The Housing Authority
of the City of Seattle, Washington

Comprehensive Annual Financial Report

For the year ended
December 31, 2013

Seattle HOUSING AUTHORITY

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Comprehensive Annual Financial Report

December 31, 2013

Issued by
Department of Finance & Administrative Services
Shelly Yapp, Chief Financial Officer

**THE HOUSING AUTHORITY OF THE CITY OF SEATTLE,
WASHINGTON**

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THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Principal Officials

Commissioners as of December 31, 2013

Name	Term expires
Nora Gibson, Chair	March 20, 2015
Doug Morrison, Vice Chair	March 20, 2014
Aser Ashkir, Commissioner	October 1, 2014
John Littel, Commissioner	October 1, 2014
Juan Martinez, Commissioner	March 20, 2015
Kollin Min, Commissioner	March 20, 2016
Deborah Canavan Thiele, Commissioner	March 20, 2017

Administrative Staff

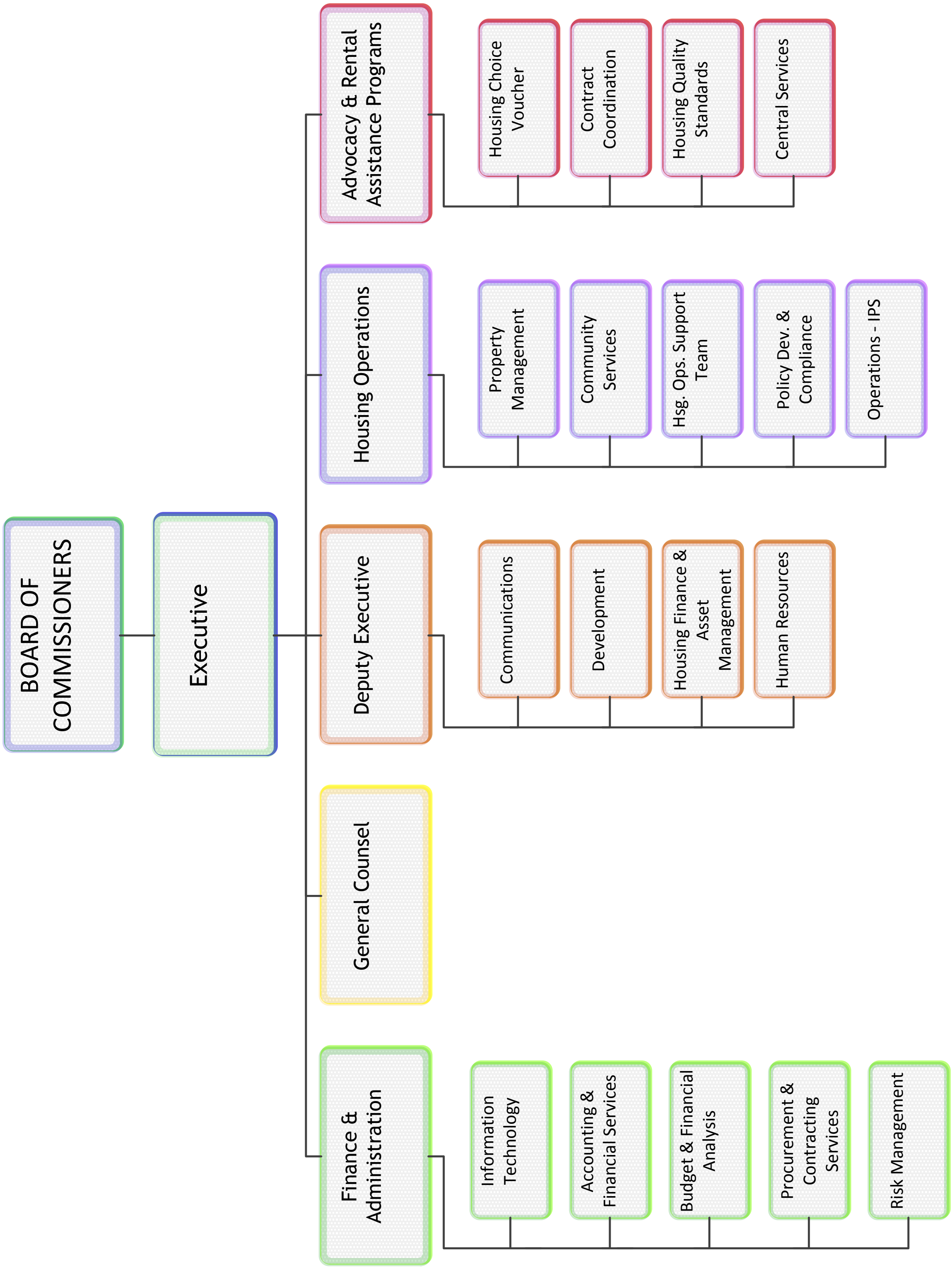
Andrew Lofton, Secretary-Treasurer/Executive Director

Shelly Yapp, Chief Financial Officer

Janet Hayes, Controller

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Organization Chart



May 16, 2014

Members of the Board of Commissioners
The Housing Authority of the City of Seattle, Washington:

Introduction

We are pleased to present The Housing Authority of the City of Seattle, Washington's (referred to hereafter as "the Seattle Housing Authority", "the Authority" or "SHA") Comprehensive Annual Financial Report (CAFR) for the year ended December 31, 2013. This report was prepared by the Authority's Finance staff, and the Authority's 2013 financial statements included in this CAFR were audited by the national public accounting firm of KPMG LLP, with assistance from the Seattle public accounting firm of Francis & Company PLLC. The independent auditor's report of KPMG LLP is presented on pages 1 through 3 herein. We invite the public to review SHA's 2013 CAFR at http://www.seattlehousing.org/news/financial/.

The data presented in this report are the responsibility of the management of the Authority. To the best of our knowledge and belief, the data as presented are accurate in all material respects; are presented in a manner designed to fairly state the financial position and results of operations of the Authority; include all necessary disclosures to enable the reader to gain a thorough understanding of the Authority's financial affairs; and are based on a system of internal controls through policies and procedures designed to minimize, prevent, or detect risks to the integrity of the data and correct weaknesses where discovered. The effectiveness of SHA's internal controls is tested in the course of independent financial, compliance, and performance audits.

For a complete overview of the Authority's 2013 financial conditions, please review Management's Discussion and Analysis found in Section II: FINANCIAL SECTION, in tandem with this transmittal letter.

Profile of Seattle Housing Authority

Independent Public Jurisdiction: The Authority is an independent municipal entity created by the City of Seattle (City) in 1939 pursuant to state law and the National Housing Act of 1937. Although it maintains close ties with the City in several respects, the Authority is not a component unit of the City, as defined by the pronouncements of the Governmental Accounting Standards Board. The City is not financially accountable for the operations of the Authority, has no responsibility to fund its deficits or receive its surpluses, and has not guaranteed the Authority's debt. The Authority is the largest housing authority in the Pacific Northwest and the 17th largest in the United States.

Moving to Work Housing Authority: The Authority is one of 39 housing authorities, of more than 4,000 in the country, designated as a "Moving to Work" (MTW) housing authority. An MTW agency is one that is part of a demonstration created in the 1996 Congressional appropriation for the Department of Housing and Urban Development (HUD). MTW agencies have three statutory objectives:

- Reduce cost and achieve greater costs effectiveness in Federal expenditures;
- Give incentives to families with children where the head of household is working, is seeking work, or is preparing for work by participating in job training, educational, or job referral programs, to obtain employment and become economically self-sufficient; and,
- Increase housing choices for low-income families.

As an MTW agency, Seattle Housing Authority has flexibility to develop operating policies and procedures that differ from those prescribed in regulations implementing Sections 8 and 9 of the Housing Act of 1937. The Authority also is authorized to combine public housing operating and capital funds and housing choice voucher funds into a MTW Block Grant and to allocate those funds to best meet local low income housing needs.

Governing Body and Strategic Guidance: The governing body of the Authority is its Board of Commissioners. The Board is comprised of seven members appointed by the Mayor and confirmed by the City Council; members serve four year terms and may be reappointed. The Board appoints an Executive Director to administer the affairs of the Authority. The programs and actions of the Authority are guided by the FY 2011-2015 Strategic Plan. The Plan was adopted by the Board in October 2010, following a twelve month planning and community participation process. The underpinnings for the Strategic Plan are the Authority's Mission and Values statements:

> ***Our Mission***
>
> *Our mission is to enhance the Seattle community by creating and sustaining decent, safe and affordable living environments that foster stability and increase self-sufficiency for people with low-income.*
>
> ***Our Values***
>
> *As stewards of the public trust, we pursue our mission and responsibilities in a spirit of service, teamwork, and respect. We embrace the values of excellence, collaboration, innovation, and appreciation.*

Seattle Housing Authority's 2011-2015 Strategic Plan lays out five broad strategic directions that guide the primary goals and objectives of the Authority over the period:

1. Expand housing for low-income residents across Seattle by maintaining and expanding low-income housing stock.
2. Expand housing access and choice across Seattle for low-income residents using Housing Choice Vouchers.
3. Assist housing participants in gaining access to education and employment opportunities so they can improve their lives.
4. Provide additional services and increase the stock of housing for low-income seniors.
5. Partner with others to create healthy, welcoming and supportive living environments in Seattle Housing Authority communities.

In addition to these strategic directions, the Board identified three areas for internal focus. They represent management and administrative conditions that are necessary for our success:

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1. Manage the Seattle Housing Authority as effectively as possible to meet the agency's mission.
2. Identify and implement sustainable practices throughout the agency to minimize impact on the environment.
3. **Promote a healthy, engaged and productive workforce.**

Housing Profile: The Authority is the developer and the general partner and management agent for 17 Component Units, the owners of which are Low Income Housing Tax Credit limited partnerships or limited liability limited partnerships.

The agency owns and manages or manages more than 8,000 units of housing and administers nearly 10,000 rental vouchers, providing rental housing or rental assistance to nearly 30,000 low income people in the City of Seattle.

The Authority operates low-income housing in four large family communities – NewHolly, Rainier Vista, High Point, and Yesler Terrace; in twenty-eight high-rise buildings, and in single, duplex, triplex, and small apartment buildings across the city. The Authority also administers the Housing Choice Voucher programs that provide tenant-based or project-based vouchers that serve as rent supplements for qualified low-income tenants.

The Authority works in partnership with local agencies to provide community, social, and health services to some low-income residents and voucher participants. These services include recreation, job training and referral, elder services, instruction in English as a second language, health and dental clinics, and various educational programs.

In the mid-1990s, the agency began a long-term program to redevelop its housing stock to transform the family communities to new mixed-income neighborhoods, while assuring that all low-income tenants of these neighborhoods receive relocation assistance. Replacement housing, either on or offsite has also been built or acquired in order to maintain or increase Seattle's inventory of low-income housing. The Authority's redevelopment activities continue today and into the future. Presently, the Authority is engaged in the redevelopment of the last of its 1940 era family housing communities – Yesler Terrace (see Major Initiatives below).

Budget Process and Monitoring: The annual budget for the Authority is prepared by the Executive Director with significant involvement of the agency's top executive staff and the support and analysis of the agency's Budget staff. At the front-end of the budget process, the Cabinet with the Executive Director agrees on the financial forecast on which the budget will be prepared and establish the key areas of focus for the coming year from the Strategic Plan. At the end of the budget process, the Executive Director, with the advice of the Cabinet, determines the final actions to balance the proposed budget.

The Board of Commissioners adopts the annual budget for the Authority after the Executive Director has presented both the Annual MTW Plan and the agency's Proposed Budget for public review and comment. The MTW Plan and the Proposed Budget are primary tools for implementing the 2011-2015 Strategic Plans. The annual proposed budget includes four components – the Operating, HAPs (Housing Assistance Payments), Capital, and Development budgets. MTW federal funds comprise 70-75 percent of the combined Operating, HAPs, and Capital revenues. The operating and capital budgets are developed from the community or program level up in the Authority's project-based budgeting process. The development programs of the Authority, to rebuild and rehabilitate the family communities, senior program buildings, and high-rise public housing buildings, are supported through mixed financings, including low-income housing tax-credit partnerships, bond and mortgage financing, federal HOPE VI and Choice Neighborhood Initiative funds, and federal, state and local grants.

Once adopted by the Board, the annual budgets are implemented and monitored by all departments of the Authority, with support from the Finance and Administration Department and the Asset Management Department. Monthly reports on budget versus actual performance are reviewed by the Budget Office and the Departments. Quarterly budget and portfolio reviews are conducted at the management and executive levels, and budget revisions and actions to address variances against budget, as needed, are taken to ensure appropriate budget control.

Economic Conditions and Financial Outlook

State and Local Economy – Forecast Highlights (1):

The Washington and Seattle area economies continue at a modest to moderate pace to recover from the Great Recession. Growth in GDP is modest. Personal income fluctuations have been erratic. Continuing threats to the U.S. recovery from the weakness in European countries and the slowdown in China continue. And federal fiscal policy with its spending reductions and focus on the deficit has served as a drag on the economy.

While the unemployment rate has declined and slow job growth has continued through 2013, much of the decline in unemployment rates results from a lower labor force participation rate, rather than gains in employment. In the Puget Sound Region, employment growth has slowed; the recovery of the residential real estate market has paused; construction employment gains are receding; mortgage rates are moving up; and, home prices continue to move up. Many local analysts see a confluence of factors affecting the housing market – with rising home prices and rising mortgage rates the momentum in home buying may be leveling off. In this context, housing affordability has become a more and more prominent concern in the Puget Sound Region.

The data all add up to a conclusion that the Seattle area remains in recovery mode, four years after the Great Recession ostensibly ended. And, it is true that Seattle's recovery, though slow, continues to outpace that of the nation.

Economic conditions affect the Authority's performance in a number of ways:

> First, we benefit from low inflation, as our costs of doing business do not escalate as rapidly as they might otherwise.
>
> Second, as an organization with a significant real estate development portfolio, we are subject to the same volatility of the housing market as are private developers. Here we are experiencing moderate recovery, as there is a more active community of developers with financing to purchase land from SHA and build affordable and market rate housing in our family communities.

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[1] This economic outlook information is significantly informed by the "Puget Sound Economic Forecaster" produced by Conway Pedersen Economics, Inc. and by the "Washington Economic and Revenue Forecast" prepared by the Washington State Economic and Forecast Council.

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> We continue in a market where our workable residents face numerous barriers to employment and advancement. For many of these residents, there is little reality to the "economic recovery", as it has not yet included opportunities for them. On the other hand, we are relatively better off than in the midst of the Great Recession, as economic activity has improved, if modestly, leading to increased employment opportunities.

The continued modest economic growth forecast is certainly better for SHA, its residents and its rental assistance participants than the core years of the Great Recession which saw disinvestment, high unemployment, and significant cuts in government funds for social and health supportive services and income assistance. But everything is relative and it is striking that over this same period – 2007 through 2013 – the United States has experienced the greatest widening of the gap in income equality than we've ever encountered.

We have seen a redistribution of income to the highest income brackets from all other brackets, especially the lower middle class and the low income. This transformation of our income distribution has been decisive and rapid. In March 2014, the Puget Sound Economic Forecaster provided perspective on this change:

> "The income gap between the rich and the poor has become extreme. In 2012, the one percent of Americans in the top income bracket took home 22 percent of the nation's income. Between 2009 and 2012, the top one-percent garnered **95 percent of the total gain in income.**" The article went on to say that it is not just individuals: corporate profits have exploded and are now 14.5 percent of national income, compared to an average of 9.8 percent from 1970 through 1999. "The surge in profits has come at the expense of employee compensation, which dropped from 65.8 percent of national income in 2000 to 61.0 percent in 2013. ...the massive shift in national income from employee compensation to profits has undoubtedly been a drag on the recovery" from the Great Recession.

This growing income gap between rich and poor may be the greatest social and economic challenge we will face locally and nationally in coming years.

Federal Funding – Status and Outlook

The Authority relies on federal funding for about 60 percent of our overall revenues and about 70 percent of its operating and rental assistance support. Consequently, federal budget decisions play a more direct role in SHA's ongoing economic condition than do local economic conditions.

Since the Budget Control Act of 2011, the federal budgetary focus has been on deficit reduction through reducing federal budget appropriations, especially for discretionary defense and non-defense programs. And, with the 2012 failure of the Congressional Super Committee to reach a bipartisan agreement on how to achieve a second $1 trillion savings over ten years in the federal budget to add to the $1 trillion enacted in 2011, the automatic trigger of sequestration went into effect. In its initial year, this meant a 5 percent reduction on top of the budget cuts passed by Congress.

At the end of 2013, the two houses of Congress agreed on the Bipartisan Budget Act of 2013, which provided a two year reprieve from sequestration and the restoration of about 50 percent of the sequestered cuts. The agreements contained in the Bipartisan Budget Act ushered in at least a short-term sense of stability in the federal budget process with slightly more moderate budget ceilings established for two years – 2014 and 2015; agreement to suspend the debt ceiling until mid-2015; and, a determination not to repeat another government shutdown.

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While the return to normalcy in federal budget and appropriations processes is welcome, it will be short-term come 2016 when budget ceilings incorporating sequestration cuts will again take effect, unless Congress acts to again moderate the impact of these cuts.

Seattle Housing Authority's Response to Federal Funding Changes

Seattle Housing Authority has three very important assets to help us deal with changes in federal funding. First, as a "Moving to Work" (MTW) agency we have flexibility in allocating our three streams of MTW federal funds to best meet our local housing needs, and we have the ability to waive certain provisions of the 1937 Housing Act and regulations in order to demonstrate cost effective alternatives. These tools enable us to adapt to federal funding changes with the capacity to moderate the intensity of their impacts on our housing portfolios and rental assistance programs.

