

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, 2011 through December 31, 2011

Report No. 1008465

Issue Date
September 28, 2012



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

September 28, 2012

Board of Commissioners
King County Housing Authority
Tukwila, Washington

Report on Financial Statements and Federal Single Audit

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

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

Sincerely,

BRIAN SONNTAG, CGFM
STATE AUDITOR

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Federal Summary

King County Housing Authority January 1, 2011 through December 31, 2011

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 reported no deficiencies in the design or operation of internal control over financial reporting that we consider to be significant deficiencies.
- **Material Weaknesses:** We identified no deficiencies that we consider to be material weaknesses.

We noted no instances of noncompliance that were material to the financial statements of the Housing Authority.

FEDERAL AWARDS

Internal Control Over Major Programs:

- **Significant Deficiencies:** We reported no deficiencies in the design or operation of internal control over major federal programs that we consider to be significant deficiencies.
- **Material Weaknesses:** We identified no deficiencies that we consider to be material weaknesses.

We issued an 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>
14.879	Housing Voucher Cluster - Mainstream Vouchers
14.881	Moving to Work Demonstration Program
14.884	CFP Cluster - ARRA - Public Housing Capital Fund Competitive (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.

Status of Prior Audit Findings

King County Housing Authority January 1, 2011 through December 31, 2011

The status of findings contained in the prior years' audit reports of the King County Housing Authority is provided below:

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

Report No. 1006520, dated September 30, 2011

Background

Housing authorities create tax credit partnerships (TCP's) 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 Housing Authority had 23 such partnerships in 2010. As private companies, the partnerships are audited by auditors other than those at the State Auditor's Office.

Personnel of the Housing Authority do the accounting for the TCP's, including preparing their financial statements. Because they have a significant operational or financial relationship with the Housing Authority, they are included in its financial reporting. 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.

Status

We queried the outside auditors. All reported that these conditions did not exist in the current year.

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, 2011 through December 31, 2011**

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, 2011, which collectively comprise the Housing Authority's basic financial statements, and have issued our report thereon dated September 21, 2012.

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.

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 the 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.

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*.

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". The signature is fluid and cursive, with the first name "Brian" and last name "Sonntag" clearly distinguishable.

BRIAN SONNTAG, CGFM
STATE AUDITOR

September 21, 2012

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, 2011 through December 31, 2011**

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, 2011. 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, 2011.

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.

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BRIAN SONNTAG, CGFM
STATE AUDITOR

September 21, 2012

Independent Auditor's Report on Financial Statements

King County Housing Authority January 1, 2011 through December 31, 2011

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, 2011, which collectively comprise the Housing Authority's basic financial statements as listed on page 10. 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. 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, 2011, 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.

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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 11 through 17 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to

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

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 form are supplementary information required by HUD. These schedules are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The financial statements for The Pooled Housing Refunding Revenue Bonds, Series 1998A are also presented for purposes of additional analysis and 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 do not express an opinion or provide any assurance on it.



BRIAN SONNTAG, CGFM
STATE AUDITOR

September 21, 2012

Financial Section

King County Housing Authority January 1, 2011 through December 31, 2011

REQUIRED SUPPLEMENTARY INFORMATION

Management's Discussion and Analysis – 2011

BASIC FINANCIAL STATEMENTS

Balance Sheet – 2011
Statement of Revenues, Expenses and Changes in Net Assets – 2011
Statement of Cash Flows – 2011
Notes to Financial Statements – 2011

SUPPLEMENTARY INFORMATION

Schedule of Expenditures of Federal Awards and Notes – 2011
Federal Data Schedule (FDS) Balance Sheet – 2011
Federal Data Schedule (FDS) Statement of Revenues and Expenses – 2011
Property Listing – 2011
Pooled Housing Refunding Revenue Bonds, Series 1998A – A Proprietary Fund of the
Housing Authority of King County – Balance Sheet – 2011
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 – 2011
Pooled Housing Refunding Revenue Bonds, Series 1998A – A Proprietary Fund of the
Housing Authority of King County – Statement of Cash Flows – 2011
Pooled Housing Refunding Revenue Bonds, Series 1998A – Notes to the Financial
Statements – 2011
Actual Modernization Cost Certificate – WA19P002501-09

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, 2011. 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 8,486 units of housing and provides rental subsidies to over 8,100 additional households. The majority of KCHA's program participants have incomes below 20% of area median income. KCHA's inventory includes 2,479 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 8. With those exceptions, neither these units, nor their financial data, are included in the analysis and financial reports that follow.

2011 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, 2011 by \$413.6 million.
- Total change in net assets for 2011 was an increase of \$32.4 million and includes \$12.4 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 \$149.1 million and include \$76.1 million in housing assistance payments made to landlords, or 51% of operating expenses.
- A new public housing project funded by an American Recovery and Reinvestment Act (ARRA) grant, Sixth Place Apartments, is now fully operational. Ongoing rehabilitation of Seola Gardens (formerly Park Lake Site II) continues with Zephyr Apartments now operational and fully leased while two new projects, Joseph House and Fairwind, have been added to the site.
- Significant capital projects involving ADA compliance and weatherization continued to be aided by funding through 18 ARRA grants.
- The Authority received approval for the disposition of 60 public housing units at Green River Homes. The Authority had requested this disposition to transfer the source of funding from public housing subsidy to Section 8 project-based vouchers.

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

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 2011 and 2010. 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, 2011 total \$448.7 million and are comprised of \$129.8 million in cash, cash equivalents, and investments and \$318.9 million in accounts, notes and financing lease receivables. The \$11.1 million increase from the prior year is due to a \$2.3 million decrease in cash, cash equivalents, and investments and a \$13.4 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 the Seola Crossing, Salmon Creek, and Eastbridge capital projects.

Capital assets for the year ended December 31, 2011 are \$282.3 million, an increase of \$1.9 million from 2010. Included in this category are land and improvements, buildings and improvements, personal property, and construction-in-progress. Capital asset additions of \$59.7 million include the purchase of Kirkland Place, Island Crest, and Meadowbrook Apartments as well as construction-in-progress related to the Greenbridge development project and ARRA funded capital projects. Capital asset disposals of \$57.8 million include the dispositions of Green River Homes, Tall Cedars, and Wonderland Estates and the sale of Eastbridge, Sixth Place, and Zephyr Apartments to the Tax Credit partnerships. 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 \$50.6 million at December 31, 2011, a decrease of \$32.7 million from 2010. This decrease is due primarily to the payment of current of lines of credit related to the Birch Creek and Greenbridge redevelopment projects.

Total net assets increased by \$32.4 million during 2011. Net assets represent the Authority's equity, a portion of which is restricted for certain uses. Restricted Net Assets increased \$7.6 million from 2010 primarily due to a \$9.7 million increase in current restricted cash combined with decreases in noncurrent restricted cash and current restricted investments. The \$21.1 million decrease in unrestricted net assets resulted primarily from a \$14 million decrease in unrestricted investments and a \$7 million decrease in unrestricted receivables. Net Assets invested in capital assets, net of related debt increased by \$45.9 million primarily due to the payment of debt related to the Birch Creek and Greenbridge redevelopment projects.

Table A-1, Condensed Balance Sheet ⁽¹⁾

	2011	Adjusted 2010	Prior Period Adjustment ⁽²⁾	2010
Assets:				
Current and other assets	\$ 448,701,632	\$ 437,531,903		\$ 437,531,903
Capital assets	282,294,802	280,405,014		280,405,014
Total Assets	<u>\$ 730,996,434</u>	<u>\$ 717,936,917</u>	<u>\$ -</u>	<u>\$ 717,936,917</u>
Liabilities:				
Current and other liabilities	\$ 50,581,494	\$ 83,320,039		\$ 83,320,039
Long-term debt, net of current	266,820,184	253,428,365		253,428,365
Total Liabilities	<u>317,401,678</u>	<u>336,748,404</u>	<u>-</u>	<u>336,748,404</u>
Net Assets:				
Invested in capital assets, net of related debt	152,692,500	106,798,742	141,238,145	(34,439,403)
Restricted	23,254,381	15,671,646		15,671,646
Unrestricted	237,647,875	258,718,125	(141,238,145)	399,956,270
Total Net Assets	<u>413,594,756</u>	<u>381,188,513</u>	<u>-</u>	<u>381,188,513</u>
		<u>\$ -</u>		
Liabilities and Net Assets	<u>\$ 730,996,434</u>	<u>\$ 717,936,917</u>	<u>\$ -</u>	<u>\$ 717,936,917</u>

(1) Component units are not included.

(2) Please refer to Note 3 for information regarding the Prior Period Adjustmtent.

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 2011 and 2010:

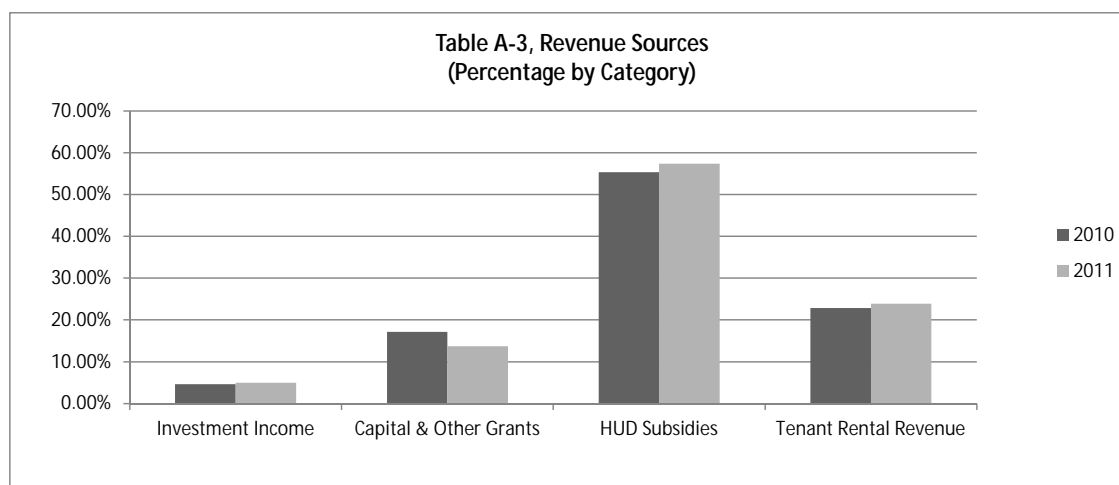
Table A-2, Condensed Statement of Revenues, Expense, and Changes in Net Assets ⁽¹⁾

	2011	2010
Operating Revenues	\$ 44,642,082	\$ 45,790,338
Nonoperating revenues	136,010,881	130,087,204
Total Revenues	180,652,963	175,877,542
Operating expenses	149,113,318	148,155,839
Nonoperating expenses	11,494,384	11,811,143
Total Expenses	160,607,702	159,966,982
Excess or deficiency before contributions	20,045,261	15,910,560
Capital grant contributions	12,360,982	17,856,451
Change in Net Assets	32,406,243	33,767,011
Beginning Net Assets	381,188,513	351,844,561
Accounting Adjustment ⁽²⁾	-	(4,423,059)
Ending Net Assets	\$ 413,594,756	\$ 381,188,513

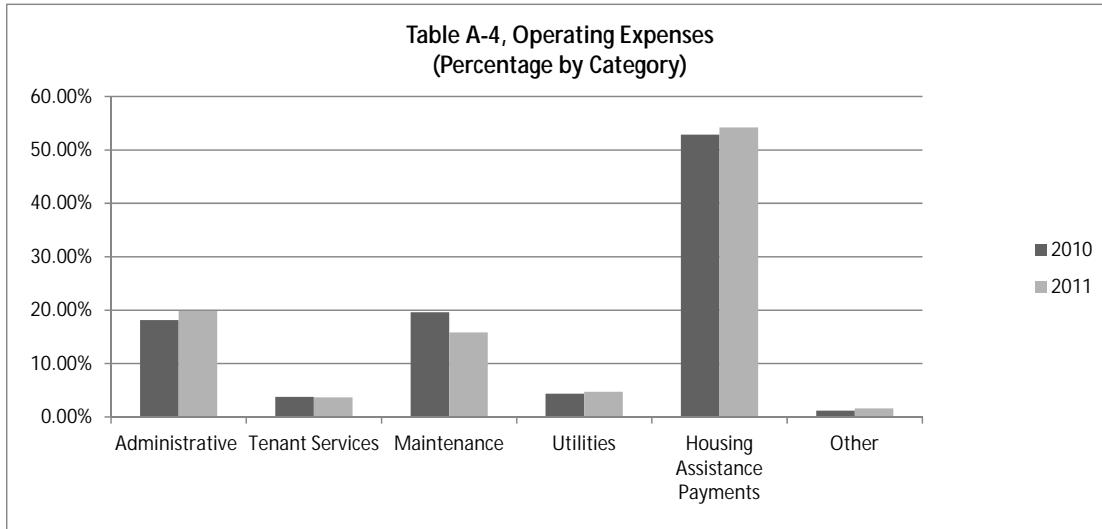
(1) Component units are not included.

(2) Restatement of Beginning Net Assets to reflect implementation of GASB 53 in 2010.

Revenues are classified as operating, non-operating or capital grant contributions. Table A-3 shows the sources of revenues for 2011 and 2010 as a percentage of all revenues. The overall contribution for each revenue type remained relatively constant from 2010 to 2011. However, capital grant revenues decreased in 2011 as the Authority expended operating reserves in lieu of Capital Fund Project grant funds in order to minimize HUD’s public housing subsidy reserve offset.



Operating expenses are amounts paid for providing housing services to the Authority's tenants and administering the various programs. Total operating expenses for 2011 were \$141.3 million (excluding depreciation), a \$.2 million decrease compared to 2010. The decrease is primarily the result of a \$5.5 million decrease in maintenance expenses combined with a \$1.2 million increase in HUD housing assistance payments as well as a \$2.2 million increase in administrative expense.



CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION

During 2011, net capital assets increased by \$1.9 million. The net increase in capital assets from 2010 is primarily attributable to \$59.7 million in capital asset additions (net of accumulated depreciation) offset by \$57.8 million of disposals (net of accumulated depreciation.) Capital asset additions include \$17 million for the purchase of Kirkland Place, Island Crest, and Meadowbrook Apartments. Construction-in-progress additions are primarily comprised of \$16.2 related to the Greenbridge redevelopment project and \$4.6 million to projects funded by the American Recovery and Reinvestment Act of 2009. \$17 million of capital asset disposals represent the disposition of Green River Homes, Tall Cedars, and Wonderland Estates. \$24.1 million of assets were also disposed with the sale of Eastbridge, Sixth Place, and Zephyr Apartments to Tax Credit partnerships. 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

	2011	2010
Land	75,422,661	80,385,672
Buildings and Improvements	234,590,828	211,255,668
Furniture, Equipment & Machinery	5,161,448	3,112,164
Construction in Progress	85,667,510	98,982,338
	<u>400,842,447</u>	<u>393,735,842</u>
Total accumulated depreciation	<u>(118,547,645)</u>	<u>(113,330,828)</u>
Net Capital Assets	<u>\$282,294,802</u>	<u>\$280,405,014</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 \$266.8 million in net long-term bonds and notes outstanding (as shown in table A-6) which represents a \$13.4 million increase over the prior year-end balance. Included in the other noncurrent liabilities category are noncurrent interest, 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

	2011	2010
Long-term, net of current portion	\$266,820,184	\$253,428,366
Other noncurrent liabilities	7,368,392	6,485,772
Total long-term debt & other noncurrent liabilities	<u>\$274,188,576</u>	<u>\$259,914,138</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 2011 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 effects of the recent recession continue to linger as it is still a challenge 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 barrier that continues to require creative strategies.

In 2012, the Authority received approval from HUD for disposition of 509 public housing units at 22 properties throughout King County. The Authority had requested this disposition as a result of a declining trend in the annual availability of public housing subsidy funds. The disposition of these units enables the Authority to transfer the source of funds for these units from public housing subsidy to Section 8 project-based funds.

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, 2011

	<u>AUTHORITY</u>	<u>COMPONENT UNITS</u>
ASSETS:		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 73,700,195	\$ 6,341,387
Restricted cash and cash equivalents	18,464,621	13,504,408
Receivables, net	18,168,818	172,787
Investments	28,100,512	2,546,306
Restricted investments	7,219,328	-
Other current assets	892,804	417,620
Total Current Assets	<u>146,546,279</u>	<u>22,982,508</u>
NONCURRENT ASSETS:		
Restricted cash and cash equivalents	\$ 2,327,684	\$ -
Land, buildings and equipment, net	282,294,802	376,885,524
Noncurrent receivables	295,057,085	-
Other noncurrent assets	4,770,584	3,767,078
Total Noncurrent Assets	<u>584,450,155</u>	<u>380,652,602</u>
TOTAL ASSETS	<u>\$ 730,996,434</u>	<u>\$ 403,635,110</u>
LIABILITIES and NET ASSETS:		
CURRENT LIABILITIES:		
Current portion of long term debt	\$ 28,662,285	\$ 1,202,493
Other current liabilities	14,550,817	9,589,421
Total Current Liabilities	<u>43,213,103</u>	<u>10,791,914</u>
LONG-TERM LIABILITIES:		
Long-term debt, net of current	266,820,184	258,042,187
Interest Rate Swaps - Fair Value	6,209,443	895,669
Other noncurrent liabilities	1,158,949	9,003,253
Total Long-Term Liabilities	<u>274,188,575</u>	<u>267,941,109</u>
TOTAL LIABILITIES	<u>317,401,678</u>	<u>278,733,023</u>
NET ASSETS:		
Invested in capital assets, net of related debt	152,692,500	117,640,844
Restricted net assets	28,011,633	13,504,408
Unrestricted net assets	232,890,623	(6,243,165)
TOTAL NET ASSETS	<u>413,594,756</u>	<u>124,902,087</u>
TOTAL LIABILITIES and NET ASSETS	<u>\$ 730,996,434</u>	<u>\$ 403,635,110</u>

The accompanying notes are an integral part of this financial statement.

HOUSING AUTHORITY OF THE COUNTY OF KING
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
For the 12 Month Period Ended December 31, 2011

	<u>AUTHORITY</u>	<u>COMPONENT UNITS</u>
OPERATING REVENUES		
Tenant revenue	\$ 37,804,337	\$ 24,487,923
Other revenue	6,837,745	673,798
Total Operating Revenues	<u>44,642,082</u>	<u>25,161,721</u>
OPERATING EXPENSES		
Administrative	27,874,808	6,760,815
Tenant services	5,186,775	-
Maintenance	22,271,115	3,283,560
Utilities	6,659,921	3,132,535
Housing assistance payments	76,072,737	-
Depreciation	7,822,009	12,660,362
Other expenses	3,225,953	1,928,553
Total Operating Expenses	<u>149,113,318</u>	<u>27,765,825</u>
Operating Income (Loss)	(104,471,236)	(2,604,104)
NONOPERATING REVENUE (EXPENSE)		
HUD subsidies and grant revenue	108,919,302	-
Other government grants	12,569,268	-
Investment income	9,332,751	124,687
Interest expense	(11,494,384)	(8,801,392)
Net gain (loss) on disposal of capital assets	5,189,560	-
Net Nonoperating Revenues (Expenses)	<u>124,516,497</u>	<u>(8,676,705)</u>
INCOME (LOSS) before contributions	20,045,261	(11,280,810)
Capital grant contributions	12,360,982	
Partner contributions (disbursements)		44,564,396
CHANGE IN NET ASSETS	<u>\$ 32,406,243</u>	<u>\$ 33,283,586</u>
Total Net Assets -- beginning	<u>381,188,513</u>	<u>91,618,501</u>
Total Net Assets -- ending	<u>\$ 413,594,756</u>	<u>\$ 124,902,087</u>

The accompanying notes are an integral part of this financial statement.

HOUSING AUTHORITY OF THE COUNTY OF KING
STATEMENT OF CASH FLOWS
For the 12 Month Period Ended December 31, 2011

	<u>AUTHORITY</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from tenants	\$ 37,868,343
Payments to employees	(20,581,871)
Payments to suppliers of goods and services	(40,816,221)
Payments to landlords	(71,348,322)
Payments received from (made to) other housing authorities	(3,111,748)
Other receipts (payments)	698,363
Net cash provided by (used in) operating activities	<u>(97,291,456)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:	
Receipts from HUD	108,919,302
Receipts from other governments	12,569,266
Net cash provided by noncapital financing activities	<u>121,488,568</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Capital grant contributions	12,360,982
Purchase of capital assets	(49,541,048)
Net proceeds from capital asset disposal	5,189,560
Equity transactions	12,549
Principal payments on capital debt	(19,360,639)
Interest paid on capital debt	(11,549,441)
Other receipts (payments)	812,222
Net cash used in capital and related financing activities	<u>(62,075,814)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Net sale (purchase) of investments	14,392,915
Investment in notes and financing leases	(20,659,149) a)
Payments received on notes and financing leases	42,064,508
Investment income -- notes and financing leases	(818,864)
Investment income -- other	8,736,597
Other receipts (payments)	5,502,250
Net cash provided by investing activities	<u>49,218,257</u>
Net Increase in Cash and Cash Equivalents	11,339,555
Cash and cash equivalents -- beginning of the year	83,152,944
Cash and cash equivalents -- end of the year	<u>\$ 94,492,500</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:	
Operating income (loss)	(104,471,236)
Adjustment to reconcile operating income to net cash:	
Depreciation expense	7,822,009
Change in assets and liabilities:	
Receivables and other assets	(149,761)
Accounts and other payables	(492,468)
Net cash provided by (used in) operating activities	<u>\$ (97,291,456)</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 \$31.6 million of notes and financing leases received in exchange for capital assets -- \$16.7 million from Green River Homes II, \$14.3 million for Wonderland and Tall Cedars, \$6 million for Seola Gardens.

The accompanying notes are an integral part of these financial statements

HOUSING AUTHORITY OF THE COUNTY OF KING
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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. Of the State's 39 counties, King County ranks eleventh in geographical size and first in population. The County is the financial, economic and industrial center of the entire Pacific Northwest region. The Authority's jurisdiction encompasses an area of over 2,100 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 2,479 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 8,176 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. A fifth site comprising 30 units was purchased in 2011 that will receive some sort of deeply subsidized support beginning in 2012.

UNASSISTED LOCALLY FINANCED HOUSING PROGRAMS

Tax-Exempt Bond Financed - The Authority owns 19 apartment complexes totaling 2,837 units through the issuance of tax-exempt bonds. These properties receive no operating subsidy from the Federal government or any other State or local source. The Authority acquired the properties in order to place selected housing developments within the public domain so that rents could be maintained as low as possible over time. Typically these units have a broad mix of residents with the majority having income below 80% of area median.

Homeownership - The Authority owns two mobile home parks located in South King County comprising 195 manufactured home sites. Under this program, the residents own their manufactured homes and pay rent to the Authority for the land on which the home sits. In 2011, the Authority disposed of two previously owned sites, Wonderland Estates and Tall Cedars, through a New Market Tax Credit transaction.

Tax Credit - In 1994, the Authority began partnering with limited partnerships and limited liability corporations (hereafter referred to as “partnerships”) to acquire and develop additional affordable housing (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.

Miscellaneous Local Programs - The Authority has an inventory of 16 different housing developments comprising 161 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 2011, the Authority assisted 1,995 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, completed construction and was fully 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 108 lots available to provide homeownership opportunities. The first rental housing phase, 25 units of family housing in the Zephyr Apartments project, completed construction and was fully occupied in the summer of 2011. The second rental housing phase, Providence Joseph House Apartments, comprises 65 units of senior and younger disabled housing. It began construction in 2011 for an expected rent-up in the last quarter of 2012. For the last rental phase, the Fairwind Apartments, 87 units of family housing began 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, 2011 include the following:

	RESTRICTED		
	Cash & Cash Equivalents	Investments	Total
Capital improvements	\$ 16,289,977	\$ 1,969,123	\$ 18,259,100
Debt service	401,529	5,250,205	5,651,734
Tenant security deposits	1,300,735		1,300,735
Other	2,800,064	-	2,800,064
	<u>\$ 20,792,305</u>	<u>\$ 7,219,328</u>	<u>\$ 28,011,633</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, 2009 and fiscal year 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, 2011, the Authority was obligated under these contracts to purchase approximately \$17 million of goods and services.

NOTE 2 - 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 of town in the State of Washington.
- 12) Bonds or warrants of a local improvement district that is within the protection of the local improvement guaranty fund law.

Concentration of Credit Risk

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

Other Information:

The Authority has established arrangements with 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, 2011, the pool had an average days-to-maturity of 32 days and therefore is reported at cost. Government securities are reported at fair value.

A summary of cash and investments at December 31, 2011 follows:

	UNRESTRICTED	RESTRICTED	TOTAL
CASH and CASH EQUIVALENTS:			
Cash on hand	\$ 7,500	\$ -	\$ 7,500
Depository accounts	3,289,255	5,584,565	8,873,820
Washington State Investment Pool	70,403,440	13,961,058	84,364,498
U.S. Treasury money market	-	401,528	401,528
Other money market	-	845,153	845,153
TOTAL CASH AND CASH EQUIVALENTS	\$ 73,700,195	\$ 20,792,304	\$ 94,492,499
INVESTMENTS:			
FNMA, FHLB, FFCB, and FHLMC bonds	\$ 28,100,512	\$ -	\$ 28,100,512
U.S. Treasury money market	-	2,861,352	2,861,352
Repurchase agreement	-	433,774	433,774
JP Morgan Chase Investment Agreement, 6.92%, 7/1/2024	-	686,697	686,697
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	-	1,028,075	1,028,075
TOTAL INVESTMENTS	\$ 28,100,512	\$ 7,219,329	\$ 35,319,841
TOTAL	\$ 101,800,707	\$ 28,011,633	\$ 129,812,340

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

NOTE 3 – PRIOR PERIOD ADJUSTMENT

As a result of a calculation error relating to Net Assets invested in capital assets, net of related debt on the 2010 Annual Financial Statements, the Authority is recording a Prior Period Adjustment in order to report the correct Net Asset account balances.

	Originally Reported 2010	Prior Period Adjustment	Adjusted 2010
Net Assets:			
Invested in capital assets, net of related debt	\$ (34,439,403)	\$ 141,238,145	\$ 106,798,742
Restricted	15,671,646		15,671,646
Unrestricted	399,956,270	(141,238,145)	258,718,125
Total Net Assets	<u>\$ 381,188,513</u>	<u>\$ -</u>	<u>\$ 381,188,513</u>

Long-term debt related to Tax Credit partnerships should have been excluded from the calculation of Net Assets invested in capital assets, net of related debt.

It was the judgment of the Authority that the net effect of the Prior Period Adjustment did not possess the materiality warranted to make restating the 2010 Annual Financial Statements practical.

NOTE 4-ACCOUNTING CHANGES

Beginning with the 2011 Annual Financial Statements, Greenbridge Foundation will not be reported by the Authority as a Component Unit or Tax Credit partnership.

In accordance with GASB Statement 14 *The Financial Reporting Entity* (and the future implementation of GASB Statement 61 *The Financial Reporting Entity: Omnibus*), it is the Authority's judgment that Greenbridge Foundation is not a Component Unit due to the fact that a) the Authority does not appoint the voting majority of Greenbridge Foundation's board, b) Greenbridge Foundation does not meet the fiscal dependency and financial benefit/burden criteria set forth in GASB Statement 14, and c) it would not be misleading to exclude Greenbridge Foundation from the Authority's financial statements. Furthermore, Greenbridge Foundation was not created through participation in the Low Income Housing Tax Credit Program and does not have a Tax Credit partnership financing structure.

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, 2011, all of the financing leases and developer fee notes, and \$186.3 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, 2011 follows:

	Beginning Balance	Additions	Payments	Ending Balance	Current Portion
Developer fee notes	\$ 12,171,869	\$ 157,500	\$ (8,910,599)	\$ 3,418,770	\$ 2,005,941
Other Notes					
Real Estate:					
<i>Residential</i>	921,200	416,072	(120,000)	1,217,272	53,279
<i>Multifamily</i>	171,758,339	18,738,554	(33,295,835)	157,201,058	263,311
<i>Construction</i>	6,153,431	860,692	-	7,014,123	7,014,123
Other	7,892,316	12,965,095	-	20,857,411	-
Total Notes	198,897,155	33,137,913	(42,326,434)	189,708,635	9,336,654
Financing Leases, net					
Real Estate: Multifamily	86,192,325	20,359,961	(1,014,839)	105,537,447	1,246,771
Notes & Financing Leases Receivable	\$ 285,089,480	\$ 53,497,874	\$ (43,341,273)	\$ 295,246,081	\$ 10,583,425

The rehabilitation and sale of Wonderland Estates and Tall Cedars and the related New Market Tax Credit transaction resulted in a \$13 million increase to other notes receivable. Continued construction of the Sixth Place Apartments under a Low Income Housing Tax Credit transaction resulted in a \$6.2 million addition to the other notes receivable. Redevelopment of the Green River Homes by Green River Homes II LLC under a Low Income Housing Tax Credit transaction resulted in an increase in other note receivables of \$12.5 million. See Note 7 for further information on the tax credit properties.

