | - | - | - | - | - | - | - | - | - | - |
| 11610 Land Purchases | - | - | - | - | - | - | - | - | - | - |
| 11620 Building Purchases | - | - | - | - | - | - | - | - | - | 588,789 |
| 11630 Furniture and Equipment - dwelling purchases | - | - | - | - | - | - | - | - | - | - |
| 11640 Furniture and equipment - administrative purchases | - | - | - | - | - | - | - | - | - | - |
| 11650 Leasehold improvements purchases | - | - | - | - | - | - | - | - | - | - |
| 11660 Infrastructure purchases | - | - | - | - | - | - | - | - | - | - |
| 13510 CFFP debt service payments | - | - | - | - | - | - | - | - | - | - |
| 13901 Replacement housing factor funds | - | - | - | - | - | - | - | - | - | - |

HOUSING AUTHORITY OF THE COUNTY OF KING
Financial Data Schedule (FDS)
Statement of Revenues and Expenses
For the 12 Month Period Ending December 31, 2010

| | AMP 350 | | AMP 352 | | AMP 354 | | AMP 355 | | AMP 401 | |
|--|---------------------------|-------------------------|---------------------------|-------------------------|---------------------------|-------------------------|---------------------------|-------------------------|---------------------------|-------------------------|
| | Operating Fund Program | Capital Fund Program | Operating Fund Program | Capital Fund Program | Operating Fund Program | Capital Fund Program | Operating Fund Program | Capital Fund Program | Operating Fund Program | Capital Fund Program |
| | PH | | PH | | PH | | PH | | PH | |
| REVENUE: | | | | | | | | | | |
| 70300 Net tenant rental revenue | \$ 153,167 | \$ - | \$ 141,919 | \$ - | \$ 332,612 | \$ - | \$ - | \$ - | \$ 696,145 | \$ - |
| 70400 Tenant revenue - other | 3,675 | - | 5,206 | - | 28,203 | - | - | - | 11,131 | - |
| 70500 Total tenant revenue | 156,842 | - | 147,125 | - | 360,814 | - | - | - | 617,276 | - |
| 70600 HUD PHA Operating Grants | - | (0) | - | 0 | - | (0) | - | - | - | 0 |
| 70610 Capital Grants | - | - | - | - | - | - | - | - | - | - |
| 70710 Management Fee | - | - | - | - | - | - | - | - | - | - |
| 70720 Asset Management Fee | - | - | - | - | - | - | - | - | - | - |
| 70730 Book-keeping Fee | - | - | - | - | - | - | - | - | - | - |
| 70740 Frontline Service Fee | - | - | - | - | - | - | - | - | - | - |
| 70750 Other Fees | - | - | - | - | - | - | - | - | - | - |
| 70760 Total Fee Revenue | - | - | - | - | - | - | - | - | - | - |
| 70800 Other Government Grants | - | - | - | - | 1,777,651 | - | - | - | - | - |
| 71100 Investment Income - unrestricted | - | - | 110,253 | - | 151,212 | - | 312,536 | - | - | - |
| 71200 Mortgage Interest Income | - | - | - | - | - | - | - | - | - | - |
| 71300 Proceeds from disposition of assets held for sale | - | - | - | - | - | - | - | - | - | - |
| 71310 Cost of Sale of Assets | - | - | - | - | - | - | - | - | - | - |
| 71400 Fraud Recovery | - | - | - | - | - | - | - | - | - | - |
| 71500 Other Revenue | 1,059 | - | 778 | - | 574 | - | 10,000 | - | 1,652 | - |
| 71600 Gain (loss) on the sale of capital assets | - | - | - | - | - | - | - | - | - | - |
| 72000 Investment income - restricted | 446 | - | 825 | - | 657 | - | 41 | - | 778 | - |
| 73000 TOTAL REVENUE | 158,347 | (0) | 259,081 | 0 | 2,290,908 | (0) | 322,577 | - | 619,707 | 0 |
| EXPENSES: | | | | | | | | | | |
| Administrative | | | | | | | | | | |
| 91100 Administrative salaries | 33,917 | 451 | 34,666 | - | 60,030 | 496 | (0) | - | 78,830 | 1,440 |
| 91200 Auditing fees | 925 | - | 896 | - | 1,448 | - | - | - | 1,911 | - |
| 91300 Management fees | 34,661 | 30,118 | 32,170 | (0) | 52,012 | 33,129 | 458 | - | 205,699 | - |
| 91310 Book-keeping Fee | 6,053 | - | 11,018 | - | 15,653 | - | 7,290 | - | 13,103 | - |
| 91400 Advertising and Marketing | - | - | - | - | - | - | - | - | - | - |
| 91500 Employee benefit contributions - administrative | 36,810 | 196 | 36,526 | 58 | 104,426 | 307 | 3,538 | - | 120,967 | 1,358 |
| 91600 Office Expenses | 3,624 | 180 | 3,463 | - | 8,252 | 198 | 0 | - | 10,235 | 0 |
| 91700 Legal expense | 5,336 | - | 934 | - | 10,347 | - | - | - | 7,442 | - |
| 91800 Travel | 4,594 | - | 4,345 | - | 10,228 | - | 130 | - | 10,216 | - |
| 91810 Allocated Overhead | - | - | - | - | - | - | - | - | - | - |
| 91900 Other | 18,380 | 290 | 23,412 | - | 65,455 | 378 | 6,655 | - | 19,300 | 45 |
| 91000 Total Operating - Administrative | 144,329 | 31,235 | 147,409 | 58 | 327,851 | 34,508 | 18,071 | - | 467,603 | 2,843 |
| 92000 Asset Management Fee | 8,400 | - | 15,340 | - | 21,600 | - | 9,720 | - | 17,400 | - |
| Tenant services | | | | | | | | | | |
| 92100 Tenant services - salaries | 18,738 | - | 19,927 | 0 | 127,745 | (0) | 14,165 | - | 29,982 | (0) |
| 92200 Relocation costs | - | 4,000 | 1,980 | 2,000 | (0) | 1,000 | 2,820 | - | 2,300 | - |
| 92300 Employee benefits | - | - | - | - | - | - | - | - | - | - |
| 92400 Tenant services - other | 3,483 | 165 | 3,494 | (0) | 14,459 | 500 | 1,792 | - | 54,009 | - |
| 92500 Total Tenant Services | 22,221 | 4,165 | 25,401 | 2,000 | 142,204 | 1,500 | 18,777 | - | 86,290 | (0) |
| Utilities | | | | | | | | | | |
| 93100 Water | 18,320 | - | 18,687 | - | 35,740 | - | - | - | 84,576 | - |
| 93200 Electricity | 9,986 | - | 17,224 | - | 7,142 | - | - | - | 7,884 | - |
| 93300 Gas | 194 | - | 6,315 | - | 78 | - | - | - | 35,291 | - |
| 93400 Fuel | - | - | - | - | - | - | - | - | - | - |
| 93500 Labor | - | - | - | - | - | - | - | - | - | - |
| 93600 Sewer | 30,366 | - | 6,018 | - | 23,126 | - | - | - | 95,473 | - |
| 93700 Employee benefits | - | - | - | - | - | - | - | - | - | - |
| 93800 Other utilities expense | 5,875 | - | 8,465 | - | 47,493 | - | - | - | 20,639 | - |
| 93900 Total Utilities | 64,742 | - | 56,709 | - | 113,579 | - | - | - | 243,863 | - |
| Ordinary maintenance & operation | | | | | | | | | | |
| 94100 Ordinary maintenance and operations - labor | 52,835 | - | 55,929 | 24,550 | 59,047 | - | - | - | 194,474 | - |
| 94200 Ordinary maintenance and operations - material and other | 25,706 | 320,379 | 15,289 | 176,029 | 72,658 | 289,220 | - | - | 48,208 | 84,443 |
| 94300 Ordinary maintenance and operations - contracts | 14,776 | - | 7,780 | - | 80,656 | - | - | - | 34,769 | - |
| 94500 Employee benefit contributions - ordinary maintenance | - | - | - | - | - | - | - | - | - | - |
| 94900 Total Maintenance | 93,318 | 320,379 | 78,997 | 300,579 | 212,361 | 289,220 | - | - | 277,451 | 84,443 |
| Protective services | | | | | | | | | | |
| 95100 Protective services - labor | - | - | - | - | - | - | - | - | - | - |
| 95200 Other contract costs | - | - | - | - | - | - | - | - | - | - |
| 95300 Protective services - other | - | - | - | - | - | - | - | - | - | - |
| 95500 Employee benefits | - | - | - | - | - | - | - | - | - | - |
| 95900 Total Protective Services | - | - | - | - | - | - | - | - | - | - |
| General expenses | | | | | | | | | | |
| 96110 Property Insurance | 3,017 | - | 3,229 | - | 5,502 | - | - | - | 7,870 | - |
| 96120 Liability Insurance | 2,287 | - | (0) | - | (0) | - | 40 | - | 5,851 | - |
| 96130 Workmen's compensation | - | - | - | - | - | - | - | - | - | - |
| 96140 All other insurance | - | - | - | - | - | - | - | - | - | - |
| 96100 Total Insurance Premiums | 5,304 | - | 3,228 | - | 5,502 | - | 40 | - | 13,721 | - |
| 96200 Other General Expenses | - | - | - | - | - | - | - | - | - | - |
| 96210 Compensated Absences | 3,762 | 54 | 2,529 | - | 21,082 | 60 | 1,418 | - | 4,463 | 152 |
| 96300 Payments in lieu of taxes | - | - | - | - | - | - | - | - | - | - |
| 96400 Bad debt - tenant rents | - | - | - | - | - | - | - | - | - | - |
| 96500 Bad debt - mortgages | - | - | - | - | - | - | - | - | - | - |
| 96600 Bad debt - other | - | - | - | - | - | - | - | - | - | - |
| 96800 Severance expense | 1,010 | - | 963 | - | 48 | - | - | - | 179 | - |
| 96900 Total Other General Expenses | 10,076 | 54 | 6,721 | - | 28,632 | 60 | 1,458 | - | 18,363 | 152 |
| 96710 Interest on mortgage (or bonds) payable | - | - | - | - | 375,572 | 139,605 | - | - | - | - |
| 96720 Interest on notes payable (short and long term) | 2,038 | - | 3,378 | - | 40,723 | - | - | - | 7,937 | - |
| 96730 Amortization of bond issue costs | - | - | - | - | - | - | - | - | - | - |
| 96700 Interest expense and amortization cost | - | - | - | - | - | - | - | - | - | - |
| 96900 TOTAL OPERATING EXPENSES | 345,124 | 355,833 | 333,855 | 202,638 | 886,950 | 700,860 | 187,630 | - | 1,118,906 | 87,438 |
| EXCESS OPERATING REVENUE | | | | | | | | | | |
| 97000 OVER OPERATING EXPENSES | (186,777) | (355,833) | (74,775) | (202,638) | 1,403,958 | (700,860) | 134,947 | - | (499,199) | (87,438) |
| 97100 Extraordinary maintenance | - | - | - | - | - | - | - | - | 14,000 | - |
| 97200 Casualty losses - non-capitalized | - | - | - | - | - | - | - | - | - | - |
| 97300 Housing assistance payments | - | - | - | - | - | - | - | - | - | - |
| 97350 HAP Portability-In | - | - | - | - | - | - | - | - | - | - |
| 97400 Depreciation expense | 51,312 | - | 116,314 | - | 274,979 | - | - | - | 214,608 | - |
| 97500 Fraud losses | - | - | - | - | - | - | - | - | - | - |
| 97800 Dwelling units rent expense | - | - | - | - | - | - | - | - | - | - |
| 99000 TOTAL EXPENSES | 396,436 | 355,833 | 450,170 | 202,638 | 1,161,930 | 700,860 | 187,630 | - | 1,347,513 | 87,438 |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| 10010 Operating transfers in | 302,080 | 370,091 | 197,157 | 178,267 | 1,652,424 | 1,107,833 | 3,298,314 | - | 2,507,212 | 1,368,268 |
| 10020 Operating transfers out | (85,532) | - | (241,965) | - | (3,037,043) | - | (29,490) | - | (2,169,122) | - |
| 10030 Operating transfers from/to primary government | - | - | - | - | - | - | - | - | - | - |
| 10040 Operating transfers from/to component unit | - | - | - | - | - | - | - | - | - | - |
| 10070 Extraordinary items, net gain/loss | - | - | - | - | - | - | - | - | - | - |
| 10080 Special items, net gain/loss | - | - | - | - | - | - | - | - | - | - |
| 10091 Inter-project excess cash transfer in | - | - | - | - | - | - | - | - | - | - |
| 10092 Inter-project excess cash transfer out | - | - | - | - | - | - | - | - | - | - |
| 10093 Transfers between programs and projects in | - | - | - | - | - | - | - | - | - | - |
| 10094 Transfers between programs and projects out | - | - | - | - | - | - | - | - | - | - |
| 10100 TOTAL OTHER FINANCING SOURCES | 216,548 | 370,091 | (44,808) | 178,267 | (1,384,619) | 1,107,833 | 3,268,824 | - | 338,090 | 1,368,268 |
| EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES | \$ (21,541) | \$ 14,258 | \$ (235,897) | \$ (24,971) | \$ (255,640) | \$ 406,974 | \$ 3,403,771 | \$ - | \$ (389,716) | \$ 1,280,830 |
| MEMO ACCT INFORMATION | | | | | | | | | | |
| 11020 Required annual debt principal payments | 4,350 | - | 4,121 | - | 2,097,592 | - | 30,000 | - | 4,350 | - |
| 11030 Beginning of year equity | 1,094,362 | 121,632 | 2,966,428 | 545 | 47,556,702 | 993 | 239,513 | - | 4,327,400 | 454,759 |
| 11040 Prior period adjustments, equity transfers | - | 51,526 | - | 164,161 | - | 199,741 | - | - | - | 2,126,612 |
| 11170 Administrative Fee Equity | - | - | - | - | - | - | - | - | - | - |
| 11180 Housing Assistance Fee Equity | - | - | - | - | - | - | - | - | - | - |
| 11190 Unit Months Available | 824 | - | 1,508 | - | 2,137 | - | 480 | - | 1,716 | - |
| 11210 Number of unit months leased | 793 | - | 1,465 | - | 2,079 | - | 473 | - | 1,673 | - |
| 11270 Excess cash | - | - | - | - | - | - | - | - | - | - |
| 11610 Land Purchases | - | - | - | - | - | - | - | - | - | - |
| 11620 Building Purchases | - | 65,584 | - | 139,790 | - | - | - | - | 3,407,442 | - |
| 11630 Furniture and Equipment - dwelling purchases | - | - | - | - | - | - | - | - | - | - |
| 11640 Furniture and equipment - administrative purchases | - | - | - | - | - | - | - | - | - | - |
| 11650 Leasehold improvements purchases | - | - | - | - | - | - | - | - | - | - |
| 11660 Infrastructure purchases | - | - | - | - | - | - | - | - | - | - |
| 13510 CFPF debt service payments | - | - | - | - | - | 696,721 | - | - | - | - |
| 13901 Replacement housing factor funds | - | - | - | - | - | - | - | - | - | - |