Second, we have a long and continuing history of successfully competing for and effectively implementing federal, state, and local capital and service grants. In the past few years as federal funding has declined, we have competed successfully twice for Choice Neighborhood Initiative Implementation grants, which have provided the catalyst for the first two phases of Yesler Terrace redevelopment and a total of 212 replacement units to be completed by 2016. The Authority continually competes successfully for grants providing services supporting resident self-sufficiency and leverages grant funds with local and foundation funds to maximize program effectiveness.

Third, the Authority encourages a culture that seeks continuous improvement and actions that will enhance the efficiency of our operations, while continuing to serve the same number or more residents/rental assistance participants.

These three strengths enabled the Authority to absorb more than $15 million in real reductions in our in our federal MTW Block Grant and a reduction of 106 full-time equivalent positions (18 percent of the agency's staff capacity) over the budgets for 2011- 2014. At the same time, the Authority continued to serve the same or an increase in the number of low-income people provided housing or rental assistance; moved forward with implementing our major redevelopment initiative at Yesler Terrace; and, mitigated service impacts of budget reductions with changes in program operations designed to increase efficiency and achieve cost savings.

In spite of the funding challenges described above, the Seattle Housing Authority has been able to advance several key aims of our Strategic Plan and its financial policies. Here are examples of 2013 accomplishments:

- Increased the number of low-income people served with housing or rental assistance;
- Began the construction of 103 new affordable apartments in Yesler Terrace and the rehabilitation of the Baldwin Apartments to include 15 one-bedroom apartments;
- Completed the sale of the first property in the Yesler Terrace Redevelopment area to a private developer for construction of a mixed use building with affordable housing and affordable retail business opportunities.
- Begun the adaptive reuse/renovation of the Yesler Steam Plant into the Epstein Opportunity Center to house Head Start, youth tutoring programs, and SHA's Economic Opportunities Program.
- Implemented the new Community Workforce Agreement to provide opportunities for minority and women-owned businesses and provide jobs for low income construction workers for the Steam Plant and Baldwin Apartments projects.

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- Formed a partnership with Neighborcare to enroll Yesler adults in the expanded Medicaid program under the Affordable Care Act.
- Completed debt refinancings involving several Special Housing Portfolio communities, resulting in increased funds for capital needs of over $1 million and reduced debt service costs.
- Completed rehabilitation at public housing's Jackson Park Village, including: a new roof on the Learning Center, new siding and new paint; repairs to the siding on the townhouses; upgrades for the playground; and a new trash enclosure.
- Completed major maintenance projects at Seattle Senior Housing Program (SSHP) Building – Gideon Matthews – including a new roof, targeted window and siding repairs, and new paint.
- Secured Public Housing Capital Grant funds for the Senior Housing Program to address long-term portfolio capital needs.
- Refined and extended the Preventive Maintenance program to each property to extend the life of assets and preserve valuable warranties.
- Provided 116 project-based vouchers to serve formerly homeless or extremely low income households and the buildings often have on site services. These vouchers are used by nonprofits undertaking development of new low income housing units with Housing Levy funds.
- Began implementing biennial inspections in 2013 to increase efficiency and make the inspection process easier for landlords and tenants. Seattle Housing worked within HUD guidelines to develop criteria for biennial inspections and, based on the criteria, Incentive Units were created.
- Initiated a planning effort around rent policy with four key objectives in mind: ensure a fair and equitable rent policy; give more people access to a safe decent home; encourage people who are able to work to work; simplify the rent policy so that it is easier to understand and less costly to implement. SHA's long-term financial forecast will also be considered in establishing possible changes to the rent policy.
- Pursuant to the Authority's Undesignated Cash Reserves Policies, established and funded a new Development Reserve as part of SHA's Committed Cash Reserves to address unanticipated and external events affecting the cost of development projects.
- Continued to meet our financial policy objectives for Operating Cash Reserves; met the GFOA recommended level for an Operating Reserve equal to two months of expenditures.
- Achieved a credit rating upgrade for the Housing Authority from Standard and Poor's from A+ to AA, Stable Outlook. This is the highest rating among US housing authorities; and SHA is one of five with that rating.

As the federal government continues its emphasis on deficit reduction, we expect to see flat to moderately reduced revenues from HUD federal funds that are outstripped by the inflationary pressures on expenditures, with the result that we will need to continue to find cost effective ways to reduce expenses, to reduce real expenses, and/or to raise new revenues to balance our budgets.

While we are planning for near term constraints on federal funding support, provision of housing for our most vulnerable populations has been a continuous federal commitment and funding priority for nearly 75 years. This partnership endures and we are confident that federal policy and financial support for low-income housing – operations, maintenance, and development – will continue over the long run.

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Financial Management and Oversight

The Authority's management is responsible for establishing and maintaining an internal control structure designed to ensure that the Authority's assets are protected from loss, theft or misuse, and that representation of the Authority's assets, liabilities, and net position are accurately reflected on the Authority's financial statements, in conformance with U.S. generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the costs and benefits require estimates and the exercise of judgments by management.

As a recipient of federal and state financial assistance, the Authority is also responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. The internal control structure is subject to periodic evaluation by management and the compliance staff of the Authority.

Single Audit

In compliance with the Single Audit Act Amendments of 1996, tests are made to determine the adequacy of the Authority's internal control structure, including that portion related to federal financial assistance programs, as well as to determine whether the Authority has complied with applicable laws and regulations. The Authority's single audit was carried out by the national public accounting firm of KPMG LLP. The audit for the year ended December 31, 2013 resulted in two A-133 findings of significant deficiencies: one related to the need for annual review of debarment status of vendors, as well as contractors; the other pertaining to failure to submit a reporting form on a HOPE VI project to federal OMB. There were no significant deficiencies reported by KPMG LLP in connection with their audit of the Housing Authority's 2013 Financial Statements.

On the first A-133 finding, the auditors noted that while SHA routinely reviews debarment/suspension listings for all new and continuing contractors, it was not routinely reviewing the suspension/debarment status of vendors of goods procured through purchase card or direct pay transactions. The auditors recommended SHA change its practices to ensure all vendors are reviewed as to debarment status. SHA has worked with the auditor to develop a procedure for annual review of all vendors with transactions in excess of $25,000.

On the second A-133 finding - failure to file an OMB reporting form pertaining to a HOPE VI project -, SHA was unaware of the requirement to file the form, as HOPE VI reporting is extensive and has always been administered by HUD as the granting agency. SHA acknowledges that OMB's compliance guidance calls for this specific form and, accordingly, we are proceeding to submit the form; however, all information required on the OMB form has previously been submitted to the federal government in reports required by HUD.

Budgeting Control and Program Accountability

The objective of budgetary controls maintained by the Authority is to ensure appropriate financial management by Authority department managers of actual expenditures in relation to the approved budget. The Finance and Administration Department provides quarterly reports to managers and executive staff on the status of the budget and on any actions needed to ensure that the Authority operates within the adopted budget. Additionally, monthly financial reports comparing actual revenues and expenses to budget are provided to Department and program managers to assist them

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with timely information for managing their budgets from the individual community level to the overall management level.

An integral part of budget control is to review needs for and impacts of budget revisions following adoption of the annual budget by the Board. These reviews occur at least quarterly and where adjustments are justified, the adopted budget is revised. There are also quarterly reviews of all Housing Portfolios by the agency's Asset Management Team. During these sessions budget status is reviewed; vacancies and rent collections trends are noted; unit turnover cost and length of time to return a vacated unit to a new lease are reviewed against standards and past performance, and general conditions of the property and welfare of the residents are presented by property management staff. Follow-up actions resulting from these quarterly portfolio reviews are assigned to operating departments, the budget office, or the asset management department.

Financial Policy Oversight

The Authority has two ongoing Committees – one internal and one a Board Committee – that provide financial oversight. The Board Committee is the Audit Committee consisting of the Chair of the Board, two other Board members, and two outside independent members with expertise in finance and accounting. All members are appointed by the Board chair and serve staggered terms of three years. The Committee meets two to four times a year, as needed, to conduct entry meetings with the independent auditor and the State Auditor and to hear reports and findings of the Auditors. The Audit Committee reports its activities to the full Board, along with any conclusions or recommendations they have to continue to strengthen the Authority's financial management.

Internally, the Authority has a Financial Policy Oversight Committee that meets monthly and is comprised of the Executive Director, the Deputy Executive Director, the Director of Housing Operations, the Director of Development, the Director of Housing Finance and Asset Management, the Chief Financial Officer (who leads the Committee), the Controller, and the Budget Manager.

The Financial Policy Oversight Committee is charged with overseeing the financial conditions and financial management decisions of the Authority and ensuring that current or implied financial commitments/conditions receive the full scrutiny of the Authority's top managers and expert line staff. This committee has enhanced agency-wide consideration of and decisions on credit and debt management; development opportunities, project selection, and financing plans and policies; criteria for soliciting and selecting limited partners in low-income housing tax credit projects; coordination of timing on actions; planning and monitoring of interim financing repayment plans; management of cash reserves; and, risk assessment. The Financial Policy Oversight Committee also administers the agency's policy on unrestricted cash balances and unassigned cash (Operating Cash Reserves), which was adopted by the Board of Commissioners in April 2011 and revised in May 2013.

Component Units: The Authority has seventeen discretely-presented component units as of December 31, 2013. As the Authority has expanded its redevelopment activities using mixed financing, component units have become a larger and larger share of our strategy of providing low-income housing. At the end of 2013, the Authority's component units represented 48 percent of all rental housing units operated directly by the Authority.

Prudently Managing Public Housing Properties

The Authority has continued to take an active asset management approach to managing its properties, treating each of them as a distinctive "community" with the goal of efficiently using each property to its fullest potential toward meeting our mission. This means the Authority is actively reviewing its existing real estate holdings to ensure that all assets are managed in a cost-effective and efficient fashion and are contributing to the overall mission of creating and sustaining decent, safe, and affordable living environments for the low-income people of Seattle. As noted above, the internal Asset Management Committee with management representatives from all departments conducts quarterly portfolio reviews with property managers and budget and accounting staff, and notes issues for further discussion and review and circumstances requiring corrective measures. The Authority's approach is spelled out in the "Local Asset Management Plan" included in the agency's annual MTW Plan.

The Authority will continue to supplement its tenant rental income, operating revenues, and HUD subsidies by actively competing for additional federal funds for modernization, redevelopment, and resident support activities; by applying for local and state grant opportunities; by expanding partnerships with community organizations and private foundations, and by building new partnerships with schools, from elementary through vocational/technical colleges to universities. The Authority continues to compete successfully wherever we see new funding or partnership opportunities.

We also continue to forge new and strengthen existing partnerships around educational and job training opportunities with foundations and schools. The U.S. Department of Labor through the King County Workforce Development Council has funded a two year program – Pathways Out of Poverty; this grant is designed to support low-income people in gaining access to pre-apprenticeship construction training and placement into construction jobs. In addition, we are using these grant funds to support parent engagement work for Yesler parents so they can better support and advocate for their children's educational success. We are leveraging funds from HUD's CNI Yesler Terrace grant for partnerships with the school district, local social services and health care non-profits, higher education institutions, and local and national foundations in programs of educational and economic opportunity for low income residents at Yesler. These efforts will be evaluated for their effectiveness as models that might be scaled-up in Seattle and replicated elsewhere.

The City's streetcar project has selected a route that runs through the heart of the Yesler Terrace Transformation Plan area and $32 million of project investments were completed in 2013 within the boundaries of the Plan area. The streetcar extension is expected to open in 2014.

Major and Long-Term Initiative

Yesler Terrace Redevelopment

Yesler Terrace is Seattle's oldest public housing community, constructed in 1939 on 30+ acres adjacent to downtown. The community houses more than 1,000 low-income people in 561 apartment units. The Authority's Board of Commissioners adopted a comprehensive set of guiding principles for the redevelopment of Yesler Terrace in December 2007. These guiding principles were developed by a Citizen Review Committee (CRC) chaired by former Mayor Norman Rice. Conceptual site alternatives were defined in 2009 based on these principles. In 2010 the Environmental Impact Statement (EIS) process got underway. The draft EIS was issued in late 2010 and the final EIS was issued in April 2012. In May 2012 the Board approved the Redevelopment Plan to guide development on the site over the next 10-20 years. This Development Plan provides for:

- Up to 4.3 million square feet of housing (5,000 units);

- Up to 900,000 square feet of office space;
- Up to 65,000 square feet of neighborhood services, including the existing Yesler Community Center;
- Up to 88,000 square feet of neighborhood retail;
- 15.9 acres of parks and semi-private open space; and,
- Up to 5,100 parking spaces to serve residential, retail, and office uses.

In September 2012, the Seattle City Council approved a series of agreements to permit the land use requirements for proceeding with the Yesler Redevelopment Plan and to enact an agreement between the City and SHA on our mutual goals and commitments to the redevelopment project.

At the end of 2012, the Authority had completed redevelopment of all low income rental housing in three of our four extremely low-income family communities; had completed construction of a new sustainable model "green" family community for low-income people; and had secured City approval of critical land use entitlements and development agreements for redevelopment of the remaining family community, Yesler Terrace.

Beginning in 2013, while continuing implementation planning activities, SHA began implementation of the Yesler Terrace Redevelopment Plan. Implementation is expected to take seven to fifteen years and will involve support from federal, state and local funds, proceeds of land sales, private equity, SHA investment, local non-profit educational, social service, and health providers, educational partners from kindergarten through college, and local, national and international foundations. And the plans for this redeveloped community are not just physical redevelopment and creation of a new urban mixed income community, but they uniquely focus on guiding principles for social equity, economic opportunity, environmental stewardship and sustainability, and one-for-one replacement housing for the extremely low and low income residents at Yesler Terrace.

This initial 2013 year of implementation has seen progress on all fronts. Here are the 2013 highlights of year one of the implementation of the Yesler Terrace Redevelopment Plan to reach future housing production targets, meet education and economic opportunity goals, and provide neighborhood services and amenities:

- During the summer of 2013, over 140 Yesler children and youth participated in academic enrichment activities led by ten organizations.
- Fifty Yesler and adjacent neighborhood families and toddlers participated in the pre-literacy Parent Child Home Visit Program implemented by Neighborhood House.
- College Success Foundation provided academic mentoring and college preparation services to 101 Yesler youth.
- In 2013, 121 Yesler residents participated in case management services provided by SHA Economic Opportunity Specialists.
- Twenty-nine Yesler Residents obtained employment with the assistance of SHA Economic Opportunity Specialists.
- Community members were involved with the artist for the 10th Avenue Hillclimb in design of the permanent glass mosaics to be installed all along the Hillclimb.

- In September 2013, Neighborcare opened a school-based health center offering physical and mental health services for students at Bailey-Gatzert Elementary School, servicing Yesler Terrace elementary age kids.
- After receiving 18-moths advance notice in July 2012 to move, 95 percent of the 135 affected households moved before the end of 2013; no evictions or legal proceedings were initiated due to relocation.
- Construction of 103 new affordable apartments at 1105 East Fir Street began in 2013, as did the rehabilitation of the Baldwin apartments into 15 low-income one-bedroom units. These units will be leased-up in 2015 and 2014 respectively.
- The adaptive reuse of the Yesler Steam Plant into the Epstein Opportunity Center began in 2013 and was completed in 2014 with the grand opening having just occurred with the move-in of Head Start, youth tutoring, and the economic opportunities program.
- Community members provided valuable input on the design of the 85-apartment building to be located at 820 Yesler Way; financing for this building will close in late May 2014 and will be the next replacement housing building to open.
- The Steam Plant Project and Baldwin Apartments Rehabilitation were the first two Yesler projects under the Community Workforce Agreement, to provide expanded opportunities for low income individuals and minority and women businesses to participate in the construction projects.
- The City of Seattle completed the First Hill Streetcar tracks and bicycle improvements along Yesler Way and Broadway.
- The Preliminary Plat, defining the street grid and infrastructure requirements, was approved by the Hearing Examiner, paving the way for final permit approvals and initiation of infrastructure and street improvement in Yesler Terrace.
- The first property in the Yesler Redevelopment Area to be sold to a private developer for construction of affordable market rate housing and retail business opportunities was under design as the Anthem Apartments in 2013 and began construction at 12TH and Yesler in 2014.

Redevelopment will accelerate in 2014 and 2015, with the opening in 2014 of the Baldwin Apartments and the Epstein Opportunities Center; and, in 2015, the opening of 1105 East Fir St. Apartments and the Anthem Apartments; construction of the central park by the Parks Department; core infrastructure and street improvement activities in the south central and west areas of Yesler Terrace; initiation of construction of the 83-unit 820 Yesler Way Apartments; and, initial private developer market rate construction in the core of Yesler Terrace, along Yesler Way. Yesler Terrace will remain SHA's major development initiative over the next decade.