The maturity schedule for notes receivable follows:

<i>FISCAL YEAR</i>	<i>PRINCIPAL</i>	<i>INTEREST **</i>	<i>TOTAL</i>
2012	9,336,655	2,105,347	11,442,002
2013	75,517,593	1,880,488	77,398,081
2014	2,458,514	2,021,338	4,479,852
2015	1,605,863	2,006,559	3,612,422
2016	4,057,067	2,000,008	6,057,075
2017-2021	8,384,511	9,866,483	18,250,994
2022-2026	9,206,476	9,042,664	18,249,140
2027-2031	16,517,014	7,348,853	23,865,867
2032-2036	17,141,899	5,810,767	22,952,666
2037-2041	12,808,552	4,638,937	17,447,490
2042-2046	17,132,642	1,773,230	18,905,872
2047-2051	5,043,753	62,942	5,106,695
2052-2056	809,541	494,434	1,303,975
2057-2061	9,688,554	22,384	9,710,938
NOTE RECEIVABLE BALANCE	\$ 189,708,634	\$ 49,074,434	\$ 238,783,068

** On amortizing notes.

The maturity schedule for financing leases receivable follows:

<i>FISCAL YEAR</i>	<i>PRINCIPAL</i>	<i>INTEREST **</i>	<i>TOTAL</i>
2012	1,246,771	2,325,742	3,572,513
2013	20,344,666	2,261,682	22,606,348
2014	4,990,379	2,191,656	7,182,035
2015	1,465,373	1,922,361	3,387,734
2016	1,540,597	1,818,210	3,358,807
2017-2021	8,457,181	7,918,938	16,376,119
2022-2026	10,753,407	5,107,754	15,861,161
2027-2031	24,873,272	1,966,280	26,839,552
2032-2036	1,399,944	583,944	1,983,888
2037-2041	1,359,745	259,950	1,619,695
2042-2046	6,624,199	35,528	6,659,727
2047-2051	133,687	29,021	162,708
2052-2056	173,226	4,994	178,220
2057-2061	22,175,000	-	22,175,000
FINANCING LEASE RECEIVABLE	\$ 105,537,447	\$ 26,426,060	\$ 131,963,507

** Unearned interest.

NOTE 6 – CAPITAL ASSETS

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

	Beginning Balances	Additions	Disposals	Ending Balances
NONDEPRECIABLE:				
Land	\$ 57,667,372	\$ 6,304,323	\$ (8,811,812)	\$ 55,159,883
Land Improvements	4,529,013	-	(1,754,041)	2,774,972
Construction-in-progress				
Greenbridge Project	75,381,296	16,219,023	(24,708,156)	66,892,163
Other	23,601,042	15,958,355	(20,784,050)	18,775,347
Total Nondepreciable	<u>161,178,723</u>	<u>38,481,701</u>	<u>(56,058,059)</u>	<u>143,602,366</u>
DEPRECIABLE:				
Land Improvements	18,189,287	258,460	(959,942)	17,487,806
Buildings	211,255,668	26,467,881	(3,132,721)	234,590,828
Equipment	3,112,164	2,347,279	(297,995)	5,161,447
Total Depreciable	<u>232,557,119</u>	<u>29,073,620</u>	<u>(4,390,658)</u>	<u>257,240,081</u>
TOTAL CAPITAL ASSETS:	393,735,842	67,555,322	(60,448,717)	400,842,447
Accumulated Depreciation	<u>(113,330,828)</u>	<u>(7,822,009)</u>	<u>2,605,193</u>	<u>(118,547,645)</u>
NET CAPITAL ASSETS	\$ 280,405,014	\$ 59,733,313	\$ (57,843,524)	\$ 282,294,802

Capital asset activity resulted primarily from transactions associated with the Greenbridge redevelopment project and the purchases of Kirkland Place, Island Crest Apartments, and Meadowbrook Apartments. Other major capital asset activity was capital projects funded by the American Recovery and Reinvestment Act of 2009.

Of the \$67.5 million of additions to the capital assets, approximately \$16.2 million was attributable to the Greenbridge project construction-in-process while other construction-in-process was a result \$4.6 million of capital projects funded by ARRA combined with various other rehabilitation and upgrade projects. Other capital asset additions include \$12.1 for the purchase of the Meadowbrook Apartments, \$3.6 million for the purchase of Island Crest, and \$1.2 million for the purchase of Kirkland Place.

Of the \$60.4 million net capital asset dispositions, approximately \$4.3 million represents the disposal of public housing assets at Green River Homes. \$12.7 million represents disposition of Wonderland and Tall Cedars as a result of the New Market Tax Credit transaction. Approximately \$17 million, \$5.5 million, and \$1.6 million of disposals from the Greenbridge construction-in-process represented capital assets sold to the Eastbridge Apartments LLC, Sixth Place Apartments LLLP, and Zephyr Apartments LLLP, respectively.

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. The components of outstanding debt at December 31, 2011 and the fiscal year activity are stated below.

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements/ Payments</u>	<u>Ending Balance</u>	<u>Current Portion</u>
Revenue Bonds	\$ 137,112,492	\$ 9,500,000	\$ (4,700,996)	\$ 141,911,496	\$ 4,880,504
Demand Bonds	87,720,000	-	\$ (1,790,000)	85,930,000	1,397,216
Mortgage Notes	2,724,078	-	\$ (96,426)	2,627,652	103,746
Financing Lease	2,047,540	-	\$ (249,789)	1,797,751	262,608
Lines of Credit	76,850,743	29,006,784	\$ (51,023,665)	54,833,860	21,992,508
Notes Payable	8,389,563	-	\$ (7,851)	8,381,712	25,701
	<u>\$ 314,844,416</u>	<u>\$ 38,506,784</u>	<u>\$ (57,868,727)</u>	<u>\$ 295,482,471</u>	<u>\$ 28,662,285</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	\$ 5,380,000	\$ 280,000
Fairwood	1995	5,260,000	3.80-5.60%	2026	3,522,104	165,000
Rural Housing	1997	2,230,000	4.50-5.75%	2028	1,647,009	60,000
Laurelwood	1997	2,500,000	4.40-6.00%	2028	1,799,464	70,000
Heritage Park	1998	4,950,000	4.15-5.60%	2030	3,745,015	125,000
Windsor Heights	1998	10,650,000	4.00-5.40%	2029	7,795,548	295,000
Alpine Ridge	1999	2,875,000	4.25-6.40%	2031	2,320,423	65,000
Colonial Gardens	1999	4,950,000	3.75-6.20%	2031	3,980,000	115,000
Somerset	1999	3,605,000	4.80-6.80%	2014	3,605,000	-
Somerset (Kv)	1999	2,535,000	4.80-6.80%	2031	2,044,355	55,000
Eastwood Square	2001	4,000,000	5.35-5.45%	2041	3,630,000	50,000
Somerset	2001	3,895,000	5.00%	2033	3,280,000	85,000
Southwood Square	2001	5,000,000	2.25-6.00%	2032	4,066,514	110,000
Greenbridge - Nia	2006	3,000,000	5.41-5.87%	2037	2,940,000	35,000
Seola Crossing 1	2006	1,650,000	6.38%	2047	1,626,605	7,388
Seola Crossing 2	2006	5,050,000	6.38%	2047	4,978,396	22,612
Egis	2007	8,000,000	4.00%	2027	6,715,000	295,000
Soosette Creek	2008	37,500,000	0.00-0.65%	2058	34,665,000	1,760,000
Total tax credit		\$ 116,035,000			\$ 97,740,432	\$ 3,595,000
<i>Other:</i>						
Woodridge Park	1995	4,860,000	4.50-6.35%	2026	3,263,008	155,000
1998 Pool	1998	32,955,000	4.35-5.65%	2029	23,591,394	910,000
Central Office Building	2000	2,000,000	5.32%	2015	696,662	160,504
Greenbridge - Eastbridge Apts.	2008	7,120,000	5.65%	2029	7,120,000	60,000
Green River Homes II	2011	9,500,000	.75 -2%	2024	9,500,000	-
Total other		\$ 56,435,000			\$ 44,171,064	\$ 1,285,504
Total revenue bonds		\$ 172,470,000			\$ 141,911,496	\$ 4,880,504
Demand Bonds:						
<i>Tax Credit:</i>						
Overlake	2000	\$ 23,725,000	0.28-2.61%	2043	\$ 23,400,000	\$ 85,000
Total tax credit		\$ 23,725,000			\$ 23,400,000	\$ 85,000
<i>Other:</i>						
Landmark	2002	\$ 18,500,000	0.28-2.56%	2043	\$ 17,225,000	\$ 275,000
2005 Pool	2005	46,290,000	0.33%	2035	41,100,000	987,216
Salmon Creek	2008	4,205,000	1.10-2.61%	2048	4,205,000	50,000
Total other		\$ 68,995,000			\$ 62,530,000	\$ 1,312,216
Total demand bonds		\$ 92,720,000			\$ 85,930,000	\$ 1,397,216
Mortgage Notes:						
<i>Tax Credit:</i>						
Rural Housing	1998	\$ 1,350,949	7.25%	2033	\$ 1,129,500	\$ 26,084
Total tax credit		\$ 1,350,949			\$ 1,129,500	\$ 26,084
<i>Other:</i>						
Parkway - 2	1995	1,568,000	9.25%	2035	\$ 1,422,866	17,951
Westminster	2010	165,994	7.00%	2013	\$ 75,286	59,711
Total other		\$ 1,733,994			\$ 1,498,152	\$ 77,662
Total mortgage notes		\$ 3,084,943			\$ 2,627,652	\$ 103,746

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

	Fiscal Year Issued	Amount Issued	Interest Rates	Fiscal Year Maturity	Amount Outstanding	Current Portion
Financing Lease:						
ESCO	2005	\$ 3,900,000	3.90%	2018	\$ 1,797,751	\$ 262,608
Total financing leases		<u>\$ 3,900,000</u>			<u>\$ 1,797,751</u>	<u>\$ 262,608</u>
Lines of Credit:						
<i>Tax Credit:</i>						
Zephyr	2009	4,500,000	1.38%	2012	4,500,000	4,500,000
New Market Tax Credit	2011	11,500,000	2.25%	2012	7,716,183	7,716,183
Total tax credit		<u>\$ 16,000,000</u>			<u>\$ 12,216,183</u>	<u>\$ 12,216,183</u>
<i>Other:</i>						
Burien Park	2010	1,214,764	1.62%	2013	683,361	429,000
Greenbridge - Nia	2010	15,000,000	1.02 % - 1.5 %	2012	2,707,173	2,707,173
Seola Gardens	2010	20,000,000	1.38% -1.51%	2013	13,440,462	-
Sixth Place Apts	2010	5,500,000	1.02% - 1.373%	2012	2,609,552	2,609,552
Bank of America Line of Credit:	2010	10,000,000	1.27%	2012	8,304,699	1,230,600
<i>Kirkland Place</i>					<i>1,230,600</i>	<i>1,230,600</i>
<i>Central Office Annex</i>					<i>6,310,000</i>	-
<i>Island Crest</i>					<i>764,099</i>	-
Island Crest	2011	2,800,000	1.37% - 1.68%	2012	2,800,000	2,800,000
Meadowbrook Apts.	2011	15,000,000	2.05%	2013	12,072,428	-
Total		<u>\$ 69,514,764</u>			<u>\$ 42,617,675</u>	<u>\$ 9,776,325</u>
Total lines of credit		<u>\$ 85,514,764</u>			<u>\$ 54,833,858</u>	<u>\$ 21,992,508</u>
Notes Payable:						
<i>Tax Credit:</i>						
Somerset - Bellevue	2000	\$ 700,000	1.00%	2030	\$ 700,000	\$ -
Somerset	2000	400,000	1.00%	2032	365,673	3,278
Eastwood Square	2001	600,000	6.95%	2041	558,039	5,961
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	1,950,000	-
Total tax credit		<u>\$ 8,064,000</u>			<u>\$ 7,281,712</u>	<u>\$ 9,239</u>
<i>Other:</i>						
Hidden Village - Bellevue	1992	\$ 200,000	5.00%	2042	\$ 200,000	\$ 5,368
Spiritwood - Bellevue	1992	400,000	5.00%	2042	400,000	11,095
Spiritwood - State	1992	207,843	5.00%	2043	207,843	-
Hidden Village - State	1992	292,157	5.00%	2044	292,157	-
Total other		<u>\$ 1,100,000</u>			<u>\$ 1,100,000</u>	<u>\$ 16,462</u>
Total notes payable		<u>\$ 9,164,000</u>			<u>\$ 8,381,712</u>	<u>\$ 25,701</u>
TOTAL LONG-TERM OBLIGATIONS		<u>\$ 366,853,707</u>			<u>\$ 295,482,469</u>	<u>\$ 28,662,285</u>

The schedule of principal payments follows:

Debt Service - Principal	Revenue Bonds	Demand Bonds	Mortgage Notes	Financing Lease	Lines of Credit	Notes	Total
2012	4,880,504	1,397,216	103,746	262,608	21,992,509	25,701	28,662,286
2013	5,199,214	1,178,392	63,298	273,034	32,841,348	19,026	39,574,313
2014	11,327,034	1,231,728	51,725	283,874	-	25,768	12,920,129
2015	6,632,182	1,297,324	56,067	295,144	-	24,209	8,304,927
2016	6,808,636	1,350,288	60,781	306,862	-	68,913	8,595,480
2017-2021	34,423,180	8,411,759	389,981	376,227	-	389,880	43,991,027
2022-2026	32,261,024	11,125,979	585,616	-	-	816,546	44,789,165
2027-2031	23,194,722	14,224,388	803,507	-	-	532,925	38,755,542
2032-2036	8,220,000	14,227,925	512,931	-	-	701,657	23,662,513
2037-2041	6,775,000	6,335,000	-	-	-	530,827	13,640,827
2042-2046	2,190,000	24,720,000	-	-	-	852,660	27,762,660
2047-2051	-	430,000	-	-	-	2,039,732	2,469,732
2052-2056	-	-	-	-	-	153,867	153,867
2057-2061	-	-	-	-	-	2,200,000	2,200,000
Total	\$ 141,911,497	\$ 85,930,000	\$ 2,627,652	\$ 1,797,751	\$ 54,833,857	\$ 8,381,712	\$ 295,482,469

The schedule of interest payments follows:

Debt Service - Interest	Revenue Bonds	Demand Bonds	Mortgage Notes	Financing Lease	Lines of Credit	Notes	Total
2012	7,320,581	1,317,526	215,286	65,337	11,000	83,552	9,013,281
2013	7,131,239	1,316,276	208,401	54,911	-	90,227	8,801,055
2014	6,823,820	1,314,964	204,217	44,071	-	96,829	8,483,901
2015	6,335,878	1,313,589	199,875	32,801	-	98,388	7,980,531
2016	6,040,711	1,312,214	195,162	21,083	-	97,170	7,666,340
2017-2021	25,460,253	6,538,254	889,732	9,077	-	458,045	33,355,361
2022-2026	16,831,670	6,493,377	694,095	-	-	440,448	24,459,590
2027-2031	8,108,541	6,437,623	409,099	-	-	391,841	15,347,104
2032-2036	4,039,501	6,215,274	164,902	-	-	376,160	10,795,837
2037-2041	1,374,096	5,519,293	-	-	-	171,973	7,065,362
2042-2046	419,178	2,233,988	-	-	-	71,359	2,724,525
2047-2051	-	5,941	-	-	-	64,306	70,247
2052-2056	-	-	-	-	-	57,387	57,387
2057-2061	-	-	-	-	-	22,384	22,384
Total	\$ 89,885,468	\$ 40,018,319	\$ 3,180,769	\$ 227,281	\$ 11,000	\$ 2,520,069	\$ 135,842,905

The schedule of debt service payments follows:

Debt Service - Total	Revenue Bonds	Demand Bonds	Mortgage Notes	Financing Lease	Lines of Credit	Notes	Total
2012	12,201,085	2,714,743	319,032	327,945	22,003,509	109,253	37,675,567
2013	12,330,453	2,494,669	271,699	327,945	32,841,348	109,253	48,375,367
2014	18,150,854	2,546,692	255,942	327,945	-	122,597	21,404,030
2015	12,968,061	2,610,913	255,942	327,945	-	122,597	16,285,458
2016	12,849,347	2,662,501	255,942	327,945	-	166,084	16,261,820
2017-2021	59,883,433	14,950,014	1,279,713	385,305	-	847,925	77,346,389
2022-2026	49,092,694	17,619,356	1,279,711	-	-	1,256,994	69,248,756
2027-2031	31,303,263	20,662,011	1,212,606	-	-	924,766	54,102,646
2032-2036	12,259,501	20,443,199	677,833	-	-	1,077,817	34,458,350
2037-2041	8,149,096	11,854,293	-	-	-	702,800	20,706,189
2042-2046	2,609,178	26,953,988	-	-	-	924,019	30,487,185
2047-2051	-	435,941	-	-	-	2,104,038	2,539,979
2052-2056	-	-	-	-	-	211,254	211,254
2057-2061	-	-	-	-	-	2,222,384	2,222,384
Total	\$ 231,796,965	\$ 125,948,319	\$ 5,808,421	\$ 2,025,031	\$ 54,844,857	\$ 10,901,781	\$ 431,325,374

NOTE 8-DEMAND BONDS

The Authority had \$85.9 million in outstanding variable rate demand bonds on three projects and one 8-project bond pool. The Landmark Apartments (Landmark) had \$17.2 million, the Village at Overlake Station (Overlake) had \$23.4 million, Salmon Creek Apartments had \$4.2 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 \$41.1 million outstanding, respectively, at December 31, 2011. The bonds for each have the following common characteristics:

- Credit enhancements have been obtained for each of the bond issuances. For Overlake the credit enhancement is in the form of a Letter of Credit (LOC) and is equal to the outstanding bond balance plus one interest payment, priced at 0.2% of the facility. For the 2005 Pool, the credit enhancement is in the form of a direct pay credit enhancement agreement issued by the Federal Home Loan Mortgage Corporation priced at 0.3% of the facility.
- The credit enhancements are intended to not only provide security to bondholders, but also to pay periodic interest payments for which the Authority regularly reimburses the credit enhancement providers.
- The Banc of America Securities LLC acts as remarketing agent, reselling at market rates any bonds sold by bondholders. It has committed to repurchasing bonds for its own portfolio if the bonds cannot be resold on the open market.
- Interest rates are recalculated weekly, based on the rate at which bonds can be remarketed.
- The bonds are subject to an annual remarketing fee of 0.05% of the outstanding amount of the bonds or \$5,000 whichever is greater.
- Underlying source of repayment for the bonds is the revenues produced by the respective properties.

- In conjunction with the sale of these bonds, the Authority entered into interest rate swap agreements as a cash flow hedge to reduce the volatility related to variable rate interest debt.
- Bonds are convertible to fixed rate at the Authority's option.

The Landmark bond matures in 2042. At December 31, 2011 the variable rate on the bonds was 0.17%. The Landmark 2002 variable rate demand note bonds have a year-end principal balance of \$17,225,000, after a July 1, 2011 principal payment of \$450,000 and a December 1, 2011 principal payment of \$275,000. An Irrevocable Letter of Credit, issued by Bank of America, was extended from an expiration of July 10, 2011 to July 10, 2013. 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, 2011 the variable rates on the bonds was 0.17%. 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, 2011, the notional amount was \$22,290,000 and the fair market value of the swap contract was (\$910,667).

Salmon Creek Apartments bond matures in 2047. At December 31, 2011 the variable rate on the bond was 0.17%. The Salmon Creek variable rate demand bond had a year-end principle balance of \$4,205,000. This bond has a swap agreement in place, but not held by the Authority. The interest the Authority pays through the swap agreement is 3.988%.

The 2005 bond pool bonds mature in 2035. At December 31, 2011 the variable rate on the bonds was 0.074%. The credit enhancement agreement is for a fixed term of 15 years and, upon maturity of the credit facility, the Authority will either refinance the bond issue or obtain another credit enhancement. The Authority has entered into three swap contracts with respect to the bonds. Under the swap contract terms, the Authority pays a fixed rate of 3.87%; 3.459%; and 3.609% and receives a variable rate equal to the weekly weighted average of SIFMA resets for the respective period on the applicable notional amounts. As of December 31, 2011, the notional amounts were \$22,265,000, \$9,753,392, and \$8,906,000 respectively and the aggregate fair market value of the swaps was (\$5,298,776).

NOTE 9 - DERIVATIVE INSTRUMENTS

a) Summary of Derivative Instruments

At December 31, 2011, the Authority had the following derivative instruments outstanding:

	Changes in Fair Value		Fair Value at December 31, 2011		Notional
	Classification	Amount	Classification	Amount	
Governmental Activities					
Investment derivatives:					
Pay-fixed interest rate swaps					
B of A, Overlake Swap	Investment Income	\$ 737,870	Investment	\$ (910,667)	\$ 22,290,000
Wachovia, 2005 Pool A	Investment Income	(1,263,891)	Investment	(3,469,174)	\$ 22,265,000
B of A, 2005 Pool B	Investment Income	(110,030)	Investment	(887,795)	\$ 8,906,000
B of A, 2005 Pool C	Investment Income	(136,457)	Investment	(941,808)	\$ 9,753,392
		\$ (772,508)		\$ (6,209,443)	

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 "Investment 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/A2/A) and Wells Fargo Bank, N.A. (AA-/Aa3/AA-)
- There is no potential loss if the counterparties fail to fulfill their obligations. The exposure for the interest rate swaps is \$1,540,767 and the total negative mark is \$6,464,748.49. Technically, KCHA has no risk to its counterparties because the negative mark exceeds the exposure.
- 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), Salmon Creek (White Center), 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 \$157,500 in 2011.

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 \$2,175,490 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.

Partnership Name	Alpine Ridge	Colonial Gardens	Cones	Eastbridge	Egis	Green River Homes	Harrison House Apts.
Fiscal Year Acquired / Sold	1999	1999	2003	2010	2007	2004	2004
ASSETS, LIABILITIES AND NET ASSETS:							
ASSETS							
Cash and investments	\$ 527,046	\$ 889,488	\$ 634,403	\$ 1,002,103	\$ 1,205,618	\$ 586,887	\$ 658,796
Receivables and other	58,014	87,933	11,361	262,895	838,013	66,437	113,594
Capital assets, net	2,938,179	5,122,066	8,800,558	21,595,913	64,314,849	7,227,463	6,833,998
Total Assets	\$3,523,239	\$ 6,099,487	\$9,446,322	\$ 22,860,911	\$ 66,358,480	\$ 7,880,787	\$ 7,606,388
LIABILITIES & NET ASSETS							
LIABILITIES							
Current liabilities	\$ 344,863	\$ 453,759	\$ 110,743	\$ 48,406	\$ 289,159	\$ 240,816	\$ 271,423
Long-term liabilities	2,449,772	3,864,208	5,284,263	10,691,385	51,865,509	4,718,798	5,959,857
NET ASSETS	728,604	1,781,520	4,051,316	12,121,120	14,203,812	2,921,173	1,375,108
Total Liabilities & Net Assets	\$3,523,239	\$ 6,099,487	\$9,446,322	\$ 22,860,911	\$ 66,358,480	\$ 7,880,787	\$ 7,606,388
REVENUE, EXPENSES AND CHANGE IN NET ASSETS:							
OPERATING REVENUES	\$ 496,397	\$ 868,132	\$ 851,542	\$ 1,150,879	\$ 2,110,293	\$ 609,186	\$ 642,903
OPERATING EXPENSES							
Administrative	97,933	136,595	264,234	257,590	1,277,678	186,447	207,481
Operating and maintenance	196,102	279,865	365,664	243,564	731,130	159,786	182,811
Depreciation	94,926	169,441	274,662	1,236,486	1,824,886	343,802	318,295
Total Operating Expense	388,961	585,901	904,560	1,737,640	3,833,694	690,035	708,587
Total Operating Income	107,436	282,231	(53,018)	(586,761)	(1,723,401)	(80,849)	(65,684)
NONOPERATING REVENUES (EXPENSES)							
Grant Revenue	-	-	-	-	-	-	-
Investment income	6,067	19,421	959	72	-	-	-
Interest expense	(148,457)	(241,923)	(184,905)	(622,826)	(856,786)	(184,652)	(240,553)
Gain (loss) on disposal of assets	-	-	-	-	-	-	-
Other revenue (expense)	-	-	-	-	-	-	-
Total nonoperating revenues (expenses)	(142,390)	(222,502)	(183,946)	(622,754)	(856,786)	(184,652)	(240,553)
Total Net Income (Loss)	(34,954)	59,729	(236,964)	(1,209,515)	(2,580,187)	(265,501)	(306,237)
Contributions (distributions)	-	160,111	(5,972)	14,344,827	-	-	-
CHANGE IN NET ASSETS	(34,954)	219,840	(242,936)	13,135,312	(2,580,187)	(265,501)	(306,237)
Beginning Net Assets	763,558	1,561,680	4,294,252	(1,014,192)	16,783,999	3,186,674	1,681,345
Adjustment for accounting change							
Restated Beginning Net Assets	763,558	1,561,680	4,294,252	(1,014,192)	16,783,999	3,186,674	1,681,345
Total Ending Net Assets	\$ 728,604	\$ 1,781,520	\$4,051,316	\$ 12,121,120	\$ 14,203,812	\$ 2,921,173	\$ 1,375,108

Partnership Name	Heritage Park	Kona Village	Laurelwood Gardens	Nia	Overlake TOD Housing	Rural Housing	Salmon Creek
Fiscal Year Acquired / Sold	1999	1999	1997	2008	2000	1997	2009
ASSETS, LIABILITIES AND NET ASSETS:							
ASSETS							
Cash and investments	\$ 835,623	\$ 1,748,233	\$ 985,201	\$ 378,340	\$ 2,707,174	\$ 587,598	\$ 435,805
Receivables and other	111,362	148,292	52,301	266,817	276,141	101,934	251,100
Capital assets, net	5,398,875	13,868,582	3,270,580	18,116,500	31,144,579	3,829,495	20,487,309
Total Assets	\$ 6,345,860	\$ 15,765,107	\$ 4,308,082	\$ 18,761,657	\$ 34,127,894	\$ 4,519,027	\$ 21,174,214
LIABILITIES & NET ASSETS							
LIABILITIES							
Current liabilities	\$ 487,301	\$ 956,855	\$ 173,149	\$ 50,770	\$ 317,379	\$ 133,729	\$ 57,980
Long-term liabilities	3,677,678	10,083,813	2,859,400	8,371,951	28,012,436	3,583,965	9,034,898
NET ASSETS	2,180,881	4,724,439	1,275,533	10,338,936	5,798,079	801,333	12,081,336
Total Liabilities & Net Assets	\$ 6,345,860	\$ 15,765,107	\$ 4,308,082	\$ 18,761,657	\$ 34,127,894	\$ 4,519,027	\$ 21,174,214
REVENUE, EXPENSES AND CHANGE IN NET ASSETS:							
OPERATING REVENUES	\$ 901,793	\$ 1,834,817	\$ 846,154	\$ 594,877	\$ 3,348,688	\$ 825,989	\$ 708,841
OPERATING EXPENSES							
Administrative	184,790	314,341	237,169	205,846	616,727	303,226	244,765
Operating and maintenance	306,826	611,543	395,721	196,245	741,406	316,313	744,285
Depreciation	184,247	378,086	182,880	793,622	1,109,892	219,170	638,020
Total Operating Expense	675,863	1,303,970	815,770	1,195,713	2,468,025	838,709	1,627,070
Total Operating Income	225,930	530,847	30,384	(600,836)	880,663	(12,720)	(918,229)
NONOPERATING REVENUES (EXPENSES)							
Grant Revenue	-	-	-	-	-	-	-
Investment income	282	18,068	9,635	283	3,584	7,213	50
Interest expense	(212,867)	(656,338)	(145,753)	(331,395)	(1,248,873)	(126,975)	(386,607)
Gain (loss) on disposal of assets	-	-	-	-	-	-	-
Other revenue (expense)	-	-	-	-	-	-	-
Total nonoperating revenues (expenses)	(212,585)	(638,270)	(136,118)	(331,112)	(1,245,289)	(119,762)	(386,557)
Total Net Income (Loss)	13,345	(107,423)	(105,734)	(931,948)	(364,626)	(132,482)	(1,304,786)
Contributions (distributions)	368,995	1,564,926	-	-	-	-	-
CHANGE IN NET ASSETS	382,340	1,457,503	(105,734)	(931,948)	(364,626)	(132,482)	(1,304,786)
Beginning Net Assets	1,798,541	3,266,936	1,381,267	11,270,884	6,162,705	933,815	13,386,122
Adjustment for accounting change							
Restated Beginning Net Assets	1,798,541	3,266,936	1,381,267	11,270,884	6,162,705	933,815	13,386,122
Total Ending Net Assets	\$ 2,180,881	\$ 4,724,439	\$ 1,275,533	\$ 10,338,936	\$ 5,798,079	\$ 801,333	\$ 12,081,336

Partnership Name	Seatac	Seola Crossing	South- wood Square	Soosette Creek	Sixth Place	Zephyr	GRAND TOTAL
Fiscal Year Acquired / Sold	1998	2007	2001	2008	2010	2010	
ASSETS, LIABILITIES AND NET ASSETS:							
ASSETS							
Cash and investments	\$ 2,915,100	\$ 1,140,968	\$ 1,061,762	\$ 3,945,948	\$ 93,316	\$ 52,692	\$ 22,392,101
Receivables and other	88,484	426,117	89,100	969,226	42,866	95,498	4,357,485
Capital assets, net	13,948,247	35,195,623	7,084,039	90,754,127	9,501,324	7,453,218	376,885,524
Total Assets	\$ 16,951,831	\$ 36,762,708	\$ 8,234,901	\$ 95,669,301	\$ 9,637,506	\$ 7,601,408	\$ 403,635,110
LIABILITIES & NET ASSETS							
LIABILITIES							
Current liabilities	\$ 1,127,360	\$ 179,846	\$ 375,823	\$ 4,703,521	\$ 453,485	\$ 15,547	\$ 10,791,914
Long-term liabilities	10,134,956	19,589,558	5,530,244	65,028,272	9,381,762	7,818,384	267,941,109
NET ASSETS	5,689,515	16,993,304	2,328,834	25,937,508	(197,741)	(232,523)	124,902,087
Total Liabilities & Net Assets	\$ 16,951,831	\$ 36,762,708	\$ 8,234,901	\$ 95,669,301	\$ 9,637,506	\$ 7,601,408	\$ 403,635,110
REVENUE, EXPENSES AND CHANGE IN NET ASSETS:							
OPERATING REVENUES	\$ 2,613,359	\$ 1,668,441	\$ 1,056,956	\$ 3,840,797	\$ 92,160	\$ 99,517	\$ 25,161,721
OPERATING EXPENSES							
Administrative	606,273	235,146	246,874	970,623	93,574	67,531	6,754,843
Operating and maintenance	1,065,495	776,297	337,842	593,448	34,712	71,566	8,350,620
Depreciation	460,176	1,284,318	218,817	2,617,881	180,647	130,108	12,660,362
Total Operating Expense	2,131,944	2,295,761	803,533	4,181,952	308,933	269,205	27,765,826
Total Operating Income	481,415	(627,320)	253,423	(341,155)	(216,773)	(169,688)	(2,604,105)
NONOPERATING REVENUES (EXPENSES)							
Grant Revenue	-	-	-	-	-	-	-
Investment income	40,886	356	17,112	655	-	44	124,687
Interest expense	(476,775)	(962,855)	(298,626)	(1,395,179)	(16,068)	(62,979)	(8,801,392)
Gain (loss) on disposal of assets	-	-	-	-	-	-	-
Other revenue (expense)	-	-	-	-	-	-	-
Total nonoperating revenues (expenses)	(435,889)	(962,499)	(281,514)	(1,394,524)	(16,068)	(62,935)	(8,676,705)
Total Net Income (Loss)	45,526	(1,589,819)	(28,091)	(1,735,679)	(232,841)	(232,623)	(11,280,810)
Contributions (distributions)	-	-	(6,149)	28,102,558	35,100	-	44,564,396
CHANGE IN NET ASSETS	45,526	(1,589,819)	(34,240)	26,366,879	(197,741)	(232,623)	33,283,586
Beginning Net Assets	5,643,989	18,583,123	2,363,074	(429,371)	-	100	91,618,501
Adjustment for accounting change							-
Restated Beginning Net Assets	5,643,989	18,583,123	2,363,074	(429,371)	-	100	91,618,501
Total Ending Net Assets	\$ 5,689,515	\$ 16,993,304	\$ 2,328,834	\$ 25,937,508	\$ (197,741)	\$ (232,523)	\$ 124,902,087

NOTE 11 – SUPPLEMENTAL FINANCIAL INFORMATION

Following are details of selected financial statement line items.