HOUSING AUTHORITY OF THE COUNTY OF KING
Financial Data Schedule (FDS)
Statement of Revenues and Expenses
For the 12 Month Period Ending December 31, 2010

| | AMP 402 | | AMP 403 | | AMP 404 | | AMP 408 | | AMP 450 | |
|--|---------------------------|-------------------------|---------------------------|-------------------------|---------------------------|-------------------------|---------------------------|-------------------------|---------------------------|-------------------------|
| | Operating Fund Program | Capital Fund Program | Operating Fund Program | Capital Fund Program | Operating Fund Program | Capital Fund Program | Operating Fund Program | Capital Fund Program | Operating Fund Program | Capital Fund Program |
| | PH | | PH | | PH | | PH | | PH | |
| REVENUE: | | | | | | | | | | |
| 70300 Net tenant rental revenue | \$ - | \$ - | \$ 397,178 | \$ - | \$ 97,995 | \$ - | \$ 136,740 | \$ - | \$ - | \$ - |
| 70400 Tenant revenue - other | - | - | 19,138 | - | 8,483 | - | 434 | - | - | - |
| 70500 Total tenant revenue | - | - | 416,316 | - | 106,478 | - | 137,173 | - | - | - |
| 70600 HUD PHA Operating Grants | - | - | - | 0 | - | - | - | - | - | - |
| 70610 Capital Grants | - | - | - | - | - | - | - | - | - | - |
| 70710 Management Fee | - | - | - | - | - | - | - | - | - | - |
| 70720 Asset Management Fee | - | - | - | - | - | - | - | - | - | - |
| 70730 Book-keeping Fee | - | - | - | - | - | - | - | - | - | - |
| 70740 Frontline Service Fee | - | - | - | - | - | - | - | - | - | - |
| 70750 Other Fees | - | - | - | - | - | - | - | - | - | - |
| 70800 Total Fee Revenue | - | - | - | - | - | - | - | - | - | - |
| 70900 Other Government Grants | - | - | - | - | - | - | - | - | - | - |
| 71100 Investment Income - unrestricted | - | - | - | - | - | - | - | - | 112,563 | - |
| 71200 Mortgage Interest Income | - | - | - | - | - | - | - | - | - | - |
| 71300 Proceeds from disposition of assets held for sale | - | - | - | - | - | - | - | - | - | - |
| 71310 Cost of Sale of Assets | - | - | - | - | - | - | - | - | - | - |
| 71400 Fraud Recovery | - | - | - | - | - | - | - | - | - | - |
| 71500 Other Revenue | - | - | 1,959 | - | 471 | - | - | - | - | - |
| 71600 Gain (loss) on the sale of capital assets | - | - | 4,034 | - | - | - | - | - | - | - |
| 72000 Investment Income - restricted | - | - | 1,619 | - | 528 | - | 593 | - | - | - |
| 70000 TOTAL REVENUE | - | - | 423,927 | 0 | 107,477 | - | 137,767 | - | 112,563 | - |
| EXPENSES: | | | | | | | | | | |
| Administrative | | | | | | | | | | |
| 91100 Administrative salaries | 5,395 | - | 60,507 | 893 | 19,346 | 3,338 | 54,509 | 3,246 | 2,485 | - |
| 91200 Auditing fees | - | - | 1,582 | - | 419 | - | 358 | - | - | - |
| 91300 Management fees | - | - | 58,842 | - | 15,204 | 211,827 | 14,174 | - | - | - |
| 91310 Book-keeping Fee | - | - | 10,275 | - | 2,883 | - | 2,475 | - | 5,400 | - |
| 91400 Advertising and Marketing | - | - | - | - | - | - | - | - | - | - |
| 91500 Employee benefit contributions - administrative | 1,225 | - | 93,697 | 782 | 19,373 | 1,262 | 25,354 | 974 | 534 | - |
| 91600 Office Expenses | - | - | 9,360 | (0) | 1,136 | 1,266 | 966 | - | 225 | - |
| 91700 Legal expense | - | - | 356 | - | 682 | - | 38 | - | 96 | - |
| 91800 Travel | - | - | 8,058 | - | 2,084 | - | 1,941 | - | 523 | - |
| 91810 Allocated Overhead | - | - | - | - | - | - | - | - | - | - |
| 91900 Other | - | - | 16,249 | 45 | 3,907 | 2,036 | 3,182 | - | 4,523 | - |
| 91000 Total Operating - Administrative | 6,620 | - | 256,925 | 1,719 | 65,034 | 219,729 | 102,996 | 4,220 | 13,878 | - |
| 92000 Asset Management Fee | - | - | 14,160 | - | 3,600 | - | 3,360 | - | 7,320 | - |
| Tenant services | | | | | | | | | | |
| 92100 Tenant services - salaries | - | - | 22,042 | (0) | 3,564 | - | 6,234 | - | 1,943 | - |
| 92200 Relocation costs | - | - | - | 3,000 | - | - | - | - | - | - |
| 92300 Employee benefits | - | - | - | - | - | - | - | - | - | - |
| 92400 Tenant services - other | 11 | - | 49,833 | (0) | 278 | - | 395 | - | 457 | - |
| 92500 Total Tenant Services | 11 | - | 71,875 | 3,000 | 3,842 | - | 6,629 | - | 2,400 | - |
| Utilities | | | | | | | | | | |
| 93100 Water | 39,997 | - | 33,067 | - | 26,632 | - | 11,099 | - | - | - |
| 93200 Electricity | 7,210 | - | 20,063 | - | 3,750 | - | 717 | - | - | - |
| 93300 Gas | (0) | - | - | - | - | - | 843 | - | - | - |
| 93400 Fuel | - | - | - | - | - | - | - | - | - | - |
| 93500 Labor | - | - | - | - | - | - | - | - | - | - |
| 93600 Sewer | 637 | - | 68,897 | - | 16,119 | - | 16,448 | - | - | - |
| 93700 Employee benefits | - | - | - | - | - | - | - | - | - | - |
| 93800 Other utility expense | - | - | 30,298 | - | 14,862 | - | 3,579 | - | - | - |
| 93000 Total Utilities | 47,843 | - | 153,326 | - | 61,364 | - | 32,685 | - | - | - |
| Ordinary maintenance & operation | | | | | | | | | | |
| 94100 Ordinary maintenance and operations - labor | 532 | - | 135,411 | - | 33,374 | - | 30,773 | - | - | - |
| 94200 Ordinary maintenance and operations - material and other | 958 | - | 26,014 | 40,011 | 8,533 | - | 7,747 | - | - | - |
| 94300 Ordinary maintenance and operations - contracts | 28,418 | - | 13,236 | - | 2,015 | - | 2,959 | - | - | - |
| 94500 Employee benefit contributions - ordinary maintenance | - | - | - | - | - | - | - | - | - | - |
| 94000 Total Maintenance | 29,908 | - | 174,661 | 40,011 | 43,922 | - | 41,479 | - | - | - |
| Protective services | | | | | | | | | | |
| 95100 Protective services - labor | - | - | - | - | - | - | - | - | - | - |
| 95200 Other contract costs | - | - | - | - | - | - | - | - | - | - |
| 95300 Protective services - other | - | - | - | - | - | - | - | - | - | - |
| 95500 Employee benefits | - | - | - | - | - | - | - | - | - | - |
| 95000 Total Protective Services | - | - | - | - | - | - | - | - | - | - |
| General expenses | | | | | | | | | | |
| 96110 Property Insurance | 1,553 | - | 8,095 | - | 5,329 | - | 1,542 | - | - | - |
| 96120 Liability Insurance | (0) | - | 4,204 | - | 743 | - | 438 | - | 0 | - |
| 96130 Workmen's compensation | - | - | - | - | - | - | - | - | - | - |
| 96140 All other insurance | - | - | - | - | - | - | - | - | - | - |
| 96100 Total Insurance Premiums | 1,552 | - | 12,300 | - | 6,072 | - | 1,980 | - | 0 | - |
| 96200 Other General Expenses | - | - | - | - | - | - | - | - | - | - |
| 96210 Compensated Absences | 826 | - | 17,866 | 107 | 2,539 | 401 | 667 | 390 | 547 | - |
| 96300 Payments in lieu of taxes | - | - | - | - | - | - | - | - | - | - |
| 96400 Bad debt - tenant rents | - | - | - | - | - | - | - | - | - | - |
| 96500 Bad debt - mortgages | - | - | - | - | - | - | - | - | - | - |
| 96600 Bad debt - other | - | - | - | - | - | - | - | - | - | - |
| 96800 Severance expense | - | - | 146 | - | 37 | - | 34 | - | - | - |
| 96000 Total Other General Expenses | 2,378 | - | 30,312 | 107 | 8,648 | 401 | 2,681 | 390 | 547 | - |
| 96710 Interest on mortgage (or bonds) payable | - | - | - | - | - | - | - | - | - | - |
| 96720 Interest on notes payable (short and long term) | - | - | 7,936 | - | 1,930 | - | 1,716 | - | 2,809 | - |
| 96730 Amortization of bond issue costs | - | - | - | - | - | - | - | - | - | - |
| 96700 Interest expense and amortization cost | - | - | - | - | - | - | - | - | - | - |
| 96000 TOTAL OPERATING EXPENSES | 86,760 | - | 710,195 | 44,837 | 188,340 | 220,130 | 191,546 | 4,610 | 26,955 | - |
| EXCESS OPERATING REVENUE OVER OPERATING EXPENSES | (86,760) | - | (286,268) | (44,837) | (80,863) | (220,130) | (53,780) | (4,610) | 85,608 | - |
| 97100 Extraordinary maintenance | - | - | - | - | - | - | - | - | - | - |
| 97200 Casualty losses - non-capitalized | - | - | - | - | - | - | - | - | - | - |
| 97300 Housing assistance payments | - | - | - | - | - | - | - | - | - | - |
| 97350 HAP Portability-In | - | - | - | - | - | - | - | - | - | - |
| 97400 Depreciation expense | 111,651 | - | 186,164 | - | 79,509 | - | 53,822 | - | - | - |
| 97500 Fraud losses | - | - | - | - | - | - | - | - | - | - |
| 97600 Dwelling units rent expense | - | - | - | - | - | - | - | - | - | - |
| 97000 TOTAL EXPENSES | 198,410 | - | 896,359 | 44,837 | 267,849 | 220,130 | 245,368 | 4,610 | 26,955 | - |
| OTHER FINANCING SOURCES (USES) | | | | | | | | | | |
| 10010 Operating transfers in | 148,773 | - | 321,602 | 362,849 | 85,513 | 224,442 | 99,690 | 18,199 | 44,684 | - |
| 10020 Operating transfers out | - | - | (125,206) | - | (96,973) | - | (133,161) | - | - | - |
| 10030 Operating transfers from/to primary government | - | - | - | - | - | - | - | - | - | - |
| 10040 Operating transfers from/to component unit | - | - | - | - | - | - | - | - | - | - |
| 10070 Extraordinary items, net gain/loss | - | - | - | - | - | - | - | - | - | - |
| 10080 Special items, net gain/loss | - | - | - | - | - | - | - | - | - | - |
| 10091 Inter-project excess cash transfer in | - | - | - | - | - | - | - | - | - | - |
| 10092 Inter-project excess cash transfer out | - | - | - | - | - | - | - | - | - | - |
| 10093 Transfers between programs and projects in | - | - | - | - | - | - | - | - | - | - |
| 10094 Transfers between programs and projects out | - | - | - | - | - | - | - | - | - | - |
| 10100 TOTAL OTHER FINANCING SOURCES | 148,773 | - | 196,396 | 362,849 | (11,460) | 224,442 | (73,471) | 18,199 | 44,684 | - |
| EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES | \$ (49,637) | \$ - | \$ (276,036) | \$ 318,012 | \$ (171,833) | \$ 4,313 | \$ (181,072) | \$ 13,589 | \$ 130,292 | \$ - |
| MEMO ACCT INFORMATION | | | | | | | | | | |
| 11020 Required annual debt principal payments | - | - | 16,942 | - | 4,121 | - | 3,663 | - | - | - |
| 11030 Beginning of year equity | 2,671,265 | - | 6,641,861 | 1,490,387 | 1,946,632 | 125,416 | 2,739,814 | - | (188,804) | - |
| 11040 Prior period adjustments, equity transfers | - | - | - | 132,527 | - | - | - | - | - | - |
| 11170 Administrative Fee Equity | - | - | - | - | - | - | - | - | - | - |
| 11180 Housing Assistance Fee Equity | - | - | - | - | - | - | - | - | - | - |
| 11190 Unit Months Available | - | - | 1,402 | - | 360 | - | 324 | - | 728 | - |
| 11210 Number of unit months leased | - | - | 1,367 | - | 358 | - | 324 | - | 725 | - |
| 11270 Excess cash | - | - | - | - | - | - | - | - | - | - |
| 11610 Land Purchases | - | - | - | - | - | - | - | - | - | - |
| 11620 Building Purchases | - | - | 450,539 | - | - | - | 13,589 | - | - | - |
| 11630 Furniture and Equipment - dwelling purchases | - | - | - | - | - | - | - | - | - | - |
| 11640 Furniture and equipment - administrative purchases | - | - | - | - | - | - | - | - | - | - |
| 11650 Leasehold improvements purchases | - | - | - | - | - | - | - | - | - | - |
| 11660 Infrastructure purchases | - | - | - | - | - | - | - | - | - | - |
| 13510 CFFP debt service payments | - | - | - | - | - | - | - | - | - | - |
| 13901 Replacement housing factor funds | - | - | - | - | - | - | - | - | - | - |