Awards and Recognition

During 2013, the Housing Authority of the City of Seattle received distinctions and recognitions, including:

- SHA was awarded for the sixteenth year in a row, a Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association (GFOA) of the U.S. and Canada for the fiscal year ending December 31, 2012 Seattle Housing Authority Comprehensive Annual Financial Report. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA for their assessment again this year.
- Seattle Housing Authority received an entity credit rating upgrade from Standard and Poors' under their international rating criteria for housing authorities/social housing in the U.S. and Europe. The upgrade was from A+ to AA, Stable forecast. Double A is the highest U.S. housing authority rating by S&P and it is held by five housing authorities, including SHA.
- A High Performing Housing Authority designation: SHA was designated a high performing agency in 1993 under HUD's Public Housing Management Assessment Program (PHMAP). As a result, the Authority became one of six original participants under contract with HUD in its Moving to Work (MTW) Demonstration Program. SHA has signed a contract with HUD for a ten-year extension of its MTW status through 2018; pending HUD's revisions of its Public Housing Assessment System or designation of an alternate evaluation tool, Seattle Housing retains its high performer designation.
- The Cooperative Agreement between the City of Seattle and the Authority reflects an expectation for City financial contributions of $30 million over the life of the project and commits up to $10.92 million of City funding for development of housing and parks for Phases 1 and 2. The City added $3M in 2014 to their authorized contributions and based on discussions with the City, we anticipate an additional City funds request for infrastructure work in 2015 of $3.5M.
- In 2013, the Gates Foundation awarded SHA a grant for $150,000 to support our work to promote academic success of students we house in both the Yesler neighborhood and across our housing portfolios.
- In 2013, the JP Morgan Chase Foundation awarded SHA a grant for $60,000 to conduct economic development work to support the Yesler Terrace neighborhood revitalization initiative.
- At the end of 2013, SHA passed the $1.5M mark in dividend paid by the Housing Authority Insurance Group based on an initial equity contribution of $90,000. The dividend amounts are based on a composite rating of the performance of the housing authority group as a whole and the individual claims performance of the individual Housing Authority.

Acknowledgments

The preparation of this report has been accomplished through the hard work of the Finance Department accountants and the support of other staff members throughout the Seattle Housing Authority. A special thanks to Janet Hayes, Seattle Housing Authority's Controller, whose talents, dedication, and commitment to accurate and thorough financial reporting and whose oversight of strong internal controls are largely responsible for more than a decade of Awards of Excellence in Financial Reporting from the Government Finance Officers Association and consistently unqualified opinions on SHA's Financial Statements by our independent auditors. We wish to thank, as well, the management and staff of KPMG LLP and Francis & Company PLLC who provided the necessary professional auditing services and technical assistance in conducting the independent audit of the Authority.

(Continued)

I would also like to take this opportunity, on behalf of the staff and residents of the Seattle Housing Authority, to acknowledge the members of the Board of Commissioners for their tireless support and guidance.

Respectfully submitted,

Andrew J. Lofton
Executive Director

cc: SHA Cabinet members
SHA Public Website

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

The Housing Authority of the City of Seattle Washington

For its Comprehensive Annual Financial Report for the Fiscal Year Ended

December 31, 2012

Executive Director/CEO

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THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Financial Section

Section II

KPMG

KPMG LLP
Suite 2900
1918 Eighth Avenue
Seattle, WA 98101

Independent Auditors' Report

The Board of Commissioners
The Housing Authority of the City of Seattle, Washington:

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities (primarily government) and the aggregate discretely presented component units of The Housing Authority of the City of Seattle, Washington (the Authority) as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the aggregate discretely presented component units of the Authority, which statements reflect total assets, total liabilities, and total net position constituting 100% of the total assets, total liabilities, and total net position of the aggregate discretely presented component units as of December 31, 2013, and total revenues and total expenses constituting 100% of the total revenues and total expenses of the aggregate discretely presented component units for the year then ended. Those financial statements were audited by other auditors whose reports thereon have been furnished to us, and our opinions on the basic financial statements, insofar as they relate to the amounts included for the discretely presented component units, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of The Housing Authority of the City of Seattle, Washington, as of December 31, 2013, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with U.S. generally accepted accounting principles.

Emphasis of Matter

As discussed in note 1(c) to the financial statements, in 2013, the Authority retrospectively adopted new accounting guidance requiring the reclassification, as deferred outflows of resources or deferred inflows of resources, of certain items that were previously reported as assets and liabilities, and the recognition, as outflows of resources or inflows of resources, of certain items that were previously reported as assets and liabilities. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

U.S. generally accepted accounting principles require that the management's discussion and analysis on pages 4 through 14 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The cost certificates for projects WA19P001501-10, WA19P001501-11 and WA19R001501-11, and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The cost certificates are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the cost certificates are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have 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 them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 16, 2014, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

KPMG LLP

Seattle, Washington
May 16, 2014

Overview of the Financial Statements

The Housing Authority of the City of Seattle, Washington (the Authority) is pleased to present its basic financial statements for the year ended December 31, 2013, which have been prepared in accordance with U.S. generally accepted accounting principles (GAAP). GAAP requires the inclusion of three basic financial statements: the statement of net position (balance sheet); the statement of revenues, expenses, and changes in net position; and the statement of cash flows. In addition, GAAP requires the inclusion of this management's discussion and analysis (MD&A) section as required supplementary information.

The basic financial statements provide both long-term and short-term information about the Authority's overall financial condition. The basic financial statements also include notes that provide additional information and more detailed data.

As provided for under GAAP, the Authority uses the accrual basis of accounting to prepare its basic financial statements. Under this basis of accounting, revenues are recognized in the period in which they are earned and expenses, including depreciation and amortization are recognized in the period in which they are incurred. All assets and liabilities associated with the operation of the Authority are included in the statement of net position.

This section of the Authority's annual financial report presents our discussion and analysis of the Authority's financial performance during the year ended December 31, 2013, with comparative data for the year ended December 31, 2012. Please read this section in conjunction with the transmittal letter in the introductory section of this report and the Authority's basic financial statements, which immediately follow this section.

Financial Highlights

- Assets of the Authority exceeded liabilities at December 31, 2013 by $448.8 million (net position), representing an increase of $27.7 million over 2012. Unrestricted net position of $228.4 million at the end of the year represents committed, assigned and unassigned funds that may be used to meet the Authority's ongoing obligations.

- Total net position increased by $27.7 million or 6.6% which was due to an increase in operating revenues of $8.2 million, a $3.9 million increase in capital contributions and $12.3 million of reductions in asset dispositions as compared to 2012.

- The Authority's current ratio that measures liquidity has increased during the year from 1.72 to 2.40. Current assets increased by $8.0 million, as a result of higher cash and investments balances and current liabilities decreased by $9.3 million due to a $10.3 million decrease in the current portion of long term debt, which was related to paying off the Bank of America infrastructure note payable.

- Long-term notes receivable increased from $211.8 million to $213.3 million. The Authority has made loans to other low-income housing providers and to its component units that are redeveloping housing communities under the HOPE VI Redevelopment program and other tax credit projects. The largest change in long-term notes receivable from 2012 to 2013 was a result of additions to loans made to the 1105 E. Fir LLLP for the E. Fir site.

- The Authority's total debt decreased from $139.5 million to $124.3 million during the current reporting period. The reduction stemmed from the payoff of the Bank of America infrastructure note payable of $8.9 million and the payoff of the $5.4 million Porchlight bond. As a result, the percentage of total debt to net capital assets decreased from 47.9% at December 31, 2012 to 43.1% at December 31, 2013.

Financial Analysis

Statement of Net Position

The statement of net position presents the assets and deferred outflows, liabilities and deferred inflows, and net position of the Authority at the end of the fiscal year. The purpose of the statement of net position is to give the financial statement readers a snapshot of the fiscal condition of the Authority as of a certain point in time. It presents end-of-year data for assets, liabilities, and net position (assets minus liabilities). Also shown is the sum of total liabilities and net position, which equals total assets.

Total assets of the Authority at December 31, 2013 and 2012 amounted to $636.7 million and $620.3 million, respectively. The significant components of current assets are short term investments, receivables from component units, and restricted cash. The noncurrent assets are long term investments, capital assets, receivables from component units, and notes receivable. Capital assets include land, land improvements, leasehold improvements, structures, construction in progress, and equipment. All capital assets except for land and construction in progress are shown net of accumulated depreciation. The principal changes in assets from December 31, 2012 to December 31, 2013 were increases in current assets, noncurrent investments and cash, and other noncurrent assets, which includes the investments in limited partnerships. Increases in cash and investments resulted from additional HUD funding received late in the year and funds held for bond repayment in 2014.

Total liabilities of the Authority were $187.9 million and $199.1 million at December 31, 2013 and 2012, respectively. Current liabilities include accounts payable, accrued liabilities, unearned revenue, current portion of long-term debt, and short-term borrowings. Current liabilities have decreased due to the reductions in the current portion of long term debt, as noted above, and decreases in unearned revenue primarily related to recognition of Section 8 housing assistance payments recognized. The reductions in current liabilities described above were partially offset by increases in accounts payable. Noncurrent liabilities are primarily made up of the long-term portion of the notes and bonds payable. Noncurrent liabilities decreased by approximately $2.0 million as a result of decreases in long-term borrowings due to payments.

Net position represents the Authority's equity, a portion of which is restricted for certain uses. Net position is divided into three major categories. The first category, net investment in capital assets represents the Authority's equity in land, structures, construction in progress, and equipment, net of related capital debt outstanding. The next net position category is restricted net position; this shows the amounts subject to external restriction, which is primarily amounts reserved to service debts until they mature. The last category is unrestricted net position; these funds are available to use for any lawful and prudent purpose of the Authority. Unrestricted net position increased by 7.2% during the year from $212.4 million to $228.4 million. This was primarily the result of increases in operating revenues and reductions in asset dispositions as noted earlier.

Condensed Statement of Net Position

(In thousands)

		December 31	
		2013	**2012**
Assets:			
Current assets, net	$	84,786	76,751
Noncurrent investments and cash		14,069	9,692
Capital assets, net		288,456	291,056
Notes receivable, long term, net		213,276	211,839
Other noncurrent receivables and other		36,088	30,913
Total assets	$	636,675	620,251
Liabilities:			
Current liabilities	$	35,356	44,613
Noncurrent liabilities		152,533	154,513
Total liabilities		187,889	199,126
Net position:			
Net investment in capital assets		210,294	199,274
Restricted		10,070	9,406
Unrestricted		228,422	212,445
Total net position		448,786	421,125
Total liabilities and net position	$	636,675	620,251

Statement of Revenues, Expenses, and Changes in Net Position

The purpose of the statement of revenues, expenses, and changes in net position is to present the revenues earned by the Authority, both operating and nonoperating, and the expenses incurred, operating and nonoperating, and any other revenues, expenses, gains, and losses of the Authority. Generally, operating revenues are amounts received for providing housing to the Authority's tenants as well as subsidies and grants received from the U.S. Department of Housing and Urban Development (HUD) that provide significant funding for the operations of the Authority's housing programs. Operating expenses are those incurred to maintain the housing units and provide other services to the tenants of the Authority. Nonoperating revenues are revenues earned for which goods and services are not provided, for example, interest income. Capital contributions represent revenues earned from HUD for public housing capital repairs and rehabilitation, Hope VI redevelopment and other capital activities.

The statement of revenues, expenses and changes in net position, which follows this section, reflects the year ended December 31, 2013 compared to the year ended December 31, 2012. Overall, operating revenues increased by approximately 5.0% or $8.2 million from 2012 to 2013 and operating expenses decreased by less than 1.0% or approximately $1.3 million for the year; net nonoperating expenses decreased by 71% or approximately $12.3 million; and capital contributions increased approximately 29% or $3.9 million. Net position increased in 2013 by approximately $27.7 million. Explanations of principal reasons for these changes follows.

The primary reason for the favorable increase in operating revenues was because of the increase in operating subsidies and grants. During the year, we came to an agreement with HUD related to the interpretation of our public housing operating subsidy formula and to the transfer of Senior Housing units to public housing which occurred in 2012; we received a settlement of $6.7 million, which represents a long-term increase in our public housing operating subsidy eligibility. In addition, final proration for 2013 operating grants and Housing Choice Voucher programs was more favorable than originally announced; this accounts for an increase of approximately $3.0 million.

While operating expenses decreased slightly overall, we noticed increases in utility costs of 10.3% and increased maintenance costs of 14.9%. Housing operations and administration costs were lower by 4.9% and Housing assistance payments were lower by 1.2%. The increase in maintenance costs was due to larger expenses incurred for non-routine, maintenance projects.

Net nonoperating expenses decreased by approximately $12.3 million during the year. The decrease was mainly a result of fewer asset dispositions than in the prior year. More specifically, during 2012, the Authority recorded $12.3 million of asset dispositions related to transferring infrastructure costs to the City of Seattle (City) related to the Hope VI redevelopment projects at Rainier Vista, as well as the sales of Porchlight building, Coach House and Keystone properties.

Capital contributions for the year ended December 31, 2013 were made up of $0.4 million from Hope VI redevelopment grants, $10.6 million from HUD capital grants, and $3.6 million from the Choice Neighborhoods grant, which is one of the fund sources for Yesler Terrace redevelopment. In addition, the Authority received $2.4 million from the Capital Fund Education and Training Community Facilities grant for renovation of a historic steam plant that will be used to house early childhood education and new job training programs and provide a permanent location for the Head Start program at Yesler Terrace.

Statement of Revenues, Expenses, and Changes in Net Position

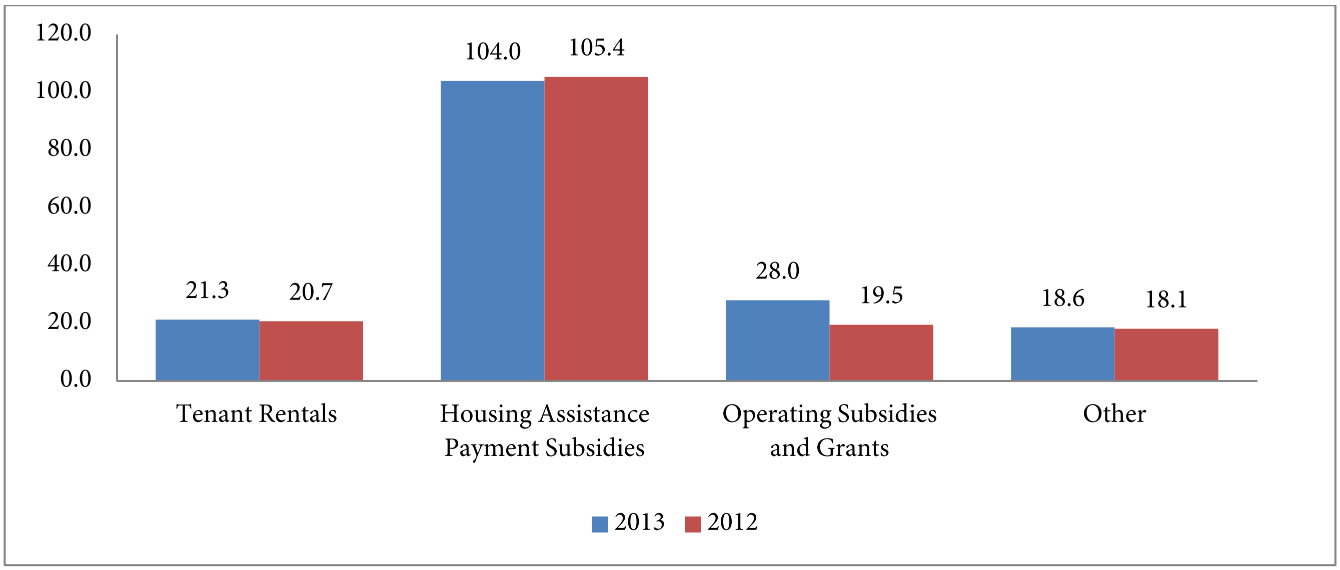
(In thousands)

		Year ended December 31	
		2013	2012
Operating revenues:			
Tenant rentals	$	21,287	20,690
Housing assistance payment subsidies		103,982	105,422
Operating subsidies and grants		28,020	19,523
Other		18,619	18,081
Total operating revenues		171,908	163,716
Operating expenses:			
Housing operations and administration		39,655	41,680
Tenant services		3,543	3,602
Utility services		5,951	5,394
Maintenance		17,336	15,082
Housing assistance payments		78,553	79,478
Other		956	2,022
Depreciation and amortization		10,178	10,258
Total operating expenses		156,172	157,516
Operating income		15,736	6,200
Nonoperating revenues (expenses):			
Interest expense		(5,488)	(5,722)
Interest income		445	1,397
Change in fair value of investments		(95)	(75)
Loss on investment in limited partnerships		(71)	(760)
Disposition of assets		(12)	(12,343)
Net nonoperating expenses		(5,221)	(17,503)
Change in net position before capital contributions		10,515	(11,303)
Capital contributions		17,146	13,250
Change in net position		27,661	1,947
Total net position, beginning of year		421,125	419,178
Total net position, end of year	$	448,786	421,125

(Continued)

Operating revenues are shown in detail in the chart below.