Other Revenue:

Portability administrative fee from other authorities	\$	1,612,121	
Conduit Loan Fees		190,933	
Manufactured Home Sales		132,097	
Non-Dwell Rent		166,971	
Weatherization Owner Contributions		334,168	
Property Management Fees		919,023	
Service Fees		610,505	
Developer fees		157,500	
Unit Upgrade		2,204,539	
Other		509,888	\$ 6,837,745

Net Gain (Loss) on Disposal of Capital Assets:

Green River Homes Disposition		3,118,299	
Wonderland Disposition		(3,540,217)	
Tall Cedars Disposition		5,564,177	
Other	\$	47,301	\$ 5,189,560

Current Receivables:

Grants: HUD, Section 8 program	\$	20,457	
Grants: HUD, other programs		1,269,908	
Grants: Department of Energy ARRA		657,389	
Grants: Bellevue CDBG		118,001	
Grants: Washington State Housing Trust Fund		1,470,000	
Grants: Other		311,146	
Notes and financing leases		10,580,147	
Interest: Notes and financing lease		905,740	
Tenants		247,052	
Tax Credit Partnerships		2,030,550	
Investments		156,147	
Other		852,281	\$ 18,618,818

Other Current Assets:

Prepaid insurance and other	\$	529,853	
Materials & mobile home inventory		362,951	\$ 892,804

Noncurrent Receivables:

Notes and financing leases	\$	284,662,656	
Noncurrent interest		10,394,429	\$ 295,057,085

Other Noncurrent Assets:

Investment in tax credit properties and other	\$	2,620,477	
Unamortized bond issuance costs		2,150,107	\$ 4,770,584

Other Current Liabilities:

Accounts payable	\$	3,803,791	
Interest payable		2,186,315	
Accrued compensated absences		2,432,346	
Tenant security deposits		1,387,472	
Contract retention		1,797,199	
Accrued wages and benefits		1,268,751	
Family Self Sufficiency escrow		541,111	
Prepaid revenue and other		1,133,832	\$ 14,550,817

Other Noncurrent Liabilities:

Deferred revenue		826,049	
Noncurrent interest		332,900	\$ 1,158,949

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 1,197 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2010:

Retirees and Beneficiaries Receiving Benefits	76,899
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	28,860
Active Plan Members Vested	105,521
Active Plan Members Non-vested	51,005
Total	262,285

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, 2011, are as follows:

	<i>PERS Plan 1</i>	<i>PERS Plan 2</i>	<i>PERS Plan 3</i>
Employer*	7.25%**	7.25%**	7.25%***
Employee	6.00%****	4.64%****	*****

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

** The employer rate for state elected officials is 10.80% for Plan 1 and 7.25% for Plan 2 and Plan 3.

*** Plan 3 defined benefit portion only.

**** The employee rate for state elected officials is 7.50% for Plan 1 and 4.64% 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
2011	\$ 60,503	\$ 1,002,941	\$ 172,803
2010	\$ 51,061	\$ 825,346	\$ 143,608
2009	\$ 79,764	\$ 1,033,485	\$ 161,795

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	Dec 31 Balance
Baptist Rest Home Association	Refinancing of an existing 82 unit building known as Fred Lind Manor, located in Seattle, WA	May 1, 1997	\$3,580,000
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	\$1,995,000
St. Andrews Housing Group	Acquisition of a 59-unit apartment complex located on Mercer Island, Washington, known as Ellsworth House.	October 20, 1999	\$2,607,123
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	\$6,515,000
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	\$5,995,205
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	\$9,702,086
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	\$7,071,610
Summerfield	Acquisition of an existing 52 unit affordable apartment complex in the City of Bellevue known as Summerfield Apartments	September 1, 2005	\$3,160,000
Eernisse Apartments	Construction of a 26 unit affordable rental townhouse project on Vashon Island known as Eernisse Apartments.	December 20, 2005	\$1,593,379
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, 2011 the Authority had the following contractual obligations on construction projects:

Ballinger	\$ 104,294
Boulevard Manor	2,517,379
Briarwood	713,106
Casa Juanita	340,550
Cascade Homes	3,590,818
Eastridge	239,221
Evergreen Court	57,722
Forest Glen/Avondale	741,222
Juanita Trace	102,853
Lakehouse	263,065
Northridge I & II	600,143
Pacific Court	369,848
Seola Gardens - Joseph house	6,685,702
Southridge House	300,128
Valli Kee	354,141
Wellswood	10,464
Total	\$ 16,990,656

NOTE 15 - RISK MANAGEMENT

The King County Housing Authority (KCHA) has the responsibility to systematically and continuously identify potential exposure to losses in terms of frequency and severity probability, and to apply sound risk control and financing techniques to minimize the impact of those potential losses. KCHA Risk Management has implemented programs to protect the Housing Authority against accidental and criminal losses that would significantly affect personnel, property, or budget by using a combination of loss control programs, purchased commercial insurance, voluntary self-insurance, participation in a risk-sharing pool or group, and contractual risk transfer via indemnification agreements.

For Public Housing, KCHA secures third-party liability insurance primarily through the Housing Authority Risk Retention Pool (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 \$25,000 deductible, except as respects Flood at noted locations, for a deductible of \$250,000 which are covered under National Flood Insurance Policies, subject to \$1,000 deductibles.

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

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

No active claims are anticipated to exceed the applicable limits of insurance secured from any of the listed providers.

NOTE 16 – SUBSEQUENT EVENTS

In February of 2012, the Authority received approval from HUD for disposition of 509 public housing units at 22 properties throughout King County. 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. The public housing developments that will be converted to project-based Section 8 are:

- Avondale Manor
- Bellevue 8
- Campus Court I
- Campus Court II
- Cedarwood
- Eastridge House
- Evergreen Court
- Federal Way Homes
- Forest Grove
- Glenview Heights
- Green Leaf
- Juanita Court
- Juanita Trace
- Kings Court
- Kirkwood Terrace
- Pickering Court
- Riverton Terrace (family property)
- Shoreham
- Victorian Woods
- Vista Heights
- Wellswood
- Youngs Lake

HOUSING AUTHORITY OF THE COUNTY OF KING
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2011

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		-	406,620
RAINIER II	10.415	LOAN		-	564,750
SI VIEW	10.415	LOAN		-	158,130
TOTAL - U.S. DEPARTMENT OF AGRICULTURE				-	1,129,500
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)					
LOWER INCOME HOUSING ASSISTANCE PROGRAM -					
SECTION 8 NEW CONSTRUCTION / SUBSTANTIAL REHABILITATION					
BURIEN PARK	14.182	WA19-8023-007		641,135	-
NORTHLAKE HOUSE	14.182	WA19-0049-002		273,528	-
NORTHWOOD	14.182	WA19-8023-006		259,889	-
MULTIFAMILY HOUSING SERVICE COORDINATORS:					
SENIOR HOUSING (2004)	14.191	WA19HS02005		95,984	-
SECTION 8 HAP PROGRAM - PROJECT-BASED SECTION 8					
HIDDEN VILLAGE	14.195	WA19M000184		254,609	-
PARKWAY	14.195	WA19M000203		368,652	1,406,495
ARRA -SECTION 8 HAP PROGRAM SPECIAL ALLOCATIONS:					
WESTMINSTER MANOR	14.317	WA19M000148		159,866	15,575
ECONOMIC DEVELOPMENT INITIATIVE: SPECIAL PROJECT, NEIGHBORHOOD INITIATIVE, AND MISCELLANEOUS GRANTS					
HUD EDI Special projects grant	14.251	B10-SP-WA-0234		133,761	-
LOWER INCOME HOUSING ASSISTANCE PROGRAM-					
SECTION 8 MODERATE REHABILITATION:					
TITUSVILLE	14.856	WA002MR0002		90,420	-
DEMOLITION AND REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING:					
HOPE VI	14.866	WA19URD002I101		35,541	-
HOPE VI	14.866	WA19URD002I108		1,633,127	-
RESIDENT OPPORTUNITY AND SUPPORTIVE SERVICES -SERVICE COORDINATORS					
SOMALI/SOMALI BANTU PROGRAM	14.870	WA002REF014A007		74,953	-
KENT EXPANDED COMPUTER CENTER	14.870	WA002RNN002A007		67,512	-
FSS PROJECT COORDINATOR-2010	14.870	WA002RFS196A009		27,971	-
FSS PROJECT COORDINATOR-2011	14.870	WA002RFS196A010		30,443	-
SECTION 8 HOUSING CHOICE VOUCHERS:					
SECTION 8 HOUSING CHOICE VOUCHERS	14.871	WA002		2,774,792	-
VETERAN'S AFFAIRS SUPPORTIVE HOUSING	14.871	WA002V		1,299,365	-
MAINSTREAM VOUCHERS					
SECTION 8 MAINSTREAM	14.879	WA002DV0022		2,491,348	
MOVING TO WORK DEMONSTRATION PROGRAM:					
SECTION 8 HOUSING CHOICE VOUCHERS	14.881	WA002		89,483,057	-
OPERATING SUBSIDY	14.881	WA002		8,294,471	-
CAPITAL FUND PROGRAM					
CFP-2010	14.881	WA19P002501-10		94,522	-
CFP-2010 (CFFP Debt Service)	14.881	WA19P002501-10		642,905	
CFP-2011	14.881	WA19P002501-11		437,854	-
RHF - 2010	14.881	WA19R002501-10		360,245	
RHF - 2010	14.881	WA19R002502-10		24,481	
RHF - 2011	14.881	WA19R002501-11		380,068	-
RHF - 2011	14.881	WA19R002502-11		205,127	

HOUSING AUTHORITY OF THE COUNTY OF KING
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2011

GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	OTHER ID NUMBER	PASS THROUGH ENTITY	CURRENT YEAR EXPENDITURES	DEBT LIABILITY BALANCE
ARRA- PUBLIC HOUSING CAPITAL FUND COMPETITIVE:					
Ballinger	14.884	WA00200010109E		5,269	-
Briarwood	14.884	WA00200015209R		625,761	-
Northridge II	14.884	WA00200015309E		582,474	-
Forest Glen	14.884	WA00200020109R		565,960	-
Juanita Trace I	14.884	WA00200020709E		564	-
Casa Juanita	14.884	WA00200025109E		278,094	-
Greenbridge Phase V	14.884	WA00200034109F		5,880,535	-
Boulevard Manor	14.884	WA00200035009R		1,409,941	-
Yardley Arms	14.884	WA00200035209E		119,308	-
Riverton Terrace	14.884	WA00200035409E		404,601	-
Valli Kee	14.884	WA00200040109E		9,597	-
Cascade Homes	14.884	WA00200040309E		1,454	-
Eastridge House	14.884	WA00200045109E		136,716	-
Wayland Arms	14.884	WA00200055009E		24,887	-
Southridge	14.884	WA00200055209E		170,621	-
CAPITAL FUND EDUCATION AND TRAINING					
COMMUNITY FACILITIES PROGRAM:					
CFCF - Firwood Circle	14.890	WA19C002501-10		60,650	-
CFCF - Valli Kee	14.890	WA19C002502-10		131,904	-
ARRA-HEALTHY HOMES DEMONSTRATION GRANT:					
HEALTHY HOMES GRANT	14.908	WALHH018608		236,324	-
TOTAL - U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)				121,280,285	1,422,070
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		2,403	-
TOTAL - U.S. DEPARTMENT OF HOMELAND SECURITY				2,403	-
SUBTOTAL DIRECT ASSISTANCE				121,282,688	2,551,570
PASS-THROUGH ASSISTANCE					
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)					
COMMUNITY DEVELOPMENT BLOCK GRANT/ENTITLEMENT GRANTS:					
BELLEVUE HOUSING REPAIR (2010)	14.218	CDBG-242	1	182,099	-
BELLEVUE HOUSING REPAIR (2011)	14.218	CDBG-251	1	141,052	-
KING COUNTY HOUSING REPAIR (2003)	14.218	C03461	2	56,494	-
ARRA-COMMUNITY DEVELOPMENT BLOCK GRANT ARRA ENTITLEMENT GRANTS:					
BELLEVUE HOUSING REPAIR (2009) ARRA Funded	14.253	CDBG-R	1	5,498	-
ECONOMIC DEVELOPMENT INITIATIVE: SPECIAL PROJECT, NEIGHBORHOOD INITIATIVE, AND MISCELLANEOUS GRANTS					
New Futures	14.251	B-10-SP-WA-0271	5	3,683	-
Bellevue Boys & Girls Club	14.251	B-10-SP-WA-0039	6	76,055	-
TOTAL - U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)				464,882	-
U.S. DEPARTMENT OF ENERGY					
WEATHERIZATION ASSISTANCE FOR LOW INCOME PERSONS:					
2009	81.042	F09-43103-413 DOE	3	505,414	-
2009 ARRA Funded	81.042	F09-431AR-413 DOE	3	2,026,429	-
DOE ARRA SERC	81.042	F10-431SE-413 DOE	3	283,627	-
2010	81.042	F10-43104-413 BPA	3	31,288	-
2011	81.042	F11-43104-413 BPA	3	50	-
TOTAL - U.S. DEPARTMENT OF ENERGY				2,846,808	-

HOUSING AUTHORITY OF THE COUNTY OF KING
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2011

GRANTOR PROGRAM TITLE	FEDERAL CFDA NUMBER	OTHER ID NUMBER	PASS THROUGH ENTITY	CURRENT YEAR EXPENDITURES	DEBT LIABILITY BALANCE
U.S. DEPARTMENT OF HUMAN AND HEALTH SERVICES					
LOW-INCOME HOME ENERGY ASSISTANCE:					
2010	93.568	F11-43101-413 HHS	3	438,973	-
TOTAL U.S. DEPARTMENT OF HUMAN AND HEALTH SERVICES				438,973	-
AMERICORPS					
ARRA - AMERICORPS					
AMERICORPS - (2010-2011)	94.006	ESD K1394	4	31,832	
AMERICORPS - (2011-2012)	94.006	ESD K1798	4	27,202	
TOTAL - AMERICORPS				59,035	-
SUBTOTAL PASS-THROUGH ASSISTANCE				3,809,698	-
TOTAL ASSISTANCE				125,092,385	2,551,570

Pass Through Entity:

- | | | | |
|---|---|---|---|
| 1 | City of Bellevue, WA | 4 | Washington State Employment Security Department |
| 2 | King County, Washington | 5 | New Futures |
| 3 | Washington State Department of Commerce | 6 | Bellevue Boys and Girls Club |

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, 2011

	Supportive Housing for Persons with Disabilities	Section 8 - New Construction	Multifamily Housing Service coordinators	Section 8 - Special Allocation	
	14.181	14.182	14.191	14.195	
Cash:					
111	Cash - unrestricted	\$ -	\$ 468,751	\$ 3,901	\$ 63,372
113	Cash - other restricted	-	390,310	-	1,033,013
114	Cash - tenant security deposits	-	28,618	-	12,206
100	Total cash	-	887,679	3,901	1,108,591
Accounts and notes receivables:					
121	AR - PHA projects	-	-	-	-
122	AR - HUD other projects	-	-	22,436	-
124	Accounts receivable - other government	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-
126	Accounts receivable- tenants	-	1,673	-	4,292
126	Allowance for doubtful accounts - tenants	-	-	-	(1,000)
120	Total receivables, net of allowances	-	1,673	22,436	3,292
Current investments:					
131	Investments - unrestricted	-	-	-	-
132	Investments - restricted	-	-	-	-
142	Prepaid expenses and other assets	280	10,378	200	3,416
143	Inventories	-	5	-	-
144	Interprogram - due from	-	-	-	-
150	TOTAL CURRENT ASSETS	280	899,734	26,538	1,115,299
NONCURRENT ASSETS:					
Fixed assets:					
161	Land	-	831,273	-	521,854
162	Buildings	-	8,090,034	-	1,573,157
163	Furniture, equipment & machinery - dwellings	-	-	-	-
164	Furniture, equipment & machinery - administration	-	15,088	-	-
165	Leasehold improvements	-	538,339	-	10,600
166	Accumulated depreciation	-	(3,606,387)	-	(1,547,352)
167	Work in progress	-	-	-	-
160	Net fixed assets	-	5,868,347	-	558,259
Other non-current assets:					
171	Notes and mortgages receivable - non-current	-	-	-	-
174	Other assets	-	-	-	-
180	TOTAL NONCURRENT ASSETS	-	5,868,347	-	558,259
190	TOTAL ASSETS	\$ 280	\$ 6,768,082	\$ 26,538	\$ 1,673,558
LIABILITIES AND EQUITY:					
LIABILITIES:					
Current liabilities:					
312	Accounts payable < 90 days	63	17,355	278	16,602
321	Accrued wage/payroll taxes payable	11,489	22,975	1,689	9,058
322	Accrued compensated absences	(0)	21,999	-	6,820
325	Accrued interest payable	-	1,701	-	-
331	Accounts Payable - HUD PHA Programs	-	-	-	-
341	Tenant security deposits	-	28,603	-	12,200
342	Deferred revenue	-	-	-	-
343	Current portion of L-T debt - capital projects	-	-	-	17,951
344	Current portion of L-T debt - operating borrowings	-	-	-	-
345	Other current liabilities	-	-	-	-
346	Accrued liabilities - other	-	-	-	-
347	Interprogram - due to	-	-	-	-
310	TOTAL CURRENT LIABILITIES	11,552	92,633	1,967	62,632
Noncurrent liabilities:					
351	Long-term debt, net of current - capital projects	-	683,361	-	1,404,915
352	Long-term debt, net of current - operating borrowings	-	-	-	-
353	Non-current liabilities- other	-	6,806	-	4,253
350	TOTAL NONCURRENT LIABILITIES	-	690,166	-	1,409,168
300	TOTAL LIABILITIES	11,552	782,799	1,967	1,471,800
EQUITY:					
508	Invested in capital assets, net of related debt	-	5,184,987	-	(864,608)
511	Restricted net assets	-	390,325	-	1,033,019
512	Unrestricted net assets	(11,272)	409,971	24,571	33,346
513	TOTAL EQUITY	(11,272)	5,985,283	24,571	201,757
600	TOTAL LIABILITIES AND EQUITY	\$ 280	\$ 6,768,082	\$ 26,538	\$ 1,673,558

HOUSING AUTHORITY OF THE COUNTY OF KING
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		Section 8 - HAP Program Additional Support	Section 8 - Moderate Rehabilitation	Hope VI	Resident Opportunity and Self-Sufficiency
		14.317	14.856	14.866	14.870
Cash:					
111	Cash - unrestricted	\$ -	\$ 60,625	\$ -	\$ -
113	Cash - other restricted	-	-	-	-
114	Cash - tenant security deposits	-	-	-	-
100	Total cash	-	60,625	-	-
Accounts and notes receivables:					
121	AR - PHA projects	-	-	-	-
122	AR - HUD other projects	-	289	28,603	19,965
124	Accounts receivable - other government	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-
126	Accounts receivable - tenants	-	-	-	-
126	Allowance for doubtful accounts - tenants	-	-	-	-
120	Total receivables, net of allowances	-	289	28,603	19,965
Current investments:					
131	Investments - unrestricted	-	-	-	-
132	Investments - restricted	-	-	-	-
142	Prepaid expenses and other assets	-	36	-	-
143	Inventories	-	-	-	-
144	Interprogram - due from	-	-	-	59,955
150	TOTAL CURRENT ASSETS	-	60,950	28,603	79,920
NONCURRENT ASSETS:					
Fixed assets:					
161	Land	-	-	-	-
162	Buildings	-	-	-	-
163	Furniture, equipment & machinery - dwellings	-	-	-	-
164	Furniture, equipment & machinery - administration	-	-	-	-
165	Leasehold improvements	-	-	-	-
166	Accumulated depreciation	-	-	-	-
167	Work in progress	-	-	36,786,342	-
160	Net fixed assets	-	-	36,786,342	-
Other non-current assets:					
171	Notes and mortgages receivable - non-current	-	-	-	-
174	Other assets	-	-	-	-
180	TOTAL NONCURRENT ASSETS	-	-	36,786,342	-
190	TOTAL ASSETS	\$ -	\$ 60,950	\$ 36,814,945	\$ 79,920
LIABILITIES AND EQUITY:					
LIABILITIES:					
Current liabilities:					
312	Accounts payable < 90 days	-	164	-	-
321	Accrued wage/payroll taxes payable	-	337	-	-
322	Accrued compensated absences	-	(0)	-	-
325	Accrued interest payable	-	-	-	-
331	Accounts Payable - HUD PHA Programs	-	-	-	-
341	Tenant security deposits	-	-	-	-
342	Deferred revenue	-	-	-	-
343	Current portion of L-T debt - capital projects	-	-	-	-
344	Current portion of L-T debt - operating borrowings	-	-	-	-
345	Other current liabilities	-	-	-	-
346	Accrued liabilities - other	-	-	-	-
347	Interprogram - due to	-	-	-	67
310	TOTAL CURRENT LIABILITIES	-	502	-	67
Noncurrent liabilities:					
351	Long-term debt, net of current - capital projects	-	-	-	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-
353	Non-current liabilities- other	-	-	-	-
350	TOTAL NONCURRENT LIABILITIES	-	-	-	-
300	TOTAL LIABILITIES	-	502	-	67
EQUITY:					
508	Invested in capital assets, net of related debt	-	-	36,786,342	-
511	Restricted net assets	-	-	-	-
512	Unrestricted net assets	-	60,448	28,603	79,853
513	TOTAL EQUITY	-	60,448	36,814,945	79,853
600	TOTAL LIABILITIES AND EQUITY	\$ -	\$ 60,950	\$ 36,814,945	\$ 79,920

HOUSING AUTHORITY OF THE COUNTY OF KING
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	Section 8 Housing Choice Vouchers	Moving-To-Work Demonstration Program	Competitive Capital Fund Stimulus Grant	Veteran's Affairs Supportive Housing
	14.871	14.881	14.884	14.VSH
Cash:				
111 Cash - unrestricted	\$ 2,117,107	\$ 22,612,515	\$ -	\$ -
113 Cash - other restricted	519,221	9,500,000	-	-
114 Cash - tenant security deposits	-	-	-	-
100 Total cash	2,636,328	32,112,515	-	-
Accounts and notes receivables:				
121 AR - PHA projects	72,760	-	-	-
122 AR - HUD other projects	8,592	10,807	844,514	-
124 Accounts receivable - other government	-	-	-	-
125 Accounts receivable - miscellaneous	-	13,429	-	-
126 Accounts receivable- tenants	-	-	-	-
126 Allowance for doubtful accounts - tenants	-	-	-	-
120 Total receivables, net of allowances	81,352	24,235	844,514	-
Current investments:				
131 Investments - unrestricted	-	6,035,792	-	-
132 Investments - restricted	-	-	-	-
142 Prepaid expenses and other assets	17,260	8,246	-	-
143 Inventories	-	-	-	-
144 Interprogram - due from	0	(0)	-	-
150 TOTAL CURRENT ASSETS	2,734,940	38,180,788	844,514	-
NONCURRENT ASSETS:				
Fixed assets:				
161 Land	710,375	-	-	-
162 Buildings	1,527,609	-	-	-
163 Furniture, equipment & machinery - dwellings	-	-	-	-
164 Furniture, equipment & machinery - administration	228,285	-	-	-
165 Leasehold improvements	-	-	-	-
166 Accumulated depreciation	(387,212)	-	-	-
167 Work in progress	-	-	-	-
160 Net fixed assets	2,079,057	-	-	-
Other non-current assets:				
171 Notes and mortgages receivable - non-current	-	-	-	-
174 Other assets	-	16,000,000	-	-
180 TOTAL NONCURRENT ASSETS	2,079,057	16,000,000	-	-
190 TOTAL ASSETS	\$ 4,813,997	\$ 54,180,788	\$ 844,514	\$ -
LIABILITIES AND EQUITY:				
LIABILITIES:				
Current liabilities:				
312 Accounts payable < 90 days	95,687	201,706	-	-
321 Accrued wage/payroll taxes payable	407,464	144,381	-	-
322 Accrued compensated absences	(0)	218,270	-	-
325 Accrued interest payable	-	-	-	-
331 Accounts Payable - HUD PHA Programs	-	-	-	-
341 Tenant security deposits	-	-	-	-
342 Deferred revenue	-	-	-	-
343 Current portion of L-T debt - capital projects	-	11,047,326	-	-
344 Current portion of L-T debt - operating borrowings	-	-	-	-
345 Other current liabilities	519,221	-	-	-
346 Accrued liabilities - other	-	138,000	-	-
347 Interprogram - due to	-	-	844,514	-
310 TOTAL CURRENT LIABILITIES	1,022,372	11,749,683	844,514	-
Noncurrent liabilities:				
351 Long-term debt, net of current - capital projects	-	-	-	-
352 Long-term debt, net of current - operating borrowings	-	-	-	-
353 Non-current liabilities- other	-	-	-	-
350 TOTAL NONCURRENT LIABILITIES	-	-	-	-
300 TOTAL LIABILITIES	1,022,372	11,749,683	844,514	-
EQUITY:				
508 Invested in capital assets, net of related debt	2,079,057	(11,047,326)	-	-
511 Restricted net assets	519,221	9,500,000	-	-
512 Unrestricted net assets	1,193,348	43,978,432	-	(0)
513 TOTAL EQUITY	3,791,625	42,431,105	-	(0)
600 TOTAL LIABILITIES AND EQUITY	\$ 4,813,997	\$ 54,180,789	\$ 844,514	\$ (0)