HOUSING AUTHORITY OF THE COUNTY OF KING
Financial Data Schedule (FDS)
Statement of Revenue and Expenses
For the 12 Month Period Ending December 31, 2010

| | AMP 451 | | AMP 502 | | AMP 503 | | AMP 504 | | AMP 505 | |
|--|------------------------|----------------------|------------------------|----------------------|------------------------|----------------------|------------------------|----------------------|------------------------|----------------------|
| | Operating Fund Program | Capital Fund Program | Operating Fund Program | Capital Fund Program | Operating Fund Program | Capital Fund Program | Operating Fund Program | Capital Fund Program | Operating Fund Program | Capital Fund Program |
| | PH | | PH | | PH | | PH | | PH | |
| REVENUE: | | | | | | | | | | |
| 7000 Net tenant rental revenue | \$ 76,248 | \$ - | \$ 241,837 | \$ - | \$ 217,919 | \$ - | \$ 198,930 | \$ - | \$ 230,635 | \$ - |
| 7040 Tenant revenue - other | 2,958 | - | 4,895 | - | 7,413 | - | 3,820 | - | 666 | - |
| 7050 Total tenant revenue | 79,206 | - | 246,731 | - | 225,333 | - | 202,750 | - | 231,301 | - |
| 7060 HUD PHA Operating Grants | - | (0) | - | - | - | - | - | - | - | (0) |
| 70610 Capital Grants | - | - | - | - | - | - | - | - | - | - |
| 70710 Management Fee | - | - | - | - | - | - | - | - | - | - |
| 70720 Asset Management Fee | - | - | - | - | - | - | - | - | - | - |
| 70730 Book-keeping Fee | - | - | - | - | - | - | - | - | - | - |
| 70740 Frontline Service Fee | - | - | - | - | - | - | - | - | - | - |
| 70750 Other Fees | - | - | - | - | - | - | - | - | - | - |
| 70760 Total Fee Revenue | - | - | - | - | - | - | - | - | - | - |
| 70800 Other Government Grants | - | - | - | - | - | - | - | - | 1,348 | - |
| 71100 Investment Income - unrestricted | - | - | - | - | - | - | - | - | - | - |
| 71200 Mortgage Interest Income | - | - | - | - | - | - | - | - | - | - |
| 71300 Proceeds from disposition of assets held for sale | - | - | - | - | - | - | - | - | - | - |
| 71310 Cost of Sale of Assets | - | - | - | - | - | - | - | - | - | - |
| 71400 Fraud Recovery | - | - | - | - | - | - | - | - | - | - |
| 71500 Other Revenue | 1,303 | - | 1,709 | - | 644 | - | 536 | - | 1,067 | - |
| 71600 Gain (loss) on the sale of capital assets | - | - | - | - | - | - | - | - | - | - |
| 72000 Investment income - restricted | 509 | - | 1,093 | - | 911 | - | 854 | - | 1,004 | - |
| 70000 TOTAL REVENUE | 81,017 | (0) | 249,533 | - | 226,888 | - | 204,140 | - | 234,719 | (0) |
| EXPENSES: | | | | | | | | | | |
| Administrative | | | | | | | | | | |
| 91100 Administrative salaries | 29,231 | - | 30,447 | 1,362 | 31,956 | 239 | 29,263 | 1,632 | 74,604 | 1,667 |
| 91200 Auditing fees | 552 | - | 791 | - | 672 | - | 672 | - | 866 | - |
| 91300 Management fees | 19,413 | (0) | 30,409 | 90,855 | 25,040 | - | 25,298 | - | 33,270 | 99,890 |
| 91310 Book-keeping Fee | 3,390 | - | 5,310 | - | 4,373 | - | 4,418 | - | 5,558 | - |
| 91400 Advertising and Marketing | - | - | - | - | - | - | - | - | - | - |
| 91500 Employee benefit contributions - administrative | 32,117 | 44 | 55,738 | 336 | 36,409 | 89 | 43,075 | 671 | 48,174 | 726 |
| 91600 Office Expenses | 1,821 | (0) | 4,977 | 543 | 2,877 | - | 4,135 | - | 3,188 | 597 |
| 91700 Legal-expense | 152 | - | 477 | - | 951 | - | 648 | - | 47,459 | - |
| 91800 Travel | 3,361 | - | 3,622 | - | 5,461 | - | 1,555 | - | 2,998 | - |
| 91810 Allocated Overhead | - | - | - | - | - | - | - | - | - | - |
| 91900 Other | 6,430 | - | 8,457 | 974 | 9,127 | - | 7,948 | 45 | 15,010 | 1,071 |
| 91000 Total Operating - Administrative | 96,466 | 44 | 140,229 | 94,069 | 116,865 | 328 | 117,030 | 2,348 | 231,127 | 103,951 |
| 92000 Asset Management Fee | 4,800 | - | 7,200 | - | 6,000 | - | 6,000 | - | 7,560 | - |
| Tenant services | | | | | | | | | | |
| 92100 Tenant services - salaries | 11,628 | 0 | 21,514 | - | 20,464 | - | 21,161 | - | 14,354 | 0 |
| 92200 Relocation costs | 1,023 | 3,000 | 375 | - | - | - | - | - | 790 | 1,200 |
| 92300 Employee benefits | - | - | - | - | - | - | - | - | - | - |
| 92400 Tenant services - other | 3,395 | (0) | 35,439 | - | 40,903 | - | 75,681 | - | 6,352 | 0 |
| 92500 Total Tenant Services | 15,446 | 3,000 | 57,329 | - | 61,368 | - | 96,843 | - | 21,496 | 1,200 |
| Utilities | | | | | | | | | | |
| 93100 Water | 7,880 | - | 14,786 | - | 18,398 | - | 19,545 | - | 15,024 | - |
| 93200 Electricity | 14,356 | - | 6,086 | - | 2,225 | - | 7,127 | - | 6,501 | - |
| 93300 Gas | - | - | 13,569 | - | 25,866 | - | 33,372 | - | 175 | - |
| 93400 Fuel | - | - | - | - | - | - | - | - | - | - |
| 93500 Labor | - | - | - | - | - | - | - | - | - | - |
| 93600 Sewer | 7,487 | - | 24,523 | - | 26,230 | - | 26,658 | - | 12,290 | - |
| 93700 Employee benefits | - | - | - | - | - | - | - | - | - | - |
| 93800 Other utilities expense | 6,702 | - | 20,761 | - | 15,450 | - | 14,394 | - | 18,213 | - |
| 93000 Total Utilities | 36,405 | - | 79,526 | - | 88,269 | - | 101,095 | - | 52,204 | - |
| Ordinary maintenance & operations | | | | | | | | | | |
| 94100 Ordinary maintenance and operations - labor | 47,630 | - | 83,186 | - | 55,404 | 5,980 | 61,014 | - | 64,878 | - |
| 94200 Ordinary maintenance and operations - material and other | 10,770 | 76,592 | 16,709 | - | 59,351 | - | 4,963 | - | 9,176 | 113,638 |
| 94300 Ordinary maintenance and operations - contracts | 5,063 | - | 11,802 | - | 3,402 | - | 2,440 | - | 2,814 | - |
| 94400 Employee benefit contributions - ordinary maintenance | - | - | - | - | - | - | - | - | - | - |
| 94000 Total Maintenance | 63,462 | 76,592 | 111,697 | - | 118,157 | 5,980 | 68,417 | - | 76,869 | 113,638 |
| Protective services | | | | | | | | | | |
| 95100 Protective services - labor | - | - | - | - | - | - | - | - | - | - |
| 95200 Other contract costs | - | - | - | - | - | - | - | - | - | - |
| 95300 Protective services - other | - | - | - | - | - | - | - | - | - | - |
| 95500 Employee benefits | - | - | - | - | - | - | - | - | - | - |
| 95000 Total Protective Services | - | - | - | - | - | - | - | - | - | - |
| General expenses | | | | | | | | | | |
| 96110 Property Insurance | 1,954 | - | - | - | 1,969 | - | 8,227 | - | 2,642 | - |
| 96120 Liability Insurance | 1,325 | - | 1,300 | - | 1,991 | - | 2,638 | - | 2,085 | - |
| 96130 Workmen's compensation | - | - | - | - | - | - | - | - | - | - |
| 96140 All other insurance | - | - | - | - | - | - | - | - | - | - |
| 96100 Total Insurance Premiums | 3,280 | - | 1,300 | - | 3,960 | - | 10,865 | - | 4,727 | - |
| 96200 Other General Expenses | - | - | - | - | - | - | - | - | - | - |
| 96210 Compensated Absences | 2,180 | - | 15,440 | 163 | 11,446 | 29 | 9,238 | 196 | 11,449 | 200 |
| 96300 Payments in lieu of taxes | - | - | 476 | - | 5,380 | - | 5,300 | - | - | - |
| 96400 Bad debt - tenant rents | - | - | - | - | - | - | - | - | - | - |
| 96500 Bad debt - mortgages | - | - | - | - | - | - | - | - | - | - |
| 96600 Bad debt - other | - | - | - | - | - | - | - | - | - | - |
| 96800 Severance expense | 18 | - | 73 | - | 61 | - | 61 | - | 908 | - |
| 96000 Total Other General Expenses | 5,477 | - | 17,289 | 163 | 20,847 | 29 | 25,463 | 196 | 17,083 | 200 |
| 96710 Interest on mortgage (or bonds) payable | - | - | - | - | - | - | - | - | - | - |
| 96720 Interest on notes payable (short and long term) | 1,180 | - | 3,968 | - | 3,324 | - | 3,432 | - | 5,362 | - |
| 96730 Amortization of bond issue costs | - | - | - | - | - | - | - | - | - | - |
| 96700 Interest expense and amortization cost | - | - | - | - | - | - | - | - | - | - |
| 96000 TOTAL OPERATING EXPENSES | 223,236 | 79,636 | 417,337 | 94,232 | 414,831 | 6,337 | 418,259 | 2,544 | 411,701 | 218,988 |
| EXCESS OPERATING REVENUE | (142,219) | (79,636) | (167,704) | (94,232) | (187,943) | (6,337) | (214,119) | (2,544) | (176,982) | (218,988) |
| OTHER OPERATING EXPENSES | | | | | | | | | | |
| 97100 Extraordinary maintenance | - | - | 2,455 | - | - | - | - | - | - | - |
| 97200 Casualty losses - non-capitalized | - | - | - | - | - | - | - | - | - | - |
| 97300 Housing assistance payments | - | - | - | - | - | - | - | - | - | - |
| 97350 HAP Portability In | - | - | - | - | - | - | - | - | - | - |
| 97400 Depreciation expense | 37,988 | - | 87,199 | - | 131,148 | - | 100,658 | - | 80,212 | - |
| 97500 Fraud losses | - | - | - | - | - | - | - | - | - | - |
| 97600 Dwelling units rent expense | - | - | - | - | - | - | - | - | - | - |
| 98000 TOTAL EXPENSES | 361,225 | 79,636 | 506,891 | 94,232 | 545,979 | 6,337 | 518,917 | 2,544 | 491,913 | 218,988 |
| OTHER FINANCING SOURCES (USIS) | | | | | | | | | | |
| 10010 Operating transfers in | 145,248 | 79,683 | 179,508 | 329,514 | 200,902 | 141,489 | 222,301 | 149,249 | 212,168 | 234,879 |
| 10020 Operating transfers out | (87,024) | - | (160,869) | - | (122,712) | - | (109,857) | - | (184,006) | - |
| 10030 Operating transfers from/to primary government | - | - | - | - | - | - | - | - | - | - |
| 10040 Operating transfers from/to component unit | - | - | - | - | - | - | - | - | - | - |
| 10070 Extraordinary items, net gain/loss | - | - | - | - | - | - | - | - | - | - |
| 10080 Special items, net gain/loss | - | - | - | - | - | - | - | - | - | - |
| 10091 Inter-project excess cash transfer in | - | - | - | - | - | - | - | - | - | - |
| 10092 Inter-project excess cash transfer out | - | - | - | - | - | - | - | - | - | - |
| 10093 Transfers between programs and projects in | - | - | - | - | - | - | - | - | - | - |
| 10094 Transfers between programs and projects out | - | - | - | - | - | - | - | - | - | - |
| 10100 TOTAL OTHER FINANCING SOURCES | 58,224 | 79,683 | 118,639 | 329,514 | 78,190 | 141,489 | 112,444 | 149,249 | 28,162 | 234,879 |
| EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES | \$ (121,984) | \$ 48 | \$ (238,719) | \$ 235,282 | \$ (240,901) | \$ 135,151 | \$ (202,333) | \$ 146,706 | \$ (229,032) | \$ 15,891 |
| MEMO ACCT INFORMATION | | | | | | | | | | |
| 11020 Required annual debt principal payments | 2,518 | - | 8,471 | - | 7,097 | - | 7,326 | - | 11,447 | - |
| 11030 Beginning of year equity | 916,194 | 628 | 2,271,867 | - | 3,150,774 | - | 2,541,319 | - | 2,668,663 | 171 |
| 11040 Prior period adjustments, equity transfers | - | 77,934 | - | - | - | - | - | - | - | 66,475 |
| 11170 Administrative Fee Equity | - | - | - | - | - | - | - | - | - | - |
| 11180 Housing Assistance Fee Equity | - | - | - | - | - | - | - | - | - | - |
| 11190 Unit Months Available | 473 | - | 708 | - | 600 | - | 588 | - | 755 | - |
| 11210 Number of unit months leased | 453 | - | 705 | - | 598 | - | 594 | - | 742 | - |
| 11270 Excess cash | - | - | - | - | - | - | - | - | - | - |
| 11610 Land Purchases | - | - | - | - | - | - | - | - | - | - |
| 11620 Building Purchases | - | 77,982 | - | 235,282 | - | 135,151 | - | 146,706 | - | 82,366 |
| 11630 Furniture and Equipment - dwelling purchases | - | - | - | - | - | - | - | - | - | - |
| 11640 Furniture and equipment - administrative purchases | - | - | - | - | - | - | - | - | - | - |
| 11650 Leasehold improvements purchases | - | - | - | - | - | - | - | - | - | - |
| 11660 Infrastructure purchases | - | - | - | - | - | - | - | - | - | - |
| 13510 CFFP debt service payments | - | - | - | - | - | - | - | - | - | - |
| 13901 Replacement housing factor funds | - | - | - | - | - | - | - | - | - | - |