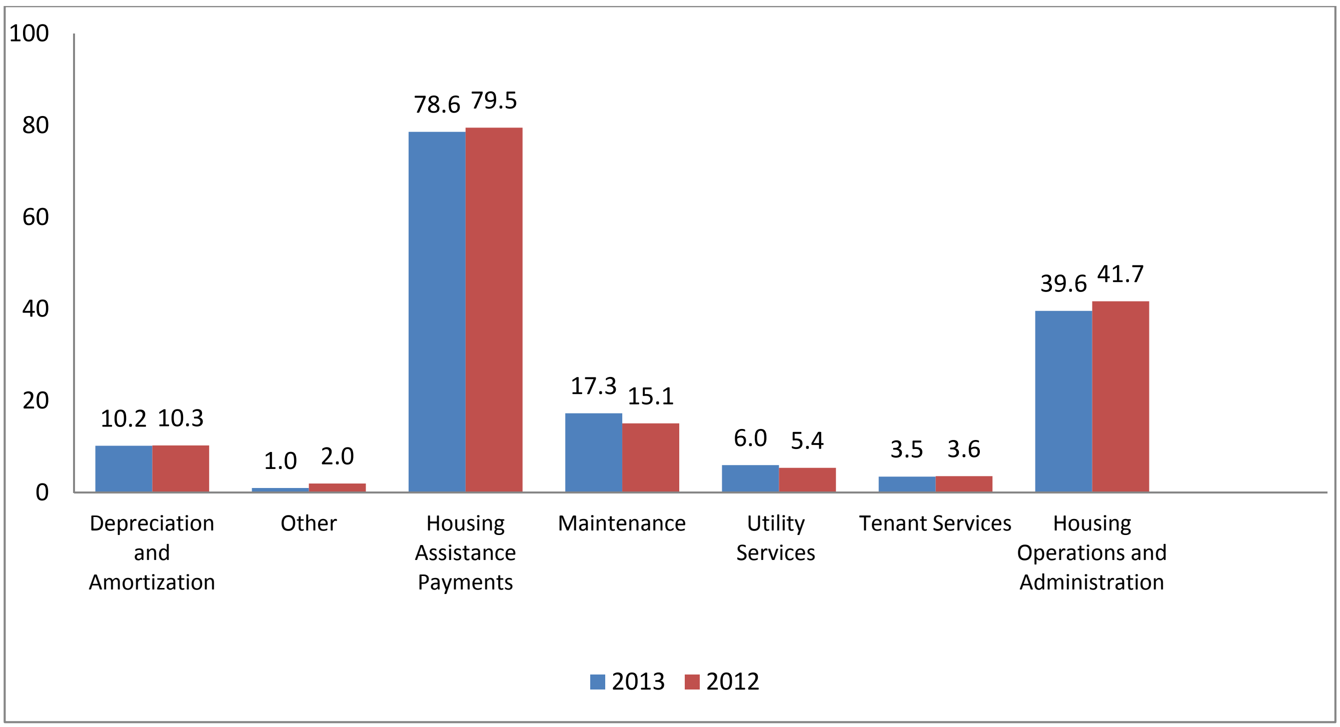
Operating Revenues – 2013 and 2012



Dollars (in millions)

Operating expenses are shown in detail in the chart below:

Operating Expenses – 2013 and 2012



Dollars (in millions)

Capital Asset and Debt Administration

The Authority reduced capital assets during the year ended December 31, 2013 by $2.6 million. During the year, the Authority transferred $2.6 million in land and structures to held for sale to reflect property sales expected to occur in 2014.

The table below shows the Authority's capital assets, net of accumulated depreciation and amortization, at December 31, 2013 and December 31, 2012 (in thousands).

		2013	2012
Land	$	63,526	65,386
Land improvements		39,897	40,933
Structures		171,486	175,804
Leasehold improvements		446	530
Equipment		1,606	1,795
Construction in progress		11,495	6,608
Total capital assets, net	$	288,456	291,056

Construction in progress increased during the year as a result of redevelopment activities at Yesler Terrace including renovation of the Steam Plant, construction of the Baldwin Apartments, as well as infrastructure for the 1105 E. Fir site.

The following schedule shows the significant components of the construction in progress as of December 31, 2013 (in thousands):

Modernization funds – Capital grants	$	1,530
Modernization funds – Choice neighborhood grant		881
Yesler Infrastructure and Steam Plant		7,188
Other programs		1,896
Total construction in progress	$	11,495

Note 5 to the Authority's basic financial statements provide additional detail regarding the changes in capital assets during the year ended December 31, 2013.

Total debt outstanding decreased from 2012 to 2013 by $15.2 million. The Authority decreased short-term borrowings slightly by $0.2 million from payments. The decrease of $9.4 million in notes payable was primarily due to the payoff of the Authority's $8.9 million infrastructure note payable and the reduction on bonds payable of $5.7 million was a result of the payoff of the Porchlight bond. The Porchlight building was sold in 2012, and the related bonds were paid off during the year.

The table below shows the Authority's outstanding debt at December 31, 2013 and 2012 (in thousands):

		2013	2012
Short-term borrowings	$	12,679	12,828
Notes payable		40,188	49,565
Bonds payable		71,409	77,128
Total debt outstanding	$	124,276	139,521

Notes 6 and 7 to the Authority's basic financial statements provide additional detail regarding the debt changes during the year ended December 31, 2013.

Federal Funding Support to the Authority

Federal appropriation levels for HUD programs, such as Section 8 Housing Choice Voucher Program and Public Housing Operating Subsidies, and the various capital programs continue to have a major impact on the Authority's budget. Federal housing dollars make up the largest source of revenue for the Authority. During 2013, the Authority earned $132.0 million in federal dollars for its operating programs and $17.1 million for its capital projects. In addition, federal financial support from HUD has been an important source of seed money and leverage funding for acquiring or developing a majority of the Authority's $288.5 million of capital assets as of December 31, 2013.

In the redevelopment of the Authority's family communities as mixed-income communities at New Holly, High Point, Rainier Vista, and Lake City Court and in the rehabilitation of twenty-two of the agency's twenty-four public housing high rises, success has relied on public/private mixed-financings. The mixed-financings at these properties have used federal HOPE VI funds, ARRA funds, Public Housing capital grant funds, and other competitive awards of federal capital funds to leverage tax credit partnership equity, grants from State and local government, equity contributions from the Authority, and proceeds from sale of land, and issuances of bonds to finance the completion of these projects.

The federal government has been a principal source of funds for low-income housing operations, maintenance and capital since the enactment of the National Housing Act of 1937 (Act). While the level of federal support of public housing has ebbed and flowed with different administrations and Congresses over the decades, there is a history of federal financial support for low-income housing that dates from the Act.

Beginning in 2011 with the passage of the Budget Control Act of 2011 and subsequent amendments, Congress shifted focus from stimulating the economy in order to spur recovery from the Great Recession to concern over the level of the federal deficit and national debt. As a result, the federal government has adopted nearly $2 trillion in spending reductions over the period 2013-2023. These reductions have been almost exclusively focused on discretionary spending, both discretionary defense and discretionary non-defense programs. Congressional actions, with the acquiescence of the President, set the stage for significant long-term reductions in federal support for a whole spectrum of discretionary programs from space exploration to air traffic control, to health and human services, to farm support, to environmental protection, to transportation and housing and urban development. The Authority has responded by implementing changes designed to reduce costs with the least adverse effects on service and while maintaining housing for existing residents and voucher participants, and when possible serving more low income people.

Starting with the Budget for calendar year 2011, the Authority implemented several measures to reduce staffing by changing business practices to realize efficiencies while minimizing reductions in service. And we continued implementing actions through 2013 to reorganize and change business practices to meet the long-term federal reductions anticipated based on Congressional appropriations. As a consequence, the Authority reduced staffing positions between 2011 and 2013 by nearly 18% or by 106 full-time equivalent positions over this period. As a result of the actions taken, the Authority was positioned to weather 2013 without further capacity reductions. Throughout the past four years, we have continued to serve the same number or more low income people in our housing or with rental assistance voucher.

Local Housing Market Outlook

Since the Seattle Housing Authority is a developer of low income housing, as well as a landlord that operates and maintains the housing, the local housing market affects the Authority's ability to meet goals for creating mixed income communities by partnering with private developers to build for sale and rental units at market rate levels. The long-term prospects for the housing market are strong in Seattle and for Authority properties; and, we have seen evidence of a recovering market over the last year with increased interest among developers for the multi-family and mixed-use sites we have available for sale. The Authority is nearing completion of our redevelopment commitments in Rainier Vista and High Point and our new development at Lake City Village. As the recovery of the housing market continues to strengthen, we expect to complete sales of properties for market rate housing development in these mixed income communities over the next one to two years.

The Authority has begun implementing the first phase of redevelopment at the last of the Authority's "garden communities," Yesler Terrace. In 2013, the Authority completed master planning, adopted a development plan, and submitted all materials for land use entitlements to the City of Seattle planning agency and began securing City authorizations for the land use and zoning approvals needed for the project master plan. The Authority also secured a HUD commitment for one of the inaugural six competitive grants under the new Choice Neighborhoods Initiative (CNI) program in 2012 and a second CNI grant in 2013 for phase two of the redevelopment, totaling federal support of approximately $30 million. In early 2013, the Authority began architectural design work on the first phase of the redevelopment with 103 low-income units of new construction and 15 units in rehabilitation of an existing building in the neighborhood. These projects began construction work in 2013. The rehabilitation project at the Baldwin Apartments will be complete and leased up in the second half of 2014; 1105 E. Fir, the new construction of 103 units, will be open by mid-2015. In addition, the first of the private development of market rate and affordable housing in the Yesler Terrace Redevelopment began site work in late 2013 and is expected to open in mid to late 2015. Also, in 2013 the Authority selected the private developer to build market rate and affordable units on three blocks in the heart of the Yesler Terrace neighborhood, and the related Purchase and Sale agreements are expected to be signed in 2014.

Request for Information

This financial report is designed to provide a general overview of the Authority's finances for all those interested. Questions concerning any of the information presented in this report or requests for additional information should be addressed to Janet Hayes, Controller, 190 Queen Anne Ave North, Seattle, WA 98109.

BASIC FINANCIAL STATEMENTS

Exhibit A-1

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Statement of Net Position

December 31, 2013

Assets		Primary government	Component units
Current assets:			
Cash and cash equivalents	$	4,148,911	2,552,873
Restricted cash		7,738,747	17,836,649
Investments		57,281,613	—
Accounts receivable:			
Tenant rentals and service charges		614,533	377,657
Other		704,742	129,113
Due from:			
Other governments		4,223,579	—
Primary government		—	468,333
Component units		3,220,013	—
Inventory and prepaid items		459,027	1,206,364
Restricted investments		2,675,338	—
Unamortized charges		—	5,014,539
Notes receivable		340,639	—
Notes receivable from component units		30,000	—
Assets held for sale		2,877,928	—
Other assets		470,914	—
Total current assets		84,785,984	27,585,528
Noncurrent assets:			
Investments		6,786,862	—
Cash restricted for long-term purpose		947,129	—
Restricted investments		6,335,435	902,867
Due from component units (net of allowance of $10,841,323)		22,965,206	—
Assets held for sale		7,887,229	—
Other		5,234,670	3,136,672
Capital assets:			
Land		63,525,936	5,099,274
Land improvements		43,812,813	20,544,250
Leasehold improvements		897,974	—
Structures		375,998,342	377,970,490
Equipment		16,401,244	8,526,422
Construction in progress		11,494,782	8,743,112
Less accumulated depreciation and amortization		(223,675,247)	(78,207,118)
Capital assets, net		288,455,844	342,676,430
Notes receivable, less current portion (net of allowance of $6,538,022)		13,638,124	—
Notes receivable from component units, less current portion (net of allowance of $4,011,277)		199,638,155	—
Total noncurrent assets		551,888,654	346,715,969
Total assets	$	636,674,638	374,301,497

(Continued)

Exhibit A-1

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Statement of Net Position

December 31, 2013

Liabilities and Net Position		Primary government	Component units
Current liabilities:			
Accounts payable:			
Vendors and contractors	$	5,951,457	2,936,344
Other		1,440,323	315,365
Accrued liabilities		3,214,512	1,553,895
Due to component units		468,333	—
Due to primary government		—	3,220,013
Security deposits		1,622,517	1,233,082
Short-term borrowings		12,678,698	—
Short-term borrowings from primary government		—	30,000
Current portion of long-term debt		7,254,317	914,678
Unearned revenue		2,726,448	81,136
Total current liabilities		35,356,605	10,284,513
Noncurrent liabilities:			
Due to primary government		—	33,806,529
Unearned revenue		43,787,295	—
Long term payables and liabilities		359,250	3,957,996
Long-term debt, less current portion:			
Notes payable to primary government		—	203,649,432
Notes payable		37,702,776	25,677,596
Bonds payable		66,639,909	37,523,409
Accrued compensated absences		2,880,557	—
OPEB liability		1,163,000	—
Total noncurrent liabilities		152,532,787	304,614,962
Total liabilities		187,889,392	314,899,475
Net position:			
Net investment in capital assets		210,293,958	74,931,601
Restricted		10,069,831	16,603,567
Unrestricted (deficit)		228,421,457	(32,133,146)
Total net position		448,785,246	59,402,022
Total liabilities and net position	$	636,674,638	374,301,497

See accompanying notes to basic financial statements.

Exhibit A-2

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Statement of Revenues, Expenses, and Changes in Net Position

Year ended December 31, 2013

	Primary government	Component units
Operating revenues:		
Tenant rentals	$ 21,287,096	24,419,131
Housing assistance payment subsidies	103,981,489	—
Operating subsidies and grants	28,020,480	—
Other	18,618,710	1,465,680
Total operating revenues	171,907,775	25,884,811
Operating expenses:		
Housing operations and administration	39,654,837	7,834,129
Tenant services	3,542,648	—
Utility services	5,951,355	4,191,864
Maintenance	17,336,014	6,091,400
Housing assistance payments	78,552,745	—
Other	956,269	3,373,294
Depreciation and amortization	10,178,373	12,073,194
Total operating expenses	156,172,241	33,563,881
Operating income (loss)	15,735,534	(7,679,070)
Nonoperating revenues (expenses):		
Interest expense	(5,488,597)	(6,956,100)
Interest income	444,930	56,231
Change in fair value of investments	(94,819)	1,831,724
Loss on investment in limited partnerships	(70,809)	—
Disposition of assets	(11,826)	—
Net nonoperating expenses	(5,221,121)	(5,068,145)
Change in net position before contributions	10,514,413	(12,747,215)
Contributions:		
Capital contributions	17,146,108	—
Partners' contributions	—	17,780,458
Total contributions	17,146,108	17,780,458
Change in net position	27,660,521	5,033,243
Total net position at beginning of year	421,124,725	54,368,779
Total net position at end of year	$ 448,785,246	59,402,022

See accompanying notes to basic financial statements.

Exhibit A-3

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Statement of Cash Flows

Year ended December 31, 2013

		Primary government
Cash flows from operating activities:		
Receipts from residents	$	21,652,638
Receipts from other sources		22,669,079
Operating grants and subsidies received		129,523,213
Receipts from affiliates		1,322,794
Payments to vendors		(41,539,791)
Housing assistance payments		(78,552,745)
Payments to employees		(25,667,492)
Net cash provided by operating activities		29,407,696
Cash flows from capital and related financing activities:		
Capital contributions		14,063,003
Acquisition and construction of capital assets		(8,330,407)
Proceeds from dispositions of property and equipment		2,743,733
Proceeds from long-term borrowings		12,585,000
Bond and loan fees paid		(185,579)
Payments on notes and bonds payable		(27,830,616)
Principal interest payments		(5,208,420)
Net cash used in capital and related financing activities		(12,163,286)
Cash flows from investing activities:		
Investment income		344,872
Maturity of investment securities		32,803,722
Purchases of investment securities		(49,675,881)
Increase in net investment of partnerships		(3,727,381)
Receipt on notes receivable		1,349,856
Advances on notes receivable		(2,163,584)
Net cash used in investing activities		(21,068,396)
Decrease in cash and cash equivalents		(3,823,986)
Cash and cash equivalents at beginning of year		16,658,773
Cash and cash equivalents at end of year	$	12,834,787
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$	15,735,534
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization		10,178,373
Notes receivable allowance		124,330
Changes in assets and liabilities:		
Accounts receivable and other assets		1,615,881
Inventory and prepaid items		97,930
Accounts payable and other liabilities		801,910
Accrued compensated absences		(90,396)
Unearned revenue and other		944,134
Total adjustments		13,672,162
Net cash provided by operating activities	$	29,407,696
Supplemental disclosure of noncash activities:		
Disposition of assets	$	(11,826)
Transfer of assets held for sale from capital assets		2,623,875

See accompanying notes to basic financial statements.

(1) Summary of Significant Accounting Policies

(a) Organization and Program Descriptions

The Housing Authority of the City of Seattle, Washington (the Authority) was created in 1939 as a municipal corporation that derives its powers from Washington State (State) Law RCW 35.82. The Authority was created for the acquisition, development, modernization, operation, and administration of public housing programs. The primary purpose of the Authority is to provide safe, decent, sanitary, and affordable housing to low-income and elderly families in Seattle, Washington, and to operate its housing programs in accordance with federal and State laws and regulations. The Authority's programs are administered through the U.S. Department of Housing and Urban Development (HUD) under provisions of the U.S. Housing Act of 1937, as amended.

The Authority, recognized by HUD as a high-performing, large housing authority, was selected to participate in HUD's Moving to Work (MTW) Demonstration Program effective January 13, 1999. The program allows the Authority an exemption from a multitude of HUD regulations and reporting requirements, and significant flexibility to combine its HUD funding for reallocation among the Authority's administrative, capital, and development activities.

The Authority presents its activities as a single enterprise proprietary fund and its primary operations comprised a number of housing and grant programs as follows:

The Public Housing Program – operates under HUD's Annual Contributions Contract (ACC) SF-151 and consists of the operations of low-rent public housing properties totaling 6,295 units which includes 894 units of senior housing (see below). The purpose of the program is to provide decent and affordable housing to low-income families at reduced rents. The properties are owned, maintained, and managed by the Authority. The properties are acquired, developed, and modernized under HUD's Capital Funds Program and through HUD Hope VI Urban Revitalization grants. Financing for the properties is obtained through bond issues and grants. Funding of the program is provided by federal annual contributions and operating subsidies and tenant rentals (determined as a percentage of family income, adjusted for family composition).