HOUSING AUTHORITY OF THE COUNTY OF KING
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		Disaster Housing Assistance Program	State/Local Programs	Business Activities	Americorp
		97.109			94.006
Cash:					
111	Cash - unrestricted	\$ -	\$ 0	\$ 19,076,418	\$ 3,968
112	Cash - restricted - modernization and development	-	-	-	-
113	Cash - other restricted	-	-	8,436,506	-
114	Cash - tenant security deposits	-	-	1,032,518	-
115	Cash - restricted for payment of current liability	-	-	-	-
100	Total cash	-	0	28,545,443	3,968
Accounts and notes receivables:					
121	AR - PHA projects	-	-	-	-
122	AR - HUD other projects	-	-	(0)	-
124	Accounts receivable - other government	-	1,020,677	1,513,108	22,751
125	Accounts receivable - miscellaneous	-	64,778	6,059,774	-
126	Accounts receivable - tenants	-	-	182,128	-
126	Allowance for doubtful accounts - tenants	-	-	(13,275)	-
120	Total receivables, net of allowances	-	1,085,455	7,741,735	22,751
Current investments:					
131	Investments - unrestricted	-	-	6,018,514	-
132	Investments - restricted	-	-	7,620,433	-
142	Prepaid expenses and other assets	-	8,756	244,187	150
143	Inventories	-	-	316,862	-
144	Interprogram - due from	-	-	-	-
150	TOTAL CURRENT ASSETS	-	1,094,210	50,487,173	26,868
NONCURRENT ASSETS:					
Fixed assets:					
161	Land	-	-	36,168,193	-
162	Buildings	-	-	111,817,217	-
163	Furniture, equipment & machinery - dwellings	-	-	35,400	-
164	Furniture, equipment & machinery - administration	-	15,260	249,953	-
165	Leasehold improvements	-	-	6,749,097	-
166	Accumulated depreciation	-	(15,260)	(52,669,658)	-
167	Work in progress	-	-	23,256,538	-
160	Net fixed assets	-	-	125,606,739	-
Other non-current assets:					
171	Notes and mortgages receivable - non-current	-	209,641	192,468,716	-
174	Other assets	-	-	6,209,443	-
180	TOTAL NONCURRENT ASSETS	-	209,641	324,284,898	-
190	TOTAL ASSETS	\$ -	\$ 1,303,851	\$ 374,772,072	\$ 26,868
LIABILITIES AND EQUITY:					
LIABILITIES:					
Current liabilities:					
311	Bank overdraft	\$ -	\$ -	\$ -	\$ -
312	Accounts payable < 90 days	-	306,199	1,683,154	121
321	Accrued wage/payroll taxes payable	-	16,000	98,519	1,270
322	Accrued compensated absences	-	-	162,525	-
325	Accrued interest payable	-	-	2,002,380	-
331	Accounts Payable - HUD PHA Programs	-	-	440	-
341	Tenant security deposits	-	-	1,115,302	-
342	Deferred revenue	-	-	807,613	-
343	Current portion of L-T debt - capital projects	-	-	5,243,506	-
344	Current portion of L-T debt - operating borrowings	-	-	11,096,506	-
345	Other current liabilities	-	491	1,004,629	-
346	Accrued liabilities - other	-	-	176,572	-
347	Interprogram - due to	-	-	19,870	-
310	TOTAL CURRENT LIABILITIES	-	322,689	23,411,016	1,391
Noncurrent liabilities:					
351	Long-term debt, net of current - capital projects	-	-	74,552,223	-
352	Long-term debt, net of current - operating borrowings	-	-	154,783,660	-
353	Non-current liabilities- other	-	-	24,215,908	-
350	TOTAL NONCURRENT LIABILITIES	-	-	253,551,791	-
300	TOTAL LIABILITIES	-	322,689	276,962,806	1,391
EQUITY:					
508	Invested in capital assets, net of related debt	-	-	45,811,010	-
511	Restricted net assets	-	-	15,974,155	-
512	Unrestricted net assets	(0)	981,162	36,024,099	25,478
513	TOTAL EQUITY	(0)	981,162	97,809,265	25,478
600	TOTAL LIABILITIES AND EQUITY	\$ (0)	\$ 1,303,851	\$ 374,772,071	\$ 26,869

HOUSING AUTHORITY OF THE COUNTY OF KING
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		Other Federal Programs	Other Federal Programs	Other Federal Programs	COCC
		14,251	14,890	14,908	
Cash:					
111	Cash - unrestricted	\$ -	\$ -	\$ -	\$ 20,280,566
113	Cash - other restricted	-	-	-	557,413
114	Cash - tenant security deposits	-	-	-	-
100	Total cash	-	-	-	20,837,979
Accounts and notes receivables:					
121	AR - PHA projects	-	-	-	-
122	AR - HUD other projects	132,489	192,554	30,117	-
124	Accounts receivable - other government	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	96,851
126	Accounts receivable- tenants	-	-	-	(0)
126	Allowance for doubtful accounts - tenants	-	-	-	-
120	Total receivables, net of allowances	132,489	192,554	30,117	96,851
Current investments:					
131	Investments - unrestricted	-	-	-	15,040,780
132	Investments - restricted	-	-	-	-
142	Prepaid expenses and other assets	-	-	-	70,000
143	Inventories	-	-	-	46,084
144	Interprogram - due from	-	-	-	-
150	TOTAL CURRENT ASSETS	132,489	192,554	30,117	36,091,694
NONCURRENT ASSETS:					
Fixed assets:					
161	Land	-	-	-	4,346,094
162	Buildings	-	-	-	6,253,360
163	Furniture, equipment & machinery - dwellings	-	-	-	-
164	Furniture, equipment & machinery - administration	-	-	-	3,795,253
165	Leasehold improvements	-	-	-	34,438
166	Accumulated depreciation	-	-	-	(3,524,992)
167	Work in progress	2,568,761	-	-	437,040
160	Net fixed assets	2,568,761	-	-	11,341,192
Other non-current assets:					
171	Notes and mortgages receivable - non-current	-	-	-	2,800,000
174	Other assets	-	-	-	417,950
180	TOTAL NONCURRENT ASSETS	2,568,761	-	-	14,559,142
190	TOTAL ASSETS	\$ 2,701,250	\$ 192,554	\$ 30,117	\$ 50,650,836
LIABILITIES AND EQUITY:					
LIABILITIES:					
Current liabilities:					
312	Accounts payable < 90 days	-	-	-	514,883
321	Accrued wage/payroll taxes payable	-	-	-	477,630
322	Accrued compensated absences	-	-	-	1,244,397
325	Accrued interest payable	-	-	-	-
331	Accounts Payable - HUD PHA Programs	-	-	-	-
341	Tenant security deposits	-	-	-	-
342	Deferred revenue	-	-	-	(0)
343	Current portion of L-T debt - capital projects	-	-	-	95,388
344	Current portion of L-T debt - operating borrowings	-	-	-	-
345	Other current liabilities	-	-	-	5,951
346	Accrued liabilities - other	-	-	-	(0)
347	Interprogram - due to	-	-	-	-
310	TOTAL CURRENT LIABILITIES	-	-	-	2,338,247
Noncurrent liabilities:					
351	Long-term debt, net of current - capital projects	-	-	-	6,592,997
352	Long-term debt, net of current - operating borrowings	-	-	-	-
353	Non-current liabilities- other	-	-	-	404,655
350	TOTAL NONCURRENT LIABILITIES	-	-	-	6,997,651
300	TOTAL LIABILITIES	-	-	-	9,335,899
EQUITY:					
508	Invested in capital assets, net of related debt	2,568,761	-	-	4,652,808
511	Restricted net assets	-	-	-	557,413
512	Unrestricted net assets	132,489	192,554	30,117	36,104,716
513	TOTAL EQUITY	2,701,250	192,554	30,117	41,314,937
600	TOTAL LIABILITIES AND EQUITY	\$ 2,701,250	\$ 192,554	\$ 30,117	\$ 50,650,836

HOUSING AUTHORITY OF THE COUNTY OF KING
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 Balance Sheet
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AMP 101	AMP 105	AMP 150	AMP 152

Cash:					
111	Cash - unrestricted	\$ 203,880	\$ 51,099	\$ -	\$ 237,181
113	Cash - other restricted	-	-	-	-
114	Cash - tenant security deposits	23,009	1,372	-	10,675
100	Total cash	226,889	52,471	-	247,856
Accounts and notes receivables:					
121	AR - PHA projects	-	-	-	-
122	AR - HUD other projects	-	-	-	-
124	Accounts receivable - other government	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-
126	Accounts receivable- tenants	-	6,724	-	1,890
126	Allowance for doubtful accounts - tenants	(623)	-	-	(312)
120	Total receivables, net of allowances	(623)	6,724	-	1,577
Current investments:					
131	Investments - unrestricted	-	-	-	-
132	Investments - restricted	-	-	-	-
142	Prepaid expenses and other assets	10,509	1,691	-	9,895
143	Inventories	-	-	-	-
144	Interprogram - due from	11,661	67	-	86,717
150	TOTAL CURRENT ASSETS	248,437	60,953	-	346,046
NONCURRENT ASSETS:					
Fixed assets:					
161	Land	1,960,510	541,000	-	246,728
162	Buildings	8,260,759	1,185,000	-	6,344,079
163	Furniture, equipment & machinery - dwellings	-	-	-	-
164	Furniture, equipment & machinery - administration	138,992	-	-	49,354
165	Leasehold improvements	2,029,068	-	-	143,913
166	Accumulated depreciation	(5,204,284)	(54,196)	-	(2,971,093)
167	Work in progress	227,617	30,354	-	1,882,873
160	Net fixed assets	7,412,661	1,702,158	-	5,695,854
Other non-current assets:					
171	Notes and mortgages receivable - non-current	-	-	2,592,438	-
174	Other assets	-	-	-	-
180	TOTAL NONCURRENT ASSETS	7,412,661	1,702,158	2,592,438	5,695,854
190	TOTAL ASSETS	\$ 7,661,098	\$ 1,763,111	\$ 2,592,438	\$ 6,041,899
LIABILITIES AND EQUITY:					
LIABILITIES:					
Current liabilities:					
312	Accounts payable < 90 days	50,423	2,933	3	20,117
321	Accrued wage/payroll taxes payable	22,127	1,602	224	12,795
322	Accrued compensated absences	18,024	715	(0)	11,273
325	Accrued interest payable	-	-	-	-
331	Accounts Payable - HUD PHA Programs	-	-	-	-
341	Tenant security deposits	23,009	4,922	-	10,675
342	Deferred revenue	-	-	-	-
343	Current portion of L-T debt - capital projects	18,340	-	-	9,850
344	Current portion of L-T debt - operating borrowings	-	-	-	-
345	Other current liabilities	28,128	-	-	78,426
346	Accrued liabilities - other	-	-	-	-
347	Interprogram - due to	1,443	-	-	1,443
310	TOTAL CURRENT LIABILITIES	161,494	10,172	226	144,578
Noncurrent liabilities:					
351	Long-term debt, net of current - capital projects	113,161	-	-	52,824
352	Long-term debt, net of current - operating borrowings	-	-	-	-
353	Non-current liabilities- other	10,627	270	30,157	7,069
350	TOTAL NONCURRENT LIABILITIES	123,788	270	30,157	59,893
300	TOTAL LIABILITIES	285,282	10,442	30,383	204,471
EQUITY:					
508	Invested in capital assets, net of related debt	7,281,160	1,702,158	-	5,633,180
511	Restricted net assets	(0)	(3,550)	-	-
512	Unrestricted net assets	94,657	54,061	2,562,055	204,249
513	TOTAL EQUITY	7,375,817	1,752,669	2,562,055	5,837,429
600	TOTAL LIABILITIES AND EQUITY	\$ 7,661,099	\$ 1,763,111	\$ 2,592,438	\$ 6,041,899

HOUSING AUTHORITY OF THE COUNTY OF KING
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 Balance Sheet
 As of December 31, 2011

	AMP 153	AMP 201	AMP 203	AMP 206	
Cash:					
111	Cash - unrestricted	\$ 185,461	\$ 390,043	\$ 506,403	\$ 162,765
113	Cash - other restricted	-	-	-	-
114	Cash - tenant security deposits	12,250	10,175	20,025	9,290
100	Total cash	197,711	400,218	526,428	172,055
Accounts and notes receivables:					
121	AR - PHA projects	-	-	-	-
122	AR - HUD other projects	-	-	-	-
124	Accounts receivable - other government	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-
126	Accounts receivable- tenants	(0)	(0)	31,600	(0)
126	Allowance for doubtful accounts - tenants	(50)	(1,099)	(3,651)	(335)
120	Total receivables, net of allowances	(51)	(1,099)	27,948	(335)
Current investments:					
131	Investments - unrestricted	-	-	-	-
132	Investments - restricted	-	-	-	-
142	Prepaid expenses and other assets	11,423	5,263	10,320	4,604
143	Inventories	-	-	-	-
144	Interprogram - due from	76,361	0	5,346	-
150	TOTAL CURRENT ASSETS	285,445	404,382	570,042	176,324
NONCURRENT ASSETS:					
Fixed assets:					
161	Land	224,064	285,906	1,740,113	404,865
162	Buildings	6,701,702	4,919,777	5,137,031	3,013,698
163	Furniture, equipment & machinery - dwellings	-	-	-	-
164	Furniture, equipment & machinery - administration	32,976	6,467	78,249	61,450
165	Leasehold improvements	149,697	755,969	2,786,585	395,582
166	Accumulated depreciation	(2,576,453)	(2,624,734)	(5,534,693)	(3,094,637)
167	Work in progress	1,848	2,479	3,055,035	103,935
160	Net fixed assets	4,533,833	3,345,865	7,262,321	884,892
Other non-current assets:					
171	Notes and mortgages receivable - non-current	-	-	-	-
174	Other assets	-	-	-	-
180	TOTAL NONCURRENT ASSETS	4,533,833	3,345,865	7,262,321	884,892
190	TOTAL ASSETS	\$ 4,819,278	\$ 3,750,247	\$ 7,832,363	\$ 1,061,216
LIABILITIES AND EQUITY:					
LIABILITIES:					
Current liabilities:					
312	Accounts payable < 90 days	33,296	11,913	98,835	21,091
321	Accrued wage/payroll taxes payable	21,123	13,117	26,833	10,189
322	Accrued compensated absences	6,997	7,604	33,091	8,617
325	Accrued interest payable	-	-	-	-
331	Accounts Payable - HUD PHA Programs	-	-	-	-
341	Tenant security deposits	12,250	10,175	20,025	9,290
342	Deferred revenue	-	-	-	-
343	Current portion of L-T debt - capital projects	9,573	9,068	21,748	8,284
344	Current portion of L-T debt - operating borrowings	-	-	-	-
345	Other current liabilities	33,833	57,737	102,886	3,640
346	Accrued liabilities - other	-	-	-	-
347	Interprogram - due to	1,492	132,954	1,405	592
310	TOTAL CURRENT LIABILITIES	118,564	242,569	304,824	61,703
Noncurrent liabilities:					
351	Long-term debt, net of current - capital projects	57,872	53,082	134,617	50,553
352	Long-term debt, net of current - operating borrowings	-	-	-	-
353	Non-current liabilities- other	5,580	3,152	7,284	3,063
350	TOTAL NONCURRENT LIABILITIES	63,453	56,234	141,901	53,616
300	TOTAL LIABILITIES	182,016	298,803	446,725	115,318
EQUITY:					
508	Invested in capital assets, net of related debt	4,466,388	3,283,715	7,105,956	826,055
511	Restricted net assets	-	-	-	-
512	Unrestricted net assets	170,873	167,730	279,682	119,843
513	TOTAL EQUITY	4,637,261	3,451,444	7,385,638	945,898
600	TOTAL LIABILITIES AND EQUITY	\$ 4,819,278	\$ 3,750,247	\$ 7,832,363	\$ 1,061,216

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		AMP 207	AMP 251	AMP 301	AMP 302
Cash:					
111	Cash - unrestricted	\$ 351,352	\$ 133,298	\$ 2,813	\$ 506,850
113	Cash - other restricted	-	-	-	-
114	Cash - tenant security deposits	15,300	6,125	600	-
100	Total cash	366,652	139,423	3,413	506,850
Accounts and notes receivables:					
121	AR - PHA projects	-	-	-	-
122	AR - HUD other projects	-	-	-	-
124	Accounts receivable - other government	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-
126	Accounts receivable- tenants	(0)	3,385	(0)	6,089
126	Allowance for doubtful accounts - tenants	(1,049)	(359)	(528)	(1,716)
120	Total receivables, net of allowances	(1,050)	3,026	(528)	4,373
Current investments:					
131	Investments - unrestricted	-	-	-	-
132	Investments - restricted	-	-	-	-
142	Prepaid expenses and other assets	7,506	5,320	-	2,013
143	Inventories	-	-	-	-
144	Interprogram - due from	-	21,057	-	-
150	TOTAL CURRENT ASSETS	373,108	168,825	2,885	513,236
NONCURRENT ASSETS:					
Fixed assets:					
161	Land	816,743	62,146	-	-
162	Buildings	4,098,876	3,678,980	-	-
163	Furniture, equipment & machinery - dwellings	-	-	-	-
164	Furniture, equipment & machinery - administration	76,380	-	-	-
165	Leasehold improvements	999,743	583,879	-	-
166	Accumulated depreciation	(4,644,756)	(1,813,624)	-	-
167	Work in progress	635	8,996	-	-
160	Net fixed assets	1,347,621	2,520,378	-	-
Other non-current assets:					
171	Notes and mortgages receivable - non-current	-	-	-	-
174	Other assets	-	-	-	-
180	TOTAL NONCURRENT ASSETS	1,347,621	2,520,378	-	-
190	TOTAL ASSETS	\$ 1,720,729	\$ 2,689,203	\$ 2,885	\$ 513,236
LIABILITIES AND EQUITY:					
LIABILITIES:					
Current liabilities:					
312	Accounts payable < 90 days	31,778	15,205	-	-
321	Accrued wage/payroll taxes payable	19,204	11,580	-	-
322	Accrued compensated absences	11,584	7,852	-	-
325	Accrued interest payable	-	-	-	-
331	Accounts Payable - HUD PHA Programs	-	-	-	-
341	Tenant security deposits	15,300	6,125	600	-
342	Deferred revenue	-	-	-	-
343	Current portion of L-T debt - capital projects	14,523	16,064	-	34,982
344	Current portion of L-T debt - operating borrowings	-	-	-	-
345	Other current liabilities	7,796	20,024	-	-
346	Accrued liabilities - other	-	-	-	-
347	Interprogram - due to	970	813	-	-
310	TOTAL CURRENT LIABILITIES	101,155	77,663	600	34,982
Noncurrent liabilities:					
351	Long-term debt, net of current - capital projects	92,179	100,847	-	237,082
352	Long-term debt, net of current - operating borrowings	-	-	-	-
353	Non-current liabilities- other	3,513	5,134	-	-
350	TOTAL NONCURRENT LIABILITIES	95,692	105,981	-	237,082
300	TOTAL LIABILITIES	196,848	183,644	600	272,064
EQUITY:					
508	Invested in capital assets, net of related debt	1,240,919	2,403,466	-	(272,064)
511	Restricted net assets	-	-	-	-
512	Unrestricted net assets	282,963	102,093	2,285	513,237
513	TOTAL EQUITY	1,523,882	2,505,559	2,285	241,173
600	TOTAL LIABILITIES AND EQUITY	\$ 1,720,730	\$ 2,689,203	\$ 2,885	\$ 513,237

HOUSING AUTHORITY OF THE COUNTY OF KING
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		AMP 340	AMP 341	AMP 343	AMP 344
Cash:					
111	Cash - unrestricted	\$ 24,955	\$ 48,141	\$ 87,619	\$ 104,429
113	Cash - other restricted	-	-	-	-
114	Cash - tenant security deposits	-	-	-	-
100	Total cash	24,955	48,141	87,619	104,429
Accounts and notes receivables:					
121	AR - PHA projects	-	-	-	-
122	AR - HUD other projects	-	-	-	-
124	Accounts receivable - other government	-	-	-	-
125	Accounts receivable - miscellaneous	30,000	-	50,000	1,725
126	Accounts receivable- tenants	-	-	-	-
126	Allowance for doubtful accounts - tenants	-	-	-	-
120	Total receivables, net of allowances	30,000	-	50,000	1,725
Current investments:					
131	Investments - unrestricted	-	-	-	-
132	Investments - restricted	-	-	-	-
142	Prepaid expenses and other assets	4,221	94	92	18
143	Inventories	-	-	-	-
144	Interprogram - due from	-	-	-	-
150	TOTAL CURRENT ASSETS	59,177	48,235	137,711	106,172
NONCURRENT ASSETS:					
Fixed assets:					
161	Land	-	-	-	-
162	Buildings	-	-	-	-
163	Furniture, equipment & machinery - dwellings	-	-	-	-
164	Furniture, equipment & machinery - administration	-	-	-	-
165	Leasehold improvements	-	-	-	-
166	Accumulated depreciation	-	-	-	-
167	Work in progress	-	-	-	-
160	Net fixed assets	-	-	-	-
Other non-current assets:					
171	Notes and mortgages receivable - non-current	16,218,786	10,772,588	8,173,077	6,911,193
174	Other assets	200	100	-	-
180	TOTAL NONCURRENT ASSETS	16,218,986	10,772,688	8,173,077	6,911,193
190	TOTAL ASSETS	\$ 16,278,163	\$ 10,820,923	\$ 8,310,788	\$ 7,017,364
LIABILITIES AND EQUITY:					
LIABILITIES:					
Current liabilities:					
312	Accounts payable < 90 days	10,440	4,025	4,870	4
321	Accrued wage/payroll taxes payable	5,378	4,195	4,092	4,866
322	Accrued compensated absences	10,530	(0)	(0)	(0)
325	Accrued interest payable	-	-	83,848	-
331	Accounts Payable - HUD PHA Programs	-	-	-	-
341	Tenant security deposits	-	-	-	-
342	Deferred revenue	424	-	-	-
343	Current portion of L-T debt - capital projects	30,000	60,000	50,000	-
344	Current portion of L-T debt - operating borrowings	-	-	-	-
345	Other current liabilities	-	-	-	-
346	Accrued liabilities - other	-	-	-	-
347	Interprogram - due to	(0)	-	-	-
310	TOTAL CURRENT LIABILITIES	56,772	68,220	142,810	4,869
Noncurrent liabilities:					
351	Long-term debt, net of current - capital projects	6,825,000	7,060,000	4,155,000	3,885
352	Long-term debt, net of current - operating borrowings	-	-	-	-
353	Non-current liabilities- other	100	-	-	-
350	TOTAL NONCURRENT LIABILITIES	6,825,100	7,060,000	4,155,000	3,885
300	TOTAL LIABILITIES	6,881,872	7,128,220	4,297,810	8,755
EQUITY:					
508	Invested in capital assets, net of related debt	(6,855,000)	(7,120,000)	(4,205,000)	(3,885)
511	Restricted net assets	-	-	-	-
512	Unrestricted net assets	16,251,290	10,812,703	8,217,978	7,012,495
513	TOTAL EQUITY	9,396,290	3,692,703	4,012,978	7,008,610
600	TOTAL LIABILITIES AND EQUITY	\$ 16,278,163	\$ 10,820,923	\$ 8,310,788	\$ 7,017,364

HOUSING AUTHORITY OF THE COUNTY OF KING
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	AMP 345	AMP 350	AMP 352	AMP 354
Cash:				
111	\$ 991	\$ 16,185	\$ 105,231	\$ 242,108
113	-	-	-	37,500
114	-	5,775	5,800	14,402
100	991	21,960	111,031	294,010
Accounts and notes receivables:				
121	-	-	-	-
122	-	-	-	-
124	-	-	-	-
125	-	-	-	146,997
126	-	-	0	24,860
126	-	(81)	(312)	(979)
120	-	(81)	(311)	170,878
Current investments:				
131	-	-	-	3,005,425
132	-	-	-	423
142	19	5,365	4,793	9,908
143	-	-	-	-
144	567,894	71,521	9,707	74,300
150	568,904	98,765	125,220	3,554,944
NONCURRENT ASSETS:				
Fixed assets:				
161	-	72,003	227,040	973,765
162	-	2,455,077	4,127,589	8,050,410
163	-	-	-	-
164	-	30,642	-	39,801
165	-	60,123	160,031	652,620
166	-	(1,659,577)	(1,917,203)	(2,658,942)
167	6,469,324	2,742,752	212,600	25
160	6,469,324	3,701,021	2,810,056	7,057,679
Other non-current assets:				
171	8,848,106	-	2,337,766	35,006,265
174	-	-	-	-
180	15,317,430	3,701,021	5,147,822	42,063,944
190	\$ 15,886,334	\$ 3,799,786	\$ 5,273,041	\$ 45,618,888
LIABILITIES AND EQUITY:				
LIABILITIES:				
Current liabilities:				
312	192	24,671	25,003	28,523
321	834	9,688	10,548	27,268
322	(0)	7,087	7,008	129,639
325	-	-	-	29,250
331	-	-	-	-
341	-	5,775	5,800	14,825
342	-	-	-	-
343	-	4,925	4,673	309,245
344	-	-	-	-
345	-	124,474	8,736	40,383
346	-	-	-	-
347	-	724	681	1,150
310	1,026	177,344	62,449	580,284
Noncurrent liabilities:				
351	-	26,412	25,063	6,509,035
352	-	-	-	-
353	-	1,630	33,117	41,972
350	-	28,042	58,180	6,551,007
300	1,026	205,386	120,629	7,131,291
EQUITY:				
508	6,469,324	3,669,684	2,780,321	239,398
511	-	-	-	37,500
512	9,415,984	(75,285)	2,372,092	38,210,699
513	15,885,308	3,594,399	5,152,413	38,487,597
600	\$ 15,886,334	\$ 3,799,786	\$ 5,273,041	\$ 45,618,888

HOUSING AUTHORITY OF THE COUNTY OF KING
 Federal Data Schedule (FDS)
 Balance Sheet
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		AMP 355	AMP 401	AMP 402	AMP 403
Cash:					
111	Cash - unrestricted	\$ 63,262	\$ 315,414	\$ 32,207	\$ 546,586
113	Cash - other restricted	-	-	-	-
114	Cash - tenant security deposits	-	22,905	-	17,915
100	Total cash	63,262	338,319	32,207	564,501
Accounts and notes receivables:					
121	AR - PHA projects	-	-	-	-
122	AR - HUD other projects	-	-	-	-
124	Accounts receivable - other government	-	-	-	-
125	Accounts receivable - miscellaneous	104,135	-	-	-
126	Accounts receivable- tenants	-	15,459	-	4,422
126	Allowance for doubtful accounts - tenants	-	(4,521)	-	(132)
120	Total receivables, net of allowances	104,135	10,939	-	4,290
Current investments:					
131	Investments - unrestricted	-	-	-	-
132	Investments - restricted	-	-	-	-
142	Prepaid expenses and other assets	52	13,065	1,573	11,603
143	Inventories	-	-	-	-
144	Interprogram - due from	-	13,591	-	-
150	TOTAL CURRENT ASSETS	167,449	375,914	33,780	580,394
NONCURRENT ASSETS:					
Fixed assets:					
161	Land	-	540,599	-	1,961,029
162	Buildings	-	9,558,501	3,070,388	6,611,573
163	Furniture, equipment & machinery - dwellings	-	-	-	-
164	Furniture, equipment & machinery - administration	-	107,484	-	55,349
165	Leasehold improvements	-	1,865,782	-	491,987
166	Accumulated depreciation	-	(4,536,743)	(586,165)	(3,358,677)
167	Work in progress	-	603,770	-	5,923,425
160	Net fixed assets	-	8,139,393	2,484,223	11,684,687
Other non-current assets:					
171	Notes and mortgages receivable - non-current	6,979,267	-	-	-
174	Other assets	-	-	-	-
180	TOTAL NONCURRENT ASSETS	6,979,267	8,139,393	2,484,223	11,684,687
190	TOTAL ASSETS	\$ 7,146,716	\$ 8,515,307	\$ 2,518,003	\$ 12,265,081
LIABILITIES AND EQUITY:					
LIABILITIES:					
Current liabilities:					
312	Accounts payable < 90 days	1,296	184,979	7,148	57,315
321	Accrued wage/payroll taxes payable	1,234	32,732	757	22,751
322	Accrued compensated absences	2,249	35,272	122	24,722
325	Accrued interest payable	69,135	-	-	-
331	Accounts Payable - HUD PHA Programs	-	-	-	-
341	Tenant security deposits	-	22,905	-	17,915
342	Deferred revenue	-	-	-	-
343	Current portion of L-T debt - capital projects	35,000	4,926	-	19,170
344	Current portion of L-T debt - operating borrowings	-	-	-	-
345	Other current liabilities	-	46,022	-	183,653
346	Accrued liabilities - other	-	-	-	-
347	Interprogram - due to	-	8,381	-	7,794
310	TOTAL CURRENT LIABILITIES	108,915	335,218	8,027	333,319
Noncurrent liabilities:					
351	Long-term debt, net of current - capital projects	3,233,000	18,916	-	118,236
352	Long-term debt, net of current - operating borrowings	-	-	-	-
353	Non-current liabilities- other	-	142,199	-	11,182
350	TOTAL NONCURRENT LIABILITIES	3,233,000	161,115	-	129,419
300	TOTAL LIABILITIES	3,341,915	496,333	8,027	462,738
EQUITY:					
508	Invested in capital assets, net of related debt	(3,268,000)	8,115,551	2,484,223	11,547,280
511	Restricted net assets	-	0	-	(0)
512	Unrestricted net assets	7,072,801	(96,578)	25,753	255,063
513	TOTAL EQUITY	3,804,801	8,018,974	2,509,976	11,802,343
600	TOTAL LIABILITIES AND EQUITY	\$ 7,146,716	\$ 8,515,307	\$ 2,518,003	\$ 12,265,081