HOUSING AUTHORITY OF THE COUNTY OF KING
Financial Data Schedule (FDS)
Statement of Revenues and Expenses
For the 12 Month Period Ending December 31, 2010

| | AMP 550 | | AMP 551 | | AMP 552 | | AMP 553 | |
|--|---------------------------|-------------------------|---------------------------|-------------------------|---------------------------|-------------------------|---------------------------|-------------------------|
| | Operating Fund Program | Capital Fund Program | Operating Fund Program | Capital Fund Program | Operating Fund Program | Capital Fund Program | Operating Fund Program | Capital Fund Program |
| | PH | | PH | | PH | | PH | |
| REVENUE: | | | | | | | | |
| 70300 Net tenant rental revenue | \$ 140,768 | \$ - | \$ - | \$ - | \$ 189,179 | \$ - | \$ - | \$ - |
| 70400 Tenant revenue - other | 3,270 | - | - | - | 2,831 | - | - | - |
| 70500 Total tenant revenue | 144,039 | - | - | - | 192,010 | - | - | - |
| 70600 HUD PHA Operating Grants | - | 0 | - | - | (0) | - | - | - |
| 70610 Capital Grants | - | - | - | - | - | - | - | - |
| 70710 Management Fee | - | - | - | - | - | - | - | - |
| 70720 Asset Management Fee | - | - | - | - | - | - | - | - |
| 70730 Book-keeping Fee | - | - | - | - | - | - | - | - |
| 70740 Frontline Service Fee | - | - | - | - | - | - | - | - |
| 70750 Other Fees | - | - | - | - | - | - | - | - |
| 70760 Total Fee Revenue | - | - | - | - | - | - | - | - |
| 70800 Other Government Grants | 8,048 | - | - | - | - | - | - | - |
| 71100 Investment Income - unrestricted | 64,365 | - | 122,109 | - | - | - | 131,503 | - |
| 71200 Mortgage Interest Income | - | - | - | - | - | - | - | - |
| 71300 Proceeds from disposition of assets held for sale | - | - | - | - | - | - | - | - |
| 71310 Cost of Sale of Assets | - | - | - | - | - | - | - | - |
| 71400 Fraud Recovery | - | - | - | - | - | - | - | - |
| 71500 Other Revenue | 1,136 | - | - | - | 14,074 | - | - | - |
| 71600 Gain (loss) on the sale of capital assets | - | - | - | - | - | - | - | - |
| 72000 Investment income - restricted | 13,335 | - | - | - | 351 | - | - | - |
| 70000 TOTAL REVENUE | 230,923 | 0 | 122,109 | - | 206,437 | (0) | 131,503 | - |
| EXPENSES: | | | | | | | | |
| Administrative | | | | | | | | |
| 91100 Administrative salaries | 44,017 | 415 | 0 | - | 46,003 | 6,842 | 0 | - |
| 91200 Auditing fees | 896 | - | - | - | 1,090 | - | - | - |
| 91300 Management fees | 21,753 | 10,932 | - | - | 165,035 | - | - | - |
| 91310 Book-keeping Fee | 8,858 | - | 6,300 | - | 6,743 | - | 6,300 | - |
| 91400 Advertising and Marketing | - | - | - | - | - | - | - | - |
| 91500 Employee benefit contributions - administrative | 50,200 | 0 | 283 | - | 44,229 | 2,578 | - | - |
| 91600 Office Expenses | 2,623 | (0) | 143 | - | 4,360 | 0 | 832 | - |
| 91700 Legal expense | - | - | 109 | - | 103 | - | - | - |
| 91800 Travel | 2,735 | - | 340 | - | 3,367 | - | 403 | - |
| 91810 Allocated Overhead | - | - | - | - | - | - | - | - |
| 91900 Other | 14,816 | - | 5,581 | - | 24,067 | 57 | 188 | - |
| 91900 Total Operating - Administrative | 146,092 | 11,347 | 12,764 | - | 286,057 | 9,476 | 7,223 | - |
| 92000 Asset Management Fee | 12,240 | - | 8,400 | - | 9,600 | - | 8,400 | - |
| Tenant services | | | | | | | | |
| 92100 Tenant services - salaries | 28,734 | 0 | 1,253 | - | 37,680 | 0 | - | - |
| 92200 Reimburse costs | - | 1,000 | 360 | - | - | 3,000 | - | - |
| 92300 Employee benefits | - | - | - | - | - | - | - | - |
| 92400 Tenant services - other | 4,349 | (0) | 750 | - | 2,320 | 0 | 139 | - |
| 92500 Total Tenant Services | 33,083 | 1,000 | 2,463 | - | 40,000 | 3,000 | 139 | - |
| Utilities | | | | | | | | |
| 93100 Water | 7,541 | - | - | - | 11,357 | - | - | - |
| 93200 Electricity | 14,058 | - | - | - | 58,235 | - | - | - |
| 93300 Gas | 24,428 | - | - | - | 18,729 | - | - | - |
| 93400 Fuel | - | - | - | - | - | - | - | - |
| 93500 Labor | - | - | - | - | - | - | - | - |
| 93600 Sewer | 15,009 | - | - | - | 17,375 | - | - | - |
| 93700 Employee benefits | - | - | - | - | - | - | - | - |
| 93800 Other utilities expense | 11,423 | - | - | - | 6,789 | - | - | - |
| 93000 Total Utilities | 72,457 | - | - | - | 112,485 | - | - | - |
| Ordinary maintenance & operation | | | | | | | | |
| 94100 Ordinary maintenance and operations - labor | 58,836 | - | - | - | 69,589 | - | - | - |
| 94200 Ordinary maintenance and operations - material and other | 16,182 | 102,451 | - | - | 11,250 | 157,062 | - | - |
| 94300 Ordinary maintenance and operations - contracts | 15,349 | - | - | - | 7,370 | - | - | - |
| 94500 Employee benefit contributions - ordinary maintenance | - | - | - | - | - | - | - | - |
| 94000 Total Maintenance | 90,367 | 102,451 | - | - | 88,210 | 157,062 | - | - |
| Protective services | | | | | | | | |
| 95100 Protective services - labor | - | - | - | - | - | - | - | - |
| 95200 Other contract costs | - | - | - | - | - | - | - | - |
| 95300 Protective services - other | - | - | - | - | - | - | - | - |
| 95500 Employee benefits | - | - | - | - | - | - | - | - |
| 95000 Total Protective Services | - | - | - | - | - | - | - | - |
| General expenses | | | | | | | | |
| 96110 Property Insurance | 3,397 | - | - | - | 4,146 | - | - | - |
| 96120 Liability Insurance | 0 | - | 0 | - | 2,951 | - | 0 | - |
| 96130 Workmen's compensation | - | - | - | - | - | - | - | - |
| 96140 All other insurance | - | - | - | - | - | - | - | - |
| 96100 Total Insurance Premiums | 3,397 | - | 0 | - | 7,098 | - | 0 | - |
| 96200 Other General Expenses | - | - | - | - | - | - | - | - |
| 96210 Compensated Absences | 5,383 | 50 | 773 | - | 1,133 | 821 | - | - |
| 96300 Payments in lieu of taxes | 5,544 | - | - | - | - | - | - | - |
| 96400 Bad debt - tenant rents | - | - | - | - | - | - | - | - |
| 96500 Bad debt - mortgages | - | - | - | - | - | - | - | - |
| 96600 Bad debt - other | - | - | - | - | - | - | - | - |
| 96800 Severance expense | 62 | - | - | - | 1,153 | - | - | - |
| 96000 Total Other General Expenses | 14,406 | 50 | 773 | - | 9,383 | 821 | 0 | - |
| 96710 Interest on mortgage (or bonds) payable | - | - | - | - | - | - | - | - |
| 96720 Interest on notes payable (short and long term) | 3,461 | - | 1,685 | - | 2,339 | - | 5,532 | - |
| 96730 Amortization of bond issue costs | - | - | - | - | - | - | - | - |
| 96700 Interest expense and amortization cost | - | - | - | - | - | - | - | - |
| 96000 TOTAL OPERATING/EXPENSES | 372,103 | 114,849 | 26,077 | - | 557,095 | 170,360 | 21,794 | - |
| EXCESS OPERATING REVENUE OVER OPERATING/EXPENSES | (141,180) | (114,849) | 96,033 | - | (350,658) | (170,360) | 109,708 | - |
| 97100 Extraordinary maintenance | - | - | - | - | - | - | - | - |
| 97200 Casualty losses - non-capitalized | - | - | - | - | - | - | - | - |
| 97300 Housing assistance payments | - | - | - | - | - | - | - | - |
| 97350 HAP Portability-In | - | - | - | - | - | - | - | - |
| 97400 Depreciation expense | 50,586 | - | - | - | 133,311 | - | - | - |
| 97500 Fraud losses | - | - | - | - | - | - | - | - |
| 97800 Dwelling units rent expense | - | - | - | - | - | - | - | - |
| 90000 TOTAL EXPENSES | 422,689 | 114,849 | 26,077 | - | 690,406 | 170,360 | 21,794 | - |
| OTHER FINANCING SOURCES (USES) | | | | | | | | |
| 10010 Operating transfers in | 295,968 | 146,058 | 40,440 | - | 2,056,802 | 701,930 | 47,544 | - |
| 10020 Operating transfers out | (1,592,339) | - | - | - | (1,916,868) | - | - | - |
| 10030 Operating transfers from/to primary government | - | - | - | - | - | - | - | - |
| 10040 Operating transfers from/to component unit | - | - | - | - | - | - | - | - |
| 10070 Extraordinary items, net gain/loss | - | - | - | - | - | - | - | - |
| 10080 Special items, net gain/loss | - | - | - | - | - | - | - | - |
| 10091 Inter-project excess cash transfer in | - | - | - | - | - | - | - | - |
| 10092 Inter-project excess cash transfer out | - | - | - | - | - | - | - | - |
| 10093 Transfers between programs and projects in | - | - | - | - | - | - | - | - |
| 10094 Transfers between programs and projects out | - | - | - | - | - | - | - | - |
| 10100 TOTAL OTHER FINANCING SOURCES | (1,296,371) | 146,058 | 40,440 | - | 139,934 | 701,930 | 47,544 | - |
| EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES | \$ (1,488,137) | \$ 31,209 | \$ 136,473 | \$ - | \$ (344,035) | \$ 531,570 | \$ 157,252 | \$ - |
| MEMO ACCT INFORMATION | | | | | | | | |
| 11020 Required annual debt principal payments | 5,266 | - | - | - | 5,037 | - | - | - |
| 11030 Beginning of year equity | 2,555,099 | 335,633 | (168,181) | - | 3,437,933 | 14,419 | (281,066) | - |
| 11040 Prior period adjustments, equity transfers | - | 286,343 | - | - | - | 1,721,941 | - | - |
| 11170 Administrative Fee Equity | - | - | - | - | - | - | - | - |
| 11180 Housing Assistance Fee Equity | - | - | - | - | - | - | - | - |
| 11190 Unit Months Available | 1,205 | - | 838 | - | 940 | - | 834 | - |
| 11210 Number of unit months leased | 1,178 | - | 830 | - | 900 | - | 827 | - |
| 11270 Excess cash | - | - | - | - | - | - | - | - |
| 11610 Land Purchases | - | - | - | - | - | - | - | - |
| 11620 Building Purchases | - | 299,552 | - | - | 2,253,512 | - | - | - |
| 11630 Furniture and Equipment - dwelling purchases | - | - | - | - | - | - | - | - |
| 11640 Furniture and equipment - administrative purchases | - | - | - | - | - | - | - | - |
| 11650 Leasehold improvements purchases | - | - | - | - | - | - | - | - |
| 11660 Infrastructure purchases | - | - | - | - | - | - | - | - |
| 13510 CFPF debt service payments | - | - | - | - | - | - | - | - |
| 13901 Replacement housing factor funds | - | - | - | - | - | - | - | - |

HOUSING AUTHORITY OF THE COUNTY OF KING
Financial Data Schedule (FDS)
Statement of Revenues and Expenses
For the 12 Month Period Ending December 31, 2010