The Seattle Senior Housing Program (SSHP) – operates 994 units acquired and developed under a 1981 City of Seattle (City) bond issue. The purpose of this program is to provide low rent housing for the elderly, handicapped, and disabled. Funding for the management and operation of these housing units is provided primarily from rental income with a small subsidy for the Public Housing operating funds. During 2011, the Authority received approval from HUD and from the City to include 894 of the SSHP units in the Public Housing program. This change took effect January 1, 2012.

The Section 8 Program – consists of several Section 8 housing programs including the Section 8 Housing Choice Voucher program, the Section 8 New Construction and Substantial Rehabilitation program, and the Moderate Rehabilitation program. The Housing Choice Voucher program provides rental housing assistance subsidies in support of 9,885 housing units. The purpose of the program is to provide decent and affordable housing to low-income families and elderly and handicapped individuals wherein rental assistance is provided by HUD. The associated units are maintained and managed by private landlords.

The purpose of the Section 8 New Construction and Substantial Rehabilitation program is to construct or purchase and rehabilitate rental housing units to provide decent and affordable housing to low-income, elderly, and handicapped individuals whereby rental assistance is provided by HUD. Funding of the program is provided by federal housing assistance contributions and tenant rentals. The Authority owns two housing developments totaling 130 units.

The Section 8 Moderate Rehabilitation program operates under HUD's ACC S-0068K and consists of the operations of 760 privately owned family housing units. The purpose of the program is to rehabilitate substandard rental housing units and provide decent and affordable housing to low-income families whereby rental assistance is provided by HUD. The associated developments are maintained and managed by private landlords. Funding of the program is provided by federal housing assistance contributions.

Other Housing Programs – operates 876 units of low-income housing. These projects are financed primarily through bond issues and receive no external funding. On-site management for these units may be done by the Authority or contracted with other management companies. In addition, the Authority also has 739 nonpublic housing units within the HOPE VI redeveloped communities.

The basic financial statements of the Authority have been prepared in conformity with U.S. 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 Authority's significant accounting policies are described below.

(b) Reporting Entity

The governing body of the Authority is its Board of Commissioners (Board), comprising seven members appointed by the Mayor of the City. The Authority is not financially dependent on the City and is not considered a component unit of the City.

As defined by GAAP, the reporting entity consists of the primary government, as well as its component units, which are legally separate organizations for which the elected officials of the primary government are financially accountable. Financial accountability is defined as appointment of a voting majority of the component units' board, and either (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government, or (c) the component unit is financially dependent on the primary government.

Component units are reported as part of the reporting entity under either the blended or discrete method of presentation. The discrete method presents the financial statements of the component unit outside of the basic financial statement totals of the primary government.

The Authority is the 0.01% owner and the general partner in 17 real estate limited partnerships as of December 31, 2013. The limited partnership interests are held by third parties unrelated to the Authority. As the general partner, the Authority has certain rights and responsibilities, which enable it to impose its will on the limited partnerships. The Authority is financially accountable for the limited partnerships as they are fiscally dependent on the Authority according to the terms of the partnership agreements. Additionally, in some cases, the Authority is legally obligated to fund operating deficits. The Authority also has outstanding loans and net advances to the limited partnerships amounting to approximately $225 million at December 31, 2013. The limited partnerships do not serve the primary government exclusively, or almost exclusively, and therefore, are shown as discretely presented component units.

The 17 component units are: the Ravenna School Limited Partnership (RSLP), the Othello Street Limited Partnership (OSLP), Desdemona Limited Partnership (DLP), the Escallonia Limited Partnership (ELP), the High Point North Limited Partnership (HPNLP), the High Point South Limited Partnership (HPSLP), the Ritz Apartments Limited Partnership (RALP), the Alder Crest Limited Partnership (ACLP), the High Rise Rehabilitation Phase I Limited Partnership (HRRILP), the Seattle High Rise Phase II Limited Partnership (SHRIILP), Seattle High Rise Phase III Limited Partnership (SHRIIILP), Douglas Apartments Limited Partnership (DALP), Tamarack Place Limited Partnership (TPLP), Lake City Village Limited Liability Limited Partnership (LCVLLLP), Rainier Vista Northeast Limited Liability Limited Partnership (RVNLLLP), Leschi House LLLP (LHLLLP) and 1105 E Fir LLLP (EFLLLP).

The RSLP is a separate legal entity formed in 1998 to take advantage of low-income housing tax credits needed to finance the planned rehabilitation of the Ravenna School Apartments. The 39-unit apartment complex, owned by the Authority under its Senior Housing Program, has been leased to RSLP for a nominal amount under a 99-year operating lease. The Authority is the 0.01% general partner of the RSLP and also serves as developer of the $1.5 million rehabilitation project. In addition, the Authority will continue to serve as property manager of the Ravenna School

Apartments. In July 1999, a tax credit investor was formally admitted as a limited partner to the RSLP. The project was completed during fiscal year 2000. The Authority is the 0.01% general partner and is obligated to fund operating deficits by contributing or loaning funds to the partnership.

The OSLP is a separate legal entity created on September 9, 1999 to undertake phase two of the redevelopment activities at the Holly Park community. Development activities are completed and the OSLP will continue to operate and manage the rental units. The Authority participates as the 0.01% managing general partner of the OSLP. During fiscal year 2000, a tax credit investor was admitted to the partnership as a 99.99% limited partner. The Authority has leased the land for phase two of the Holly Park redevelopment project to the OSLP for a nominal amount under a noncancelable 99 year operating lease. The Authority is the 0.01% general partner of the OSLP and is obligated to fund an operating deficit up to $250,000.

The DLP is a separate legal entity created on May 10, 2002 to undertake phase three of the redevelopment activities at the Holly Park community. Development activities are completed and the DLP will continue to operate and manage the rental units. The Authority has leased the land for phase three of the Holly Park redevelopment project to the DLP for a nominal amount under a noncancelable 99 year operating lease. The Authority is the 0.01% general partner of the DLP and is obligated to fund an operating deficit without limitation as to amount. As of December 31, 2013, the DLP owed the Authority for developer fees in the amount of $2,319,517.

The ELP is a separate legal entity created on May 10, 2002 to undertake phase one of the redevelopment activities at the Rainier Vista community. Development activities are complete and the ELP will continue to operate and manage the rental units. The Authority participates as the 0.01% managing general partner of the ELP. The Authority has leased the land for phase one of the Rainier Vista redevelopment project to the ELP for a nominal amount under a noncancelable 99 year operating lease. As of December 31, 2013, the ELP owed the Authority for developer fees in the amount of $485,418.

The HPNLP is a separate legal entity created on October 31, 2003 to undertake phase one of the redevelopment activities at the High Point community. The Authority participates as the 0.01% managing general partner of the HPNLP. The Authority has leased the land for phase one of the High Point redevelopment project to the HPNLP for a nominal amount under a noncancelable 99 year operating lease. The Authority is obligated to fund operating or other cash shortfalls of the partnership. The amount the Authority is obligated to fund is unlimited prior to the project's stabilization date as defined in the limited partnership agreement, and is limited to $1,200,000 after the project's stabilization date. The amount is further limited to $750,000 after 10 consecutive years of the partnership's operating subsidy being fully funded. As of December 31, 2013, the HPNLP owed the Authority developer fees in the amount of $1,712,575.

The HPSLP is a separate legal entity created on July 12, 2007 to undertake phase two of the redevelopment activities at the High Point community. The Authority participates as the 0.01% managing general partner of the HPSLP. The Authority has leased the land for phase two of the High Point redevelopment project to the HPSLP for a nominal amount under a noncancelable 99 year operating lease. The Authority is obligated to fund operating or other cash shortfalls of the partnership. As of December 31, 2013, the HPSLP owed the Authority $2,294,783 for developer fees.

The RALP is a separate legal entity created on August 12, 2004 to undertake rehabilitation of the Ritz Apartments. During fiscal year 2005, the RALP admitted a tax credit investor to the partnership as a 99.99% limited partner. The Authority participates as the 0.01% managing general partner of the RALP. The land and building are leased to the partnership under a 75 year financing lease. The partnership agreement does not specify the obligation of the general partner in regards to funding operating shortfalls. As of December 31, 2013, the RALP owed the Authority $170,515 for developer fees.

The ACLP is a separate legal entity created on January 1, 2005 to undertake rehabilitation of the Alder Crest Apartments. The ACLP admitted a tax credit investor to the partnership as a 99.99% limited partner. The Authority participates as the 0.01% managing general partner of the ACLP. The Authority has leased the building to ACLP under a 75 year financing lease. The Authority is required to fund the operating deficit without limitation through operating deficit loans. Upon dissolution and liquidation of the partnership the general partner obligation to fund operating deficits through operating deficit loans shall continue in an additional amount not to exceed $ 109,615. As of December 31, 2013, the ACLP owed the Authority oversight developer fees amounting to $39,748.

The HRRILP is a separate legal entity created on July 26, 2005 to undertake phase one of a three-phase rehabilitation of 21 public housing high-rise buildings owned by the Authority. Each phase of the project will cover seven buildings, which are leased to the component unit for 99 years. The Authority participates as the 0.01% managing partner. The Authority is required to provide operating subsidies sufficient to cover the difference between tenant rental income and operating expenses as well as contributions to reserve accounts. As of December 31, 2013, the HRRILP has no outstanding developer fee payable to the Authority.

The SHRIILP is a separate legal entity created on August 11, 2006 to undertake phase two of the three-phase rehabilitation of 21 public housing high-rise buildings owned by the Authority. Phase two also covers seven buildings, which are leased to the component unit for 99 years. The Authority participates as the 0.01% managing partner. The Authority is required to provide operating subsidies sufficient to cover the difference between tenant rental income and operating expenses as well as contributions to reserve accounts. As of December 31, 2013, the SHRIILP has no outstanding developer fee payable to the Authority.

The SHRIIILP is a separate legal entity created on September 13, 2007 to undertake phase three of the three-phase rehabilitation of 21 public housing high-rise buildings owned by the Authority. Phase three also covers seven buildings, which are leased to the component unit for 99 years. The Authority participates as the 0.01% managing partner. The Authority is required to provide operating subsidies sufficient to cover the difference between tenant rental income and operating expenses as well as contributions to reserve accounts. As of December 31, 2013, the SHRIIILP has no outstanding developer fee payable to the Authority.

The DALP is a separate legal entity created on September 17, 2007 to undertake rehabilitation of the Douglas Apartments, which were purchased by the Authority during the year. The DALP admitted a tax credit investor to the partnership as a 99.99% limited partner. The Authority participates as the 0.01% managing general partner of the DALP. The land and building are leased to the partnership under a 75 year financing lease. If an operating deficit exits, the Authority is obligated to loan funds to the partnership up to the amount of the deficit. As of December 31, 2013, the DALP owed the Authority developer fees in the amount of $283,146.

The TPLP is a separate legal entity created on October 15, 2008 to undertake phase two of the redevelopment activities at the Rainier Vista community. During 2010, the TPLP admitted a tax credit investor to the partnership as a 99.99% limited partner. The Authority participates as the 0.01% managing general partner of the TPLP. As of December 31, 2013, TPLP owed the Authority developer fees in the amount of $266,760.

The LCVLLLP is a separate legal entity created on December 3, 2009 to undertake redevelopment activities at the site formerly occupied by Lake City Village which was demolished in 2002 due to severe flooding damage to the housing units. During 2010, the LCVLLLP admitted a tax credit investor to the partnership as a 99.99% limited partner. The Authority participates as the 0.01% managing general partner of the LCVLLLP. As of December 31, 2013, LCVLLLP owed the Authority developer fees in the amount of $649,726 which were subsequently paid in full in January 2014.

The RVNLLLP is a separate legal entity created on January 29, 2010 to undertake phase three of the redevelopment activities at the Rainier Vista Community. During 2010, the RVNLLLP admitted a tax credit investor to the partnership as a 99.99% limited partner. The Authority participates as the 0.01% managing general partner of the RVNLLLP. As of December 31, 2013, RVNLLLP has no outstanding developer fees payable to the Authority.

The LHLLLP is a separate legal entity created on October 8, 2012 to undertake the redevelopment of Leschi House, a property in the Senior Housing portfolio. During 2013, the LHLLLP admitted a tax credit investor to the partnership as a 99.99% limited partner. The Authority participates as the 0.01% managing general partner of the LHLLLP. As of December 31, 2013, the LHLLLP owed the Authority developer fees in the amount of $270,000.

The EFLLLP is a separate legal entity created on October 23, 2012 to undertake the first phase of the redevelopment of Yesler Terrace. During, 2013 the EFLLLP admitted a tax credit investor to the partnership as a 99.99% limited partner. The Authority participates as the 0.01% managing general partner of the EFLLLP. As of December 31, 2013, no developer fees were owed to the Authority.

All 17 component units have a December 31 year-end. The component units' financial statements are presented as of December 31, 2013 and may be obtained by contacting the Authority.

(c) New Accounting Standards Adopted

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*, addresses reporting entity issues that have arisen since the issuance of those statements. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2012. GASB Statement No. 66, *Technical Corrections 2012 – an amendment of GASB Statements No. 10 and No. 62*, resolves conflicting guidance that resulted from previously published GASB statements. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012.

GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The requirements of GASB 65 are effective for periods beginning after December 15, 2012.

As of January 1, 2013, the Authority adopted the above GASB standards. GASB 65 resulted in the retrospective write-off of debt issuance costs as reflected below:

Net position as of January 1, 2012, as previously reported	$ 419,854,172
Effect of GASB 65	(676,070)
Net position as of January 1, 2012, as restated for adoption of GASB 65	$ 419,178,102
Net position as of January 1, 2013, as previously reported	$ 421,746,648
Effect of GASB 65	(621,923)
Net position as of January 1, 2013, as restated for adoption of GASB 65	$ 421,124,725

(d) New Accounting Standard to be Adopted in Future Years

GASB Statement No. 69, *Government Combinations and Disposals of Government Operations*, establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The provisions of this Statement are effective for financial periods beginning after December 15, 2013. GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, will improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. A government that extends a nonexchange financial guarantee will need to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. The provisions of this Statement are effective for reporting periods beginning after June 15, 2013.

GASB Statement No. 68, *Financial Reporting for Pensions – an amendment of GASB No. 27*, improves accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity and creating additional transparency. The requirements of this Statement are effective for periods beginning after June 15, 2014. GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, addresses an issue regarding application of the transition provisions of Statement No. 68. The provisions of this Statement are effective for periods beginning after June 15, 2014.

The Authority's management will evaluate these new standards and determine to what extent they will have an impact on the Authority.

(e) Basis of Accounting

The financial statements of the Authority are reported using the economic resources measurement focus and the accrual basis of accounting, whereby all revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Depreciation and amortization of assets is recognized in the statement of revenues, expenses, and changes in net position. All assets and deferred outflows, and liabilities and deferred inflows associated with the operation of the Authority are included in the statement of net position. The principal operating revenues of the Authority are rental revenues received from residents and subsidies received from HUD for qualified residents for housing assistance payments in the Section 8 program and for operations in the public housing program. Grants and similar items are recognized as operating revenue when all eligibility requirements have been met. Gains from sale of capital assets used in the core operations of the Authority are included in operating revenues – other.

Operating expenses for the Authority include the costs of operating housing units, administrative expenses, depreciation and loss from sale of capital assets. All other revenues and expenses not meeting the definition of operating revenues and expenses are reported as nonoperating revenues and expenses or as contributions of capital.

The Authority reports unearned revenue on its statement of net position. Unearned revenues arise when the cash has been received and the potential revenue has not been earned in the current period. Unearned revenues also arise when resources are received by the Authority before it has a legal claim to them, as when grant moneys are received prior to meeting all eligibility requirements and/or the occurrence of qualifying expenditures. In subsequent periods, when both the revenue recognition criteria are met or when the Authority has a legal claim to the resources, the liability for unearned revenue is removed from the statement of net position and revenue is recognized.

(f) Cash and Investments

Cash and cash equivalents are comprised of cash on hand, demand deposits and short term investments with a term of less than one year. All of the Authority's investments are reported at fair value. Fair value is determined based on quoted market prices for the investments.

The Authority is authorized by HUD and its Board to invest in time deposits, certificates of deposits, and obligations of the U.S. government or its agencies, and to enter into repurchase agreements. Repurchase agreements are secured by U.S. Treasury securities with a market value equal to or greater than the amount of the repurchase agreements. The Authority's investment policies provide for the ability to sell investments prior to the investments' contractual maturity.

(g) Accounts Receivable – Other

Other accounts receivable represent various receivables including accrued interest on investments, accrued interest on notes receivable, receivables from other housing authorities for Section 8 portability payments, receivables from component units for developer fees, and receivables from other rental projects that the Authority manages but does not own. The Authority will record an allowance when collectability of the related receivable in uncertain.

(h) Inventories and Prepaid Items

Inventories are stated at lower of cost or market value and consist of expendable materials and supplies. Inventory items are expensed using the first-in, first-out cost method. Office supplies are expensed using a moving weighted average cost method. Maintenance materials are expensed using the first-in, first-out method. Prepaid items are for payments made by the Authority for services or goods received in a subsequent fiscal year.