HOUSING AUTHORITY OF THE COUNTY OF KING
 Federal Data Schedule (FDS)
 Balance Sheet
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		AMP 404	AMP 408	AMP 450	AMP 451
Cash:					
111	Cash - unrestricted	\$ 62,098	\$ 105,307	\$ -	\$ 77,954
113	Cash - other restricted	-	-	-	-
114	Cash - tenant security deposits	5,850	3,850	-	3,500
100	Total cash	67,948	109,157	-	81,454
Accounts and notes receivables:					
121	AR - PHA projects	-	-	-	-
122	AR - HUD other projects	-	-	-	-
124	Accounts receivable - other government	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-
126	Accounts receivable - tenants	10,734	0	-	1,124
126	Allowance for doubtful accounts - tenants	(1,945)	(272)	-	(73)
120	Total receivables, net of allowances	8,790	(271)	-	1,051
Current investments:					
131	Investments - unrestricted	-	-	-	-
132	Investments - restricted	-	-	-	-
142	Prepaid expenses and other assets	12,818	2,109	-	3,173
143	Inventories	-	-	-	-
144	Interprogram - due from	-	-	-	9,909
150	TOTAL CURRENT ASSETS	89,556	110,995	-	95,587
NONCURRENT ASSETS:					
Fixed assets:					
161	Land	70,795	1,616,552	-	64,197
162	Buildings	3,228,997	1,389,548	-	1,891,497
163	Furniture, equipment & machinery - dwellings	-	-	-	-
164	Furniture, equipment & machinery - administration	-	-	-	-
165	Leasehold improvements	242,308	90,551	-	76,234
166	Accumulated depreciation	(1,754,029)	(605,415)	-	(974,199)
167	Work in progress	-	92,881	-	-
160	Net fixed assets	1,788,070	2,584,117	-	1,057,729
Other non-current assets:					
171	Notes and mortgages receivable - non-current	-	-	2,386,741	-
174	Other assets	-	-	-	-
180	TOTAL NONCURRENT ASSETS	1,788,070	2,584,117	2,386,741	1,057,729
190	TOTAL ASSETS	\$ 1,877,626	\$ 2,695,112	\$ 2,386,741	\$ 1,153,316
LIABILITIES AND EQUITY:					
LIABILITIES:					
Current liabilities:					
312	Accounts payable < 90 days	5,134	21,376	2	10,907
321	Accrued wage/payroll taxes payable	5,410	3,730	198	9,840
322	Accrued compensated absences	6,147	3,861	0	9,824
325	Accrued interest payable	-	-	-	-
331	Accounts Payable - HUD PHA Programs	-	-	-	-
341	Tenant security deposits	5,850	3,850	-	3,500
342	Deferred revenue	-	-	-	-
343	Current portion of L-T debt - capital projects	4,673	4,142	-	2,854
344	Current portion of L-T debt - operating borrowings	-	-	-	-
345	Other current liabilities	-	4,371	-	13,752
346	Accrued liabilities - other	-	-	-	-
347	Interprogram - due to	303	284	-	422
310	TOTAL CURRENT LIABILITIES	27,516	41,613	201	51,099
Noncurrent liabilities:					
351	Long-term debt, net of current - capital projects	28,723	25,277	-	15,342
352	Long-term debt, net of current - operating borrowings	-	-	-	-
353	Non-current liabilities- other	1,526	6,510	59,318	1,730
350	TOTAL NONCURRENT LIABILITIES	30,249	31,787	59,318	17,072
300	TOTAL LIABILITIES	57,765	73,400	59,519	68,172
EQUITY:					
508	Invested in capital assets, net of related debt	1,754,675	2,554,699	-	1,039,532
511	Restricted net assets	-	-	-	-
512	Unrestricted net assets	65,186	67,013	2,327,222	45,613
513	TOTAL EQUITY	1,819,861	2,621,712	2,327,222	1,085,146
600	TOTAL LIABILITIES AND EQUITY	\$ 1,877,626	\$ 2,695,112	\$ 2,386,741	\$ 1,153,317

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		AMP 502	AMP 503	AMP 504	AMP 505
	Cash:				
111	Cash - unrestricted	\$ 198,855	\$ 214,106	\$ 195,496	\$ 258,856
113	Cash - other restricted	-	-	-	-
114	Cash - tenant security deposits	450	8,475	7,900	10,475
100	Total cash	199,305	222,581	203,396	269,331
	Accounts and notes receivables:				
121	AR - PHA projects	-	-	-	-
122	AR - HUD other projects	-	-	-	-
124	Accounts receivable - other government	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-
126	Accounts receivable- tenants	907	1,469	0	3,639
126	Allowance for doubtful accounts - tenants	(56)	(12)	(451)	(359)
120	Total receivables, net of allowances	851	1,456	(451)	3,280
	Current investments:				
131	Investments - unrestricted	-	-	-	-
132	Investments - restricted	-	-	-	-
142	Prepaid expenses and other assets	3,011	4,048	5,958	5,200
143	Inventories	-	-	-	-
144	Interprogram - due from	-	-	-	-
150	TOTAL CURRENT ASSETS	203,168	228,085	208,903	277,811
	NONCURRENT ASSETS:				
	Fixed assets:				
161	Land	-	113,808	154,682	369,033
162	Buildings	-	3,969,900	3,359,161	4,402,761
163	Furniture, equipment & machinery - dwellings	-	-	-	-
164	Furniture, equipment & machinery - administration	-	50,589	45,015	49,462
165	Leasehold improvements	-	322,380	303,723	545,532
166	Accumulated depreciation	-	(1,778,264)	(1,720,026)	(2,994,961)
167	Work in progress	-	288,358	239,464	78,718
160	Net fixed assets	-	2,966,770	2,382,019	2,450,545
	Other non-current assets:				
171	Notes and mortgages receivable - non-current	-	-	-	-
174	Other assets	-	-	-	-
180	TOTAL NONCURRENT ASSETS	-	2,966,770	2,382,019	2,450,545
190	TOTAL ASSETS	\$ 203,168	\$ 3,194,856	\$ 2,590,922	\$ 2,728,357
	LIABILITIES AND EQUITY:				
	LIABILITIES:				
	Current liabilities:				
312	Accounts payable < 90 days	28,972	83,871	138,658	18,787
321	Accrued wage/payroll taxes payable	14,702	9,457	12,504	12,930
322	Accrued compensated absences	13,879	9,730	12,931	70,455
325	Accrued interest payable	-	-	-	-
331	Accounts Payable - HUD PHA Programs	-	-	-	-
341	Tenant security deposits	450	8,475	7,900	10,475
342	Deferred revenue	-	-	-	-
343	Current portion of L-T debt - capital projects	19,601	8,033	8,285	12,982
344	Current portion of L-T debt - operating borrowings	-	-	-	-
345	Other current liabilities	-	19,074	11,807	7,822
346	Accrued liabilities - other	-	-	-	-
347	Interprogram - due to	3,005	2,510	2,510	1,843
310	TOTAL CURRENT LIABILITIES	80,609	141,150	194,595	135,294
	Noncurrent liabilities:				
351	Long-term debt, net of current - capital projects	48,890	49,552	51,250	81,767
352	Long-term debt, net of current - operating borrowings	-	-	-	-
353	Non-current liabilities- other	-	5,608	5,237	7,189
350	TOTAL NONCURRENT LIABILITIES	48,890	55,160	56,486	88,956
300	TOTAL LIABILITIES	129,499	196,310	251,081	224,250
	EQUITY:				
508	Invested in capital assets, net of related debt	(68,491)	2,909,186	2,322,484	2,355,796
511	Restricted net assets	-	-	-	-
512	Unrestricted net assets	142,159	89,360	17,356	148,311
513	TOTAL EQUITY	73,668	2,998,546	2,339,841	2,504,107
600	TOTAL LIABILITIES AND EQUITY	\$ 203,167	\$ 3,194,856	\$ 2,590,922	\$ 2,728,356

HOUSING AUTHORITY OF THE COUNTY OF KING
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AMP 550	AMP 551	AMP 552	AMP 553
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Cash:					
111	Cash - unrestricted	\$ 135,082	\$ -	\$ 63,021	\$ -
113	Cash - other restricted	-	-	-	-
114	Cash - tenant security deposits	5,075	-	6,200	-
100	Total cash	140,157	-	69,221	-
Accounts and notes receivables:					
121	AR - PHA projects	-	-	-	-
122	AR - HUD other projects	-	-	-	-
124	Accounts receivable - other government	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-
126	Accounts receivable- tenants	6,008	-	0	-
126	Allowance for doubtful accounts - tenants	(279)	-	(85)	-
120	Total receivables, net of allowances	5,730	-	(85)	-
Current investments:					
131	Investments - unrestricted	-	-	-	-
132	Investments - restricted	-	-	-	-
142	Prepaid expenses and other assets	4,650	-	6,628	-
143	Inventories	-	-	-	-
144	Interprogram - due from	8,796	-	19,780	-
150	TOTAL CURRENT ASSETS	159,333	-	95,544	-
NONCURRENT ASSETS:					
Fixed assets:					
161	Land	70,350	-	66,167	-
162	Buildings	2,732,968	-	7,141,178	-
163	Furniture, equipment & machinery - dwellings	-	-	-	-
164	Furniture, equipment & machinery - administration	-	-	-	-
165	Leasehold improvements	127,940	-	146,656	-
166	Accumulated depreciation	(1,482,373)	-	(2,251,741)	-
167	Work in progress	220,979	-	432,764	-
160	Net fixed assets	1,669,864	-	5,535,024	-
Other non-current assets:					
171	Notes and mortgages receivable - non-current	1,364,785	2,589,173	-	2,788,341
174	Other assets	-	-	-	-
180	TOTAL NONCURRENT ASSETS	3,034,649	2,589,173	5,535,024	2,788,341
190	TOTAL ASSETS	\$ 3,193,982	\$ 2,589,173	\$ 5,630,568	\$ 2,788,341
LIABILITIES AND EQUITY:					
LIABILITIES:					
Current liabilities:					
312	Accounts payable < 90 days	22,108	3	3,261	1
321	Accrued wage/payroll taxes payable	11,028	224	10,661	116
322	Accrued compensated absences	12,232	(0)	40,890	(0)
325	Accrued interest payable	-	-	-	-
331	Accounts Payable - HUD PHA Programs	-	-	-	-
341	Tenant security deposits	5,075	-	6,200	-
342	Deferred revenue	-	-	-	-
343	Current portion of L-T debt - capital projects	5,961	-	5,708	-
344	Current portion of L-T debt - operating borrowings	-	-	-	-
345	Other current liabilities	8,073	-	18,606	-
346	Accrued liabilities - other	-	-	-	-
347	Interprogram - due to	681	-	813	-
310	TOTAL CURRENT LIABILITIES	65,158	226	86,139	117
Noncurrent liabilities:					
351	Long-term debt, net of current - capital projects	33,777	-	30,685	-
352	Long-term debt, net of current - operating borrowings	-	-	-	-
353	Non-current liabilities- other	26,198	35,591	3,292	116,810
350	TOTAL NONCURRENT LIABILITIES	59,975	35,591	33,977	116,810
300	TOTAL LIABILITIES	125,132	35,817	120,115	116,927
EQUITY:					
508	Invested in capital assets, net of related debt	1,630,127	-	5,498,631	-
511	Restricted net assets	-	-	-	-
512	Unrestricted net assets	1,438,723	2,553,357	11,821	2,671,413
513	TOTAL EQUITY	3,068,849	2,553,357	5,510,452	2,671,413
600	TOTAL LIABILITIES AND EQUITY	\$ 3,193,982	\$ 2,589,173	\$ 5,630,567	\$ 2,788,341

HOUSING AUTHORITY OF THE COUNTY OF KING
 Federal Data Schedule (FDS)
 Balance Sheet
 As of December 31, 2011

		Subtotal	Elimination	Total Authority	COMPONENT UNITS
Cash:					
111	Cash - unrestricted	\$ 73,312,723		\$ 73,312,723	\$ 6,341,387
112	Cash - restricted - modernization and development	-		-	12,061,928
113	Cash - other restricted	20,473,963		20,473,963	511,895
114	Cash - tenant security deposits	1,304,285		1,304,285	930,585
115	Cash - restricted for payment of current liability	-		-	-
100	Total cash	<u>95,090,972</u>		<u>95,090,972</u>	<u>19,845,795</u>
Accounts and notes receivables:					
121	AR - PHA projects	72,760		72,760	-
122	AR - HUD other projects	1,290,365		1,290,365	-
124	Accounts receivable - other government	2,556,535		2,556,535	-
125	Accounts receivable - miscellaneous	6,567,689		6,567,689	354
126	Accounts receivable- tenants	285,609		285,609	172,433
126	Allowance for doubtful accounts - tenants	(33,556)		(33,556)	-
120	Total receivables, net of allowances	<u>10,760,197</u>		<u>10,760,197</u>	<u>172,787</u>
Current investments:					
131	Investments - unrestricted	27,100,511		27,100,511	2,546,306
132	Investments - restricted	7,620,856		7,620,856	-
142	Prepaid expenses and other assets	529,853		529,853	417,620
143	Inventories	362,951		362,951	-
144	Interprogram - due from	1,599,673	(1,599,673)	-	-
150	TOTAL CURRENT ASSETS	<u>143,065,012</u>	<u>(1,599,673)</u>	<u>141,465,339</u>	<u>22,982,508</u>
NONCURRENT ASSETS:					
Fixed assets:					
161	Land	55,159,884		55,159,884	44,311,733
162	Buildings	234,590,828		234,590,828	358,325,544
163	Furniture, equipment & machinery - dwellings	35,400		35,400	12,711,894
164	Furniture, equipment & machinery - administration	5,126,047		5,126,047	751,673
165	Leasehold improvements	20,262,777		20,262,777	32,965,820
166	Accumulated depreciation	(118,547,644)		(118,547,644)	(72,604,076)
167	Work in progress	85,667,511		85,667,511	422,936
160	Net fixed assets	<u>282,294,802</u>		<u>282,294,802</u>	<u>376,885,524</u>
Other non-current assets:					
171	Notes and mortgages receivable - non-current	302,446,883		302,446,883	-
174	Other assets	22,627,693	(17,838,285)	4,789,408	3,767,078
180	TOTAL NONCURRENT ASSETS	<u>607,369,377</u>	<u>(17,838,285)</u>	<u>589,531,092</u>	<u>380,652,602</u>
190	TOTAL ASSETS	<u>\$ 750,434,390</u>	<u>\$ (19,437,958)</u>	<u>\$ 730,996,434</u>	<u>\$ 403,635,110</u>
LIABILITIES AND EQUITY:					
LIABILITIES:					
Current liabilities:					
311	Bank overdraft	\$ -		\$ -	-
312	Accounts payable < 90 days	3,803,351		3,803,351	1,115,040
321	Accrued wage/payroll taxes payable	1,544,754		1,544,754	-
322	Accrued compensated absences	2,156,343		2,156,343	-
325	Accrued interest payable	2,186,315		2,186,315	9,003,253
331	Accounts Payable - HUD PHA Programs	440		440	-
341	Tenant security deposits	1,387,471		1,387,471	930,585
342	Deferred revenue	808,037		808,037	22,483
343	Current portion of L-T debt - capital projects	17,136,779		17,136,779	1,156,041
344	Current portion of L-T debt - operating borrowings	11,096,506		11,096,506	46,452
345	Other current liabilities	2,349,534		2,349,534	1,927,012
346	Accrued liabilities - other	314,572		314,572	5,594,301
347	Interprogram - due to	1,599,673	(1,599,673)	-	-
310	TOTAL CURRENT LIABILITIES	<u>44,383,775</u>	<u>(1,599,673)</u>	<u>42,784,102</u>	<u>19,795,167</u>
Noncurrent liabilities:					
351	Long-term debt, net of current - capital projects	112,465,523		112,465,523	229,482,886
352	Long-term debt, net of current - operating borrowings	154,783,660		154,783,660	28,559,301
353	Non-current liabilities- other	25,206,678	(17,838,285)	7,368,394	895,669
350	TOTAL NONCURRENT LIABILITIES	<u>292,455,861</u>	<u>(17,838,285)</u>	<u>274,617,576</u>	<u>258,937,856</u>
300	TOTAL LIABILITIES	<u>336,839,636</u>	<u>(19,437,958)</u>	<u>317,401,677</u>	<u>278,733,023</u>
EQUITY:					
508	Invested in capital assets, net of related debt	152,692,499		152,692,499	146,246,597
511	Restricted net assets	28,011,633		28,011,633	12,573,823
512	Unrestricted net assets	232,890,622		232,890,622	(33,918,333)
513	TOTAL EQUITY	<u>413,594,754</u>		<u>413,594,754</u>	<u>124,902,087</u>
600	TOTAL LIABILITIES AND EQUITY	<u>\$ 750,434,390</u>	<u>\$ (19,437,958)</u>	<u>\$ 730,996,434</u>	<u>\$ 403,635,110</u>

HOUSING AUTHORITY OF THE COUNTY OF KING
 Financial Data Schedule (FDS)
 Statement of Revenues and Expenses
 For the 12 Month Period Ending December 31, 2011

	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
	14.CFP	14.HCV	14.OPS	14.181	14.182	14.191
REVENUE:						
70300				\$ -	\$ 328,940	\$ -
70400				(0)	8,069	-
70500				(0)	337,009	-
70600						
70610	251,225	89,483,057	8,294,471	2,491,348	1,174,552	95,984
70710	1,893,976	-	-	-	-	-
70720	-	-	-	-	-	-
70730	-	-	-	-	-	-
70750	-	-	-	-	-	-
70700						
70800	-	-	-	-	-	-
71100	-	-	-	-	-	-
71200	-	-	-	-	-	-
71300	-	-	-	-	-	-
71310	-	-	-	-	-	-
71400	-	-	-	2,440	-	-
71500	-	-	-	389	1,585	-
71600	-	-	-	-	-	-
72000	-	-	-	615	791	-
70000	2,145,201	89,483,057	8,294,471	2,494,792	1,513,937	95,984
EXPENSES:						
<i>Administrative</i>						
91100				47,523	63,730	29
91200				1,371	522	-
91300				47,844	60,384	-
91310				32,949	8,430	-
91500				15,421	87,685	27,473
91600				9,198	8,891	413
91700				92	145	-
91800				1,164	6,023	4,284
91900				5,680	22,632	926
91000				161,240	258,440	33,126
92000				-	-	-
<i>Tenant services</i>						
92100				-	16,920	72,592
92200				-	360	-
92400				77	21,775	505
92500				77	39,055	73,097
<i>Utilities</i>						
93100				0	32,796	-
93200				-	22,302	-
93300				-	7,422	-
93400				-	-	-
93600				-	24,076	-
93800				-	15,695	-
93000				0	102,290	-
<i>Ordinary maintenance & operation</i>						
94100				-	120,542	-
94200				54	153,744	-
94300				-	33,873	-
94000				54	308,159	-
<i>General expenses</i>						
96110				124	6,771	-
96120				650	9,980	67
96140				-	-	-
96100				774	16,752	67
96200				-	1,720	4,405
96210				-	16,419	-
96300				-	745	-
96800				-	-	-
96000				-	18,883	4,405
96710				-	-	-
96720				-	14,248	-
96700				-	14,248	-
96900				162,146	757,827	110,695
97000						
97100				-	-	-
97200				-	-	-
97300				2,163,154	-	-
97400				-	250,029	-
90000				2,325,300	1,007,856	110,695
OTHER FINANCING SOURCES (USES)						
10010				-	-	14,710
10020				(175,267)	(273,528)	-
10100				(175,267)	(273,528)	14,710
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES						
	\$ -	\$ -	\$ -	\$ (5,775)	\$ 232,553	\$ 0
MEMO ACCT INFORMATION						
11020					443,471	
11030				(5,497)	6,889,294	24,571
11040				-	(1,136,563)	-
11170						
11180						
11190				4,200	1,623	
11210				4,200	1,618	
11620						
11640						
13510						
13901						

HOUSING AUTHORITY OF THE COUNTY OF KING
 Financial Data Schedule (FDS)
 Statement of Revenues and Expenses
 For the 12 Month Period Ending December 31, 2011

	Section 8 - Special Allocation	Section 8 - HAP Program Additional Support	Section 8 - Moderate Rehabilitation	Hope VI	Resident Opportunity and Self-Sufficiency	Section 8 Housing Choice Vouchers
	14,195	14,317	14,856	14,866	14,870	14,871
REVENUE:						
70300	Net tenant rental revenue	\$ 179,187	\$ -	\$ -	\$ -	\$ -
70400	Tenant revenue - other	7,571	-	-	-	(0)
70500	<i>Total tenant revenue</i>	186,759	-	-	-	(0)
70600	HUD PHA Operating Grants	623,261	159,866	90,420	1,668,668	200,879
70610	Capital Grants	-	-	-	-	-
70710	Management Fee	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-
70750	Other Fees	-	-	-	-	-
70700	<i>Total Fee Revenue</i>	-	-	-	-	-
70800	Other Government Grants	-	-	-	-	101,341
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	790	-	0	-	45,567
71600	Gain (loss) on the sale of capital assets	-	-	-	-	43
72000	Investment income - restricted	1,149	-	107	-	2,823
70000	TOTAL REVENUE	811,958	159,866	90,527	1,668,668	2,924,565
EXPENSES:						
<i>Administrative</i>						
91100	Administrative salaries	49,907	-	2,271	42	2,267,211
91200	Auditing fees	196	-	65	-	-
91300	Management fees	29,259	-	2,160	-	55,395
91310	Book-keeping Fee	3,096	-	1,350	-	27,285
91500	Employee benefit contributions - administrative	41,197	-	802	35,487	840,431
91600	Office Expenses	1,748	-	660	3,337	31,124
91700	Legal expense	395	-	5	-	3,966
91800	Travel	3,388	-	63	1,506	7,322
91900	Other	4,491	-	320	3,591	432,071
91000	<i>Total Operating - Administrative</i>	133,677	-	7,696	43,963	16,273
92000	Asset Management Fee	-	-	-	-	-
<i>Tenant services</i>						
92100	Tenant services - salaries	-	-	-	107,307	42,141
92200	Relocation costs	-	-	-	7,700	8,680
92400	Tenant services - other	620	-	4	39,326	142,465
92500	<i>Total Tenant Services</i>	620	-	4	154,333	184,606
<i>Utilities</i>						
93100	Water	11,436	-	0	-	2,514
93200	Electricity	4,322	-	-	992	15,105
93300	Gas	-	-	-	-	2,418
93400	Fuel	-	-	-	-	-
93600	Sewer	14,008	-	-	-	886
93800	Other utilities expense	12,800	-	-	-	3,220
93000	<i>Total Utilities</i>	42,566	-	0	992	24,142
<i>Ordinary maintenance & operation</i>						
94100	Ordinary maintenance and operations - labor	49,527	-	-	500	3,618
94200	Ordinary maintenance and operations - material and other	40,456	-	3	693	2,599
94300	Ordinary maintenance and operations - contracts	59,710	-	-	1,265	39,081
94000	<i>Total Maintenance</i>	149,692	-	3	2,457	45,299
<i>General expenses</i>						
96110	Property Insurance	2,077	-	9	-	-
96120	Liability Insurance	2,942	-	43	26	13,936
96140	All other insurance	7,705	-	-	-	-
96100	<i>Total Insurance Premiums</i>	12,724	-	52	26	13,936
96200	Other General Expenses	2	-	-	0	-
96210	Compensated Absences	11,783	-	-	-	-
96300	Payments in lieu of taxes	-	-	-	-	-
96800	Severance expense	-	-	-	-	-
96000	<i>Total Other General Expenses</i>	11,785	-	-	0	-
96710	Interest on mortgage (or bonds) payable	132,352	-	-	-	-
96720	Interest on notes payable (short and long term)	-	-	-	-	-
96700	<i>Total interest expense and amortization cost</i>	132,352	-	-	-	-
96900	TOTAL OPERATING EXPENSES	483,417	-	7,754	201,771	200,879
97000	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	328,542	159,866	82,773	1,466,897	(1,224,886)
97100	Extraordinary maintenance	408	-	-	-	-
97200	Casualty losses - non-capitalized	-	-	-	-	-
97300	Housing assistance payments	-	-	75,229	-	4,568,948
97400	Depreciation expense	25,329	-	-	-	75,099
90000	TOTAL EXPENSES	509,154	-	82,983	201,771	8,793,498
OTHER FINANCING SOURCES (USES)						
10010	Operating transfers in	-	-	-	144,019	5,934,694
10020	Operating transfers out	(254,609)	(159,866)	-	-	(545,854)
10100	TOTAL OTHER FINANCING SOURCES	(254,609)	(159,866)	-	144,019	5,388,840
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES						
	\$	48,196	\$ -	\$ 7,544	\$ 1,610,916	\$ 0
						(480,093)
MEMO ACCT INFORMATION						
11020	Required annual debt principal payments	108,939	-	-	-	-
11030	Beginning of year equity	149,523	-	52,904	35,204,029	79,853
11040	Prior period adjustments, equity transfers	4,038	-	-	-	(136,915)
11170	Administrative Fee Equity	-	-	-	-	\$ 3,210,663
11180	Housing Assistance Fee Equity	-	-	-	-	\$ 519,221
11190	Unit Months Available	492	-	-	-	11,106
11210	Number of unit months leased	487	-	-	-	10,009
11620	Building Purchases	-	-	-	-	-
11640	Furniture and equipment - administrative 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, 2011

	Moving-To-Work Demonstration Program	Competitive Capital Fund Stimulus Grant	Veteran's Affairs Supportive Housing	Disaster Housing Assistance Program	State/Local Programs	Business Activities
	14.881	14.884	14.VSH	97.109		
REVENUE:						
70300	Net tenant rental revenue	\$ -	\$ -	\$ -	\$ -	\$ 30,566,863
70400	Tenant revenue - other	(0)	-	-	-	898,370
70500	Total tenant revenue	(0)	-	-	-	31,465,233
70600	HUD PHA Operating Grants	(0)	697,482	1,299,365	-	-
70610	Capital Grants	-	9,518,299	-	-	-
70710	Management Fee	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-
70750	Other Fees	(0)	-	-	-	0
70700	Total Fee Revenue	(0)	-	-	-	0
70800	Other Government Grants	-	-	-	5,939,740	4,378,989
71100	Investment Income - unrestricted	91,266	-	-	-	1,102,539
71300	Proceeds from disposition of assets held for sale	-	-	-	-	547,748
71310	Cost of Sale of Assets	-	-	-	-	(415,651)
71400	Fraud Recovery	91,365	-	434	-	-
71500	Other Revenue	3,823,630	-	-	334,857	1,329,363
71600	Gain (loss) on the sale of capital assets	-	-	-	4,707	5,142,260
72000	Investment income - restricted	296,144	-	1,042	-	4,520,974
70000	TOTAL REVENUE	4,302,405	10,215,781	1,300,841	-	6,279,304
						48,071,455
EXPENSES:						
<i>Administrative</i>						
91100	Administrative salaries	1,298,942	-	-	800,344	1,853,341
91200	Auditing fees	36,141	-	-	881	30,791
91300	Management fees	1,409,792	433,523	19,956	-	1,248,098
91310	Book-keeping Fee	880,726	-	12,698	-	495,073
91400	Advertising and Marketing	-	-	-	-	-
91500	Employee benefit contributions - administrative	587,503	0	-	279,522	1,418,650
91600	Office Expenses	253,675	-	-	14,016	202,605
91700	Legal expense	18,649	-	-	1,839	83,388
91800	Travel	43,100	-	-	46,243	33,006
91900	Other	1,704,459	-	12,257	105,517	971,180
91000	Total Operating - Administrative	6,232,986	433,523	44,911	1,248,364	6,336,133
92000	Asset Management Fee	-	-	-	-	843,878
<i>Tenant services</i>						
92100	Tenant services - salaries	213,282	7,995	-	-	203,960
92200	Relocation costs	-	7,685	-	-	9,068
92400	Tenant services - other	1,487,508	50	-	113	665,362
92500	Total Tenant Services	1,700,790	15,730	-	113	878,389
<i>Utilities</i>						
93100	Water	12	-	-	-	1,052,556
93200	Electricity	-	-	-	-	492,013
93300	Gas	-	-	-	-	40,394
93400	Fuel	-	-	-	-	5,542
93600	Sewer	-	-	-	-	1,537,958
93800	Other utilities expense	-	-	-	-	792,082
93000	Total Utilities	12	-	-	-	3,920,546
<i>Ordinary maintenance & operation</i>						
94100	Ordinary maintenance and operations - labor	-	86,358	-	-	1,908,866
94200	Ordinary maintenance and operations - material and other	2,205,948	102,343	-	3,925,471	6,116,623
94300	Ordinary maintenance and operations - contracts	-	14,023	-	576,460	1,675,939
94000	Total Maintenance	2,205,948	202,723	-	4,501,932	9,701,428
<i>General expenses</i>						
96110	Property Insurance	3,186	-	-	55	160,483
96120	Liability Insurance	16,599	-	-	12,173	288,415
96140	All other insurance	-	-	-	-	-
96100	Total Insurance Premiums	19,785	-	-	12,227	448,898
96200	Other General Expenses	1,962	45,506	-	12,320	63,951
96210	Compensated Absences	298,023	-	-	-	165,014
96300	Payments in lieu of taxes	40,000	-	-	-	22,901
96800	Severance expense	-	-	-	-	-
96000	Total Other General Expenses	339,985	45,506	-	12,320	63,951
96710	Interest on mortgage (or bonds) payable	-	-	-	-	6,449,939
96720	Interest on notes payable (short and long term)	125,800	-	-	-	3,104,124
96730	Amortization of bond issue costs	-	-	-	-	-
96700	Total interest expense and amortization cost	125,800	-	-	-	9,554,062
96900	TOTAL OPERATING EXPENSES	10,625,306	697,482	44,911	12,320	5,826,587
						32,812,696
EXCESS OPERATING REVENUE OVER OPERATING EXPENSES						
97000	Extraordinary maintenance	(6,322,901)	9,518,299	1,255,930	(12,320)	452,717
97100	Casualty losses - non-capitalized	-	-	-	-	40,629
97200	Housing assistance payments	68,066,540	-	1,186,321	-	561
97300	Depreciation expense	-	-	-	-	224
97400	TOTAL OTHER FINANCING SOURCES	78,691,846	697,482	1,231,232	12,320	5,827,148
						36,296,286
OTHER FINANCING SOURCES (USES)						
10010	Operating transfers in	145,785,234	-	117,797	12,320	42,338,566
10020	Operating transfers out	(46,551,961)	-	(332,772)	(3,447)	(84,718,406)
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	99,233,273	-	(214,975)	8,873	(42,379,840)
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES						
		\$ 24,843,832	\$ 9,518,299	\$ (145,366)	\$ (3,447)	\$ (40,716)
						\$ (30,604,671)
MEMO ACCT INFORMATION						
11020	Required annual debt principal payments	48,131,563	-	-	-	8,687,607
11030	Beginning of year equity	18,569,020	-	8,451	3,447	128,326,654
11040	Prior period adjustments, equity transfers	-	(9,518,299)	136,915	-	87,282
11170	Administrative Fee Equity	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-
11190	Unit Months Available	85,488	-	2,158	-	32,664
11210	Number of unit months leased	85,488	-	1,698	-	31,848
11270	Excess cash	-	-	-	-	-
11610	Land Purchases	-	-	-	-	-
11620	Building Purchases	-	-	-	-	-
11630	Furniture and Equipment - dwelling purchases	-	-	-	-	-
11640	Furniture and equipment - administrative purchases	-	-	-	-	-
11650	Leasehold improvements purchases	-	-	-	-	-
11660	Infrastructure purchases	-	-	-	-	-
13510	CFFP debt service payments	-	-	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-