| | | SUB TOTAL | Elimination | TOTAL AUTHORITY | Component Units |
|--|--|---------------|---------------|-----------------|-----------------|
| REVENUE: | | | | | |
| 70300 | Net tenant rental revenue | \$ 34,244,283 | | \$ 34,244,283 | \$ 23,841,110 |
| 70400 | Tenant revenue - other | \$ 1,088,462 | | \$ 1,088,462 | 437,276 |
| 70500 | Total tenant revenue | \$ 35,332,745 | - | \$ 35,332,745 | 24,278,386 |
| 70600 | HUD PHA Operating Grants | 116,690,006 | | 116,690,006 | - |
| 70610 | Capital Grants | 13,220,318 | | 13,220,318 | - |
| 70710 | Management Fee | 4,600,823 | (4,119,100) | 481,723 | - |
| 70720 | Asset Management Fee | 1,175,700 | (1,158,375) | 17,325 | - |
| 70730 | Book-keeping Fee | 1,680,456 | (1,673,399) | 7,058 | - |
| 70740 | Frontline Service Fee | - | - | - | - |
| 70750 | Other Fees | 5,507,190 | - | 5,507,190 | - |
| 70760 | Total Fee Revenue | 12,984,169 | (6,950,873) | 6,033,296 | - |
| 70800 | Other Government Grants | 13,128,631 | - | 13,128,631 | - |
| 71100 | Investment Income - unrestricted | 8,184,531 | - | 8,184,531 | 126,690 |
| 71200 | Mortgage Interest Income | - | - | - | - |
| 71300 | Proceeds from disposition of assets held for sale | 826,843 | - | 826,843 | - |
| 71310 | Cost of Sale of Assets | 0 | - | 0 | - |
| 71400 | Fraud Recovery | - | - | - | - |
| 71500 | Other Revenue | 2,444,931 | - | 2,444,931 | 157,857 |
| 71600 | Gain (loss) on the sale of capital assets | (3,174,615) | - | (3,174,615) | 179,061 |
| 72000 | Investment income - restricted | 1,067,308 | - | 1,067,308 | - |
| 70000 | TOTAL REVENUE | 200,684,866 | (6,950,873) | 193,733,993 | 24,741,694 |
| EXPENSES: | | | | | |
| Administrative | | | | | |
| 91100 | Administrative salaries | 12,223,724 | | 12,223,724 | 3,453,788 |
| 91200 | Auditing fees | 102,613 | | 102,613 | - |
| 91300 | Management fees | 5,056,762 | (4,119,100) | 937,664 | 1,347,484 |
| 91310 | Book-keeping Fee | 1,704,082 | (1,673,399) | 30,683 | 99,766 |
| 91400 | Advertising and Marketing | - | - | - | 109,552 |
| 91500 | Employee benefit contributions - administrative | 6,312,172 | - | 6,312,172 | - |
| 91600 | Office Expenses | 775,817 | - | 775,817 | 1,184,599 |
| 91700 | Legal expense | 305,390 | - | 305,390 | 3,318 |
| 91800 | Travel | 451,613 | - | 451,613 | - |
| 91810 | Allocated Overhead | - | - | - | - |
| 91900 | Other | 3,485,061 | - | 3,485,061 | 46,093 |
| 91000 | Total Operating - Administrative | 30,417,235 | (5,792,498) | 24,624,737 | 6,244,600 |
| 92000 | Asset Management Fee | 1,158,375 | (1,158,375) | - | - |
| Tenant services | | | | | |
| 92100 | Tenant services - salaries | 1,599,741 | | 1,599,741 | - |
| 92200 | Relocation costs | 175,565 | - | 175,565 | - |
| 92300 | Employee benefits | - | - | - | - |
| 92400 | Tenant services - other | 3,437,265 | - | 3,437,265 | - |
| 92500 | Total Tenant Services | 5,212,571 | - | 5,212,571 | - |
| Utilities | | | | | |
| 93100 | Water | 1,726,563 | | 1,726,563 | 916,865 |
| 93200 | Electricity | 834,242 | | 834,242 | 294,567 |
| 93300 | Gas | 229,888 | | 229,888 | 105,564 |
| 93400 | Fuel | 5,403 | | 5,403 | 2,280 |
| 93500 | Labor | - | | - | - |
| 93600 | Sewer | 2,103,056 | | 2,103,056 | 889,686 |
| 93700 | Employee benefits | - | - | - | - |
| 93800 | Other utilities expense | 1,257,829 | - | 1,257,829 | 600,623 |
| 93000 | Total Utilities | 6,156,982 | - | 6,156,982 | 2,900,586 |
| Ordinary maintenance & operation | | | | | |
| 94100 | Ordinary maintenance and operations - labor | 5,149,081 | | 5,149,081 | 163,252 |
| 94200 | Ordinary maintenance and operations - material and other | 17,777,607 | - | 17,777,607 | 2,872,031 |
| 94300 | Ordinary maintenance and operations - contracts | 4,766,808 | - | 4,766,808 | - |
| 94500 | Employee benefit contributions - ordinary maintenance | - | - | - | - |
| 94000 | Total Maintenance | 27,713,496 | - | 27,713,496 | 3,035,283 |
| Protective services | | | | | |
| 95100 | Protective services - labor | - | - | - | - |
| 95200 | Other contract costs | - | - | - | - |
| 95300 | Protective services - other | - | - | - | - |
| 95500 | Employee benefits | - | - | - | - |
| 95000 | Total Protective Services | - | - | - | - |
| General expenses | | | | | |
| 96110 | Property Insurance | 268,088 | | 268,088 | 615,913 |
| 96120 | Liability Insurance | 186,472 | | 186,472 | - |
| 96130 | Workmen's compensation | - | | - | - |
| 96140 | All other insurance | 6,981 | | 6,981 | - |
| 96100 | Total Insurance Premiums | 461,541 | - | 461,541 | 615,913 |
| 96200 | Other General Expenses | 1,182,871 | - | 1,182,871 | 994,931 |
| 96210 | Compensated Absences | 1,108,922 | - | 1,108,922 | - |
| 96300 | Payments in lieu of taxes | 41,984 | - | 41,984 | - |
| 96400 | Bad debt - tenant rents | - | - | - | - |
| 96500 | Bad debt - mortgages | - | - | - | - |
| 96600 | Bad debt - other | - | - | - | - |
| 96800 | Severance expense | 68,146 | - | 68,146 | - |
| 96000 | Total Other General Expenses | 2,862,564 | - | 2,862,564 | 994,931 |
| 96710 | Interest on mortgage (or bonds) payable | 8,383,527 | | 8,383,527 | - |
| 96720 | Interest on notes payable (short and long term) | 3,427,615 | | 3,427,615 | 492,650 |
| 96730 | Amortization of bond issue costs | - | - | - | - |
| 96700 | Interest expense and amortization cost | - | - | - | 8,148,507 |
| 96900 | TOTAL OPERATING EXPENSES | 85,333,266 | (6,950,873) | 78,382,393 | 22,441,470 |
| EXCESS OPERATING REVENUE OVER OPERATING EXPENSES | | | | | |
| 97000 | | 115,351,600 | - | 115,351,600 | 2,300,434 |
| 97100 | Extraordinary maintenance | 68,744 | | 68,744 | - |
| 97200 | Casualty losses - non-capitalized | 5,687 | | 5,687 | - |
| 97300 | Housing assistance payments | 74,835,937 | | 74,835,937 | - |
| 97350 | HAP Portability-In | - | | - | - |
| 97400 | Depreciation expense | 6,674,218 | | 6,674,218 | 12,045,050 |
| 97500 | Fraud losses | - | | - | - |
| 97800 | Dwelling units rent expense | - | | - | - |
| 90000 | TOTAL EXPENSES | 166,917,853 | (6,950,873) | 159,966,979 | 34,486,520 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| 10010 | Operating transfers in | 238,948,899 | (238,948,899) | (0) | - |
| 10020 | Operating transfers out | (238,948,898) | 238,948,898 | 0 | - |
| 10030 | Operating transfers from/to primary government | - | - | - | - |
| 10040 | Operating transfers from/to component unit | - | - | - | - |
| 10070 | Extraordinary items, net gain/loss | - | - | - | - |
| 10080 | Special items, net gain/loss | - | - | - | - |
| 10091 | Inter-project excess cash transfer in | - | - | - | - |
| 10092 | Inter-project excess cash transfer out | - | - | - | - |
| 10093 | Transfers between programs and projects in | - | - | - | - |
| 10094 | Transfers between programs and projects out | - | - | - | - |
| 10000 | TOTAL OTHER FINANCING SOURCES | (0) | (1) | (2) | - |
| EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES | | | | | |
| | | \$ 33,767,014 | \$ (1) | \$ 33,767,013 | \$ (9,744,826) |
| MEMO ACCT INFORMATION | | | | | |
| 11020 | Required annual debt principal payments | 40,160,429 | | 40,160,429 | - |
| 11030 | Beginning of year equity | 351,844,559 | | 351,844,559 | 85,140,539 |
| 11040 | Prior period adjustments, equity transfers | (4,423,059) | - | (4,423,059) | 15,164,707 |
| 11170 | Administrative Fee Equity | 3,782,880 | | 3,782,880 | \$ - |
| 11180 | Housing Assistance Fee Equity | 625,752 | | 625,752 | \$ - |
| 11190 | Unit Months Available | 160,724 | | 160,724 | 25,296 |
| 11210 | Number of unit months leased | 157,942 | | 157,942 | 24,731 |
| 11270 | Excess cash | - | | - | - |
| 11610 | Land Purchases | - | | - | - |
| 11620 | Building Purchases | 12,055,545 | | 12,055,545 | \$ - |
| 11630 | Furniture and Equipment - dwelling purchases | - | | - | - |
| 11640 | Furniture and equipment - administrative purchases | 558,052 | | 558,052 | - |
| 11650 | Leasehold improvements purchases | - | | - | - |
| 11660 | Infrastructure purchases | - | | - | - |
| 13510 | CFPP debt service payments | 606,721 | | 606,721 | - |
| 13901 | Replacement housing factor funds | 848,800 | | 848,800 | - |

HOUSING AUTHORITY OF THE COUNTY OF KING

Appendix A
Fiscal Year 2010
PROPERTY LISTING

| <i>Development Name</i> | | <i>Year Built/ Acquired</i> | <i>Number of Units</i> | <i>Development Name</i> | | <i>Year Built/ Acquired</i> | <i>Number of Units</i> |
|---|---------------------------------|---------------------------------|----------------------------|---|------|---------------------------------|----------------------------|
| Federally Assisted Housing: | | | | Unassisted Locally Financed Housing: | | | |
| Low Rent Public Housing: | | | | Tax-Exempt Bond Program: | | | |
| | 1. Green River Homes | 1958 | 60 | 1. Carriage House | 1991 | 236 | |
| | 2. Cascade Apartments | 1968 | 108 | 2. Cottonwood | 1991 | 75 | |
| | 3. Valki Kee Homes | 1968 | 114 | 3. Newporter | 1991 | 120 | |
| | 4. Wayland Arms | 1968 | 67 | 4. Cove East | 1992 | 190 | |
| | 5. Ballinger Homes | 1969 | 110 | 5. Parkwood | 1992 | 90 | |
| | 6. Boulevard Manor | 1969 | 70 | 6. Timberwood | 1992 | 240 | |
| | 7. Northridge House I | 1969 | 70 | 7. Walnut Park | 1992 | 140 | |
| a) | 8. Paramount House | 1969 | 70 | 8. Woodland North | 1992 | 105 | |
| | 9. Riverton Terrace | 1969 | 30 | 9. Aurburn Square | 1993 | 160 | |
| a) | 10. Riverton Terrace Sr | 1969 | 30 | 10. Woodside East | 1993 | 244 | |
| | 11. Avondale Manor | 1970 | 20 | 11. Aspen Ridge | 1996 | 88 | |
| | 12. Briarwood | 1970 | 70 | 12. Landmark Apartments | 2001 | 191 | |
| a) | 13. Brittany Park | 1970 | 43 | 13. Bellepark East | 2001 | 118 | |
| | 14. Casa Juanita | 1970 | 80 | 14. Meadows at Lea Hill | 2006 | 90 | |
| | 15. Forest Glen | 1970 | 40 | 15. Cascadian | 1994 | 198 | |
| a) | 16. Mardis Gras | 1970 | 61 | 16. Woodbridge Park | 1995 | 201 | |
| | 17. Southridge House | 1970 | 80 | 17. Fairwood | 1995 | 176 | |
| | 18. Yardley Arms | 1970 | 67 | 18. Westminster | 2010 | 60 | |
| | 19. Burndale Homes | 1971 | 50 | | | | 2,722 |
| | 20. Firwood Circle | 1971 | 50 | Home Ownership Program: | | | |
| a) | 21. Munro Manor | 1971 | 60 | 1. Vantage Glen | 1985 | 164 | |
| a) | 22. Plaza Seventeen | 1971 | 70 | 2. Rainier View | 1989 | 31 | |
| | 23. Eastridge House | 1972 | 40 | 3. Tall Cedars | 1993 | 126 | |
| | 24. The Lake House | 1972 | 70 | 4. Wonderland Estates | 2008 | 109 | |
| a) | 25. Casa Madrona | 1973 | 70 | | | | 430 |
| | 26. Northridge House II | 1975 | 70 | Miscellaneous Local Programs: | | | |
| | 27. Eastside Terrace | 1980 | 50 | 1. Campus Green | 1981 | 15 | |
| | 28. Pickering Court | 1980 | 30 | 2. Echo Cove | 1981 | 4 | |
| | 29. Cedarwood | 1981 | 25 | 3. Harbor Villa | 1981 | 5 | |
| | 30. College Place | 1981 | 51 | 4. Slater Park | 1981 | 5 | |
| | 31. Evergreen Court | 1981 | 30 | 5. Brookside | 1983 | 16 | |
| | 32. Forest Grove | 1981 | 25 | 6. Shadrack | 1984 | 9 | |
| | 33. Glenview Heights | 1981 | 10 | 7. Shelcor | 1985 | 8 | |
| a) | 34. Kings Court | 1981 | 30 | 8. Nike | 1990 | 31 | |
| | 35. Gustaves Manor | 1982 | 35 | 9. Anita Vista | 1991 | 14 | |
| | 36. Juanita Court | 1982 | 30 | 10. Federal Way Duplexes | 1992 | 4 | |
| | 37. Greenleaf | 1983 | 27 | 11. Avondale House | 1992 | 16 | |
| | 38. Juanita Trace | 1983 | 39 | 12. Sunnydale | 1992 | 16 | |
| | 39. Kirkwood Terrace | 1983 | 28 | 13. Vet's Housing | 1997 | 6 | |
| | 40. Wellwood | 1983 | 30 | | | | 149 |
| | 41. Campus Court | 1991 | 13 | Memo: Tax Credit Developments: | | | |
| | 42. Victorian Woods | 1993 | 15 | 1. Laurelwood Gardens | 1997 | 91 | |
| | 43. Federal Way Homes | 1993 | 3 | 2. Rainier View I | 1997 | 48 | |
| | 44. Bellevue 8 | 1994 | 8 | 3. Rainier View II | 1997 | 36 | |
| | 45. Shoreham | 1995 | 18 | 4. Si View | 1997 | 20 | |
| | 46. Vista Heights | 1995 | 30 | 5. Windsor Heights | 1998 | 326 | |
| | 47. Youngs Lake | 1997 | 28 | 6. Heritage Park | 1999 | 77 | |
| b) | 48. Seola Crossing I | 2007 | 40 | 7. Colonial Gardens | 1999 | 72 | |
| | 49. Seola Crossing II | 2007 | 37 | 8. Alpine Ridge | 1999 | 42 | |
| c) | 50. Nia Apartments | 2008 | 40 | 9. Somerset Village | 1999 | 198 | |
| | 51. Pacific Court | 2008 | 32 | 10. Overlake Station | 2000 | 308 | |
| d) | 52. Salmon Creek Public Housing | 2009 | 50 | 11. Southwood Square | 2001 | 104 | |
| | 53. Pepper Tree | 2009 | 30 | 12. Arbor Heights | 2002 | 97 | |
| e) | 54. Eastbridge | 2010 | 13 | 13. Harrison House | 2004 | 94 | |
| | 55. Park Royal | 2010 | 23 | 14. Valley Park | 2004 | 60 | |
| | 56. Sixth Place | 2011 | 24 | 15. Seola Crossing I | 2007 | 42 | |
| | 57. Zephyr | 2011 | 25 | 16. Seola Crossing II | 2007 | 68 | |
| | | | 2,539 | 17. Nia | 2008 | 42 | |
| f) Tenant Based Housing Choice Vouchers: | | | 7,947 | 18. Birch Creek Apartments | 2009 | 262 | |
| | | | | 19. Salmon Creek | 2009 | 38 | |
| | | | | 20. Eastbridge | 2010 | 78 | |
| | | | | | | | 2,103 |
| Section 8 New Construction: | | | | Summary | | | |
| | 1. Northlake House | 1981 | 38 | Total housing units owned or | | | |
| | 2. The Northwood | 1983 | 34 | managed by the Authority | | | |
| | 3. Burien Park | 1983 | 102 | | | | 8,389 |
| | | | 174 | Tenant based housing choice voucher | | | |
| Preservation of Affordable Housing: | | | | | | | 7,947 |
| | 1. Spiritwood Manor | 1992 | 130 | Households served | | | |
| | 2. Newport | 1992 | 23 | | | | 16,336 |
| | 3. Hidden Village | 1992 | 78 | | | | |
| | 4. Parkway Apartments | 1995 | 41 | | | | |
| | | | 272 | | | | |

- a) Public housing properties sold to the Egis LP in May 2007 under the tax credit program.
b) Public housing units owned by the Seola Crossing LLC under the tax credit program.
c) Public housing units owned by the Nia LLC under the tax credit program.
d) Public housing units owned by the Salmon Creek LLC under the tax credit program.
e) Public housing units owned by the Eastbridge Apartments LLC under the tax credit program.
f) Excludes tenants transferring, or "porting in", to the Authority from other jurisdictions.