(i) Unamortized Charges

Unamortized charges consist of bond discounts, which are amortized over the term of the related note or bond. With the adoption of GASB 65 effective January 1, 2013 as described in note 1 (c), debt issuance costs were written off retrospectively.

(j) Capital Assets and Depreciation

Capital assets are stated at historical cost. Maintenance and repairs are charged to current period operating expenses while improvements are capitalized. Upon retirement or other disposition of property and equipment, the cost and related accumulated depreciation and amortization are removed from the respective accounts and any gains or losses are included in operating revenues and expenses. All capital assets with a value greater than $1,000 and a useful life of over one year are capitalized. Assets acquired through contribution are recorded at the fair value on the date donated.

Capital assets are generally depreciated on the straight-line method over estimated useful lives as follows:

Land improvements	50 years
Leasehold improvements	10 years
Structures	40 – 75 years
Equipment	3 – 10 years

(k) Accounts Payable – Other

Other accounts payable include payables for escrow accounts related to construction activities and the Section 8 Family Self-Sufficiency program, as well as miscellaneous payables related to payroll costs.

(l) Compensated Absences

Cabinet level employees and certain other executive level staff are covered under an executive leave policy. The policy provides this group of employees with 200 hours of annual leave per year to be used within that calendar year and may carry over a maximum of 40 hours to the next calendar year.

All other employees earn 100 hours each year, and after the first year, additional hours are added based on the number of years of service up to a maximum of 200 hours per year. Unused vacation is allowed to accumulate to a maximum of 240 or 360 hours, depending on the employees' date of hire. Employees are paid for all accumulated vacation pay upon termination.

The Authority recognizes and compensates employees for nine traditional holidays. Holiday pay is recorded as an expense when incurred.

(Continued)

Employees earn sick leave at a rate of 96 hours per year. Sick leave is allowed to accumulate with no maximum. Employees are compensated for accumulated unused sick leave at the rate of 25% upon termination, permanent disability, or death.

Accruals are recorded at year-end for unused annual leave and unused sick leave, based on balances of hours at December 31 for each year-end. See note 7(a) for detailed schedule.

(m) Management Fees

The Authority manages two residential rental properties for HUD. For the year ended December 31, 2013, the Bay View Tower project paid the Authority management fees of $52,475, which is equal to 5.2% of net rental revenues received. Market Terrace paid the Authority management fees of $13,284 based on a fee of $1,107 per month.

(n) Payments in Lieu of Taxes

Pursuant to an agreement with the City, the Authority may make payments in lieu of taxes (PILOT). PILOT may also be provided to other taxing districts in which property is owned. Upon mutual understanding with the City and other taxing districts, no PILOT was made in 2013.

(o) Unearned Revenue

The Authority has unearned revenue resulting from operating lease payments received from seven of its discretely presented component units: the RALP, the ACLP, the DALP, the LCVLLLP, the HRRILP, the SHRIILP, the SHRIIILP and LHLLLP. The lease payments are recognized over the lease terms and unearned lease payments are shown as unearned revenue.

In addition, the Authority also has unearned revenue from prepaid tenant rents and commercial rents as well as grant funds that have been received but not yet earned.

(p) Income Taxes

Income received or generated by the Authority is not subject to federal income tax, pursuant to Internal Revenue Code Section 115. The Authority is also exempt from State and local property taxes. Interest paid on obligations issued by the Authority is excludable from the gross income of the recipients, pursuant to Section 103(a) of the Internal Revenue Code of 1986, as amended. Contributions to the Authority are tax deductible contributions, pursuant to Sections 170(b)(l)(A)(v) and 170 (c)(l) of the Internal Revenue Code of 1986, as amended.

(q) Pension Plans

The Authority reports pensions in accordance with GASB Statement No. 27 (GASB 27), *Accounting for Pensions by State and Local Governmental Employers*. GASB 27 requires the Authority to record a net pension obligation (benefit) for the difference between the required and actual employer contributions to its pension plans. The Authority funds all required contributions.

(r) ***Use of Estimates***

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and deferred outflows and liabilities and deferred inflows, and disclosure of contingent assets and liabilities, at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(2) Deposits and Investments

(a) ***Deposits***

As of December 31, 2013, the Authority's carrying amount of deposits (excluding petty cash and U.S. Post Office deposits) was $12,829,540 and the bank balance was $13,636,476. The bank deposits are held with financial institutions and are entirely insured or collateralized and are classified as cash and cash equivalents in the statement of net position. All deposits in excess of the FDIC insurance limit of $250,000 are covered by the Public Deposit Protection Commission of the State of Washington, which is a multiple financial institution collateral pool, established under Chapter 39.58 of the Revised Code of Washington. The FDIC insurance was raised from $100,000 to $250,000 until December 31, 2013. In addition to bank deposits, the Authority has $2,500 held at the U.S. Post Office and $4,781 in petty cash funds. All deposits are either insured or registered and held by the Authority or its agent in the Authority's name.

(b) ***Investments***

The Authority's investment policies require that all investments be made in accordance with the stated objectives of capital preservation, optimum liquidity, and return, while conforming to all applicable statutes and regulations. The Authority has established a maximum maturity of three years for operating reserves and a maximum maturity of five years for replacement reserves. Bond reserves may have maturities that match the bond maturity.

The Authority invests a portion of its funds with the Washington State Local Government Investment Pool (LGIP) managed by the State Treasurer's office. The investments in this pool are comprised of repurchase agreements, government securities, and certificates of deposits. The LGIP operates in a manner consistent with the Security and Exchange Commission's Rule 2a-7 of the Investment Company Act of 1940. As such, the LGIP uses amortized cost to report net position and share prices since that amount approximates fair value.

Since the Authority reports all of its investment at fair value, no additional disclosure is required under GASB Technical Bulletin No. 2003-1, *Disclosure Requirements for Derivatives Not Reported at Fair Value on the Statement of Net Position*.

The Authority intends to adhere fully to its investment policy, which expressly prohibits the making of speculative or leveraged investments and requires that all investments be made prudently and with due care to ensure compliance with all statutes and regulations.

The Authority restricts its participation in money market mutual funds to those investing only in U.S. Treasury securities. However, the Authority's indirect exposure to any risks arising from derivative instruments utilized by such funds and programs is unknown.

Custodial Risk

Custodial risk for investments is the risk that in the event of failure of the counterparty to a transaction, the Authority will not be able to recover the value of the investments. As of December 31, 2013, all investments were insured or registered, and held by the Authority or its agent in the Authority's name, or uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Authority's name, or investment pools that are not classified since the investments are not evidenced by securities that exist in physical or book entry form. Therefore, the investments are not exposed to custodial risk.

Investments in U.S. Treasury-backed short-term money market funds are investments held by the trustee in the Authority's name for bond issues.

Concentration of Credit Risk, Credit Risk, and Interest Rate Risk

Concentration of credit risk is the risk of loss that may occur due to the amount of investments in a single issuer (not including investments issued or guaranteed by the U.S. government, investments in a mutual fund, or external investment pools). Although the Authority has a large percentage of its portfolio invested in the local government investment pool, this is not considered a risk due to the diversification within the pool.

Credit risk of investments is the risk that the issuer or other counterparty will not meet its obligations. This credit risk is measured by the credit quality rating of investments in debt securities, as described by a national statistical rating organization such as Standard and Poor's (S&P). The Authority's policy provides that investments in corporate bonds and other fixed income securities must have a rating of A or better.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority's policy is to select investments of varied maturities to mitigate this risk.

The following chart shows the Authority's exposure to these risks:

	S&P credit rating	N/A or less than 1 year	1 – 5 years	More than 10 years	Total
Money market funds	n/a	$ 2,860,052	—	—	2,860,052
U.S. agency securities	AAA	1,818,709	6,786,862	3,475,645	12,081,216
State investment pool	n/a	58,137,980	—	—	58,137,980
Total investments		$ 62,816,741	6,786,862	3,475,645	73,079,248

Investments are presented in the following financial statement captions in statement of net position as investments, current and long-term and restricted investments, current and long-term.

(c) Component Unit Deposits

As of December 31, 2013, the component units' carrying amount of deposits (excluding petty cash) was $20,388,522 and the bank balance was $20,364,735. The bank balances held with financial institutions are entirely insured or collateralized and are classified as cash and cash equivalents in the statement of net position. All deposits in excess of the FDIC insurance limit of $250,000 are covered by the Public Deposit Protection Commission of the State of Washington, which is a multiple financial institution collateral pool, established under Chapter 39.58 of the Revised Code of Washington. The FDIC insurance was raised from $100,000 to $250,000 until December 31, 2013. In addition to bank deposits, the component units have $1,000 in petty cash funds.

(d) Component Unit Investments

As of December 31, 2013, investments of $902,867 were held in trust and restricted for the development of the component units' redevelopment projects, replacement reserves and operating reserves.

Custodial Risk

The investments of the component units are guaranteed investment contracts collateralized by U.S. government investment securities. As of December 31, 2013, all investments were insured or registered, and held by the component unit or its agent in the component unit's name, or uninsured and unregistered, with securities held by the counterparty's trust department or agent in the component unit's name. Therefore, the investments are not exposed to custodial risk.

The component units of the Authority are subject to the same concentration of credit risk, credit risk, and interest rate risk as the Authority. The chart below shows the exposure to these risks:

	S&P credit rating	N/A or less than 1 year	More than 10 years	Total
U.S. government money market funds	n/a	$ 326,244	—	326,244
Yield agreements	n/a	—	576,623	576,623
Total investments		$ 326,244	576,623	902,867

(3) Restricted Cash and Investments

(a) Security Deposits

Upon moving into a project, tenants are required to pay a security deposit, which is refundable when the tenant vacates the apartment, provided the apartment's physical condition is satisfactory. The Authority held security deposits for residential tenants as well as commercial tenants as of December 31, 2013 as shown in the schedule below:

	Residential	Commercial	Total
Total security deposits	$ 1,172,617	449,900	1,622,517

(Continued)

(b) Bond Trust Funds and Mortgage Reserves

As of December 31, 2013, funds held for bond trust funds and mortgage reserves are shown below:

		Balance
Investments for Gamelin/Genesee bonds are restricted for the payment of principal and interest. The investments consist of money market funds and bear no interest.	$	268,694
Cash is held for replacement reserves on the public housing units of the Othello Limited Partnership. Interest is paid at approximately 0.20% as of December 31, 2013.		205,894
Investments for the Villa Park bonds are restricted for the payment of bond principal and interest. Such investments consist of money market funds and bears interest at approximately 0.03%.		147,212
Investments for the Telemark bonds are restricted for the payment of bond principal and interest. Such investments consist of money market funds and bear interest at approximately 0.01%.		223,535
Investments held for the Market Terrace and Mary Avenue bonds are restricted for the payment of principal and interest and consist of money market funds and bear no interest.		219,500
Investments for the Montridge bonds are restricted for the payment of principal and interest. The investments consist of money market funds and bears no interest.		101,750
Cash and investments for the Replacement Housing bonds are restricted for the payment of principal and interest. The investments consist of notes, mortgages, and contracts and bear no interest.		622,563
Investments for the Longfellow Creek bonds are restricted for the payment of principal and interest. The investments consist of notes, mortgages, and contracts and bear no interest.		244,910
Cash is held for Tamarack commercial property for operating reserves as required by the loan agreement. The account bears interest at 0.20%.		30,124
Investments for the Wisteria Court bonds are restricted for the payment of principal and interest. The investments consist of GNMA securities and bear interest at approximately 5.18%.		3,553,120
Reserves are held in restricted cash accounts for the mortgage on Wedgwood Estates and bear interest at approximately 0.4%.		1,087,324
Reserves are held in restricted cash accounts for taxes and insurance for Wedgewood Estates and bear no interest.		120,068
Reserves are held in restricted cash accounts for the mortgage on Wisteria Court Apartments and bear interest at approximately 0.12%.		248,817
Reserves are held in restricted cash accounts for taxes and insurance for Wisteria Court Apartments and bear no interest.		24,906

(Continued)

		Balance
Investments are held for the Yesler Community Center Replacement Housing bonds and are restricted for the payment of principal and interest. The investments bear no interest.	$	135,665
Investments are held for the Bayview Tower and Lake City Commons bonds. These funds are restricted for the payment of principal and interest and consist of money market funds bearing interest at approximately 0.01%.		258,401
Restricted cash is held for Bayview Tower and Lake City Commons replacement reserves. The investments consist of money market funds and bear interest at approximately 0.20%.		571,301
Restricted cash is held for the Beacon operating reserves and replacement reserves. The funds consist of money market funds and bear interest at approximately 0.20%.		94,623
Reserves are held in restricted cash accounts for the capital replacement and operations of Villa Park and bear interest at approximately 0.2%.		158,305
Reserves are held in restricted cash accounts for the capital replacement and operations of Telemark, Mary Avenue, Montridge, Longfellow Creek, Main St Apts, Main Street Place, Yesler Court and New Holly Phase I, bearing interest at approximately 0.2%.		1,018,724
Investments are held for the Holly Park Phase I bonds and are restricted for payment of principal and interest. The funds are invested mainly in highly liquid, short-term U.S. Treasury obligations. The interest rate was 0.02%		271,200
Reserves are held in restricted cash accounts for the Holly Park Phase I operating reserve and tax credit replacement reserve and bear interest at approximately 0.20%.		2,232,607
Restricted cash is held in money market accounts for debt service on High Rise Rehabilitation projects, bearing no interest.		520
Restricted cash is held for operating reserves and replacement reserves for Senior Housing projects Willis House, Reunion House, Nelson Manor and Olmsted Manor and bear interest of approximately 0.20%.		138,500
Restricted cash is held for critical repairs at Wedgewood Estates related to the refinancing of the building. The account bears interest at 0.12%.		387,614
Restricted investments held for critical repairs at Montridge, Replacement housing properties and Yesler Court properties related to 2013 bond issuance.		571,904
Restricted cash and investments held for Main Street and Yesler Court properties bond payoff scheduled for April, 2014. The account bears .048% interest.		1,819,612
Restricted cash held for bond activity related to the Douglas Apartment bonds. The account bears no interest.		180,536
Total	$	14,937,929

(c) Other Restricted Funds

As of December 31, 2013, restricted cash amounts of $358,386 are held in trust for the Family Self-Sufficiency (FSS) program. Families in the Section 8 and Low Rent programs may sign up for the FSS program and any rent increase due to an increase in income may be deposited into an escrow account. The tenant may request reimbursement from the trust account for certain allowable expenditures.

Restricted cash amounts of $250,393 are held for retainage for construction projects.

HUD requires the Authority to maintain restricted investments equal to the required reserves for the Market Terrace project. HUD must approve any release or disbursement of reserve funds in advance. Restricted investments for required reserves of $78,443 were held as of December 31, 2013.

Restricted cash amounts of $63,124 are held in the Development fund for the Dream Big Scholarship fund, which provides scholarships for residents of the Authority's communities.

Restricted cash amounts of $222,699 are held in an endowment trust for residents of High Point. The funds are to be used only for planning, providing, and evaluating community and support services for the primary benefit of the public housing residents of High Point housing development and former residents occupying other public housing in accordance with the plan approved by HUD. A portion of the interest may be spent each year and the High Point Endowment Trust will continue to exist in perpetuity. Upon approval from HUD on August 28, 2009, grant funds in the amount of $220,995 were deposited to the account. During the year, there were no withdrawals and the account increased in value by $445.

Restricted cash amounts of $163,158 are held in an endowment trust for residents of Lake City Court. The funds are to be used for purposes that are consistent with the objectives of providing youth enrichment activities, providing services for seniors and providing community building activities for the residents of Lake City Court. The intent is to spend only the interest earnings and leave the principal intact. Upon approval from HUD in September, 2013, grant funds in the amount of $163,069 were deposited to the account. During the year, there were no withdrawals and the account increased in value by $89.

