

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

Table of Contents

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

| | |
|---|----|
| Federal Summary | 1 |
| Schedule of Audit Findings and Responses | 3 |
| Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters in Accordance with <i>Government Auditing Standards</i> | 8 |
| 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 | 10 |
| Independent Auditor's Report on Financial Statements | 12 |
| Financial Section..... | 14 |

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 flourish at the end.

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

Balance Sheet – 2010

Statement of Revenues, Expenses and Changes in Net Assets – 2010

Statement of Cash Flows – 2010

Notes to Financial Statements – 2010

SUPPLEMENTAL INFORMATION

Schedule of Expenditures of Federal Awards – 2010

Notes to the Schedule of Expenditures of Federal Awards – 2010

Federal Data Schedule (FDS) Balance Sheet – 2010

Federal Data Schedule (FDS) Statement of Revenues and Expenses – 2010

Property Listing – 2010

Pooled Housing Refunding Revenue Bonds, Series 1998A – A Proprietary Fund of the
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
in Net Assets – 2010

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
Statements – 2010

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:

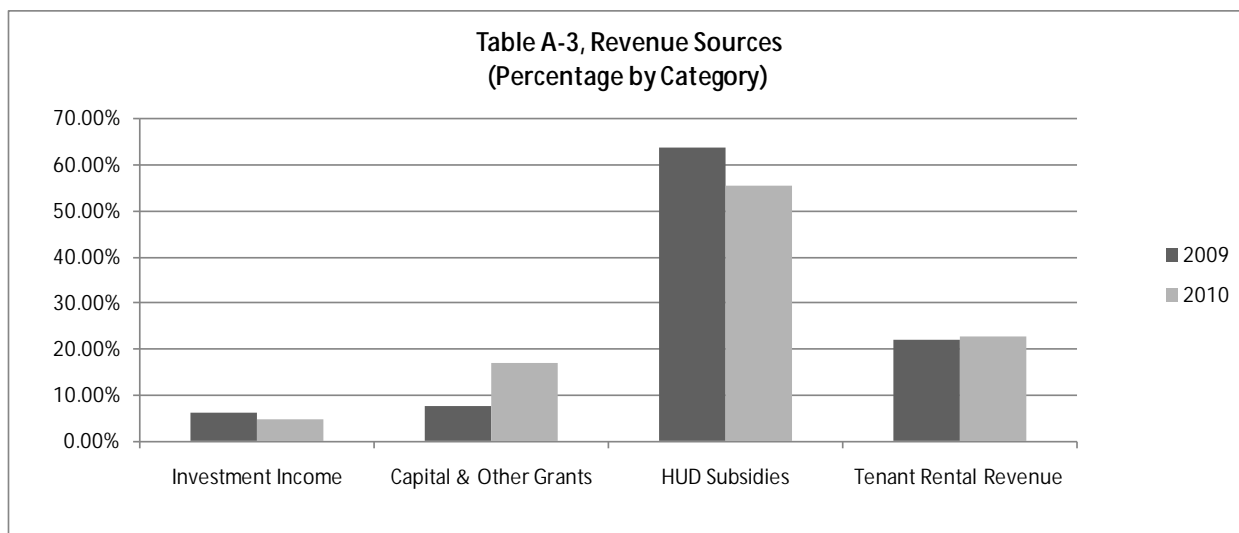
Table A-2, Condensed Statement of Revenues, Expense, and Changes in Net Assets ⁽¹⁾

| | 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 | <u>\$ 381,188,513</u> | <u>\$ 351,844,561</u> |

(1) Component units are not included.