POOLED HOUSING REFUNDING REVENUE BONDS, SERIES 1998A
A PROPRIETARY FUND OF THE HOUSING AUTHORITY OF THE COUNTY OF KING
BALANCE SHEET
As of December 31, 2010

ASSETS

CURRENT ASSETS:

| | |
|--------------------------------------|-------------------|
| Cash and cash equivalents | \$ 5,810,539 |
| Restricted cash and cash equivalents | 3,316,710 |
| Receivables, net | 80,165 |
| Restricted investments | 985,123 |
| Other current assets | 269,319 |
| Total Current Assets | <u>10,461,856</u> |

NONCURRENT ASSETS:

| | |
|------------------------------------|-------------------|
| Restricted Investments | 2,269,307 |
| Land, buildings and equipment, net | 20,813,341 |
| Noncurrent Receivables | 3,823 |
| Other noncurrent assets | 713,794 |
| Total Noncurrent Assets | <u>23,800,264</u> |

| | |
|--------------|-----------------------------|
| TOTAL ASSETS | <u><u>\$ 34,262,120</u></u> |
|--------------|-----------------------------|

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

| | |
|-----------------------------------|------------------|
| Accounts payable | \$ 117,800 |
| Tenants' security deposits | 346,200 |
| Accrued interest payable | 661,181 |
| Other current liabilities | 60,528 |
| Current portion of long-term debt | 870,000 |
| Total Current Liabilities | <u>2,055,709</u> |

LONG-TERM LIABILITIES:

| | |
|------------------------------|-------------------|
| Long Term Debt | 24,029,144 |
| Other noncurrent liabilities | 28,463 |
| Total Long-Term Liabilities | <u>24,057,607</u> |
| TOTAL LIABILITIES | 26,113,316 |

NET ASSETS:

| | |
|----------------------------------|-----------------------------|
| Invested in capital assets | (3,333,603) |
| Restricted | 8,514,417 |
| Unrestricted | 2,967,989 |
| TOTAL NET ASSETS | <u>8,148,804</u> |
| TOTAL LIABILITIES AND NET ASSETS | <u><u>\$ 34,262,120</u></u> |

The accompanying notes are an integral part of these financial statements

POOLED HOUSING REFUNDING REVENUE BONDS, SERIES 1998A
A PROPRIETARY FUND OF THE HOUSING AUTHORITY OF THE COUNTY OF KING
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the Twelve Months Ended December 31, 2010

OPERATING REVENUES

| | |
|--------------------------|------------------|
| Rent | \$ 6,953,859 |
| Other | 210,188 |
| Total Operating Revenues | <u>7,164,047</u> |

OPERATING EXPENSES

| | |
|---------------------------|------------------|
| Administrative | 445,101 |
| Payroll | 632,120 |
| Operating and maintenance | 2,439,714 |
| Utilities | 1,072,097 |
| Insurance | 74,176 |
| Depreciation | 559,089 |
| Amortization | 39,502 |
| Collection losses | 35,569 |
| Property management | 55,986 |
| Bookkeeping Fees | 73,620 |
| Asset Management | 108,480 |
| Other Expenses | 1,610 |
| Total Operating Expenses | <u>5,537,064</u> |

Operating Income (Loss) 1,626,983

NONOPERATING REVENUE (EXPENSE)

| | |
|------------------------------------|------------------|
| HUD contributions | 408,999 |
| Grant revenue | 44,779 |
| Investment income | 127,836 |
| Other nonoperating revenue | 17,042 |
| Interest expense | (1,385,331) |
| Net Nonoperating Revenue (Expense) | <u>(786,676)</u> |

INCOME (LOSS) before transfers 840,307

Transfer of funds to agency (150,000)

CHANGE IN NET ASSETS \$ 690,307

Total Net Assets -- beginning 7,458,497

Total Net Assets -- ending \$ 8,148,804

POOLED HOUSING REFUNDING REVENUE BONDS, SERIES 1998A
A PROPRIETARY FUND OF THE HOUSING AUTHORITY OF THE COUNTY OF KING
STATEMENT OF CASH FLOWS
For the Twelve Months Ended December 31, 2010

CASH FLOWS FROM OPERATING ACTIVITIES

| | |
|---|------------------|
| Receipts from tenants | \$ 7,353,779 |
| Receipts from homeowners | 270,433 |
| Payments to employees | (656,495) |
| Payments to suppliers of goods and services | (4,100,978) |
| Other receipts (payments) | (238,086) |
| Net cash provided by operating activities | <u>2,628,653</u> |

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

| | |
|--|----------------|
| Operating subsidies from HUD | 408,999 |
| Grant revenue | 53,915 |
| Transfer of funds to agency | (150,000) |
| Net cash provided by noncapital financing activities | <u>312,914</u> |

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

| | |
|---|--------------------|
| Principal payments on capital debt | (773,137) |
| Interest paid on capital debt | (1,406,662) |
| Other Receipts (Payments) | 21,053 |
| Net cash used in capital and related financing activities | <u>(2,158,746)</u> |

CASH FLOW FROM INVESTING ACTIVITIES:

| | |
|---|----------------|
| Net withdrawals (deposits) to reserves | (5,485) |
| Net (purchase) sale of investments | - |
| Investment income | 118,608 |
| Net cash provided by (used in) investing activities | <u>113,124</u> |

Net increase (decrease) in cash and cash equivalents 895,945

Cash and cash equivalents -- beginning 8,187,653

Cash and cash equivalents -- ending \$ 9,083,597

Reconciliation of operating income (loss) to net cash

| | |
|---|---------------------|
| provided (used) by operating activities: | |
| Operating income (loss) | 1,626,983 |
| Adjustments to reconcile net income to net cash provided | |
| by (used in) operating activities: | |
| Depreciation | 559,089 |
| Amortization | 39,502 |
| Change in assets and liabilities: | |
| (Increase) decrease in receivables and other current assets | 521,051 |
| Inventories and other | (151,987) |
| Increase (decrease) in accounts payable and accrued liabilities | (18,409) |
| Other Current Liabilities | 52,423 |
| Net cash provided by (used in) operating activities | <u>\$ 2,628,653</u> |

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE COUNTY OF KING
Pooled Housing Refunding Revenue Bonds, Series 1998A
NOTES TO FINANCIAL STATEMENTS
December 31, 2010

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

d) GENERAL

The Pooled Housing Refunding Revenue Bonds, Series 1998A (the Fund) were issued in September 1998, by the Housing Authority of the County of King (the Authority) to refinance five multifamily housing projects comprised of 573 units and three mobile home parks comprised of 321 spaces. The projects are Walnut Park Apartments (140 units), Auburn Square Apartments (160 units), Woodland North Apartments (105 units), Parkwood Apartments (90 units), Hidden Village Apartments (78 units), Vantage Glen Mobile Home Park (164 spaces), Rainier View Mobile Home Park (31 spaces) and Tall Cedars Mobile Home Park (126 spaces). The eight projects (the Projects) are owned by the Authority and are located throughout King County, Washington. These financial statements represent only the accounts of the Fund and are not intended to present fairly the financial position, results of operations and cash flows of the Authority taken as a whole.

e) 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 and all Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. As allowed by GASB reporting standards, the Authority has elected not to apply FASB Statements and Interpretations, APB opinions, and Accounting Research Bulletins of the Committee of Accounting Procedures issued after November 30, 1989.

f) 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.

g) REVENUES AND EXPENSES

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

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

h) CASH, CASH EQUIVALENTS AND INVESTMENTS

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

f) RECEIVABLES

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

g) CAPITAL ASSETS

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

Depreciable lives for the capital asset categories follow:

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

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

h) TAX LIABILITY

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

i) *COMPENSATED ABSENCES*

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

j) *ECONOMIC CONCENTRATIONS*

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

NOTE 2 – INVENTORIES

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

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

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

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

Insurance and Collateralization

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

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits the maximum maturity of an investment to not greater than three years. Exceptions 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 may be invested in the following which are allowed by the State of Washington:

- 13) Banker's acceptances purchased on the secondary market.
- 14) Commercial paper.
- 15) 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.
- 16) 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.
- 17) Utility revenues bonds or warrants of any city of town in the State of Washington.
- 18) Bonds or warrants of a local improvement district that is within the protection of the local improvement guaranty fund law.

Concentration of Credit Risk

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

Other Information:

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

Valuation and Classification

Cash equivalents include deposits and investments that are readily convertible to cash. Instruments with an original maturity date of over 3 months are classified as investments. Cash and investments held for the future

payment of long-term liabilities are classified as non-current assets. Cash and investments legally or contractually restricted as to use are classified as restricted.

Cash equivalents include an investment in a Local Government Investment Pool (the Pool). The Pool is not registered with the Securities and Exchange Commission (SEC), but adheres to SEC Rule 2(a)(7) of the Investment Company Act of 1940 that requires portfolio diversification, divestiture considerations and action if the market value of the portfolio deviates more than .5 percent from the amortized costs. Government pools that adhere to the SEC rule can report their investments at amortized costs if the remaining maturities of the debt securities are 90 days or less. As of December 31, 2010, the pool had an average days-to-maturity of 55 days and therefore is reported at cost. Government securities are reported at fair value.

A summary of cash and investments at December 31, 2010 follows.

| | UNRESTRICTED | RESTRICTED | TOTAL |
|--|---------------------|---------------------|----------------------|
| CASH and CASH EQUIVALENTS: | | | |
| Cash on hand | \$ 1,450 | \$ - | \$ 1,450 |
| Depository accounts | 5,809,089 | 301,196 | 6,110,285 |
| Washington State Investment Pool | - | 2,993,053 | 2,993,053 |
| Other money market | - | 22,461 | 22,461 |
| TOTAL CASH AND CASH EQUIVALENTS | \$ 5,810,539 | \$ 3,316,710 | \$ 9,127,249 |
| INVESTMENTS: | | | |
| U.S. Treasury money market | - | 28,351 | 28,351 |
| <i>Private Debt Obligations:</i> | | | |
| Westdeutsche Landesbank Gironzentrale, 5.42%, 7/1/2028 | - | 2,209,431 | 2,209,431 |
| Bank of America 6.1% 7/1/2028 | - | 1,016,648 | 1,016,648 |
| TOTAL INVESTMENTS | \$ - | \$ 3,254,430 | \$ 3,254,430 |
| TOTAL | \$ 5,810,539 | \$ 6,571,140 | \$ 12,381,678 |

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

NOTE 4 – CAPITAL ASSETS

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

| | Beginning Balances | Additions | Disposals / Adjustments | Ending Balances |
|----------------------------|-----------------------|--------------|----------------------------|--------------------|
| NONDEPRECIABLE: | | | | |
| Land | \$ 6,299,523 | \$ - | \$ - | \$ 6,299,523 |
| Total Nondepreciable | 6,299,523 | | | 6,299,523 |
| DEPRECIABLE: | | | | |
| Land Improvements | 362,874 | - | - | 362,874 |
| Buildings and improvements | 24,957,006 | - | - | 24,957,006 |
| Equipment | 53,362 | - | - | 53,362 |
| Total Depreciable | 25,373,242 | | | 25,373,242 |
| TOTAL CAPITAL ASSETS: | 31,672,765 | - | - | 31,672,765 |
| Accumulated depreciation | (10,300,335) | (559,089) | - | (10,859,424) |
| NET CAPITAL ASSETS | \$ 21,372,430 | \$ (559,089) | \$ - | \$ 20,813,341 |

NOTE 5 – LONG TERM DEBT OBLIGATIONS

The components of outstanding debt at December 31, 2010 and the activity are stated below.

| | Beginning Balance | Additions | Retirements/ Payments | Ending Balance | Current Portion |
|--------------------|----------------------|-----------|--------------------------|-------------------|--------------------|
| Notes | \$ 492,157 | \$ - | \$ - | \$ 492,157 | \$ - |
| Series 1998A Bonds | 25,180,124 | - | (773,137) | 24,406,987 | 870,000 |
| | \$ 25,672,281 | \$ - | \$ (773,137) | \$ 24,899,144 | \$ 870,000 |

Notes

Deferred loans were obtained from the State of Washington and the City of Bellevue to acquire Hidden Village Apartments. The amount due the State of Washington is \$292,157 and is repayable commencing in the year 2024 for a twenty-year term. Interest will not accrue until the year 2024 and the rate thereafter will be 5%. The amount due the City of Bellevue is \$200,000 payable commencing in the year 2012 for a thirty-year term with interest at the rate of 5% commencing as of that date.