(Continued)

(4) Notes Receivable

(a) Other Than from Component Units

		December 31, 2013	Due within one year
Due from Stone View Village I Limited Partnership and Stone View Village II Limited Partnership. The notes bear interest at rates ranging from 0.5% to the lowest applicable federal rate as determined under the Internal Revenue Code of 1986, and all interest and principal are due in March and April 2039.	$	1,373,835	—
Due from Lutheran Alliance to Create Housing (LATCH) Roxbury Limited Partnership. The note bears no interest for the first 30 years. Interest accrues beginning February 1, 2030 at 2%, with annual payments of $73,388 until the note matures on January 31, 2050.		1,200,000	—
Two notes due from the Low Income Housing Institute (LIHI), a Washington nonprofit corporation, and the Lakeview Apartments Limited Partnership. The note in the amount of $494,600 bears interest at 3% annually and all interest and principal will be forgiven December 2040, if the project is operated according to the loan regulatory agreement. The note in the amount of $9,273 bears interest at 6% annually and is due January 2016. Principal and interest payments of $5,058 are due annually.		503,873	4,502
Due from the Plymouth Housing Group (PHG), a Washington nonprofit corporation. The loan bears interest at 1% annually and all principal and interest are due January 2041. Provided the borrower complies with the loan regulatory agreement, all principal and interest will be forgiven January 2041.		856,912	—
Notes due from the Mount Baker Housing Association for the Starlighter Apartments, which are secured by a deed of trust on the property. The note bears interest at an annual rate of 1% which is deferred until October 31, 2040, at which time the loan will be forgiven if the project is operated in in accordance with the loan agreement.		270,000	—

		December 31, 2013	Due within one year
Due from the Retirement Housing Foundation. The note requires annual payments and is payable in full by December 2016. The interest rate is approximately 3.27%.	$	562,809	181,602
Due from Madison Housing Partners Phase I, LLC and Madison Housing Partners Phase II, LLC. The notes are for the Views at Madison Apartments I and Views at Madison II, respectively, and are secured by deeds of trust on the properties. Both notes bear interest at an annual rate of 1.0% and are payable December 31, 2042.		826,106	—
Due from the Seattle Chinatown International District Public Development Authority (SCIDPDA). The note bears interest at a rate of 1% per annum and all interest and principal are due on the maturity date of December 31, 2043.		1,622,881	—
Two notes due from the LIHI NW 85th, LLC, which are secured by a deed of trust on the property. One of the $500,000 notes bears interest at 1% per annum and is payable in full on December 31, 2042, provided the project is operated in accordance with Low Income Housing regulatory agreement and the terms of the loan agreement. The other note bears interest at 3% per annum. The balance of principal and accrued interest as of December 31, 2004 shall be amortized over a period of 20 years beginning on January 1, 2005. Payments of $2,942 will be required monthly until final maturity on December 31, 2025.		830,408	25,742
Due from the Andover Court Associates, LLC and secured by a deed of trust on the property. The note bears interest at 1% per annum and is payable in full on the maturity date of March 31, 2043, provided the project is operated in accordance with the Low Income Housing regulatory agreement and the terms of the loan agreement.		743,179	—
Due from LIHI Meadowbrook Associates, LLC. The note bears interest at a rate of 1% per annum. The balance of principal and interest is due in full on the maturity date of December 31, 2052.		600,000	—
Due from HRG for the purchase of Judkins Park Apartments. The note is secured by a deed of trust on the property and bears interest at 1%. Principal and interest are due on the maturity date of February 29, 2044.		400,340	—

		December 31, 2013	Due within one year
Due from the Archdiocesan Housing Authority and ML King Housing Limited Partnership. The note is secured by a deed of trust on the property and bears interest at 1%. Principal and interest are due on the maturity date of July 31, 2044.	$	266,013	—
Due from the Kateri House Association. The note is secured by a deed of trust on the property and bears interest at 1% per annum. Principal and accrued interest will be forgiven in 2014, when the property is transferred.		83,793	83,793
Due from Main Street Interim, LLC. The note is secured by a deed of trust, bears interest at 1% per annum, and matures December 1, 2054. Principal and interest are due on the maturity date.		1,055,568	—
Due from Denny Park, LLC. The note is secured by a deed of trust on the property and bears interest at 1%. Principal and interest are due on the maturity date of September 3, 2044.		250,000	—
Due from CHHIPS Pantages Apartments LLC. The note is secured by a deed of trust on the property and bears interest at 1%. Principal and interest are payable on the maturity date of August 16, 2044.		548,465	—
Due from Stoneway Apartments, LLC. The note is secured by a deed of trust on the property and bears interest at 1% per annum. Principal and interest are payable on the maturity date of July 31, 2055.		1,499,999	—
Due from CHHIPS for the construction of Broadway and Pine Apartments. The note is secured by a deed of trust and bears interest at 1%. Principal and interest are due on the maturity date of November 4, 2055.		548,465	—
Due from Delridge Neighborhood Development, managing member of the West Seattle Resource Center, LLC. The note is secured by a deed of trust and bears interest at 1%. Principal and interest are payable on the maturity date of February 1, 2056.		325,000	—
Due from Neighborhood House for land sold at Rainier Vista. The note is secured by a deed of trust on the property and bears no interest. The note matures on August 31, 2054.		210,000	—
Due from Habitat for Humanity for purchase of land at Rainier Vista. The note bears no interest is due January, 2014.		45,000	45,000
Allowance for loss		(643,883)	—
Total notes receivable, net	$	13,978,763	340,639

The Authority has gross notes receivable and an allowance of $5,894,139 for loans made to Neighborhood House, Boys and Girls Club, and Solid Ground that are excluded from the table above. The allowance fully covers the loans as a portion of the loan amounts is forgivable each year provided they comply with the terms of the loan agreements.

(b) Notes Receivable from Component Units

	Balance December 31, 2013	Due within one year
Two notes due from High Rise Rehabilitation Phase I Limited Partnership. One note for $12,000,000 bears interest at 4.82% per annum during rehabilitation and 2.75% per annum thereafter. The other note in the amount of $12,000,000 bears interest at 4.68% per annum during rehabilitation and 2.75% per annum thereafter. Both notes mature on January 1, 2046 with principal and interest payments due quarterly during rehabilitation and annually from available cash flows thereafter. As of December 31, 2013, the amount of interest payable to the Authority was $4,144,250.	$ 24,000,000	—
Two notes due from Escallonia Limited Partnership. One note in the amount of $13430,695 and one note in the amount of $9,916,399. Both notes bear interest at 1% per annum and mature in fiscal year 2058. Interest payments are due annually from available net cash flows. As of December 31, 2013, interest payable to the Authority was $2,159,950.	23,347,094	—
Two notes due from High Point North Limited Partnership in the amounts of $8,500,000 and $16,652,733. The notes bear compounding interest at 1% per annum and mature in fiscal year 2054. Interest payments are due annually from available net cash flows. As of December 31, 2013, interest payable to the Authority was $2,476,564.	25,152,734	—
Due from Ritz Apartments Limited Partnership. The note bears interest at 1% per annum and matures December 31, 2054. Principal and interest payments are due annually from available cash flows. Interest payable to the Authority on December 31, 2013 was $41,655.	265,856	—

(Continued)

		Balance December 31, 2013	Due within one year
Due from Alder Crest Limited Partnership. The note bears simple interest at 5% per annum and matures March, 2057. Interest payable to the Authority on December 31, 2013 was $82,847.	$	220,000	—
Due from Alder Crest Limited Partnership. The note bears simple interest at 0.5% per annum beginning January 1, 2014. The loan shall not exceed $371,816 and matures January 31, 2029.		121,815	—
Due from the Othello Street Limited Partnership. Two notes due in the amounts of $4,195,384 and $2,000,000. Both notes bear interest at 1% per annum and interest only payments are due to the Authority from available net cash flows. The notes mature on July 1, 2051. As of December 31, 2013, interest payable to the Authority was $838,414.		6,195,384	—
Two notes due from Desdemona Limited Partnership. One note in the amount of $10,149,991 bears interest at 3% per annum and the other note in the amount of $2,739,144 bears interest at 1% per annum. Both notes require interest-only payments from available net cash flows and both notes mature March 1, 2058. Interest due to the Authority as of December 31, 2013 was $3,451,846.		12,889,135	—
Two notes due from the Ravenna School Limited Partnership. The notes bear interest at 1% and are payable on the maturity date of December 31, 2039. As of December 31, 2013, interest due to the Authority was $76,590.		529,727	—
Two notes due from High Point South Limited Partnership in the amounts of $4,606,506 and $8,606,159. The notes bear interest at 1% per annum and mature in 2062. Interest payments are due annually from available net cash flows. As of December 31, 2013, interest payable to the Authority was $572,549.		13,212,665	—

		Balance December 31, 2013	Due within one year
Two notes due from Seattle High Rise Rehab Phase II Limited Partnership in the amounts of $12,000,000 and $16,051,551. The notes bear interest at 4.88% and 4.60%, respectively, during rehabilitation and 3.50% thereafter. Both notes mature December 21, 2046. As of December 31, 2013, interest payable to the Authority was $5,816,455.	$	28,051,551	—
Two notes due from Seattle High Rise Rehab Phase III Limited Partnership in the amounts of $9,200,000 and $11,750,000. The notes bear interest at 4.13% and 5.04%, respectively, during rehabilitation and 4.25%, thereafter. Both notes mature December 19, 2047. As of December 31, 2013, interest payable to the Authority was $4,198,289.		20,950,000	—
Due from Tamarack Place Limited Partnership. The note bears interest at 1% per annum and matures in 2049. Interest payments are due annually from available net cash flows. As of December 31, 2013, interest payable to the Authority was $442,000.		10,400,000	—
Two notes due from Rainier Vista Northeast LLLP. One note in the amount of $10,000,000 and one note in the amount of $6,604,268. Both notes bear interest at 1.5% per annum and mature in 2060. Interest payments are due annually from available cash flows. As of December 31, 2013, interest payable to the Authority was $569,499.		16,604,268	—
Due from Lake City Village LLLP. The amount of the note is up to $16,402,326. The note accrues interest at 0.8% per annum and matures May 2065. As of December 31, 2013, interest payable to the Authority was $410,969.		16,358,505	—
Due from Douglas Apartments Limited Partnership for bond proceeds. The note accrues interest at 4.80% per annum and matures June 2040. As of December 31, 2013, interest payable to the Authority was $7,800.		1,870,000	30,000
Due from 1105 E Fir LLLP . The note accrues interest at 3.0% per annum and is payable annually from cash flows. The note matures April 1, 2065.		1,835,698	—
Allowance for loss		(2,336,277)	
Total notes from component units, net	$	199,668,155	30,000

(Continued)

The Authority has gross notes receivable and an allowance of $1,675,000 for a loan made to Lake City Village LLLP which is excluded from the table above. The allowance fully covers the loan which is payable to the Authority and dependent on uncertain cash flows. Interest payable to the Authority as of December 31, 2013 was $281,788.

(5) Capital Assets

The following is a summary of changes in capital assets of the Authority for the year ended December 31, 2013:

	Balance January 1, 2013	Additions and transfers in	Dispositions and transfers out	Balance December 31, 2013
Capital assets, not being depreciated:				
Land	$ 65,386,393	—	(1,860,457)	63,525,936
Construction in progress	6,607,896	18,289,760	(13,402,874)	11,494,782
Total capital assets, not being depreciated	71,994,289	18,289,760	(15,263,331)	75,020,718
Depreciable capital assets:				
Land improvements	43,597,675	302,993	(87,855)	43,812,813
Structures	372,495,735	4,354,293	(851,686)	375,998,342
Leasehold improvements	897,974	—	—	897,974
Equipment	16,242,205	461,151	(302,112)	16,401,244
	433,233,589	5,118,437	(1,241,653)	437,110,373
Less accumulated depreciation and amortization for:				
Land improvements	(2,664,663)	(1,251,022)	—	(3,915,685)
Structures	(196,691,882)	(8,218,096)	397,369	(204,512,609)
Leasehold improvements	(367,489)	(84,772)	—	(452,261)
Equipment	(14,447,360)	(610,174)	262,842	(14,794,692)
Total accumulated depreciation and amortization	(214,171,394)	(10,164,064)	660,211	(223,675,247)
Total capital assets, being depreciated, net	219,062,195	(5,045,627)	(581,442)	213,435,126
Total capital assets, net	$ 291,056,484	13,244,133	(15,844,773)	288,455,844

Substantial restrictions are imposed by HUD, as well as by State and local governments, on the use and collateralization of the Authority's capital assets.

(Continued)

Construction in Progress

Capital improvements made on the Authority's Low Rent housing stock are financed by grant funds provided by HUD under Capital Grants and the Urban Revitalization Demonstration Grant (URD/HOPE VI). The funds provided through these programs are used to rehabilitate the housing stock, which extends the useful life of the buildings. Capital grants are awarded annually based on a comprehensive modernization plan submitted by the Authority. Hope VI grants are awarded based on a specific application request. The Authority's construction in progress in the Low Rent program consists of the costs for modernization of public housing units. When modernization grants are completed, HUD issues a modernization cost certificate for each grant, at which time construction in progress for that grant is recorded in the building category. For the Hope VI redevelopment grants, some construction in progress amounts represent infrastructure costs which will be ultimately transferred to and maintained by the City of Seattle. These transfers occur when the projects are complete.

 (Continued)

Component Units

The following is a summary of changes in the capital assets of the Authority's component units for the year ended December 31, 2013:

	Balance January 1, 2013	Additions and transfers in	Dispositions and transfers out	Balance December 31, 2013
Capital assets, not being depreciated:				
Land	$ 5,099,274	—	—	5,099,274
Construction in progress	1,776,305	7,038,561	(71,754)	8,743,112
Total capital assets not being depreciated	6,875,579	7,038,561	(71,754)	13,842,386
Depreciable capital assets:				
Land improvements	20,544,250	—	—	20,544,250
Structures	377,660,978	309,512	—	377,970,490
Equipment	8,494,533	31,889	—	8,526,422
	406,699,761	341,401	—	407,041,162
Less accumulated depreciation for:				
Land improvements	(6,762,556)	(1,296,565)	—	(8,059,121)
Structures	(53,528,344)	(9,675,222)	—	(63,203,566)
Equipment	(6,145,043)	(799,388)	—	(6,944,431)
Total accumulated depreciation	(66,435,943)	(11,771,175)	—	(78,207,118)
Total capital assets, being depreciated, net	340,263,818	(11,429,774)	—	328,834,044
Total capital assets, net	$ 347,139,397	(4,391,213)	(71,754)	342,676,430

(6) Short-Term Borrowings

The Authority maintains a $6 million line of credit, which provides the Authority with a ready means of short-term financing for general operations of the Authority. The line of credit bears interest at 65% of the bank's prime rate plus 0.96%, or 3.07% at December 31, 2013, which is payable monthly. The line of credit matures August 2014 and may be extended by the Executive Director of the Authority annually until August 2016, with the consent of the bank as long as the interest rate formula does not produce rates greater than two percent higher than the previous rate formula. The total amount outstanding at December 31, 2013 was $532,482.

(Continued)

The Authority maintains a $15 million revolving real property line of credit in order to provide a ready means of financing real property acquisitions. The Authority entered an agreement with the bank effective June 22, 2010. Under the terms of the new agreement, the line of credit was split into series A in the amount of $9.25 million and series B in the amount of $5.75 million. Series A bears interest at 65.01% of the bank's prime rate plus 0.96% and is for a term of one year. The line may be extended annually by the Executive Director until June 22, 2015 with consent of the bank. The rate at December 31, 2013 was 3.07%. Series B has a three year term and may be extended for an additional three year term by the Executive Director until June 22, 2016 with consent of the bank. Series B bears interest at 65.01% of the bank's prime rate plus 0.96%, or 3.07% as of December 31, 2013. As of December 31, 2013, the Authority had drawn $6,998,167 which was all on the series A portion of the line.

The Authority has also established a $7 million revolving taxable line of credit for the purpose of obtaining bridge financing for the Authority's acquisition of commercial or other nontax-exempt properties over the next five to seven years. The line of credit bears interest at Key Bank's prime rate minus 0.9%, or 2.35% as of December 31, 2013, which is payable monthly. The line matures on December 3, 2014, and is renewable annually through 2015. The total amount outstanding at December 31, 2013 was $5,148,049.

(Continued)

The following is a summary of changes in the Authority's short-term borrowings for the year ended December 31, 2013:

	Balance January 1, 2013	Additions	Retirements	Balance December 31, 2013
Real estate line of credit for purchase of 12-plex at 5983 Rainier Ave S.	$ 439,856	—	—	439,856
Real estate line of credit for purchase of 5-plex at 924 MLK Jr Way South.	326,650	—	—	326,650
Real estate line of credit for purchase of two triplexes on Delridge Way SW.	451,380	—	—	451,380
Real estate line of credit payable for 7343 MLK Jr Way S.	1,083,625	—	—	1,083,625
Real estate line of credit payable for various properties including Highpoint substation, 109 12th Ave, 5656 32nd Ave SW, and 3200 SW Juneau.	957,591	—	—	957,591
Real estate line of credit payable for the purchase of land at 38th & S Willow.	250,358	—	—	250,358
Operating line of credit payable for purchase of the Salvation Army Building.	532,482	—	—	532,482
Taxable line of credit for purchase of properties in the Development fund, including 6919 MLK Jr Way S, 103 12th Ave S, 6058 35th Ave SW, and 113 & 117 12th Ave.	2,843,038	—	—	2,843,038
Real estate line of credit for purchase of 6-plex at 3809 Willow.	580,274	—	—	580,274
Real estate line of credit for purchase of Lee Apartments.	1,058,400	—	—	1,058,400
Taxable line of credit payable for purchase of 6558 35th Ave SW.	988,574	—	—	988,574
Real estate line of credit for purchase of the Baldwin Apartments.	335,899	—	—	335,899

(Continued)

		Balance January 1, 2013	Additions	Retirements	Balance December 31, 2013
Taxable line of credit for purchase of Apartments at 6927 MLK Jr Way S.	$	1,129,297	—	—	1,129,297
Real estate line of credit for Main Street properties pending refinance.		1,646,744	—	132,610	1,514,134
Taxable line of credit for Main Street commercial pending refinance.		203,530	—	16,390	187,140
Total short-term borrowings	$	12,827,698	—	149,000	12,678,698

(7) Long-Term Debt and Other Long-Term Obligations

(a) Authority Debt and Accrued Compensated Absences

The following is a summary of changes in the Authority's long-term debt and accrued compensated absences for the year ended December 31, 2013:

		Balance January 1, 2013	Additions	Retirements	Balance December 31, 2013	Due within one year
Loan payable to the City of Seattle for the Epstein Building remodel financed by HUD Community Development Block Grant funds. The loan will be fully forgiven on December 31, 2017 if the property is kept for low-income use.	$	200,000	—	—	200,000	—

(Continued)