HOUSING AUTHORITY OF THE COUNTY OF KING
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	Americorp	Other Federal Programs	Other Federal Programs	Other Federal Programs	COCC	
	94,006	14,251	14,890	14,908	Operating Fund Program	Capital Fund Program
REVENUE:						
70300	Net tenant rental revenue	\$ -	\$ -	\$ -	\$ -	\$ -
70400	Tenant revenue - other	-	-	-	-	-
70500	<i>Total tenant revenue</i>	-	-	-	-	-
70600	HUD PHA Operating Grants	-	133,761	192,554	236,324	-
70610	Capital Grants	-	-	-	-	-
70710	Management Fee	-	-	-	5,281,798	-
70720	Asset Management Fee	-	-	-	1,152,858	-
70730	Book-keeping Fee	-	-	-	1,693,547	-
70750	Other Fees	-	-	-	5,361,240	-
70700	<i>Total Fee Revenue</i>	-	-	-	13,489,442	-
70800	Other Government Grants	59,035	-	-	-	-
71100	Investment Income - unrestricted	-	-	-	27,905	-
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	16,000	-	-	177,069	-
71600	Gain (loss) on the sale of capital assets	-	-	-	38,101	-
72000	Investment income - restricted	-	-	-	203,327	-
70000	TOTAL REVENUE	75,035	133,761	192,554	236,324	13,935,845
EXPENSES:						
<i>Administrative</i>						
91100	Administrative salaries	-	-	39,364	5,359,981	-
91200	Auditing fees	-	-	-	22,033	-
91300	Management fees	-	-	-	-	-
91310	Book-keeping Fee	-	-	-	(0)	-
91500	Employee benefit contributions - administrative	21,571	-	13,454	2,033,998	-
91600	Office Expenses	1,600	-	146	419,017	-
91700	Legal expense	-	-	-	160,835	-
91800	Travel	5,954	-	1,945	225,523	-
91900	Other	65,442	-	129,853	846,913	-
91000	<i>Total Operating - Administrative</i>	<i>94,566</i>	<i>-</i>	<i>184,763</i>	<i>9,068,301</i>	<i>-</i>
92000	Asset Management Fee	-	-	-	-	-
<i>Tenant services</i>						
92100	Tenant services - salaries	59,885	-	-	-	-
92200	Relocation costs	-	-	-	9,000	-
92400	Tenant services - other	-	-	142	3,684	-
92500	<i>Total Tenant Services</i>	<i>59,885</i>	<i>-</i>	<i>142</i>	<i>12,684</i>	<i>-</i>
<i>Utilities</i>						
93100	Water	-	-	-	11,602	-
93200	Electricity	-	-	-	62,514	-
93300	Gas	-	-	-	917	-
93400	Fuel	-	-	-	432	-
93600	Sewer	-	-	-	3,541	-
93800	Other utilities expense	-	-	-	13,245	-
93000	<i>Total Utilities</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>92,251</i>	<i>-</i>
<i>Ordinary maintenance & operation</i>						
94100	Ordinary maintenance and operations - labor	-	-	-	1,430,048	-
94200	Ordinary maintenance and operations - material and other	-	-	-	911,938	-
94300	Ordinary maintenance and operations - contracts	-	-	51,485	2,078,113	-
94000	<i>Total Maintenance</i>	<i>-</i>	<i>-</i>	<i>51,485</i>	<i>4,420,098</i>	<i>-</i>
<i>General expenses</i>						
96110	Property Insurance	-	-	-	20,569	-
96120	Liability Insurance	217	-	-	127,605	-
96140	All other insurance	-	-	-	-	-
96100	<i>Total Insurance Premiums</i>	<i>217</i>	<i>-</i>	<i>-</i>	<i>148,174</i>	<i>-</i>
96200	Other General Expenses	3,836	-	-	-	-
96210	Compensated Absences	-	-	-	518,643	-
96300	Payments in lieu of taxes	-	-	-	-	-
96800	Severance expense	-	-	-	1,698	-
96000	<i>Total Other General Expenses</i>	<i>3,836</i>	<i>-</i>	<i>-</i>	<i>520,341</i>	<i>-</i>
96710	Interest on mortgage (or bonds) payable	-	-	-	-	-
96720	Interest on notes payable (short and long term)	-	-	-	105,345	-
96700	<i>Total interest expense and amortization cost</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>105,345</i>	<i>-</i>
96900	TOTAL OPERATING EXPENSES	158,505	-	236,390	14,367,193	-
97000	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	(83,470)	133,761	192,554	(66)	(431,348)
97100	Extraordinary maintenance	-	-	-	9,613	-
97200	Casualty losses - non-capitalized	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	-
97400	Depreciation expense	-	-	-	1,056,249	-
90000	TOTAL EXPENSES	158,505	-	236,390	15,433,055	-
OTHER FINANCING SOURCES (USES)						
10010	Operating transfers in	83,470	132,489	-	6,868,224	72,629
10020	Operating transfers out	-	-	(17,830)	(4,181,515)	-
10100	TOTAL OTHER FINANCING SOURCES	83,470	132,489	(17,830)	2,686,708	72,629
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES						
		\$ -	\$ 266,250	\$ 192,554	\$ (17,896)	\$ 1,189,499
					\$	\$ 72,629
MEMO ACCT INFORMATION						
11020	Required annual debt principal payments	-	-	-	90,477	-
11030	Beginning of year equity	25,478	2,435,000	-	39,494,758	558,052
11040	Prior period adjustments, equity transfers	-	-	-	630,681	(630,681)
11170	Administrative Fee Equity	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-
11190	Unit Months Available	-	-	-	-	-
11210	Number of unit months leased	-	-	-	-	-
11620	Building Purchases	-	-	-	-	-
11640	Furniture and equipment - administrative purchases	-	-	-	-	\$ 72,629
13510	CFFP debt service payments	-	-	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-

HOUSING AUTHORITY OF THE COUNTY OF KING
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	AMP 101		AMP 105		AMP 150		AMP 152	
	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:								
70300	Net tenant rental revenue	\$ 496,499	\$ -	\$ 69,664	\$ -	\$ -	\$ 313,890	\$ -
70400	Tenant revenue - other	(0)	-	4,081	-	-	3,901	-
70500	<i>Total tenant revenue</i>	<u>496,498</u>	<u>-</u>	<u>73,745</u>	<u>-</u>	<u>-</u>	<u>317,791</u>	<u>-</u>
70600	HUD PHA Operating Grants	-	-	-	-	-	-	-
70610	Capital Grants	-	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-	-
70700	<i>Total Fee Revenue</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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	8	-	7	-	-	903	-
71600	Gain (loss) on the sale of capital assets	1,424	-	-	-	-	-	-
72000	Investment income - restricted	628	-	11	-	128,648	373	-
70000	TOTAL REVENUE	<u>498,559</u>	<u>-</u>	<u>73,764</u>	<u>-</u>	<u>128,648</u>	<u>319,066</u>	<u>-</u>
EXPENSES:								
<i>Administrative</i>								
91100	Administrative salaries	83,240	-	3,878	-	1,029	60,701	-
91200	Auditing fees	587	-	65	-	-	587	-
91300	Management fees	101,839	56,483	13,997	-	-	121,223	26,271
91310	Book-keeping Fee	12,503	-	1,883	-	6,300	16,253	-
91500	Employee benefit contributions - administrative	103,990	13	4,630	-	509	59,911	15
91600	Office Expenses	7,919	-	458	-	362	11,119	-
91700	Legal expense	4,517	-	1,784	-	2	378	-
91800	Travel	5,835	-	602	-	403	9,388	-
91900	Other	19,642	3	3,631	-	4,336	22,372	-
91000	<i>Total Operating - Administrative</i>	<u>340,071</u>	<u>56,499</u>	<u>30,927</u>	<u>-</u>	<u>12,941</u>	<u>301,931</u>	<u>26,286</u>
92000	Asset Management Fee	16,680	-	2,690	-	8,400	16,740	-
<i>Tenant services</i>								
92100	Tenant services - salaries	32,643	-	1,345	-	2,197	31,753	-
92200	Relocation costs	1,117	-	1,457	-	-	4,186	-
92400	Tenant services - other	49,150	-	236	-	1,604	5,086	-
92500	<i>Total Tenant Services</i>	<u>82,909</u>	<u>-</u>	<u>3,038</u>	<u>-</u>	<u>3,802</u>	<u>41,026</u>	<u>-</u>
<i>Utilities</i>								
93100	Water	73,959	-	6,496	-	-	25,206	-
93200	Electricity	18,144	-	6,305	-	-	25,334	-
93300	Gas	-	-	-	-	-	-	-
93400	Fuel	-	-	-	-	-	-	-
93600	Sewer	55,865	-	2,451	-	-	50,525	-
93800	Other utilities expense	48,941	-	4,222	-	-	19,501	-
93000	<i>Total Utilities</i>	<u>196,910</u>	<u>-</u>	<u>19,475</u>	<u>-</u>	<u>-</u>	<u>120,566</u>	<u>-</u>
<i>Ordinary maintenance & operation</i>								
94100	Ordinary maintenance and operations - labor	148,143	-	14,090	-	-	51,009	-
94200	Ordinary maintenance and operations - material and other	218,611	-	1,852	-	-	216,286	26,718
94300	Ordinary maintenance and operations - contracts	20,068	-	6,498	-	66	44,521	-
94000	<i>Total Maintenance</i>	<u>386,822</u>	<u>-</u>	<u>22,441</u>	<u>-</u>	<u>66</u>	<u>311,815</u>	<u>26,718</u>
<i>General expenses</i>								
96110	Property Insurance	6,147	-	1,533	-	-	5,635	-
96120	Liability Insurance	8,731	-	1,037	-	73	12,355	-
96140	All other insurance	-	-	-	-	-	-	-
96100	<i>Total Insurance Premiums</i>	<u>14,878</u>	<u>-</u>	<u>2,570</u>	<u>-</u>	<u>73</u>	<u>17,990</u>	<u>-</u>
96200	Other General Expenses	-	2,050	3,550	-	-	-	-
96210	Compensated Absences	9,642	-	444	-	-	10,125	-
96300	Payments in lieu of taxes	8,761	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-	-
96000	<i>Total Other General Expenses</i>	<u>18,403</u>	<u>2,050</u>	<u>3,994</u>	<u>-</u>	<u>-</u>	<u>10,125</u>	<u>-</u>
96710	Interest on mortgage (or bonds) payable	-	-	-	-	-	-	-
96720	Interest on notes payable (short and long term)	5,027	-	-	-	1,318	4,996	-
96700	<i>Total interest expense and amortization cost</i>	<u>5,027</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,318</u>	<u>4,996</u>	<u>-</u>
96900	TOTAL OPERATING EXPENSES	<u>1,061,700</u>	<u>58,549</u>	<u>85,134</u>	<u>-</u>	<u>26,599</u>	<u>825,190</u>	<u>53,004</u>
EXCESS OPERATING REVENUE OVER OPERATING EXPENSES								
97000		(563,141)	(58,549)	(11,370)	-	102,048	(506,124)	(53,004)
97100	Extraordinary maintenance	215	-	-	-	-	-	-
97200	Casualty losses - non-capitalized	-	-	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	-	-	-
97400	Depreciation expense	280,428	-	43,078	-	-	165,330	-
90000	TOTAL EXPENSES	<u>1,342,343</u>	<u>58,549</u>	<u>128,212</u>	<u>-</u>	<u>26,599</u>	<u>990,520</u>	<u>53,004</u>
OTHER FINANCING SOURCES (USES)								
10010	Operating transfers in	714,210	58,549	41,735	-	2,485,417	870,835	53,438
10020	Operating transfers out	(7,504)	-	-	-	-	-	-
10100	TOTAL OTHER FINANCING SOURCES	<u>706,706</u>	<u>58,549</u>	<u>41,735</u>	<u>-</u>	<u>2,485,417</u>	<u>870,835</u>	<u>53,438</u>
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES								
		\$ (137,078)	\$ -	\$ (12,713)	\$ -	\$ 2,587,466	\$ 199,382	\$ 434
MEMO ACCT INFORMATION								
11020	Required annual debt principal payments	18,340	-	-	-	-	9,850	-
11030	Beginning of year equity	7,272,526	238,308	-	-	(25,410)	3,472,236	1,601,413
11040	Prior period adjustments, equity transfers	240,369	(238,308)	1,765,382	-	-	630,075	(66,110)
11170	Administrative Fee Equity	-	-	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-	-	-
11190	Unit Months Available	1,667	-	288	-	838	1,663	-
11210	Number of unit months leased	1,648	-	259	-	831	1,648	-
11620	Building Purchases	\$ -	\$ 2,061	\$ -	\$ -	\$ -	\$ 564,399	\$ -
11640	Furniture and equipment - administrative purchases	-	-	-	-	-	-	-
13510	CFPP debt service payments	-	-	-	-	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-	-	-

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	AMP 153		AMP 201		AMP 203		AMP 206		
	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:									
70300	Net tenant rental revenue	\$ 318,467	\$ -	\$ 218,039	\$ -	\$ 401,241	\$ -	\$ 171,368	\$ -
70400	Tenant revenue - other	8,180	-	7,059	-	20,573	-	2,307	-
70500	Total tenant revenue	326,646	-	225,098	-	421,813	-	173,675	-
70600	HUD PHA Operating Grants	-	-	-	-	-	-	-	-
70610	Capital Grants	-	-	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-	-	-
70800	Other Government Grants	-	-	-	-	90,164	-	-	-
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	1,086	-	930	-	2,403	-	364	-
71600	Gain (loss) on the sale of capital assets	-	-	-	-	1,604	-	-	-
72000	Investment income - restricted	23	-	197	-	689	-	358	-
70000	TOTAL REVENUE	327,755	-	226,225	-	516,673	-	174,398	-
EXPENSES:									
<i>Administrative</i>									
91100	Administrative salaries	51,481	-	20,772	-	85,681	-	42,676	-
91200	Auditing fees	587	-	326	-	522	-	197	-
91300	Management fees	101,467	30,650	68,472	18,828	241,492	28,898	44,144	14,887
91310	Book-keeping Fee	12,766	-	7,692	-	12,068	-	5,130	-
91500	Employee benefit contributions - administrative	88,006	12	66,143	13	104,778	(0)	43,578	12
91600	Office Expenses	8,443	-	3,488	-	5,981	-	4,426	-
91700	Legal expense	294	-	1,728	-	19,006	-	199	-
91800	Travel	6,575	-	9,306	-	14,279	-	2,886	-
91900	Other	21,103	0	8,400	-	17,348	-	14,802	-
91000	Total Operating - Administrative	290,721	30,662	186,327	18,840	501,154	28,898	158,038	14,899
92000	Asset Management Fee	17,390	-	8,940	-	15,030	-	8,420	-
<i>Tenant services</i>									
92100	Tenant services - salaries	64,720	-	12,306	-	24,294	-	8,146	-
92200	Relocation costs	5,343	-	1,832	-	46,108	-	-	-
92400	Tenant services - other	10,312	-	4,229	-	29,123	-	11,896	-
92500	Total Tenant Services	80,375	-	18,366	-	99,525	-	20,043	-
<i>Utilities</i>									
93100	Water	53,557	-	32,015	-	70,159	-	26,711	-
93200	Electricity	23,778	-	12,945	-	13,787	-	5,124	-
93300	Gas	9,802	-	-	-	110	-	-	-
93400	Fuel	-	-	-	-	-	-	-	-
93600	Sewer	37,331	-	25,356	-	69,798	-	25,830	-
93800	Other utilities expense	22,580	-	30,647	-	51,525	-	17,436	-
93000	Total Utilities	147,047	-	100,963	-	205,379	-	75,100	-
<i>Ordinary maintenance & operation</i>									
94100	Ordinary maintenance and operations - labor	106,531	-	122,073	-	175,340	-	73,731	-
94200	Ordinary maintenance and operations - material and other	267,016	(0)	151,886	111	420,430	3,866	116,996	492
94300	Ordinary maintenance and operations - contracts	44,681	-	12,106	-	27,973	0	4,048	-
94000	Total Maintenance	418,228	(0)	286,065	111	623,744	3,866	194,775	492
<i>General expenses</i>									
96110	Property Insurance	8,230	-	2,748	-	5,381	-	3,139	-
96120	Liability Insurance	12,249	-	7,550	-	13,337	-	5,313	-
96140	All other insurance	-	-	-	-	-	-	-	-
96100	Total Insurance Premiums	20,479	-	10,298	-	18,718	-	8,452	-
96200	Other General Expenses	-	-	0	1,036	18,123	2,071	-	12,788
96210	Compensated Absences	15,504	-	16,047	-	31,359	-	7,646	-
96300	Payments in lieu of taxes	-	-	-	-	-	-	2,377	-
96800	Severance expense	-	-	-	-	-	-	-	-
96000	Total Other General Expenses	15,504	-	16,047	1,036	49,482	2,071	10,023	12,788
96710	Interest on mortgage (or bonds) payable	-	-	-	-	-	-	-	-
96720	Interest on notes payable (short and long term)	2,977	-	3,322	-	5,871	-	2,445	-
96700	Total interest expense and amortization cost	2,977	-	3,322	-	5,871	-	2,445	-
96900	TOTAL OPERATING EXPENSES	992,720	30,662	630,328	19,987	1,518,903	34,835	477,297	28,179
97000	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	(664,965)	(30,662)	(404,103)	(19,987)	(1,002,230)	(34,835)	(302,899)	(28,179)
97100	Extraordinary maintenance	-	-	-	-	0	-	-	-
97200	Casualty losses - non-capitalized	-	-	-	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	-	-	-	-
97400	Depreciation expense	184,905	-	94,978	-	139,350	-	22,912	-
90000	TOTAL EXPENSES	1,177,625	30,662	725,306	19,987	1,658,253	34,835	500,209	28,179
OTHER FINANCING SOURCES (USES)									
10010	Operating transfers in	841,268	30,661	676,547	19,988	2,433,709	34,835	349,565	28,179
10020	Operating transfers out	(7)	-	(5,754)	-	(72,130)	-	(18,084)	-
10100	TOTAL OTHER FINANCING SOURCES	841,261	30,661	670,793	19,988	2,361,579	34,835	331,481	28,179
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES									
		\$ (8,609)	\$ (0)	\$ 171,712	\$ 0	\$ 1,219,998	\$ (0)	\$ 5,670	\$ (0)
MEMO ACCT INFORMATION									
11020	Required annual debt principal payments	9,573	-	9,068	-	21,748	-	8,284	-
11030	Beginning of year equity	3,932,327	230,124	2,233,573	535,959	4,923,191	1,242,377	868,182	72,046
11040	Prior period adjustments, equity transfers	710,138	(226,720)	1,046,158	(535,959)	-	72	2,970	(2,970)
11170	Administrative Fee Equity	-	-	-	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-	-	-	-
11190	Unit Months Available	1,651	-	1,006	-	1,624	-	675	-
11210	Number of unit months leased	1,603	-	998	-	1,567	-	671	-
11620	Building Purchases	\$ 483,418	-	\$ 510,200	-	\$ 72	-	\$ (0)	-
11640	Furniture and equipment - administrative purchases	-	-	-	-	-	-	-	-
13510	CFPP debt service payments	-	-	-	-	-	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-	-	-	-

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	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
REVENUE:								
70300	Net tenant rental revenue	\$ 272,717	\$ -	\$ 204,210	\$ -	\$ -	\$ -	\$ -
70400	Tenant revenue - other	4,776	-	4,775	-	-	(0)	-
70500	<i>Total tenant revenue</i>	<u>277,492</u>	<u>-</u>	<u>208,985</u>	<u>-</u>	<u>-</u>	<u>(0)</u>	<u>-</u>
70600	HUD PHA Operating Grants	-	-	-	-	-	-	-
70610	Capital Grants	-	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-	-
70700	<i>Total Fee Revenue</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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	96,056	-	505	-	-	258	-
71600	Gain (loss) on the sale of capital assets	-	-	-	-	-	-	-
72000	Investment income - restricted	615	-	180	-	-	992	-
70000	TOTAL REVENUE	<u>374,164</u>	<u>-</u>	<u>209,669</u>	<u>-</u>	<u>-</u>	<u>1,250</u>	<u>-</u>
EXPENSES:								
<i>Administrative</i>								
91100	Administrative salaries	52,119	-	45,449	-	-	0	-
91200	Auditing fees	391	-	326	-	-	-	-
91300	Management fees	69,543	25,396	54,049	8,319	-	-	-
91310	Book-keeping Fee	8,363	-	6,983	-	-	90	-
91500	Employee benefit contributions - administrative	93,207	9	44,378	9	-	975	-
91600	Office Expenses	4,968	-	2,320	-	-	3	-
91700	Legal expense	6,227	-	12,815	-	-	2	-
91800	Travel	9,540	-	3,678	-	-	56	-
91900	Other	12,169	-	9,749	-	-	5,481	-
91000	<i>Total Operating - Administrative</i>	<u>256,527</u>	<u>25,404</u>	<u>179,746</u>	<u>8,328</u>	<u>-</u>	<u>6,607</u>	<u>-</u>
92000	Asset Management Fee	10,410	-	9,750	-	-	-	-
<i>Tenant services</i>								
92100	Tenant services - salaries	19,894	-	12,453	-	-	3,075	-
92200	Relocation costs	1,097	-	1,405	-	-	-	-
92400	Tenant services - other	1,706	-	4,325	-	-	8	-
92500	<i>Total Tenant Services</i>	<u>22,697</u>	<u>-</u>	<u>18,182</u>	<u>-</u>	<u>-</u>	<u>3,082</u>	<u>-</u>
<i>Utilities</i>								
93100	Water	52,394	-	23,649	-	-	1,730	-
93200	Electricity	7,873	-	35,094	-	-	635	-
93300	Gas	496	-	21,328	-	-	250	-
93400	Fuel	3,928	-	-	-	-	-	-
93600	Sewer	42,151	-	37,802	-	-	441	-
93800	Other utilities expense	36,571	-	8,798	-	-	-	-
93000	<i>Total Utilities</i>	<u>143,413</u>	<u>-</u>	<u>126,672</u>	<u>-</u>	<u>-</u>	<u>3,056</u>	<u>-</u>
<i>Ordinary maintenance & operation</i>								
94100	Ordinary maintenance and operations - labor	153,603	-	54,771	-	-	-	-
94200	Ordinary maintenance and operations - material and other	150,753	16,235	95,008	3,160	-	0	-
94300	Ordinary maintenance and operations - contracts	32,556	-	12,385	-	-	-	-
94000	<i>Total Maintenance</i>	<u>336,912</u>	<u>16,235</u>	<u>162,163</u>	<u>3,160</u>	<u>-</u>	<u>0</u>	<u>-</u>
<i>General expenses</i>								
96110	Property Insurance	4,209	-	2,895	-	-	-	-
96120	Liability Insurance	8,829	-	7,045	-	-	0	-
96140	All other insurance	-	-	-	-	-	-	-
96100	<i>Total Insurance Premiums</i>	<u>13,038</u>	<u>-</u>	<u>9,941</u>	<u>-</u>	<u>-</u>	<u>0</u>	<u>-</u>
96200	Other General Expenses	-	15,958	-	-	-	-	-
96210	Compensated Absences	21,708	-	9,969	-	-	-	-
96300	Payments in lieu of taxes	-	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-	-
96000	<i>Total Other General Expenses</i>	<u>21,708</u>	<u>15,958</u>	<u>9,969</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
96710	Interest on mortgage (or bonds) payable	-	-	-	-	-	-	-
96720	Interest on notes payable (short and long term)	3,283	-	3,941	-	-	3,590	-
96700	<i>Total interest expense and amortization cost</i>	<u>3,283</u>	<u>-</u>	<u>3,941</u>	<u>-</u>	<u>-</u>	<u>3,590</u>	<u>-</u>
96900	TOTAL OPERATING EXPENSES	<u>807,987</u>	<u>57,598</u>	<u>520,365</u>	<u>11,488</u>	<u>-</u>	<u>16,335</u>	<u>-</u>
EXCESS OPERATING REVENUE OVER OPERATING EXPENSES								
97000		(433,823)	(57,598)	(310,695)	(11,488)	-	(15,085)	-
97100	Extraordinary maintenance	5,141	-	-	-	-	-	-
97200	Casualty losses - non-capitalized	-	-	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	-	-	-
97400	Depreciation expense	23,411	-	102,699	-	-	-	-
90000	TOTAL EXPENSES	<u>836,539</u>	<u>57,598</u>	<u>623,064</u>	<u>11,488</u>	<u>-</u>	<u>16,335</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)								
10010	Operating transfers in	643,325	57,597	438,611	14,794	-	27,616	-
10020	Operating transfers out	(26,874)	-	-	-	-	-	-
10100	TOTAL OTHER FINANCING SOURCES	<u>616,451</u>	<u>57,597</u>	<u>438,611</u>	<u>14,794</u>	<u>-</u>	<u>27,616</u>	<u>-</u>
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES								
		\$ 154,076	\$ (0)	\$ 25,217	\$ 3,306	\$ -	\$ 12,531	\$ -
MEMO ACCT INFORMATION								
11020	Required annual debt principal payments	14,523	-	16,064	-	-	34,982	-
11030	Beginning of year equity	1,245,481	124,208	1,990,637	238,585	2,285	106,090	122,552
11040	Prior period adjustments, equity transfers	124,326	(124,208)	489,705	(241,892)	-	122,552	(122,552)
11170	Administrative Fee Equity	-	-	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-	-	-
11190	Unit Months Available	1,122	-	954	-	-	-	-
11210	Number of unit months leased	1,106	-	926	-	-	-	-
11620	Building Purchases	-	\$ 118	-	\$ 251,120	-	\$ -	-
11640	Furniture and equipment - administrative purchases	-	-	-	-	-	-	-
13510	CFPP debt service payments	-	-	-	-	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-	-	-