Series 1998A Bonds

In September 1998, the Authority issued its Pooled Housing Refunding Revenue Bonds, Series 1998A with principal amounts totaling \$32,955,000. The Authority is required to make, and has made, all payments required under the trust indenture. The bonds mature in varying amounts through July 1, 2028 and have stated interest rates that vary from 3.85% to 5.25% per annum. The bonds were issued at a discount of \$480,155. The discount is amortized as interest expense over the life of the debt. The unamortized balance is reported as a reduction to the outstanding bonds payable. The amortized discount charged to interest expense for the period totaled \$3,986. The bonds are secured with a deed of trust on the Projects' rental property, equipment and net operating income. Remaining debt service payments are due as follows:

| <u>Year</u> | <u>Principal</u> | | <u>Interest</u> |
|-------------------------------------|----------------------|----|-----------------|
| 2011 | 870,000 | 2 | 1,312,505 |
| 2012 | 910,000 | 3 | 1,268,065 |
| 2013 | 965,000 | 4 | 1,221,479 |
| 2014 | 1,010,000 | 5 | 1,171,740 |
| 2015 | 1,120,000 | 6 | 1,062,540 |
| 2016-2020 | 6,280,000 | 7 | 4,687,047 |
| 2021-2025 | 8,210,000 | 12 | 2,820,432 |
| 2026-2028 | 6,000,000 | 17 | 568,312 |
| TOTAL | \$ 25,365,000 | | \$ 14,112,120 |
| Unamortized original issue discount | (40,993) | | |
| Unamortized deferred defeasance | (917,019) | | |
| BALANCE OF OUTSTANDING DEBT | <u>\$ 24,406,988</u> | | |
| Due in one year or less | \$ 870,000 | | |
| Due in over one year | \$ 23,536,988 | | |

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

Deferred Defeasance

GASB Statement No. 23 states that in an advanced refunding of debt, the difference between the reacquisition price of the new debt and the net carrying amount of the old debt be deferred and amortized as a component of interest expense, a non-cash transaction, in a systematic and rational manner over the original remaining life of the old debt or the new debt whichever is shorter. The advanced refunding resulted in a deferred defeasance loss of \$1,827,791 in September 1998. The deferred defeasance loss of \$917,019 at December 31, 2010 is reported on the balance sheet as a reduction from the new debt liability. Amortization of deferred defeasance for the period was \$47,992 and is included with interest expense. The current deferred defeasance balance is amortized as follows:

| <u>Fiscal Year</u> | <u>Amortization</u> |
|--------------------|---------------------|
| 2011 | 50,658 |
| 2012 | 54,217 |
| 2013 | 58,165 |
| 2014 | 61,926 |
| 2015 | 66,195 |
| 2016-2020 | 402,093 |
| 2021-2023 | 223,765 |
| | <u>\$ 917,019</u> |

NOTE 6 - 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 Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to: Department of Retirement Systems, Communications Unit, P.O. Box 48380, Olympia, WA 98504-8380; or it may be downloaded from the DRS website at www.drs.wa.gov. The following disclosures are made pursuant to GASB Statements No. 27, *Accounting for Pensions by State and Local Government Employers* and No. 50, *Pension Disclosures, an Amendment of GASB Statements No. 25 and No. 27*.

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

Plan Description

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

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

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

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

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

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

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

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

PERS Plan 2 members who have at least 20 years of service credit and are 55 years of age or older are eligible for early retirement with a reduced benefit. The benefit is reduced by an early retirement factor (ERF) that varies according to age, for each year before age 65.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

There are 1,189 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2009:

| | |
|--|----------------|
| Retirees and Beneficiaries Receiving Benefits | 74,857 |
| Terminated Plan Members Entitled to But Not Yet Receiving Benefits | 28,074 |
| Active Plan Members Vested | 105,339 |
| Active Plan Members Non-vested | 53,896 |
| Total | 262,166 |

Funding Policy

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

The required contribution rates expressed as a percentage of current-year covered payroll, as of December 31, 2010, are as follows:

| | <i>PERS Plan 1</i> | <i>PERS Plan 2</i> | <i>PERS Plan 3</i> |
|-----------|---------------------------|---------------------------|---------------------------|
| Employer* | 5.31%** | 5.31%** | 5.31%*** |
| Employee | 6.00%**** | 3.90%**** | ***** |

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

** The employer rate for state elected officials is 7.89% for Plan 1 and 5.31% for Plan 2 and Plan 3.

*** Plan 3 defined benefit portion only.

**** The employee rate for state elected officials is 7.50% for Plan 1 and 3.90% for Plan 2.

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

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

| | PERS Plan 1 | PERS Plan 2 | PERS Plan 3 |
|------|--------------------|--------------------|--------------------|
| 2010 | \$ 57,696 | \$ 606,184 | \$ 161,340 |
| 2009 | \$ 67,343 | \$ 707,921 | \$ 141,312 |
| 2008 | \$ 66,324 | \$ 662,006 | \$ 109,401 |

NOTE 7 - RISK MANAGEMENT

The Authority is exposed to perils commonly associated with the ownership and rental of real property. Perils including bodily injury to individuals; property damage by fire and forces of nature; loss of assets from theft and employee dishonesty; and liability for public officials' and employees' conduct are handled through a combination of purchased commercial insurance, voluntary self-insurance, participation in a risk-sharing pool or group, and contractual risk transfer via indemnification agreements.

For Public Housing, the Authority secures third-party liability insurance primarily through the Housing Authority Risk Retention Pool (HAARP), a public entity risk-sharing pool. The General Liability limit, including Washington Stop-Gap or Employer's Liability, is \$2,000,000 per occurrence on an occurrence basis with a \$1,000 deductible. Contractor's Pollution Liability limit is \$1,000,000 on a claims-made basis with a \$10,000 per claim self-insured retention provided through Colony Insurance Company. Automobile Liability insurance is \$5,000,000 in total limits provided through a combination of Philadelphia Insurance Company with \$1,000,000 liability limit and excess liability of \$4,000,000 provided by Princeton Excess and Specialty. Property insurance including Rental Income coverage through HARRP has a standard limit of \$3,000,000 replacement cost basis, with higher limits available upon request. Property deductible is \$50,000 per loss. The Authority has secured Fidelity coverage through HARRP for \$100,000 per occurrence for all employees, and \$500,000 for employees with greater exposure.

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

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

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

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

No closed claims are known to have exceeded the applicable limits of insurance secured from any of the mentioned providers.

NOTE 8 – SUBSEQUENT EVENTS

There have been no material events subsequent to December 31, 2010 to report.

Actual Modernization Cost Certificate

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

OMB Approval No. 2577-0157 (exp. 12/31/2011)

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:

King County Housing Authority

Modernization Project Number:

WA19P002501-03

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

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

| | |
|---|-----------------|
| A. Original Funds Approved | \$ 5,533,626.00 |
| B. Funds Disbursed | \$ 5,533,626.00 |
| C. Funds Expended (Actual Modernization Cost) | \$ 5,533,626.00 |
| 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

8/5/09

For HUD Use Only

The Cost Certificate is approved for audit:

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

Date:

X

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)

Date:

X

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

Date:

X

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

Actual Modernization Cost Certificate

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

OMB Approval No. 2577-0157 (exp. 12/31/2011)

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

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

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

HA Name:

Modernization Project Number:

King County Housing Authority

WA19P002502-03

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

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

| | |
|---|-----------------|
| A. Original Funds Approved | \$ 1,102,828.00 |
| B. Funds Disbursed | \$ 1,102,828.00 |
| C. Funds Expended (Actual Modernization Cost) | \$ 1,102,828.00 |
| D. Amount to be Recaptured (A-C) | \$ 0.00 |
| E. Excess of Funds Disbursed (B-C) | \$ 0.00 |

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

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

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

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

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

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

Signature of Executive Director & Date:

X

8/20/09

For HUD Use Only

The Cost Certificate is approved for audit:

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

Date:

X

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)

Date:

X

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

Date:

X

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

Actual Modernization Cost Certificate

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

OMB Approval No. 2577-0157 (exp. 12/31/2011)

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:

King County Housing Authority

Modernization Project Number:

WA19P002501-04

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

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

| | |
|---|-----------------|
| A. Original Funds Approved | \$ 6,379,738.00 |
| B. Funds Disbursed | \$ 6,379,738.00 |
| C. Funds Expended (Actual Modernization Cost) | \$ 6,379,738.00 |
| 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

8/5/09

For HUD Use Only

The Cost Certificate is approved for audit:

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

Date:

X

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)

Date:

X

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

Date:

X

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



ABOUT THE STATE AUDITOR'S OFFICE

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

Our mission is to work with our audit clients and citizens as an advocate for government accountability. As an elected agency, the State Auditor's Office has the independence necessary to objectively perform audits and investigations. Our audits are designed to comply with professional standards as well as to satisfy the requirements of federal, state, and local laws.

The State Auditor's Office employees are located around the state to deliver services effectively and efficiently.

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

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

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

State Auditor
Chief of Staff
Deputy Chief of Staff
Chief Policy Advisor
Director of Audit
Director of Performance Audit
Director of Special Investigations
Director for Legal Affairs
Director of Quality Assurance
Local Government Liaison
Communications Director
Public Records Officer
Main number
Toll-free Citizen Hotline

Brian Sonntag, CGFM
Ted Rutt
Doug Cochran
Jerry Pugnetti
Chuck Pfeil, CPA
Larisa Benson
Jim Brittain, CPA
Jan Jutte, CPA, CGFM
Ivan Dansereau
Mike Murphy
Mindy Chambers
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(866) 902-3900

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Corrective Action Plan for Findings Reported Under OMB Circular A-133

KING COUNTY HOUSING AUTHORITY KING January 1, 2010 through December 31, 2010

This schedule presents the corrective action planned by the auditee for findings reported in this report in accordance with OMB Circular A-133. The information in this schedule is the representation of the King County Housing Authority. The State Auditor's Office has reviewed the information as presented by the Authority.

| | |
|--|---|
| Finding ref number: 1 | Finding caption: Other auditors reported that related entities of the Housing Authority do not have adequate internal controls over accounting. |
| Name, address, and telephone of auditee contact person: Craig Violante, Finance Director 600 Andover Park W. Tukwila, WA 98188 206-574-1274 | |
| Corrective action the auditee plans to take in response to the finding: (If the auditee does not concur with the finding, the auditee must list the reasons for non-concurrence). <i>KCHA will retain a different CPA firm skilled in tax credit partnerships to make all necessary technical correcting entries prior to the entrance of the CPA firm that will be performing the audit.</i> | |
| Anticipated date to complete the corrective action: December 2011 | |

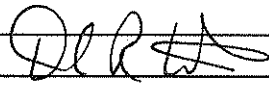
DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

Approved by OMB

0348-0046

(See reverse for public burden disclosure.)

| | | | | | |
|--|--|--|---|--|--|
| 1. Type of Federal Action: <input checked="checked" type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance | | 2. Status of Federal Action: <input checked="checked" type="checkbox"/> na a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award | | 3. Report Type: <input checked="checked" type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change For Material Change Only: year _____ quarter _____ date of last report _____ | |
| 4. Name and Address of Reporting Entity: <input checked="checked" type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known: Congressional District, if known: 4c | | | 5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime: Congressional District, if known: | | |
| 6. Federal Department/Agency: U.S. Department of Housing and Urban Development | | | 7. Federal Program Name/Description: MTW Annual Plan CFDA Number, if applicable: _____ | | |
| 8. Federal Action Number, if known: | | | 9. Award Amount, if known: \$ | | |
| 10. a. Name and Address of Lobbying Registrant (if individual, last name, first name, MI): n/a | | | b. Individuals Performing Services (including address if different from No. 10a) (last name, first name, MI): n/a | | |
| 11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure. | | | Signature:  Print Name: Stephen J. Norman Title: Executive Director Telephone No.: 206-574-1100 Date: 10-12-2011 | | |
| Federal Use Only: | | | | | Authorized for Local Reproduction Standard Form LLL (Rev. 7-97) |

Certification for a Drug-Free Workplace

U.S. Department of Housing
and Urban Development

Applicant Name

King County Housing Authority

Program/Activity Receiving Federal Grant Funding

MTW Activities - Capital Fund - Public Housing - Section 8 Housing Choice Vouchers - Section 8 Project-based programs

Acting on behalf of the above named Applicant as its Authorized Official, I make the following certifications and agreements to the Department of Housing and Urban Development (HUD) regarding the sites listed below:

I certify that the above named Applicant will or will continue to provide a drug-free workplace by:

a. Publishing a statement notifying employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Applicant's workplace and specifying the actions that will be taken against employees for violation of such prohibition.

b. Establishing an on-going drug-free awareness program to inform employees ---

(1) The dangers of drug abuse in the workplace;

(2) The Applicant's policy of maintaining a drug-free workplace;

(3) Any available drug counseling, rehabilitation, and employee assistance programs; and

(4) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace.

c. Making it a requirement that each employee to be engaged in the performance of the grant be given a copy of the statement required by paragraph a.;

d. Notifying the employee in the statement required by paragraph a. that, as a condition of employment under the grant, the employee will ---

(1) Abide by the terms of the statement; and

(2) Notify the employer in writing of his or her conviction for a violation of a criminal drug statute occurring in the workplace no later than five calendar days after such conviction;

e. Notifying the agency in writing, within ten calendar days after receiving notice under subparagraph d.(2) from an employee or otherwise receiving actual notice of such conviction. Employers of convicted employees must provide notice, including position title, to every grant officer or other designee on whose grant activity the convicted employee was working, unless the Federal agency has designated a central point for the receipt of such notices. Notice shall include the identification number(s) of each affected grant;

f. Taking one of the following actions, within 30 calendar days of receiving notice under subparagraph d.(2), with respect to any employee who is so convicted ---

(1) Taking appropriate personnel action against such an employee, up to and including termination, consistent with the requirements of the Rehabilitation Act of 1973, as amended; or

(2) Requiring such employee to participate satisfactorily in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency;

g. Making a good faith effort to continue to maintain a drug-free workplace through implementation of paragraphs a. thru f.

2. **Sites for Work Performance.** The Applicant shall list (on separate pages) the site(s) for the performance of work done in connection with the HUD funding of the program/activity shown above: Place of Performance shall include the street address, city, county, State, and zip code. Identify each sheet with the Applicant name and address and the program/activity receiving grant funding.)

Check here ☐ if there are workplaces on file that are not identified on the attached sheets.