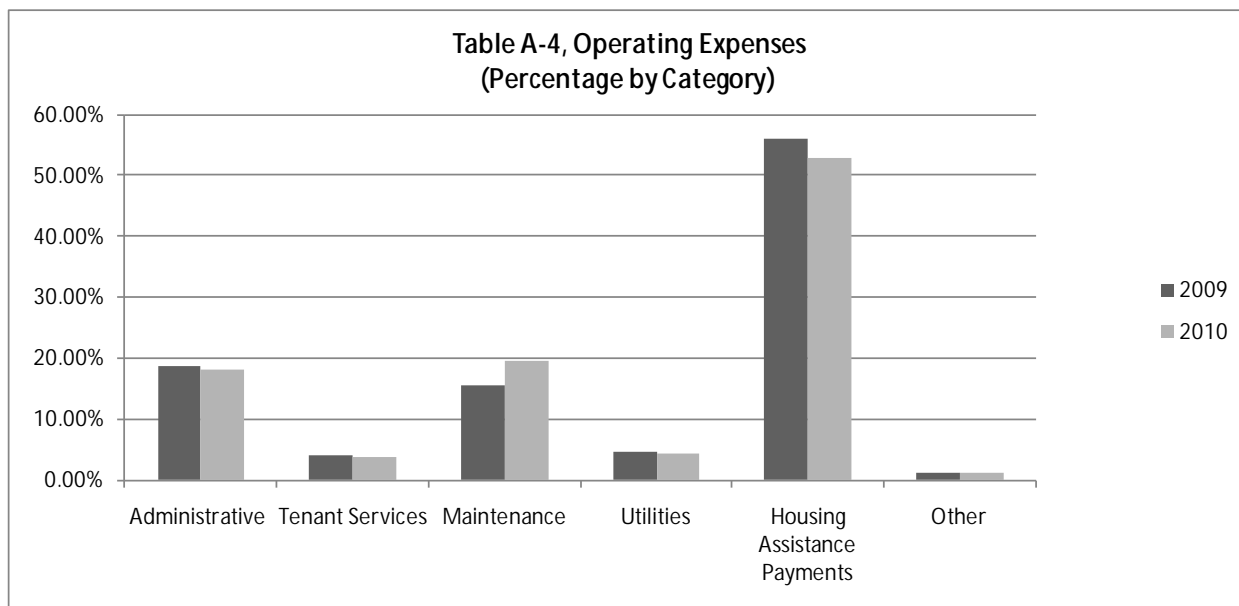
(2) Restatement of Beginning Net Assets to reflect implementation of GASB 53. See Footnote 2.

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 Agresso.) 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:

| FISCAL YEAR | PRINCIPAL | INTEREST ** | TOTAL |
|-------------------------|-----------------------|----------------------|-----------------------|
| 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:

| FISCAL YEAR | PRINCIPAL | INTEREST ** | TOTAL |
|----------------------------|----------------------|----------------------|-----------------------|
| 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) |
| 160 | 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 | - | - | - | - | - | - | - |
| 350 | TOTAL NONCURRENT LIABILITIES | 105,400 | 117,353 | 100 | 248,620 | 6,855,000 | 7,120,000 | 4,205,000 |
| 300 | 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 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 | Frond 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 OVER OPERATING EXPENSES | 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 | - | - | - | - | - | - | - | - | - |

REVENUE:

[illegible]

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 |
| 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 | - | 275,406 | 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 | - | - | - | - | - | - | - | - | - | - |
| 96000 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 | \$ - | \$ (273,220) | \$ 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 | - | 23,997 | - |
| 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 | - | - | 19,498 | - | - | - | - | - | - | - |
| Casualty losses - non-capitalized | - | - | - | - | - | - | - | - | - | - |
| Housing assistance payments | - | - | - | - | - | - | - | - | - | - |
| HAP Portability-In | - | - | - | - | - | - | - | - | - | - |
| Depreciation expense | 67,953 | - | 20,025 | - | 93,436 | - | - | - | 29,191 | - |
| Fraud losses | - | - | - | - | - | - | - | - | - | - |
| 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 | - | - | - | - | - | - | - | - | - |
| 70900 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 | - | 292 | - | 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 | | | | | | | | | | |
| 96100 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 | - | - | - | - | - | - | - | - | - | - |
| 97300 Casualty losses - non-capitalized | - | - | - | - | - | - | - | - | - | - |
| 97300 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 | - | 51,326 | - | 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 | - | 3,300 | - | 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 utilities 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 Revenues 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 (USES) | | | | | | | | | | |
| 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 | 12,756 | - | 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 | 1,353 | - | 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 | 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 | 2,900,566 |
| 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 | | | | |
| | | | 174 | Tenant based housing choice voucher | | | |
| Preservation of Affordable Housing: | | | | | | | |
| | 1. Spiritwood Manor | 1992 | 130 | Households served | | | |
| | 2. Newport | 1992 | 23 | | | | |
| | 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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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:

WA19PO02501-04

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

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