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	AMP 340		AMP 341		AMP 343		AMP 344	
	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:								
70300	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
70400	-	-	-	-	-	-	-	-
70500	-	-	-	-	-	-	-	-
70600	-	-	-	-	-	-	-	-
70610	-	-	-	-	-	-	-	-
70710	-	-	-	-	-	-	-	-
70720	-	-	-	-	-	-	-	-
70730	-	-	-	-	-	-	-	-
70750	-	-	-	-	-	-	-	-
70700	-	-	-	-	-	-	-	-
70800	-	-	-	-	-	-	-	-
71100	-	-	387,651	-	-	-	-	-
71200	-	-	-	-	-	-	-	-
71300	-	-	-	-	-	-	-	-
71310	-	-	-	-	-	-	-	-
71400	-	-	-	-	-	-	-	-
71500	7,957	-	-	-	40,600	-	-	-
71600	-	-	-	-	-	-	-	-
72000	915,298	-	184,428	-	384,354	-	45	-
70000	923,255	-	572,079	-	424,954	-	45	-
EXPENSES:								
<i>Administrative</i>								
91100	21,172	-	8,703	-	7,708	-	4,241	-
91200	-	-	-	-	-	-	-	-
91300	-	-	-	-	-	-	-	-
91310	16,740	-	6,075	-	7,830	-	1,375	-
91500	24,879	-	9,946	-	9,681	-	1,996	-
91600	1,922	-	686	-	1,042	-	20	-
91700	-	-	-	-	206	-	-	-
91800	295	-	123	-	389	-	170	-
91900	34,487	-	1,282	-	27,743	-	5	-
91000	99,495	-	26,816	-	54,599	-	7,806	-
92000	11,160	-	5,400	-	5,220	-	1,250	-
<i>Tenant services</i>								
92100	59,170	-	22,801	-	22,310	-	6,022	-
92200	1,097	-	-	-	1,097	-	-	-
92400	107,290	-	49,555	-	56,262	-	340	-
92500	167,556	-	72,356	-	79,668	-	6,362	-
<i>Utilities</i>								
93100	-	-	-	-	-	-	-	-
93200	-	-	-	-	-	-	-	-
93300	-	-	-	-	-	-	-	-
93400	-	-	-	-	-	-	-	-
93600	-	-	-	-	-	-	-	-
93800	-	-	-	-	-	-	-	-
93000	-	-	-	-	-	-	-	-
<i>Ordinary maintenance & operation</i>								
94100	73	-	90	-	-	-	72	-
94200	-	-	-	-	-	-	-	-
94300	-	-	-	-	120	-	-	-
94000	73	-	90	-	120	-	72	-
<i>General expenses</i>								
96110	-	-	-	-	-	-	-	-
96120	303	-	109	-	129	-	6	-
96140	-	-	-	-	-	-	-	-
96100	303	-	109	-	129	-	6	-
96200	19,571	-	9,184	-	8,985	-	-	-
96210	40	-	-	-	-	-	-	-
96300	-	-	-	-	-	-	-	-
96800	-	-	-	-	-	-	-	-
96000	19,610	-	9,184	-	8,985	-	-	-
96710	422,663	-	387,651	-	168,593	-	-	-
96720	-	-	-	-	-	-	-	-
96700	422,663	-	387,651	-	168,593	-	-	-
96900	720,860	-	501,607	-	317,314	-	15,496	-
97000	202,395	-	70,472	-	107,641	-	(15,451)	-
97100	-	-	-	-	-	-	-	-
97200	-	-	-	-	-	-	-	-
97300	-	-	-	-	-	-	-	-
97400	-	-	-	-	-	-	-	-
90000	720,860	-	501,607	-	317,314	-	15,496	-
OTHER FINANCING SOURCES (USES)								
10010	281,496	-	17,913,146	-	108,075	-	5,949,249	-
10020	(403,495)	-	(15,852,396)	-	(177,371)	-	-	-
10100	(121,999)	-	2,060,750	-	(69,296)	-	5,949,249	-
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES								
	\$ 80,396	\$ -	\$ 2,131,222	\$ -	\$ 38,345	\$ -	\$ 5,933,799	\$ -
MEMO ACCT INFORMATION								
11020	25,000	-	-	-	45,000	-	-	-
11030	9,315,895	-	1,561,481	-	3,974,633	-	1,074,811	-
11040	-	-	-	-	-	-	-	-
11170	-	-	-	-	-	-	-	-
11180	-	-	-	-	-	-	-	-
11190	924	-	156	-	600	-	125	-
11210	892	-	151	-	569	-	125	-
11620	-	\$ -	-	\$ -	-	\$ -	-	\$ -
11640	-	-	-	-	-	-	-	-
13510	-	-	-	-	-	-	-	-
13901	-	-	-	-	-	-	-	-

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	AMP 345		AMP 350		AMP 352		AMP 354		
	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:									
70300	Net tenant rental revenue	\$ -	\$ -	\$ 156,740	\$ -	\$ 147,862	\$ -	\$ 314,712	\$ -
70400	Tenant revenue - other	-	-	4,734	-	5,260	-	13,925	-
70500	Total tenant revenue	-	-	161,474	-	153,122	-	328,637	-
70600	HUD PHA Operating Grants	-	-	-	-	-	-	-	-
70610	Capital Grants	-	-	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-	-	-
70800	Other Government Grants	-	-	-	-	-	-	2,000,000	-
71100	Investment Income - unrestricted	-	-	-	-	-	-	5,425	-
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	-	-	388	-	535	-	462	-
71600	Gain (loss) on the sale of capital assets	-	-	-	-	-	-	-	-
72000	Investment income - restricted	(0)	-	0	-	116,204	-	177,211	-
70000	TOTAL REVENUE	(0)	-	161,861	-	269,861	-	2,511,735	-
EXPENSES:									
<i>Administrative</i>									
91100	Administrative salaries	407	-	24,718	7,106	24,166	-	64,988	-
91200	Auditing fees	-	-	261	-	261	-	457	-
91300	Management fees	-	-	134,981	25,833	49,944	25,833	74,678	28,461
91310	Book-keeping Fee	1,080	-	6,411	-	11,448	-	16,088	-
91500	Employee benefit contributions - administrative	2,058	-	40,230	1,896	39,935	9	132,258	26
91600	Office Expenses	6	-	3,885	15	3,046	-	5,213	72
91700	Legal expense	-	-	1,698	-	1,436	-	4,199	-
91800	Travel	31	-	4,946	-	5,185	-	8,365	-
91900	Other	128	-	18,703	1,214	22,306	-	39,722	77
91000	Total Operating - Administrative	3,710	-	235,833	36,064	157,727	25,842	345,966	28,635
92000	Asset Management Fee	720	-	8,330	-	15,280	-	20,740	-
<i>Tenant services</i>									
92100	Tenant services - salaries	6,001	-	14,952	-	16,559	-	129,927	62
92200	Relocation costs	990	-	990	-	3,777	-	-	-
92400	Tenant services - other	603	-	24,680	-	16,769	-	8,200	-
92500	Total Tenant Services	7,594	-	40,622	-	37,106	-	138,127	62
<i>Utilities</i>									
93100	Water	90	-	16,285	-	18,256	-	43,226	-
93200	Electricity	-	-	10,693	-	17,199	-	7,046	-
93300	Gas	-	-	190	-	6,687	-	173	-
93400	Fuel	-	-	-	-	-	-	-	-
93600	Sewer	-	-	36,719	-	5,586	-	46,164	-
93800	Other utilities expense	-	-	6,957	-	8,231	-	40,967	-
93000	Total Utilities	90	-	70,843	-	55,959	-	137,577	-
<i>Ordinary maintenance & operation</i>									
94100	Ordinary maintenance and operations - labor	-	-	52,894	-	56,839	-	154,118	-
94200	Ordinary maintenance and operations - material and other	-	-	258,183	29,553	184,105	36,446	181,938	3,031
94300	Ordinary maintenance and operations - contracts	-	-	17,487	-	13,307	-	117,379	-
94000	Total Maintenance	-	-	328,564	29,553	254,251	36,446	453,435	3,031
<i>General expenses</i>									
96110	Property Insurance	-	-	2,965	-	3,173	-	5,488	-
96120	Liability Insurance	27	-	6,568	-	5,852	-	10,834	-
96140	All other insurance	-	-	-	-	-	-	-	-
96100	Total Insurance Premiums	27	-	9,533	-	9,024	-	16,322	-
96200	Other General Expenses	2,465	-	-	-	7,360	-	14,458	-
96210	Compensated Absences	-	-	14,922	-	10,839	-	30,350	-
96300	Payments in lieu of taxes	-	-	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-	-	-
96000	Total Other General Expenses	2,465	-	14,922	-	18,199	-	44,808	-
96710	Interest on mortgage (or bonds) payable	-	-	-	-	-	-	0	362,409
96720	Interest on notes payable (short and long term)	-	-	2,498	-	3,652	-	9,388	-
96700	Total interest expense and amortization cost	-	-	2,498	-	3,652	-	9,388	362,409
96900	TOTAL OPERATING EXPENSES	14,606	-	711,145	65,617	551,197	62,289	1,166,363	394,137
EXCESS OPERATING REVENUE OVER OPERATING EXPENSES									
97000		(14,606)	-	(549,284)	(65,617)	(281,337)	(62,289)	1,345,373	(394,137)
<i>Extraordinary maintenance</i>									
97100	Extraordinary maintenance	-	-	-	-	-	-	-	-
97200	Casualty losses - non-capitalized	-	-	-	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	-	-	-	-
97400	Depreciation expense	-	-	51,312	-	116,315	-	299,352	-
90000	TOTAL EXPENSES	14,606	-	762,457	65,617	667,512	62,289	1,465,714	394,137
OTHER FINANCING SOURCES (USES)									
10010	Operating transfers in	9,430,593	-	1,675,917	65,617	2,750,760	136,846	3,558,650	751,322
10020	Operating transfers out	(3)	-	(10,214)	-	(71,562)	(74,558)	(14,644,028)	-
10100	TOTAL OTHER FINANCING SOURCES	9,430,590	-	1,665,703	65,617	2,679,198	62,288	(11,085,377)	751,322
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES									
		\$ 9,415,984	\$ -	\$ 1,065,107	\$ 0	\$ 2,281,546	\$ (0)	\$ (10,039,356)	\$ 357,184
MEMO ACCT INFORMATION									
11020	Required annual debt principal payments	3,307,167	-	4,925	-	4,673	-	294,245	-
11030	Beginning of year equity	-	588,789	1,072,820	187,217	2,730,531	140,335	47,301,062	607,708
11040	Prior period adjustments, equity transfers	-	5,880,535	135,891	1,133,364	-	0	1,225,891	(964,892)
11170	Administrative Fee Equity	-	-	-	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-	-	-	-
11190	Unit Months Available	120	-	825	-	1,508	-	2,135	-
11210	Number of unit months leased	120	-	815	-	1,492	-	2,108	-
11620	Building Purchases	\$ 5,880,535	-	\$ 1,269,255	-	\$ 0	-	\$ 618,183	-
11640	Furniture and equipment - administrative purchases	-	-	-	-	-	-	-	-
13510	CFFP debt service payments	-	-	-	-	-	-	-	642,905
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, 2011

	AMP 355		AMP 401		AMP 402		AMP 403		
	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:									
70300	Net tenant rental revenue	\$ -	\$ -	\$ 639,637	\$ -	\$ -	\$ -	\$ 425,713	\$ -
70400	Tenant revenue - other	-	-	2,890	-	-	-	27,272	-
70500	Total tenant revenue	-	-	642,527	-	-	-	452,985	-
70600	HUD PHA Operating Grants	-	-	-	-	-	-	-	-
70610	Capital Grants	-	-	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-	-	-
70800	Other Government Grants	-	-	-	-	-	-	-	-
71100	Investment Income - unrestricted	-	-	-	-	-	-	-	-
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	10,300	-	818	-	-	-	821	-
71600	Gain (loss) on the sale of capital assets	-	-	-	-	-	-	-	-
72000	Investment income - restricted	319,980	-	544	-	-	-	862	-
70000	TOTAL REVENUE	330,280	-	643,889	-	-	-	454,668	-
EXPENSES:									
<i>Administrative</i>									
91100	Administrative salaries	5,955	-	102,531	-	5,899	-	55,290	-
91200	Auditing fees	-	-	587	-	-	-	457	-
91300	Management fees	-	-	127,219	42,034	-	-	418,310	7,444
91310	Book-keeping Fee	7,290	-	13,050	-	-	-	10,545	-
91500	Employee benefit contributions - administrative	5,116	-	142,085	21	1,157	-	87,734	16
91600	Office Expenses	212	-	7,514	-	-	-	5,909	-
91700	Legal expense	-	-	2,676	-	-	-	1,176	-
91800	Travel	586	-	8,006	-	-	-	6,153	-
91900	Other	9,814	-	17,763	926	240	-	14,216	-
91000	Total Operating - Administrative	28,972	-	421,430	42,980	7,296	-	599,790	7,460
92000	Asset Management Fee	4,860	-	15,220	-	-	-	14,690	-
<i>Tenant services</i>									
92100	Tenant services - salaries	12,151	-	23,095	-	-	-	22,865	-
92200	Relocation costs	1,110	-	3,893	-	-	-	7,061	-
92400	Tenant services - other	3,051	-	73,650	-	-	-	61,881	-
92500	Total Tenant Services	16,312	-	100,638	-	-	-	91,806	-
<i>Utilities</i>									
93100	Water	-	-	75,834	-	11,108	-	37,992	-
93200	Electricity	-	-	7,432	-	9,851	-	23,257	-
93300	Gas	-	-	28,077	-	7,071	-	-	-
93400	Fuel	-	-	-	-	-	-	-	-
93600	Sewer	-	-	92,184	-	534	-	76,108	-
93800	Other utilities expense	-	-	40,912	-	-	-	37,222	-
93000	Total Utilities	-	-	244,439	-	28,565	-	174,579	-
<i>Ordinary maintenance & operation</i>									
94100	Ordinary maintenance and operations - labor	-	-	228,652	-	358	-	136,005	-
94200	Ordinary maintenance and operations - material and other	-	-	87,715	25,197	1,455	-	59,147	8,794
94300	Ordinary maintenance and operations - contracts	-	-	57,329	-	40,115	-	28,548	-
94000	Total Maintenance	-	-	373,696	25,197	41,927	-	223,700	8,794
<i>General expenses</i>									
96110	Property Insurance	-	-	7,617	-	386	-	8,050	-
96120	Liability Insurance	670	-	15,586	-	0	-	11,815	-
96140	All other insurance	-	-	-	-	-	-	-	-
96100	Total Insurance Premiums	670	-	23,203	-	387	-	19,865	-
96200	Other General Expenses	-	-	-	-	-	-	-	-
96210	Compensated Absences	778	-	46,073	-	235	-	16,890	-
96300	Payments in lieu of taxes	-	-	12,564	-	-	-	12,936	-
96800	Severance expense	-	-	-	-	-	-	-	-
96000	Total Other General Expenses	778	-	58,637	-	235	-	29,826	-
96710	Interest on mortgage (or bonds) payable	138,270	-	-	-	-	-	-	-
96720	Interest on notes payable (short and long term)	-	-	9,855	-	-	-	5,306	-
96700	Total interest expense and amortization cost	138,270	-	9,855	-	-	-	5,306	-
96900	TOTAL OPERATING EXPENSES	189,862	-	1,247,118	68,178	78,409	-	1,159,562	16,254
97000	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	140,417	-	(603,229)	(68,178)	(78,409)	-	(704,894)	(16,254)
97100	Extraordinary maintenance	-	-	0	-	-	-	75	-
97200	Casualty losses - non-capitalized	-	-	-	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	-	-	-	-
97400	Depreciation expense	-	-	284,916	-	111,650	-	188,958	-
90000	TOTAL EXPENSES	189,862	-	1,532,034	68,178	190,060	-	1,348,595	16,254
OTHER FINANCING SOURCES (USES)									
10010	Operating transfers in	41,960	-	1,116,506	76,073	78,409	-	4,381,577	24,125
10020	Operating transfers out	(20,861)	-	(2,030)	-	-	-	-	-
10100	TOTAL OTHER FINANCING SOURCES	21,099	-	1,114,476	76,073	78,409	-	4,381,577	24,125
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES									
		\$ 161,517	\$ -	\$ 226,331	\$ 7,895	\$ (111,651)	\$ -	\$ 3,487,650	\$ 7,871
MEMO ACCT INFORMATION									
11020	Required annual debt principal payments	30,000	-	4,926	-	-	-	19,170	-
11030	Beginning of year equity	3,643,285	-	3,937,684	3,862,201	2,621,627	-	6,365,825	1,940,926
11040	Prior period adjustments, equity transfers	-	-	3,690,918	(3,706,054)	-	-	-	71
11170	Administrative Fee Equity	-	-	-	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-	-	-	-
11190	Unit Months Available	480	-	1,736	-	-	-	1,413	-
11210	Number of unit months leased	476	-	1,719	-	-	-	1,383	-
11620	Building Purchases	\$ -	\$ -	\$ 16,365	\$ -	\$ 766,648	\$ -	\$ 7,942	\$ -
11640	Furniture and equipment - administrative purchases	-	-	-	-	-	-	-	-
13510	CFPP debt service payments	-	-	-	-	-	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-	766,648	-	-

HOUSING AUTHORITY OF THE COUNTY OF KING
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	AMP 404		AMP 408		AMP 450		AMP 451	
	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:								
70300	Net tenant rental revenue	\$ 87,820	\$ -	\$ 127,968	\$ -	\$ -	\$ 76,427	\$ -
70400	Tenant revenue - other	10,574	-	0	-	-	3,620	-
70500	<i>Total tenant revenue</i>	<u>98,394</u>	<u>-</u>	<u>127,968</u>	<u>-</u>	<u>-</u>	<u>80,047</u>	<u>-</u>
70600	HUD PHA Operating Grants	-	-	-	-	-	-	-
70610	Capital Grants	-	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-	-
70700	<i>Total Fee Revenue</i>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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	299	-	-	-	-	464	-
71600	Gain (loss) on the sale of capital assets	-	-	-	-	-	-	-
72000	Investment income - restricted	194	-	217	-	118,440	127	-
70000	TOTAL REVENUE	<u>98,888</u>	<u>-</u>	<u>128,185</u>	<u>-</u>	<u>118,440</u>	<u>80,638</u>	<u>-</u>
EXPENSES:								
<i>Administrative</i>								
91100	Administrative salaries	21,249	-	14,604	-	790	31,958	-
91200	Auditing fees	130	-	130	-	-	130	-
91300	Management fees	16,112	-	21,495	-	-	35,681	10,071
91310	Book-keeping Fee	2,910	-	2,520	-	5,490	3,435	-
91500	Employee benefit contributions - administrative	21,539	-	18,723	-	452	33,634	6
91600	Office Expenses	1,025	-	1,062	-	16	1,462	-
91700	Legal expense	264	-	49	-	1	230	-
91800	Travel	3,096	-	1,402	-	1,246	5,062	-
91900	Other	4,156	811	3,098	-	4,353	6,586	-
91000	<i>Total Operating - Administrative</i>	<u>70,481</u>	<u>811</u>	<u>63,083</u>	<u>-</u>	<u>12,350</u>	<u>118,178</u>	<u>10,077</u>
92000	Asset Management Fee	5,280	-	3,340	-	7,320	5,460	-
<i>Tenant services</i>								
92100	Tenant services - salaries	4,005	-	5,269	-	1,953	8,342	-
92200	Relocation costs	-	-	-	-	-	1,980	-
92400	Tenant services - other	576	-	1,337	-	1,191	5,419	-
92500	<i>Total Tenant Services</i>	<u>4,581</u>	<u>-</u>	<u>6,607</u>	<u>-</u>	<u>3,144</u>	<u>15,741</u>	<u>-</u>
<i>Utilities</i>								
93100	Water	25,267	-	11,767	-	-	6,923	-
93200	Electricity	3,835	-	878	-	-	14,340	-
93300	Gas	-	-	764	-	-	-	-
93400	Fuel	-	-	-	-	-	-	-
93600	Sewer	15,936	-	17,522	-	-	6,718	-
93800	Other utilities expense	14,908	-	3,754	-	-	8,493	-
93000	<i>Total Utilities</i>	<u>59,946</u>	<u>-</u>	<u>34,686</u>	<u>-</u>	<u>-</u>	<u>36,475</u>	<u>-</u>
<i>Ordinary maintenance & operation</i>								
94100	Ordinary maintenance and operations - labor	37,467	-	21,365	-	-	58,535	-
94200	Ordinary maintenance and operations - material and other	8,595	-	10,207	-	-	84,851	1,209
94300	Ordinary maintenance and operations - contracts	5,045	-	2,829	-	-	4,902	-
94000	<i>Total Maintenance</i>	<u>51,108</u>	<u>-</u>	<u>34,401</u>	<u>-</u>	<u>-</u>	<u>148,288</u>	<u>1,209</u>
<i>General expenses</i>								
96110	Property Insurance	26,309	-	1,516	-	-	1,919	-
96120	Liability Insurance	3,666	-	2,450	-	31	3,929	-
96140	All other insurance	-	-	-	-	-	-	-
96100	<i>Total Insurance Premiums</i>	<u>29,975</u>	<u>-</u>	<u>3,965</u>	<u>-</u>	<u>31</u>	<u>5,848</u>	<u>-</u>
96200	Other General Expenses	-	7,937	-	11,692	-	-	-
96210	Compensated Absences	2,764	-	5,592	-	-	7,218	-
96300	Payments in lieu of taxes	-	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-	-
96000	<i>Total Other General Expenses</i>	<u>2,764</u>	<u>7,937</u>	<u>5,592</u>	<u>11,692</u>	<u>-</u>	<u>7,218</u>	<u>-</u>
96710	Interest on mortgage (or bonds) payable	-	-	-	-	-	-	-
96720	Interest on notes payable (short and long term)	1,326	-	1,223	-	2,483	1,438	-
96700	<i>Total interest expense and amortization cost</i>	<u>1,326</u>	<u>-</u>	<u>1,223</u>	<u>-</u>	<u>2,483</u>	<u>1,438</u>	<u>-</u>
96900	TOTAL OPERATING EXPENSES	<u>225,461</u>	<u>8,748</u>	<u>152,897</u>	<u>11,692</u>	<u>25,328</u>	<u>338,645</u>	<u>11,286</u>
EXCESS OPERATING REVENUE OVER OPERATING EXPENSES								
97000		(126,574)	(8,748)	(24,712)	(11,692)	93,112	(258,007)	(11,286)
97100	Extraordinary maintenance	-	-	35	-	-	-	-
97200	Casualty losses - non-capitalized	-	-	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	-	-	-
97400	Depreciation expense	80,279	-	53,822	-	-	43,986	-
90000	TOTAL EXPENSES	<u>305,740</u>	<u>8,748</u>	<u>206,754</u>	<u>11,692</u>	<u>25,328</u>	<u>382,631</u>	<u>11,286</u>
OTHER FINANCING SOURCES (USES)								
10010	Operating transfers in	130,934	8,748	120,670	11,692	2,292,622	392,530	11,288
10020	Operating transfers out	(8,748)	-	(12,720)	-	-	-	-
10100	TOTAL OTHER FINANCING SOURCES	<u>122,186</u>	<u>8,748</u>	<u>107,950</u>	<u>11,692</u>	<u>2,292,622</u>	<u>392,530</u>	<u>11,288</u>
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES								
		\$ (84,667)	\$ 0	\$ 29,381	\$ (0)	\$ 2,385,734	\$ 90,537	\$ 2
MEMO ACCT INFORMATION								
11020	Required annual debt principal payments	4,673	-	4,142	-	-	2,854	-
11030	Beginning of year equity	1,774,799	129,728	2,578,742	13,589	(58,512)	794,210	78,610
11040	Prior period adjustments, equity transfers	129,728	(129,728)	10,566	(10,566)	-	200,399	(78,612)
11170	Administrative Fee Equity	-	-	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-	-	-
11190	Unit Months Available	360	-	324	-	731	475	-
11210	Number of unit months leased	359	-	320	-	730	458	-
11620	Building Purchases	\$ -	\$ 0	\$ -	\$ (0)	\$ -	\$ -	\$ 121,789
11640	Furniture and equipment - administrative purchases	-	-	-	-	-	-	-
13510	CFPP debt service payments	-	-	-	-	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-	-	-

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	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	
REVENUE:									
70300	Net tenant rental revenue	\$ 141,403	\$ -	\$ 215,167	\$ -	\$ 203,782	\$ -	\$ 227,760	\$ -
70400	Tenant revenue - other	0	-	6,039	-	5,130	-	7,172	-
70500	Total tenant revenue	141,403	-	221,206	-	208,912	-	234,932	-
70600	HUD PHA Operating Grants	-	-	-	-	-	-	-	-
70610	Capital Grants	-	-	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-	-	-
70700	Total Fee Revenue	-	-	-	-	-	-	-	-
70800	Other Government Grants	-	-	-	-	-	-	-	-
71100	Investment Income - unrestricted	-	-	-	-	-	-	-	-
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	8,210	-	419	-	357	-	767	-
71600	Gain (loss) on the sale of capital assets	-	-	-	-	-	-	1,424	-
72000	Investment income - restricted	450	-	488	-	434	-	515	-
70000	TOTAL REVENUE	150,064	-	222,112	-	209,703	-	237,637	-
EXPENSES:									
<i>Administrative</i>									
91100	Administrative salaries	39,910	-	49,774	-	42,352	-	62,431	-
91200	Auditing fees	261	-	196	-	196	-	261	-
91300	Management fees	25,417	-	35,279	-	34,022	-	43,452	31,088
91310	Book-keeping Fee	4,275	-	4,500	-	4,658	-	6,175	-
91500	Employee benefit contributions - administrative	53,222	(0)	39,498	11	51,393	12	51,410	16
91600	Office Expenses	3,860	-	2,594	-	3,232	11	2,052	-
91700	Legal expense	472	-	1,798	-	188	-	1,027	-
91800	Travel	5,783	-	6,380	-	1,884	-	7,530	-
91900	Other	9,085	-	18,729	-	5,887	13	15,885	-
91000	Total Operating - Administrative	142,285	(0)	158,747	11	143,811	36	190,223	31,104
92000	Asset Management Fee	5,400	-	6,160	-	7,140	-	7,300	-
<i>Tenant services</i>									
92100	Tenant services - salaries	23,234	-	23,189	-	22,345	-	15,739	30
92200	Relocation costs	-	-	-	-	-	-	3,682	-
92400	Tenant services - other	23,937	-	28,946	-	61,332	-	26,226	-
92500	Total Tenant Services	47,171	-	52,135	-	83,677	-	45,647	30
<i>Utilities</i>									
93100	Water	13,877	-	19,125	-	22,126	-	17,623	-
93200	Electricity	7,265	-	1,662	-	7,304	-	8,570	-
93300	Gas	11,492	-	28,013	-	33,539	-	171	-
93400	Fuel	-	-	-	-	-	-	-	-
93600	Sewer	22,082	-	27,835	-	35,036	-	20,371	-
93800	Other utilities expense	21,398	-	16,803	-	16,932	-	16,349	-
93000	Total Utilities	76,114	-	93,439	-	114,936	-	63,084	-
<i>Ordinary maintenance & operation</i>									
94100	Ordinary maintenance and operations - labor	74,873	-	59,702	5,200	63,590	-	75,253	-
94200	Ordinary maintenance and operations - material and other	7,621	-	16,833	-	27,410	-	57,017	13,865
94300	Ordinary maintenance and operations - contracts	6,085	-	2,765	-	11,644	-	7,276	-
94000	Total Maintenance	88,579	-	79,301	5,200	102,644	-	139,546	13,865
<i>General expenses</i>									
96110	Property Insurance	16,578	-	1,941	-	9,011	-	2,653	-
96120	Liability Insurance	5,903	-	5,392	-	9,748	-	6,689	-
96140	All other insurance	-	-	-	-	-	-	-	-
96100	Total Insurance Premiums	22,481	-	7,333	-	18,760	-	9,342	-
96200	Other General Expenses	-	-	-	-	-	2,150	-	-
96210	Compensated Absences	12,798	-	6,657	-	9,501	-	13,450	-
96300	Payments in lieu of taxes	489	-	5,517	-	5,434	-	-	-
96800	Severance expense	-	-	-	-	-	-	-	-
96000	Total Other General Expenses	13,286	-	12,174	-	14,935	2,150	13,450	-
96710	Interest on mortgage (or bonds) payable	-	-	-	-	-	-	-	-
96720	Interest on notes payable (short and long term)	2,678	-	2,219	-	2,246	-	3,123	-
96700	Total interest expense and amortization cost	2,678	-	2,219	-	2,246	-	3,123	-
96900	TOTAL OPERATING EXPENSES	397,995	(0)	411,507	5,211	488,149	2,186	471,716	44,999
EXCESS OPERATING REVENUE OVER OPERATING EXPENSES									
97000		(247,931)	0	(189,395)	(5,211)	(278,446)	(2,186)	(234,078)	(44,999)
97100	Extraordinary maintenance	-	-	-	-	123	-	925	-
97200	Casualty losses - non-capitalized	-	-	-	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	-	-	-	-
97400	Depreciation expense	79,937	-	130,533	-	102,467	-	99,671	-
90000	TOTAL EXPENSES	477,931	(0)	542,040	5,211	590,739	2,186	572,312	44,999
OTHER FINANCING SOURCES (USES)									
10010	Operating transfers in	258,754	(0)	270,699	11,916	358,684	5,194	316,656	45,002
10020	Operating transfers out	(1,405,510)	-	(3,955)	-	(126,506)	-	(47)	-
10100	TOTAL OTHER FINANCING SOURCES	(1,146,756)	(0)	266,744	11,916	232,178	5,194	316,609	45,002
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES									
		\$ (1,474,624)	\$ (0)	\$ (53,184)	\$ 6,705	\$ (148,858)	\$ 3,008	\$ (18,065)	\$ 3
MEMO ACCT INFORMATION									
11020	Required annual debt principal payments	9,573	-	8,033	-	8,285	-	12,982	-
11030	Beginning of year equity	2,033,148	235,282	2,909,874	135,151	2,338,986	146,706	2,439,631	82,537
11040	Prior period adjustments, equity transfers	(484,856)	(235,282)	-	-	-	-	15,940	(15,940)
11170	Administrative Fee Equity	-	-	-	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-	-	-	-
11190	Unit Months Available	709	-	600	-	588	-	754	-
11210	Number of unit months leased	525	-	599	-	588	-	746	-
11620	Building Purchases	\$ -	(0)	\$ 6,705	-	\$ 3,008	-	\$ -	3
11640	Furniture and equipment - administrative purchases	-	-	-	-	-	-	-	-
13510	CFFP debt service payments	-	-	-	-	-	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-	-	-	-