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)

Name of Authorized Official

Stephen J. Norman

Title

Executive Director

Signature

Date

X

10-12-2011

form HUD-50070 (3/98)

ref. Handbooks 7417.1, 7475.13, 7485.1 & .3

Certification of Payments to Influence Federal Transactions

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

Applicant Name

King County Housing Authority

Program/Activity Receiving Federal Grant Funding

MTW Program Activities - Public Housing Capital Fund - Public Housing - Section 8 Housing Choice Vouchers - Section 8
Project-based programs

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

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)

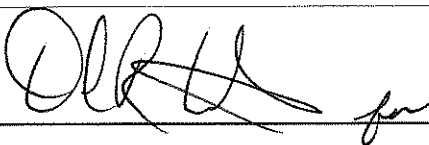
Name of Authorized Official

Stephen J. Norman

Title

Executive Director

Signature



Date (mm/dd/yyyy)

10-12-2011

EXHIBIT E

Description of KCHA's Local Asset Management Plan

As detailed in KCHA's FY 2008 MTW Annual Plan and adopted by the Board of Commissioners under Resolution No. 5116, KCHA has implemented a Local Asset Management Plan that considers the following:

- ❑ KCHA will develop its own local funding model for Public Housing and Section 8 using its block grant authority. Under its current agreement, KCHA can treat these funds and CFP dollars fungibly. In contrast to 990.280 regulations, which require transfers between projects after all project expenses are met, KCHA's model allows budget-based funding at the start of the fiscal year from a central ledger, not other projects. KCHA will maintain a budgeting and accounting system that gives each property sufficient funds to support annual operations, including allowable fees. Actual revenues will include those provided by HUD and allocated by KCHA based on annual property-based budgets. As envisioned, all block grants will be deposited into a single general ledger fund. This will have multiple benefits.
- KCHA gets to decide subsidy amounts for each public housing project. It's estimated that HUD's new funding model has up to a 40% error rate for individual sites. This means some properties get too much, some too little. Although funds can be transferred between sites, it's simpler to determine the proper subsidy amount at the start of the fiscal year rather than when shortfalls develop.
- KCHA will establish a restricted public housing operating reserve equivalent to two months' expenses. KCHA will estimate subsidies and allow sites to use them in their budgets. If the estimate exceeds the actual subsidy, the difference will come from the operating reserve. Properties may be asked to replenish this central reserve in the following year by reducing expenses, or KCHA may choose to make the funding permanent by reducing the unrestricted block grant reserve.
- Using this approach will improve budgeting. Within a reasonable limit, properties will know what they have to spend each year, allowing them autonomy to spend excess on "wish list" items and carefully watch their budgets. The private sector doesn't wait until well into its fiscal year to know how much revenue is available to support its sites.
- Reporting site-based results is an important component of property management and KCHA will continue accounting for each site separately; however, KCHA, as owner of the properties will determine how much revenue will be included as each project's subsidy. All subsidies will be properly accounted for under the MTW rubric.

- Allowable fees to the central office cost center (COCC) will be reflected on the property reports, as required. The MTW ledger won't pay fees directly to the COCC. As allowable under the asset management model, however, any subsidy needed to pay legacy costs, such as pension or terminal leave payments and excess energy savings from the Authority's ESCO, may be transferred from the MTW ledger or the projects to the COCC.
- Actual Section 8 amounts needed for housing assistance payments and administrative costs will be allotted to the Housing Choice Voucher program, including sufficient funds to pay asset management fees. Block grant reserves and their interest earnings will not be commingled with Section 8 operations, enhancing budget transparency. Section 8 program managers will become more responsible for their budgets in the same manner as public housing site managers.

Block grant ledger expenses, other than transfers out to sites and Section 8, will be those that support MTW initiatives, such as the South County Pilot or resident self-sufficiency programs. Isolating these funds and activities will help KCHA's Board of Commissioners and its management keeps track of available funding for incremental initiatives and enhances KCHA's ability to compare current to pre-MTW historical results with other housing authorities that do not have this designation.

In lieu of multiple submissions of Operating Subsidy for individual Asset Management Projects, KCHA may submit a single subsidy request using a weighted average project expense level (WAPEL) with aggregated utility and add-on amounts.

Replacement Housing Factor (RHF) Plan

King County Housing Authority received its first increment of Replacement Housing Factor funds from HUD's Federal Fiscal Year (FFY) 2004 appropriation and expects to continue to receive RHF through FFY 2023. KCHA combines the RHF received into the MTW Block Grant and is using authorization provided under its MTW Agreement to provide affordable housing rather than solely build public housing units. KCHA desires to extend the eligible use of RHF for debt service payments for the full ten-year period otherwise allowed for the replacement of public housing. KCHA will ensure that the requisite number of affordable housing units required under the "Proportionality Test" will be developed.

RHF Grants for FFY 2004 to FFY 2011:

| FFY Grant Year | <u>1st Increment</u> | | <u>2nd Increment</u> | | Total |
|-------------------|----------------------|----------------|----------------------|----------------|--------------------|
| | Award | Grant Number | Award | Grant Number | |
| 2004 | \$28,791 | WA19R002501-04 | \$0 | | \$28,791 |
| 2005 | \$32,484 | WA19R002501-05 | \$0 | | \$32,484 |
| 2006 | \$375,571 | WA19R002501-06 | \$0 | | \$375,571 |
| 2007 | \$309,997 | WA19R002501-07 | \$0 | | \$309,997 |
| 2008 | \$327,255 | WA19R002501-08 | \$0 | | \$327,255 |
| 2009 | \$1,003,946 | WA19R002501-09 | \$24,727 | WA19R002502-09 | \$1,028,673 |
| 2010 | \$1,004,181 | WA19R002501-10 | \$24,481 | WA19R002502-10 | \$1,028,662 |
| 2011 | \$543,479 | WA19R002501-11 | \$279,452 | WA19R002502-11 | \$822,931 |
| | | | <u>\$328,660</u> | | <u>\$3,954,364</u> |

All of the RHF shown above is being used to leverage other federal and local sources to substantially renovate and recapitalize 262 units of housing at Springwood Apartments in Kent, Washington. Springwood, renamed Birch Creek Apartments, is a former public housing site. RHF from future grant years will continue the leverage. The RHF results from the disposition of units at Springwood and KCHA's two Hope VI sites: Park Lake Homes I and II.

RHF expected to be available starting with the FFY 2013 appropriation will be used similarly to substantially renovate and recapitalize 59 units of housing at Green River Homes in Auburn, Washington. Green River is also a former public housing site. The RHF from the disposition of Green River, plus the RHF from the proposed disposition of another 509 public housing (if and when approved by HUD) are the leveraging sources. Unless otherwise noted herein, KCHA may combine Replacement Housing Factor (RHF) funds into the MTW Block Grant, accumulate the RHF grants, and be eligible for the second increment of RHF funds in order to build financial resources to develop affordable housing units.

In doing so, KCHA extends the useful life of these valuable affordable housing resources for another 50 years. The housing serves low- and very low-income households in South King County.

Projections of RHF and debt service for Birch Creek and Green River start on the next page.

Springwood Apartments (renamed Birch Creek Apartments)

The RHF shown in the table below is one of the sources used to pay for the renovation. It services debt on a portion of \$37.5 million worth of tax-exempt financing used to pay for the \$54 million in construction costs. KCHA issued the bonds and lent the proceeds to Soosette Creek LLC. KCHA controls the tax credit partnership. This renovation was started in 2008 and completed in 2010.

In FY 2012 KCHA will use First and Second Increment RHF funds available from the disposition of Springwood and Park Lake Homes I to make debt service payments, both principal and interest. When making payments, the first source is RHF funds remaining in LOCCS from previous years. The second source is any new award amount. If there is a shortfall, KCHA will look to its unrestricted sources.

The RHF grant awards for 2012 – 2022 are estimated. The last payment on the bonds for Springwood is scheduled to be made in 2038.

| FFY | Springwood ^a | Springwood ^b | Park Lake I ^c | Park Lake I ^d | Park Lake II ^e | Total | Debt Service |
|-----------|-------------------------|-------------------------|--------------------------|--------------------------|---------------------------|-------------|--------------|
| 2004 | \$28,791 | | | | | \$28,791 | \$0 |
| 2005 | \$32,484 | | | | | \$32,484 | \$0 |
| 2006 | \$26,938 | | \$348,633 | | | \$375,571 | \$0 |
| 2007 | \$28,247 | | \$281,750 | | | \$309,997 | \$0 |
| 2008 | \$29,819 | | \$297,436 | | | \$327,255 | \$302,000 |
| 2009 | \$24,727 | \$686,175 | \$317,771 | | | \$1,028,673 | \$2,373,000 |
| 2010 | \$24,481 | \$679,348 | \$324,833 | | | \$1,028,662 | \$2,254,000 |
| 2011 | \$19,585 | \$543,479 | \$259,867 | | | \$822,931 | \$3,303,000 |
| 2012 | \$13,514 | \$562,479 | \$269,209 | | | \$662,789 | \$3,379,000 |
| 2013 | \$13,514 | \$562,497 | \$269,209 | \$191,614 | \$139,474 | \$993,877 | \$3,450,000 |
| 2014 | | \$562,497 | \$269,209 | \$191,614 | \$139,474 | \$980,363 | \$3,527,000 |
| 2015 | | \$562,497 | \$269,209 | \$191,614 | \$139,474 | \$980,363 | \$3,570,000 |
| 2016 | | \$562,497 | | \$191,614 | \$139,474 | \$711,154 | \$3,660,000 |
| 2017 | | \$562,497 | | \$191,614 | \$139,474 | \$711,154 | \$3,339,000 |
| 2018 | | \$562,497 | | \$191,614 | \$139,474 | \$711,154 | \$3,415,000 |
| 2019 | | | | \$191,614 | \$139,474 | \$331,088 | \$3,480,000 |
| 2020 | | | | \$191,614 | \$139,474 | \$331,088 | \$2,227,000 |
| 2021 | | | | \$191,614 | \$139,474 | \$331,088 | \$1,423,000 |
| 2022 | | | | \$191,614 | \$139,474 | \$331,088 | \$1,423,000 |
| 2023-2038 | | | | | | \$0 | \$22,626,000 |

Notes

☐ 5-Year Increment

| | | | |
|-------------------------------------|-----------------|--------------------|---|
| Springwood Apts.^a | WA002034 | WA002000402 | RHF resulted from disposition and demolition of 12 units. A Family Center was built on the site of the former housing units. KCHA continued to accumulate this stream of RHF in its MTW Block Grant for to use in the financing of the much needed renovation of Springwood. |
|-------------------------------------|-----------------|--------------------|---|

| | | | |
|-------------------------------------|-----------------|--------------------|---|
| Springwood Apts.^b | WA002034 | WA002000402 | In 2007 HUD approved the disposition of the remaining 324 units. After two years of construction (and the removal of 62 units) 262 low-income households now called the like-new units at Birch Creek Apartments home. |
|-------------------------------------|-----------------|--------------------|---|

| | | | |
|--------------------------------------|-----------------|--------------------|---|
| Park Lake Homes I^c | WA002004 | WA002000301 | RHF resulted from the disposition and demolition of 170 units. |
|--------------------------------------|-----------------|--------------------|---|

| | | | |
|--------------------------------------|-----------------|--------------------|--|
| Park Lake Homes I^d | WA002004 | WA002000301 | RHF projected to result from disposition and demolition of 121 units. |
|--------------------------------------|-----------------|--------------------|--|

| | | | |
|---------------------------------------|-----------------|--------------------|---|
| Park Lake Homes II^e | WA002005 | WA002000302 | RHF projected to result from disposition and demolition of 86 units. |
|---------------------------------------|-----------------|--------------------|---|

Green River Homes

The RHF shown in the table below is one of the sources which will be used to pay for the renovation. It will service debt on a portion of \$9.5 million worth of tax-exempt financing used to pay for the \$10.5 million in construction costs. KCHA issued the bonds and lent the proceeds to Green River Homes 2 LLC. KCHA controls the tax credit partnership. The renovation will start in early 2012 and be completed around the end of the year.

KCHA will use First and Second Increment RHF funds as they become available from the disposition of Green River Homes and the disposition of the 509 Units (when such disposition is approved and completed) to make debt service payments.

The first 5-year increment of RHF resulting from the disposition of Green River is expected to be included in the FFY 2013 Capital Fund Program Award and used to make the next semi-annual debt service payment. The first increment of RHF for the 509 Units is expected to be available in the FFY 2013 or 2014 Award. The last year of the second 5-year increments will be funded in FFY 2022 or 2023.

When making payments, the first source is RHF funds remaining in LOCCS from previous years. The second source is any new award amount. If there is a shortfall, KCHA will look to its unrestricted sources.

The RHF grant awards for 2012 – 2022 are estimated. The last payment on the bonds for Green River is projected to be made in FY 2025 (using any FFY 2024 grant funds remaining in LOCCS).

| FFY | Green River Homes ^a | 509 Units ^b | Total | Debt Service |
|------|--------------------------------|------------------------|-----------|--------------|
| 2012 | | | | \$47,500 |
| 2013 | \$71,366 | | \$71,366 | \$71,250 |
| 2014 | \$71,366 | \$603,249 | \$674,816 | \$958,636 |
| 2015 | \$71,366 | \$603,249 | \$674,816 | \$950,000 |
| 2016 | \$71,366 | \$603,249 | \$674,816 | \$941,364 |
| 2017 | \$71,366 | \$603,249 | \$674,816 | \$967,273 |
| 2018 | \$71,366 | \$603,249 | \$674,816 | \$954,318 |
| 2019 | \$71,366 | \$603,249 | \$674,816 | \$941,364 |
| 2020 | \$71,366 | \$603,249 | \$674,816 | \$950,000 |
| 2021 | \$71,366 | \$603,249 | \$674,816 | \$932,727 |
| 2022 | \$71,366 | \$603,249 | \$674,816 | \$915,455 |
| 2023 | | \$603,249 | \$603,249 | \$898,182 |
| 2024 | | | | \$880,909 |

Notes



5-Year Increment

| | | | |
|--------------------------------|--|-------------|--|
| Green River Homes ^a | WA002003 | WA002000502 | RHF is projected to result from the disposition of 60 units. HUD conditionally approved the disposition in February 2011. The disposition occurred on November 28, 2011. |
| 509 ^b | In January 2011, KCHA applied to HUD to approve the disposition of 509 public housing units in 22 developments. HUD is expected to approve the disposition in early 2012. KCHA anticipates removing all units from the PIC by the end of FFY 2013. | | |

Financing Structure

Two of KCHA's oldest communities, both Springwood Apartments (prior to the 2008-2010 renovation) and Green River Homes today require significant, near term capital investment in the infrastructure and building systems. This capital could not be provided by the Public Housing Capital Fund.

The basic elements of the financing structures used for both properties are the same. The structures leverage renovation funds by combining federal low income housing tax credit (LIHTC) equity with private and/or public debt. The debt is supported by Section 8 rent subsidies and Replacement Housing Factor (RHF) funds under MTW authority.

To accomplish this, the properties are removed from the public housing inventory and transferred to an entity (eg, tax credit partnership) which can take advantage of the LIHTC program. Section 8 subsidies are project-based to keep rents affordable. The net cash flow from operations and the 10 years of RHF resulting from the disposition is used to repay a portion of the private debt. If RHF funds and the net cash flow from operations are insufficient or unavailable for repayment, other KCHA general revenues will be used to service debt.

The main difference is that the repayment of debt for Birch Creek is guaranteed by King County government, whereas repayment of the debt for Green River is collateralized by MTW single-fund resources.

In future years, if more advantageous financially, KCHA may use the "Springwood RHF" to service Green River Bonds and "Green River RHF" to service Springwood Bonds.