HOUSING AUTHORITY OF THE COUNTY OF KING
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	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
REVENUE:								
70300	Net tenant rental revenue	\$ 153,081	\$ -	\$ -	\$ -	\$ 170,200	\$ -	\$ -
70400	Tenant revenue - other	4,463	-	-	-	3,494	-	-
70500	<i>Total tenant revenue</i>	<u>157,544</u>	-	-	-	<u>173,693</u>	-	-
70600	HUD PHA Operating Grants	-	-	-	-	-	-	-
70610	Capital Grants	-	-	-	-	-	-	-
70710	Management Fee	-	-	-	-	-	-	-
70720	Asset Management Fee	-	-	-	-	-	-	-
70730	Book-keeping Fee	-	-	-	-	-	-	-
70750	Other Fees	-	-	-	-	-	-	-
70700	<i>Total Fee Revenue</i>	-	-	-	-	-	-	-
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	186	-	-	-	11,166	-	-
71600	Gain (loss) on the sale of capital assets	-	-	-	-	-	-	-
72000	Investment income - restricted	71,652	-	128,485	-	177	-	138,369
70000	TOTAL REVENUE	<u>229,382</u>	-	<u>128,485</u>	-	<u>185,037</u>	-	<u>138,369</u>
EXPENSES:								
<i>Administrative</i>								
91100	Administrative salaries	25,805	-	2,496	-	37,803	-	14,440
91200	Auditing fees	261	-	-	-	326	-	-
91300	Management fees	65,879	22,331	-	-	70,436	35,028	-
91310	Book-keeping Fee	9,180	-	6,300	-	7,163	-	6,300
91500	Employee benefit contributions - administrative	49,853	8	509	-	43,065	69	176
91600	Office Expenses	3,620	(0)	211	-	2,891	-	8
91700	Legal expense	370	-	2	-	142	-	-
91800	Travel	4,437	-	1,043	-	9,578	-	1,163
91900	Other	15,229	-	5,577	-	18,601	-	6,095
91000	<i>Total Operating - Administrative</i>	<u>174,634</u>	<u>22,339</u>	<u>16,138</u>	-	<u>190,004</u>	<u>35,098</u>	<u>28,183</u>
92000	Asset Management Fee	11,900	-	8,400	-	5,710	-	8,400
<i>Tenant services</i>								
92100	Tenant services - salaries	27,620	-	2,197	-	33,525	-	754
92200	Relocation costs	1,020	-	-	-	1,428	-	-
92400	Tenant services - other	3,752	-	2,071	-	1,612	-	525
92500	<i>Total Tenant Services</i>	<u>32,392</u>	-	<u>4,268</u>	-	<u>36,566</u>	-	<u>1,280</u>
<i>Utilities</i>								
93100	Water	7,990	-	-	-	10,556	-	-
93200	Electricity	14,718	-	-	-	24,206	-	-
93300	Gas	26,831	-	-	-	14,402	-	-
93400	Fuel	-	-	-	-	-	-	-
93600	Sewer	16,046	-	-	-	16,031	-	-
93800	Other utilities expense	9,578	-	-	-	7,394	-	-
93000	<i>Total Utilities</i>	<u>75,163</u>	-	-	-	<u>72,589</u>	-	-
<i>Ordinary maintenance & operation</i>								
94100	Ordinary maintenance and operations - labor	50,225	-	-	-	59,572	-	-
94200	Ordinary maintenance and operations - material and other	294,004	-	-	-	145,670	120	-
94300	Ordinary maintenance and operations - contracts	5,949	-	-	-	10,343	-	935
94000	<i>Total Maintenance</i>	<u>350,178</u>	-	-	-	<u>215,585</u>	<u>120</u>	<u>935</u>
<i>General expenses</i>								
96110	Property Insurance	3,336	-	-	-	4,077	-	-
96120	Liability Insurance	5,521	-	63	-	7,858	-	27
96140	All other insurance	-	-	-	-	-	-	-
96100	<i>Total Insurance Premiums</i>	<u>8,857</u>	-	<u>63</u>	-	<u>11,935</u>	-	<u>27</u>
96200	Other General Expenses	-	-	-	-	-	-	-
96210	Compensated Absences	8,540	-	-	-	10,808	-	-
96300	Payments in lieu of taxes	5,685	-	-	-	-	-	-
96800	Severance expense	-	-	-	-	-	-	-
96000	<i>Total Other General Expenses</i>	<u>14,225</u>	-	-	-	<u>10,808</u>	-	-
96710	Interest on mortgage (or bonds) payable	-	-	-	-	-	-	-
96720	Interest on notes payable (short and long term)	3,384	-	1,490	-	2,877	-	4,890
96700	<i>Total interest expense and amortization cost</i>	<u>3,384</u>	-	<u>1,490</u>	-	<u>2,877</u>	-	<u>4,890</u>
96900	TOTAL OPERATING EXPENSES	<u>670,733</u>	<u>22,339</u>	<u>30,360</u>	-	<u>546,074</u>	<u>35,218</u>	<u>43,714</u>
97000	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	<u>(441,351)</u>	<u>(22,339)</u>	<u>98,125</u>	-	<u>(361,037)</u>	<u>(35,218)</u>	<u>94,655</u>
97100	Extraordinary maintenance	-	-	-	-	-	-	-
97200	Casualty losses - non-capitalized	-	-	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	-	-	-
97400	Depreciation expense	68,825	-	-	-	217,548	-	-
90000	TOTAL EXPENSES	<u>739,558</u>	<u>22,339</u>	<u>30,360</u>	-	<u>763,622</u>	<u>35,218</u>	<u>43,714</u>
OTHER FINANCING SOURCES (USES)								
10010	Operating transfers in	1,854,316	23,805	2,486,940	-	554,850	35,534	2,700,572
10020	Operating transfers out	-	-	-	-	-	-	-
10100	TOTAL OTHER FINANCING SOURCES	<u>1,854,316</u>	<u>23,805</u>	<u>2,486,940</u>	-	<u>554,850</u>	<u>35,534</u>	<u>2,700,572</u>
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES								
		<u>\$ 1,344,140</u>	<u>\$ 1,466</u>	<u>\$ 2,585,065</u>	<u>\$ -</u>	<u>\$ (23,736)</u>	<u>\$ 316</u>	<u>\$ 2,795,226</u>
MEMO ACCT INFORMATION								
11020	Required annual debt principal payments	5,961	-	-	-	5,708	-	-
11030	Beginning of year equity	1,066,962	635,185	(31,708)	-	3,093,898	2,267,931	(123,813)
11040	Prior period adjustments, equity transfers	472,965	(451,868)	-	-	2,054,554	(1,882,511)	-
11170	Administrative Fee Equity	-	-	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-	-	-
11190	Unit Months Available	1,202	-	840	-	946	-	825
11210	Number of unit months leased	1,194	-	839	-	929	-	824
11620	Building Purchases	\$ 22,563	-	\$ -	-	\$ 172,359	-	-
11640	Furniture and equipment - administrative purchases	-	-	-	-	-	-	-
13510	CFFP debt service payments	-	-	-	-	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-	-	-

HOUSING AUTHORITY OF THE COUNTY OF KING
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	SUBTOTAL	Elimination	TOTAL AUTHORITY	Component Units
REVENUE:				
70300	Net tenant rental revenue	\$ 36,629,355	\$ 36,629,355	\$ 23,969,713
70400	Tenant revenue - other	1,064,232	1,064,232	518,210
70500	<i>Total tenant revenue</i>	<u>37,693,587</u>	<u>37,693,587</u>	<u>24,487,923</u>
70600	HUD PHA Operating Grants	109,868,010	109,868,010	-
70610	Capital Grants	11,412,275	11,412,275	-
70710	Management Fee	5,281,798	(4,682,396)	599,402
70720	Asset Management Fee	1,152,858	(1,143,258)	9,600
70730	Book-keeping Fee	1,693,547	(1,683,842)	9,705
70750	Other Fees	5,361,240	(5,173,509)	187,732
70700	<i>Total Fee Revenue</i>	<u>13,489,443</u>	<u>806,439</u>	<u>-</u>
70800	Other Government Grants	12,569,268	12,569,268	-
71100	Investment Income - unrestricted	1,614,787	1,614,787	124,687
71300	Proceeds from disposition of assets held for sale	547,748	547,748	-
71310	Cost of Sale of Assets	(415,651)	(415,651)	-
71400	Fraud Recovery	94,239	94,239	-
71500	Other Revenue	5,915,520	5,915,520	45,238,194
71600	Gain (loss) on the sale of capital assets	5,189,560	5,189,560	-
72000	Investment income - restricted	7,718,163	7,718,163	-
70000	TOTAL REVENUE	<u>205,696,947</u>	<u>193,013,943</u>	<u>69,850,804</u>
EXPENSES:				
<i>Administrative</i>				
91100	Administrative salaries	12,906,228	12,906,228	4,116,440
91200	Auditing fees	99,502	99,502	46,694
91300	Management fees	5,713,397	(4,684,653)	1,028,743
91310	Book-keeping Fee	1,712,468	(1,681,834)	30,634
91400	Advertising and Marketing	-	-	93,151
91500	Employee benefit contributions - administrative	6,892,272	6,892,272	-
91600	Office Expenses	1,047,506	1,047,506	831,552
91700	Legal expense	332,196	332,196	93,629
91800	Travel	524,923	524,923	-
91900	Other	4,747,097	4,747,097	83,518
91000	<i>Total Operating - Administrative</i>	<u>33,975,589</u>	<u>(6,366,488)</u>	<u>6,754,843</u>
92000	Asset Management Fee	1,143,008	(1,143,008)	-
<i>Tenant services</i>				
92100	Tenant services - salaries	1,605,095	1,605,095	-
92200	Relocation costs	133,160	133,160	-
92400	Tenant services - other	3,267,031	3,267,031	-
92500	<i>Total Tenant Services</i>	<u>5,005,285</u>	<u>-</u>	<u>-</u>
<i>Utilities</i>				
93100	Water	1,814,839	1,814,839	820,842
93200	Electricity	904,522	904,522	531,085
93300	Gas	240,546	240,546	179,937
93400	Fuel	9,902	9,902	-
93600	Sewer	2,362,891	2,362,891	904,256
93800	Other utilities expense	1,327,162	1,327,162	696,416
93000	<i>Total Utilities</i>	<u>6,659,862</u>	<u>6,659,862</u>	<u>3,132,535</u>
<i>Ordinary maintenance & operation</i>				
94100	Ordinary maintenance and operations - labor	5,633,633	(2,204,539)	-
94200	Ordinary maintenance and operations - material and other	16,692,261	(2,968,969)	2,864
94300	Ordinary maintenance and operations - contracts	5,066,905	5,066,905	3,280,696
94000	<i>Total Maintenance</i>	<u>27,392,799</u>	<u>(5,173,509)</u>	<u>3,283,560</u>
<i>General expenses</i>				
96110	Property Insurance	328,212	328,212	682,958
96120	Liability Insurance	652,346	652,346	-
96140	All other insurance	7,705	7,705	-
96100	<i>Total Insurance Premiums</i>	<u>988,263</u>	<u>988,263</u>	<u>682,958</u>
96200	Other General Expenses	1,214,528	1,214,528	1,251,567
96210	Compensated Absences	1,329,780	1,329,780	-
96300	Payments in lieu of taxes	117,409	117,409	-
96800	Severance expense	1,698	1,698	-
96000	<i>Total Other General Expenses</i>	<u>2,663,415</u>	<u>-</u>	<u>1,251,567</u>
96710	Interest on mortgage (or bonds) payable	8,061,877	8,061,877	79,047
96720	Interest on notes payable (short and long term)	3,446,364	3,446,364	8,702,448
96730	Amortization of bond issue costs	-	-	19,897
96700	<i>Total interest expense and amortization cost</i>	<u>11,508,241</u>	<u>11,508,241</u>	<u>8,801,392</u>
96900	TOTAL OPERATING EXPENSES	<u>88,348,198</u>	<u>(12,683,004)</u>	<u>23,906,856</u>
EXCESS OPERATING REVENUE OVER OPERATING EXPENSES				
97000		116,360,486	0	45,943,948
97100	Extraordinary maintenance	57,164	-	-
97200	Casualty losses - non-capitalized	14,656	-	-
97300	Housing assistance payments	76,060,417	-	-
97400	Depreciation expense	7,822,009	-	12,660,362
90000	TOTAL EXPENSES	<u>173,290,706</u>	<u>(12,683,004)</u>	<u>36,567,218</u>
OTHER FINANCING SOURCES (USES)				
10010	Operating transfers in	273,689,719	(273,689,719)	-
10020	Operating transfers out	(273,689,719)	273,689,719	-
10091	Inter-project excess cash transfer in	1,290,294	(1,290,294)	-
10092	Inter-project excess cash transfer out	(1,290,294)	1,290,294	-
10093	Transfers between programs and projects in	-	-	-
10094	Transfers between programs and projects out	-	-	-
10100	TOTAL OTHER FINANCING SOURCES	<u>0</u>	<u>(0)</u>	<u>0</u>
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES				
		\$ 32,406,239	\$ 0	\$ 33,283,586
MEMO ACCT INFORMATION				
11020	Required annual debt principal payments	61,401,805	-	61,401,805
11030	Beginning of year equity	381,188,515	-	381,188,515
11040	Prior period adjustments, equity transfers	(0)	-	(0)
11170	Administrative Fee Equity	3,272,404	-	3,272,404
11180	Housing Assistance Fee Equity	519,221	-	519,221
11190	Unit Months Available	163,008	-	163,008
11210	Number of unit months leased	160,300	-	160,300
11270	Excess cash	\$ -	\$ -	-
11610	Land Purchases	-	-	-
11620	Building Purchases	10,711,351	-	10,711,351
11630	Furniture and Equipment - dwelling purchases	-	-	-
11640	Furniture and equipment - administrative purchases	72,629	-	72,629
11650	Leasehold improvements purchases	-	-	-
11660	Infrastructure purchases	-	-	-
13510	CFFP debt service payments	642,905	-	642,905
13901	Replacement housing factor funds	766,648	-	766,648

HOUSING AUTHORITY OF THE COUNTY OF KING

Appendix A

Fiscal Year 2011

PROPERTY LISTING

		Year Built/ Acquired	Number of Units			Year Built/ Acquired	Number of Units	
Federally Assisted Housing:				Unassisted Locally Financed Housing:				
<i>Low Rent Public Housing:</i>				<i>Tax-Exempt Bond Program:</i>				
	1.	Cascade Apartments	1968	108	1.	Carriage House	1991	236
	2.	Valli Kee Homes	1968	114	2.	Cottonwood	1991	75
	3.	Wayland Arms	1968	67	3.	Newporter	1991	120
	4.	Ballinger Homes	1969	110	4.	Cove East	1992	190
	5.	Boulevard Manor	1969	70	5.	Parkwood	1992	90
	6.	Northridge House I	1969	70	6.	Timberwood	1992	240
a)	7.	Paramount House	1969	70	7.	Walnut Park	1992	140
	8.	Riverton Terrace	1969	30	8.	Woodland North	1992	105
a)		Riverton Terrace Sr	1969	30	9.	Aurburn Square	1993	160
	9.	Avondale Manor	1970	20	10.	Woodside East	1993	244
	10.	Briarwood	1970	70	11.	Aspen Ridge	1996	88
a)	11.	Brittany Park	1970	43	12.	Landmark Apartments	2001	191
	12.	Casa Juanita	1970	80	13.	Belkpark East	2001	118
	13.	Forest Glen	1970	40	14.	Meadows at Lea Hill	2006	90
a)	14.	Mardis Gras	1970	61	15.	Cascadian	1994	198
	15.	Southridge House	1970	80	16.	Woodbridge Park	1995	201
	16.	Yardley Arms	1970	67	17.	Fairwood	1995	176
	17.	Burndale Homes	1971	50	18.	Westminster	2010	60
	18.	Firwood Circle	1971	50	19.	Meadowbrook	2011	115
a)	19.	Munro Manor	1971	60				<u>2,837</u>
a)	20.	Plaza Seventeen	1971	70	Home Ownership Program:			
	21.	Eastridge House	1972	40	1.	Vantage Glen	1985	164
	22.	The Lake House	1972	70	2.	Rainier View	1989	31
a)	23.	Casa Madrona	1973	70	3.	Tall Cedars	1993	126
	24.	Northridge House II	1975	70	4.	Wonderland Estates	2008	109
	25.	Eastside Terrace	1980	50				<u>430</u>
	26.	Pickering Court	1980	30	Miscellaneous Local Programs:			
	27.	Cedarwood	1981	25	1.	Campus Green	1981	15
	28.	College Place	1981	51	2.	Echo Cove	1981	4
	29.	Evergreen Court	1981	30	3.	Harbor Villa	1981	5
	30.	Forest Grove	1981	25	4.	Slater Park	1981	5
	31.	Glenview Heights	1981	10	5.	Brookside	1983	16
	32.	Kings Court	1981	30	6.	Shadrack	1984	9
a)	33.	Gustaves Manor	1982	35	7.	Shekor	1985	8
	34.	Juanita Court	1982	30	8.	Nike	1990	31
	35.	Greenleaf	1983	27	9.	Anita Vista	1991	14
	36.	Juanita Trace	1983	39	10.	Federal Way Duplexes	1992	4
	37.	Kirkwood Terrace	1983	28	11.	Avondale House	1992	16
	38.	Wellswood	1983	30	12.	Sunnydale	1992	16
	39.	Campus Court	1991	13	13.	Vet's Housing	1997	6
	40.	Victorian Woods	1993	15	14.	Holt House	2011	1
	41.	Federal Way Homes	1993	3	15.	Houses at Greenbridge	2011	2
	42.	Bellevue 8	1994	8	16.	Kirkland Place	2011	9
	43.	Shoreham	1995	18				<u>161</u>
	44.	Vista Heights	1995	30	Memo: Tax Credit Developments:			
	45.	Youngs Lake	1997	28	1.	Laurelwood Gardens	1997	91
b)	46.	Seola Crossing I	2007	40	2.	Rainier View I	1997	48
	47.	Seola Crossing II	2007	37		Rainier View II	1997	36
c)	48.	Nia Apartments	2008	40	3.	Si View	1997	20
	49.	Pacific Court	2008	32	4.	Windsor Heights	1998	326
d)	50.	Salmon Creek Public Housing	2009	50	5.	Heritage Park	1999	77
	51.	Pepper Tree	2009	30	6.	Colonial Gardens	1999	72
e)	52.	Eastbridge	2010	13	7.	Alpine Ridge	1999	42
	53.	Park Royal	2010	23	8.	Somerset Village	1999	198
	54.	Sixth Place	2011	24	9.	Overlake Station	2000	308
	55.	Zephyr	2011	25	10.	Southwood Square	2001	104
				<u>2,479</u>	11.	Arbor Heights	2002	97
					12.	Harrison House	2004	94
f)	Tenant Based Housing Choice Vouchers:			<u>8,176</u>	13.	Valley Park	2004	60
					14.	Seola Crossing I	2007	42
					15.	Seola Crossing II	2007	68
					16.	Nia	2008	42
					17.	Birch Creek Apartments	2009	262
					18.	Salmon Creek	2009	38
					19.	Eastbridge	2010	78
								<u>2,103</u>
					Summary			
					Total housing units owned or managed by the Authority		8,486	
					Tenant based housing choice voucher		8,176	
					Households served		<u>16,662</u>	

- 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, 2011

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$	2,126,194
Restricted cash and cash equivalents		6,061,226
Receivables, net		84,360
Restricted investments		2,987,352
Other current assets		367,965
Total Current Assets		<u>11,627,097</u>

NONCURRENT ASSETS:

Restricted Cash		22,464
Land, buildings and equipment, net		18,325,865
Noncurrent Receivables		3,823
Other noncurrent assets		617,743
Total Noncurrent Assets		<u>18,969,895</u>

TOTAL ASSETS

\$ 30,596,992

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable	\$	229,082
Tenants' security deposits		313,190
Other current liabilities		675,563
Current portion of long-term debt		915,368
Total Current Liabilities		<u>2,133,203</u>

LONG-TERM LIABILITIES:

Long Term Debt		23,167,476
Other noncurrent liabilities		31,008
Total Long-Term Liabilities		<u>23,198,484</u>
TOTAL LIABILITIES		<u>25,331,687</u>

NET ASSETS:

Invested in capital assets		(5,756,978)
Restricted		6,083,690
Unrestricted		4,938,593
TOTAL NET ASSETS		<u>5,265,305</u>

TOTAL LIABILITIES AND NET ASSETS

\$ 30,596,992

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, 2011

OPERATING REVENUES

Rent	\$ 7,351,841
Other	120,017
Total Operating Revenues	<u>7,471,858</u>

OPERATING EXPENSES

Administrative	463,346
Payroll	659,127
Operating and maintenance	2,263,046
Utilities	1,151,967
Insurance	132,719
Depreciation	561,787
Amortization	39,430
Property management	56,094
Bookkeeping Fees	73,440
Asset Management	108,360
Other Expenses	224
Total Operating Expenses	<u>5,509,540</u>

Operating Income (Loss) 1,962,318

NONOPERATING REVENUE (EXPENSE)

HUD contributions	261,008
Grant revenue	41,185
Investment income	194,557
Other nonoperating revenue	35,444
Interest expense	<u>(1,336,648)</u>
Net Nonoperating Revenue (Expense)	<u>(804,454)</u>

INCOME (LOSS) before transfers 1,157,864

Transfer of funds to agency (4,041,363)

CHANGE IN NET ASSETS \$ (2,883,499)

Total Net Assets -- beginning 8,148,804

Total Net Assets -- ending \$ 5,265,305

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 CASH FLOWS
For the Twelve Months Ended December 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from tenants	\$ 6,640,519
Receipts from homeowners	111,747
Payments to employees	(668,784)
Payments to suppliers of goods and services	(3,497,449)
Other receipts (payments)	(43,072)
Net cash provided by operating activities	<u>2,542,961</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Operating subsidies from HUD	261,008
Grant revenue	39,048
Transfer of funds to agency	(61,082)
Net cash provided by noncapital financing activities	<u>238,974</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Principal payments on capital debt	(748,064)
Interest paid on capital debt	(1,254,384)
Net fixed asset transfers / (additions)	(680,134)
Other Receipts (Payments)	(120,275)
Net cash used in capital and related financing activities	<u>(2,802,857)</u>

CASH FLOW FROM INVESTING ACTIVITIES:

Net withdrawals (deposits) to reserves	59,883
Net (purchase) sale of investments	-
Investment income	126,547
Net cash provided by (used in) investing activities	<u>186,430</u>

Net increase (decrease) in cash and cash equivalents 165,509

Cash and cash equivalents -- beginning 8,044,375

Cash and cash equivalents -- ending \$ 8,209,884

Reconciliation of operating income (loss) to net cash

provided (used) by operating activities:	
Operating income (loss)	\$ 1,962,318
Adjustments to reconcile net income to net cash provided	
by (used in) operating activities:	
Depreciation	561,787
Amortization	36,392
Change in assets and liabilities:	
(Increase) decrease in receivables and other current assets	(16,700)
Inventories and other	(102,506)
Increase (decrease) in accounts payable and accrued liabilities	112,276
Other Current Liabilities	(10,605)
Net cash provided by (used in) operating activities	<u>\$ 2,542,961</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, 2011

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

a) 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.

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) 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.

d) 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.

e) *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-ACCOUNTING CHANGES

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

As a result of the New Market Tax Credit transaction, the assets and liabilities, exclusive of the related debt associated with the Pooled Housing Refunding Revenue Bonds, of Tall Cedars are not reflected on the Balance Sheet. However, transactions related to Tall Cedars prior to the transaction are reported in the Statement of Revenues, Expenses, and Changes in Net Assets.

NOTE 3 – 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 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 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 or 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, 2011, the pool had an average days-to-maturity of 32 days and therefore is reported at cost. Government securities are reported at fair value.

A summary of cash and investments at December 31, 2011 follows.

	UNRESTRICTED	RESTRICTED	TOTAL
CASH and CASH EQUIVALENTS:			
Cash on hand	\$ 950	\$ -	\$ 950
Depository accounts	2,125,244	971,794	3,097,038
Washington State Investment Pool	-	5,089,432	5,089,432
Other money market	-	22,464	22,464
TOTAL CASH AND CASH EQUIVALENTS	\$ 2,126,194	\$ 6,083,690	\$ 8,209,884
INVESTMENTS:			
U.S. Treasury money market	-	16,432	16,432
Private Debt Obligations:			
Westdeutsche Landesbank Gironzentrale, 5.42%, 7/1/2028	-	2,027,153	2,027,153
Bank of America 6.1% 7/1/2028	-	943,767	943,767
TOTAL INVESTMENTS	\$ -	\$ 2,987,352	\$ 2,987,352
TOTAL	\$ 2,126,194	\$ 9,071,042	\$ 11,197,236

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	\$ -	\$ (851,782)	\$ -	\$ 5,447,741
Land Improvements	-	-	(1,754,041)	3,986,979	2,232,939
Work-in-process	-	477,333	-	-	477,333
Total Nondepreciable	6,299,523	477,333	(2,605,823)	3,986,979	8,158,013
DEPRECIABLE:					
Land Improvements	362,874	-	(278,444)	1,089,835	1,174,264
Buildings and improvements	24,957,006	202,800	(115,717)	(5,076,814)	19,967,275
Equipment	53,362	-	(12,500)	-	40,862
Total Depreciable	25,373,242	202,800	(406,661)	(3,986,979)	21,182,401
TOTAL CAPITAL ASSETS:	31,672,765	680,133	(3,012,484)	-	29,340,414
Accumulated depreciation	(10,859,424)	(561,787)	406,662	-	(11,014,549)
NET CAPITAL ASSETS	\$ 20,813,341	\$ 118,346	\$ (2,605,822)	\$ -	\$ 18,325,865

\$2.6 million of net disposals represent the sale of Tall Cedars Mobile Home Park in the New Market Tax Credit transaction. For more information on the New Market Tax Credit transaction see Note 2.

NOTE 5 – LONG TERM DEBT OBLIGATIONS

The components of outstanding debt at December 31, 2011 and the activity are stated below.

	Beginning Balance	Additions	Retirements/ Payments	Ending Balance	Current Portion
Notes	\$ 492,157	\$ -	\$ -	\$ 492,157	\$ 5,368
Series 1998A Bonds	24,406,987	-	(816,300)	23,590,687	910,000
	<u>\$ 24,899,144</u>	<u>\$ -</u>	<u>\$ (816,300)</u>	<u>\$ 24,082,844</u>	<u>\$ 915,368</u>

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:

Year	Principal	Interest
2012	910,000	1,268,065
2013	965,000	1,221,479
2014	1,010,000	1,171,740
2015	1,065,000	1,118,570
2016	1,120,000	1,062,540
2017-2021	6,635,000	4,354,857
2022-2026	8,650,000	2,383,763
2027-2031	4,140,000	275,231
TOTAL	\$ 24,495,000	\$ 12,856,245
Unamortized original issue discount	(37,311)	
Unamortized deferred defeasance	(867,002)	
BALANCE OF OUTSTANDING DEBT	<u>\$ 23,590,687</u>	
Due in one year or less	\$ 910,000	
Due in over one year	\$ 22,680,687	

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 \$867,002 at December 31, 2011 is reported on the balance sheet as a reduction from the new debt liability. Amortization of deferred defeasance for the period was \$50,017 and is included with interest expense. The current deferred defeasance balance is amortized as follows:

<u>Fiscal Year</u>	<u>Amortization</u>
2012	54,217
2013	58,165
2014	61,926
2015	66,195
2016	70,209
2017-2021	425,227
2022-2026	131,063
	<u>\$ 867,002</u>

NOTE 6 - 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 1,197 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2010:

Retirees and Beneficiaries Receiving Benefits	76,899
Terminated Plan Members Entitled to But Not Yet Receiving Benefits	28,860
Active Plan Members Vested	105,521
Active Plan Members Non-vested	51,005
Total	262,285

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, 2011, are as follows:

	<i>PERS Plan 1</i>	<i>PERS Plan 2</i>	<i>PERS Plan 3</i>
Employer*	7.25%**	7.25%**	7.25%***
Employee	6.00%****	4.64%****	*****

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

** The employer rate for state elected officials is 10.80% for Plan 1 and 7.25% for Plan 2 and Plan 3.

*** Plan 3 defined benefit portion only.

**** The employee rate for state elected officials is 7.50% for Plan 1 and 4.64% 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
2011	\$ 60,503	\$ 1,002,941	\$ 172,803
2010	\$ 51,061	\$ 825,346	\$ 143,608
2009	\$ 79,764	\$ 1,033,485	\$ 161,795

NOTE 7 - RISK MANAGEMENT

The King County Housing Authority (KCHA) has the responsibility to systematically and continuously identify potential exposure to losses in terms of frequency and severity probability, and to apply sound risk control and financing techniques to minimize the impact of those potential losses. KCHA Risk Management has implemented programs to protect the Housing Authority against accidental and criminal losses that would significantly affect personnel, property, or budget by using a combination of loss control programs, purchased commercial insurance, voluntary self-insurance, participation in a risk-sharing pool or group, and contractual risk transfer via indemnification agreements.

For Public Housing, KCHA secures third-party liability insurance primarily through the Housing Authority Risk Retention Pool (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 \$25,000 deductible, except as respects Flood at noted locations, for a deductible of \$250,000 which are covered under National Flood Insurance Policies, subject to \$1,000 deductibles.

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

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

No active claims are anticipated to exceed the applicable limits of insurance secured from any of the listed providers.

NOTE 8 – SUBSEQUENT EVENTS

There have been no material events subsequent to December 31, 2011 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. 01/31/2014)

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

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

Do not send this form to the above address.

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

HA Name: HA COUNTY OF KING	Modernization Project Number: WA19S002501-09
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The HA hereby certifies to the Department of Housing and Urban Development as follows:

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

A. Original Funds Approved	\$ 7,442,556.00
B. Funds Disbursed	\$ 7,442,556.00
C. Funds Expended (Actual Modernization Cost)	\$ 7,442,556.00
D. Amount to be Recaptured (A-C)	\$ 0.00
E. Excess of Funds Disbursed (B-C)	\$ 0.00

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

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

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

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

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

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

Signature of Executive Director & Date:

X

5-31-12

For HUD Use Only

The Cost Certificate is approved for audit:

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

X 

Date:

08-09-2012

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)

X

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

Date:

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.

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