	Balance January 1, 2013	Additions	Retirements	Balance December 31, 2013	Due within one year
Notes payable issued in 1998 to the City of Seattle's General Fund, Urban Renewal, and Capital Facilities Fund for New Holly Phase I. Interest accrues at 1% simple interest per year and is forgiven at the rate of 5% per year beginning on the 21st year subject to compliance with certain covenants. Principal payments may be deferred if the property is kept for low-income housing. If the Authority remains in compliance with the debt covenants for 75 years, the unpaid principal balance will be forgiven.	$ 2,417,263	—	—	2,417,263	—
Note payable to the City of Seattle's Housing Development fund for New Holly Phase II. Interest accrues at 1% simple interest per year and is payable on or before September 11, 2040.	1,700,000	—	—	1,700,000	—
Notes payable issued in 2001 to the City of Seattle's Cumulative Reserve Fund and HOME Program for New Holly Phase II. Interest accrues at 1% simple interest per year up to the 20th year and is forgiven at the rate of 5% per year beginning on the 21st year, subject to compliance with certain covenants. Principal and interest payments may be deferred if the property is kept for low-income use. If the Authority remains in compliance with the debt covenants for 75 years, the unpaid principal balance and accrued interest will be forgiven.	2,800,000	—	—	2,800,000	—

	Balance January 1, 2013	Additions	Retirements	Balance December 31, 2013	Due within one year
Note payable to the State of Washington for the Villa Park project. Interest accrues at 1% per year compounded monthly, with 50 annual payments of $27,698. The note is secured by a deed of trust on the property.	$ 814,574	—	19,552	795,022	19,748
Note payable to the City for the Villa Park Apartments. Interest accrues at 1% simple interest per year for the first 20 years and is forgiven at the rate of 5% per year beginning on the 21st year, subject to compliance with certain covenants. Principal payments may be deferred if the property is kept for low-income housing. If the Authority remains in compliance with debt covenants for 75 years, the unpaid principal balance will be forgiven. The note is secured by a deed of trust on the property.	1,785,723	—	—	1,785,723	—
Mortgage loan for Wedgewood Estates payable to CBRE. Term is 35 years, with final maturity September 1, 2046. The interest rate is 4.10% with monthly payments of $75,102. The loan is guaranteed with FHA insurance.	16,440,003	—	231,507	16,208,496	220,700

		Balance January 1, 2013	Additions	Retirements	Balance December 31, 2013	Due within one year
Mortgage loan for Wisteria Court payable to Prudential. Term is 35 years, with final maturity August 1, 2038. The interest rate is 5.51%, with monthly payments of $21,114. The loan is guaranteed with FHA Insurance.	$	3,487,086	—	62,805	3,424,281	66,354
Note payable to the City from 1992 for the Beacon House project. Interest accrues at 1% simple interest per year for the first 20 years and is forgiven at the rate of 5% per year beginning on the 21st year, subject to compliance with certain covenants. Principal payments may be deferred if the property is kept for low-income housing. If the Authority remains in compliance with the debt covenants for 75 years, the unpaid principal balance will be forgiven.		329,260	—	—	329,260	—
Note payable to Bank of America for construction of infrastructure at High Point and Rainier Vista. The note requires annual payments and was paid off during the year.		8,889,328	—	8,889,328	—	—
Note payable to City of Seattle, Office of Housing for future development at Othello Station, 7301 MLK Jr Way S. Loan will be forgiven if development agreements have been finalized on or before the maturity date of December 2014. The interest rate is 3% per annum and payable on the maturity date.		2,000,000	—	—	2,000,000	2,000,000

(Continued)

	Balance January 1, 2013	Additions	Retirements	Balance December 31, 2013	Due within one year
Note payable to State Office of Community Trade and Economic Development for New Holly Phase I. The note is secured by a lien on the property and matures December 31, 2040.	$ 1,700,000	—	—	1,700,000	—
Loans payable to Seattle Office of Housing for the rehab of Willis House and Reunion House. Loans bear interest at 1% which is payable at maturity, December 2059.	850,000	—	—	850,000	—
Loans payable to Seattle Office of Community Trade and Economic Development for rehab at Willis House and Reunion House. Forgivable on maturity date December 2049.	879,273	—	—	879,273	—
Loan payable to the City of Seattle for utility infrastructure at New Holly Rainier Visa and High Point. The loan matures July, 2019 and bears interest at 2.5%.	1,160,650	—	160,874	999,776	164,933
Loans payable to Seattle Office of Housing for the rehab of Nelson Manor. The loan bears interest at 1%, which is payable at maturity, in August 2061.	478,065	—	—	478,065	—
Loan payable to Seattle Office of Housing for the rehab of Olmsted Manor. The loan is payable at maturity, August 2061.	477,974	—	—	477,974	—
Loan payable to Seattle Office of Housing for the rehab of Blakely Manor. The loan is payable at maturity November 18, 2061. Interest rate is 1%.	984,155	—	—	984,155	—
Loan payable to Seattle Office of Housing for the rehab of Bitter Lake Manor. The loan bears interest at 1% and is payable at maturity, January 25, 2062.	978,930	—	—	978,930	—

	Balance January 1, 2013	Additions	Retirements	Balance December 31, 2013	Due within one year
Loan to the State of WA for Beacon House payable at maturity, in March, 2043.	$ 114,212	—	—	114,212	—
Loan payable to Wa State Community Reinvestment Assn for Tamarack Commercial property. Term is 15 years. Note bears interest at 6.5% and is due March, 2027.	1,078,458	—	12,761	1,065,697	13,616
Total notes payable	49,564,954	—	9,376,827	40,188,127	2,485,351
Bonds payable for the PorchLight Building which was sold in September, 2012. The bonds were redeemed in May 2013.	5,375,000	—	5,375,000	—	—
Bonds payable for the Wallingford property in annual payments of $64,716, including interest at 7%; final due date is January 11, 2015. The bonds are secured by a pledge of the general revenues of the Authority.	125,113	—	57,789	67,324	61,966
Bonds payable tax-exempt series A and taxable series B for the Gamelin and Genesee commercial condo units. Annual payments are approximately $300,000 and interest rates are 5.7% and 7.5%. Final due dates are October 31, 2035 and October 31, 2020. Bonds are secured by a pledge of the general revenues of the Authority.	3,412,000	—	87,000	3,325,000	97,000

	Balance January 1, 2013	Additions	Retirements	Balance December 31, 2013	Due within one year
Bonds payable for the High Rise Rehabilitation project, Phase I. The bonds mature on November 1, 2025. The bonds are secured by a deed of trust and the interest rate was 4.868% as of December 31, 2013.	$ 8,895,000	—	505,000	8,390,000	530,000
Bonds payable for the High Rise Rehabilitation project, Phase II. The bonds mature November 1, 2026 and are secured by a deed of trust. The interest rate was 4.553% as of December 31, 2013.	12,691,551	—	625,000	12,066,551	650,000
Bonds payable for the High Rise Rehabilitation project, Phase III. The bonds mature November 1, 2027 and are secured by a deed of trust. The interest rate was 5.15% on December 31, 2013.	10,140,000	—	375,000	9,765,000	385,000
Bonds payable for the Villa Park Apartments in annual payments of $25,000 to $1,065,000 plus interest at rates of 4.5% to 6.5%; final due date November 1, 2026. The bonds are secured by a pledge of general revenues of the Authority, and a deed of trust on the Villa Park Apartments.	1,335,000	—	60,000	1,275,000	65,000
Bonds payable for Telemark Apartments, Stone Ave Townhomes and 532 N 104th St Townhomes. Annual payments are $25,000 to $420,000 plus interest at rates of 3.500% to 6.125%; final due date is June 1, 2031. The bonds are secured by a deed of trust on the property.	2,500,000	—	60,000	2,440,000	65,000

	Balance January 1, 2013	Additions	Retirements	Balance December 31, 2013	Due within one year
Fixed rate bonds payable for Market Terrace and Mary Avenue townhomes. Annual payments are $45,000 to $415,000 plus interest at rates of 2.35% to 5.80%, with final due date of August 31, 2032. The bonds are secured by a deed of trust on the properties.	$ 2,615,000	—	65,000	2,550,000	70,000
Fixed rate bonds payable for Montridge Arms Apartments. The bonds were repaid during the year.	1,515,000	—	1,515,000	—	—
Fixed rate bonds payable for Longfellow Creek Apartments. Annual payments are $15,000 to $235,000 plus interest at rates of 1.90% to 5.35% with final due date of October 1, 2033. The bonds are secured by a pledge of the general revenue of the Authority and certain revenues and receipts available from the property.	3,085,000	—	85,000	3,000,000	90,000
Fixed rate bonds payable for HOPE VI replacement housing properties of Roxbury Apartments, Lam Bow, and various other units purchased from Decker properties. The bonds were repaid during the year.	8,360,000	—	8,360,000	—	—

	Balance January 1, 2013	Additions	Retirements	Balance December 31, 2013	Due within one year
Fixed rate bonds payable for Wisteria Court Apartments. Annual payments are $45,000 to $245,000 plus interest at rates of 1.2% to 5.3%, with final due date of October 20, 2038. The bond proceeds are invested in GNMA certificates to secure the bond repayment.	$ 3,465,000	—	60,000	3,405,000	65,000
Fixed rate bonds payable for Main Street Apartments and Yesler Court. The bonds will be paid of in April 2014.	1,800,000	—	30,000	1,770,000	1,770,000
Fixed rate bonds payable for the refinance of Bayview and Lake City Commons bearing interest at rates of 2.15% to 5.80%, with final due date of August 1, 2034. The bonds are secured by deeds of trust on the properties.	3,190,000	—	80,000	3,110,000	85,000
Variable rate bonds subject to remarketing for Wedgewood Estates mature August, 2036. The interest rate is reset every Wednesday with remarketing agent and was 0.17% on December 31, 2013. The bonds are secured by a letter of credit with Key Bank.	2,415,000	—	765,000	1,650,000	450,000
Variable rate bonds subject to remarketing for Douglas Apartments rehabilitation project and mature June 2040. The interest rate is reset every Wednesday with remarketing agent and was 0.20% on December 31, 2013. The bonds are secured by a letter of credit with Key Bank.	1,930,000	—	60,000	1,870,000	30,000

	Balance January 1, 2013	Additions	Retirements	Balance December 31, 2013	Due within one year
Fixed rate bonds for New Holly phase I acquired from Holly Park Limited partnership. Interest rates are 4.7-5.9% payable twice a year. The bonds mature January 1, 2030.	$ 4,280,000	—	140,000	4,140,000	150,000
Fixed rate bonds for Replacement housing properties, Montridge Arms, Main Street Apts and Yesler Court. Bonds mature September, 2043 and are secured by a deed of trust on the properties.	—	12,585,000	—	12,585,000	205,000
Total bonds payable	77,128,664	12,585,000	18,304,789	71,408,875	4,768,966
Accrued compensated absences	3,125,734	2,323,395	2,413,791	3,035,338	154,781
Total long-term obligations	$ 129,819,352	14,908,395	30,095,407	114,632,340	7,409,098

For variable rate bonds, the Authority estimated interest payments based on the interest rates in effect at the end of the fiscal year and principal payments based on the maturity date on the bond indentures assuming the bonds will not be called before the maturity dates.

The following is a summary of debt service requirements of the Authority for long-term obligations as of December 31, 2013:

	Bonds	Notes	Total Principal	Total Interest
2014	$ 8,299,925	3,617,238	7,254,317	4,662,846
2015	6,212,277	1,576,896	3,327,428	4,461,745
2016	6,205,282	1,576,898	3,465,934	4,316,246
2017	6,228,479	1,776,903	3,843,630	4,161,752
2018	6,243,527	1,576,903	3,812,205	4,008,225
2019 – 2023	30,170,828	7,080,838	20,061,061	17,190,605
2024 – 2028	26,478,785	7,592,333	22,473,982	11,597,136
2029 – 2033	12,701,422	6,535,230	12,128,236	7,108,416
2034 – 2038	6,934,484	10,639,822	13,296,112	4,278,194
2039 – 2043	5,278,492	11,222,692	14,508,348	1,992,836
2044 – 2048	—	2,777,971	2,448,092	329,879
2049 – 2053	—	1,066,703	879,273	187,430
2054 – 2058	—	187,430	—	187,430
2059 – 2063	—	3,874,168	3,769,124	105,044
2064 – 2068	—	329,260	329,260	—
Total requirements	$ 114,753,501	61,431,285	111,597,002	64,587,784

There are several limitations and restrictions contained in the various debt instruments primarily requiring the Authority to maintain certain levels of low-income tenants. Authority management believes it is in compliance with all significant limitations and restrictions. As of December 31, 2013, all bond issues met debt coverage ratio requirements with the exception of the Longfellow Creek bonds. However, the Authority has remedied this and as of March 31, 2014, the Longfellow Creek bonds meet the debt service coverage ratio requirements. Failure to meet debt coverage ratio requirements does not constitute an event of default under related bond documents.

(b) *Conduit Debt*

The Authority has issued special revenue bonds to provide financial assistance to not-for-profit agencies and private developers for the purpose of constructing low-income housing. The bonds are limited obligation bonds of the Authority and are payable solely from project revenue. These nonrecourse conduit bonds are secured by the property financed and are often collateralized by a letter of credit issued by a major bank. The Authority is not obligated in any manner, and accordingly, the bonds have not been recorded in the accompanying financial statements.

As of December 31, 2013, there were 46 series of these special revenue bonds outstanding. The aggregate principal amount payable for the series issued after September 30, 1996 was $323,432,739.

The aggregate principal amount payable for the 6 series issued prior to October 1, 1996 could not be determined; their original issue amount totaled $26,167,554.

(c) *Component Unit Debt*

The Ravenna School Limited Partnership has outstanding debt in the amount of $529,727 payable to the Authority at December 31, 2013. Two notes for $131,115 and $398,612 are payable by December 31, 2039 and bear interest at 1% per year.

The Othello Street Limited Partnership (OSLP) has bonds outstanding at December 31, 2013 of $2,030,000. The bonds were issued by the Authority on behalf of the component unit and are backed by a deed of trust on OSLP's leasehold interest in the Holly Park redevelopment project. The bonds are further secured by a pledge of the Authority's unobligated general revenue. The bonds bear interest at 7.0% per year and mature on January 1, 2032.

As of December 31, 2013, OSLP has other long-term debt totaling $8,195,384. Of this, $6,195,384 represents the general partner loans made by the Authority and is secured by liens on OSLP's property. These loans accrue interest at the annual rate of 1%, and interest-only payments on the outstanding principal balances are due to the general partner from available net cash flows. As of December 31, 2013, no interest payments had been made to the Authority. The remaining $2,000,000 represents a loan from the Washington State Office of Assistance Program. Payments of principal and interest are deferred for 30 years until December 31, 2032, with interest accruing at 1% per annum during the deferral period. Beginning December 31, 2032, all unpaid principal and accrued interest will be paid over 20 years, with annual payments of $149,383.

The Desdemona Limited Partnership (DLP) has fixed rate bonds outstanding at December 31, 2013 of $6,935,000. The bonds were issued by the Authority on behalf of the component unit and are backed by an irrevocable letter of credit issued by Key Bank and secured by a deed of trust on DLP's leasehold interest in the Holly Park redevelopment project. The bonds are further secured by a pledge of the Authority's unobligated general revenue. At December 31, 2013, the interest rate on the bonds ranged from 6.0% to 6.25%, based on the maturity schedule in the First Supplemental Trust Indenture. The bonds mature on December 1, 2035.

As of December 31, 2013, DLP has other long-term debt totaling $16,955,806 secured by liens on DLP's property. Of this, $12,889,135 represents the general partner loans made by the Authority and is secured by liens on DLP's property. These loans accrue interest at the annual rate of 1% to 3%, and interest-only payments on the outstanding principal balances are due to the general partner from available net cash flows. As of December 31, 2013, no interest payments had been made to the Authority. DLP also has a loan from the State of Washington Department of Community, Trade, and Economic Development, Office of Community Development in the amount of $2,000,000. Payments of principal and interest are deferred for 10 years until December 1, 2015, with interest accruing at

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1% per annum during the deferral period. Beginning December 1, 2015, all unpaid principal and accrued interest will be paid over 20 years, with annual payments of $22,104 for the first 10 years and $122,060 for the remaining 10 years and the final payment due on or before October 1, 2045. The DLP also owes the City for a loan in the amount of $2,066,671. The loan accrues interest at 1% annually and matures on August 7, 2053. Payments of principal and interest are due from available net cash flows.

The Escallonia Limited Partnership (ELP) has bonds outstanding at December 31, 2013 totaling $4,535,000. The bonds were issued by the Authority on behalf of the component unit and are backed by a deed of trust on ELP's leasehold interest in the Rainier Vista redevelopment project. The bonds are further secured by a pledge of the Authority's unobligated general revenue. Interest is due monthly at a fixed rate of 3.98% under the interest rate swap agreement on the variable rate bonds. The bonds mature on December 1, 2036.

As of December 31, 2013, ELP has other long-term debt totaling $23,347,094 of general partner loans made by the Authority and secured by liens on ELP's property. These loans accrue noncompounding interest at the annual rate of 1% and mature in fiscal year 2058. Interest-only payments on the loans are due to the general partner from available net cash flows. As of December 31, 2013, no interest payments had been made to the Authority.

The High Point North Limited Partnership (HPNLP) has fixed rate bonds outstanding at December 31, 2013 totaling $9,253,452. The bonds were issued by the Authority on behalf of the component unit and are backed by a deed of trust on HPNLP's leasehold interest in the High Point Phase I redevelopment project. The bonds are further secured by a pledge of the Authority's unobligated general revenue. At December 31, 2013, interest was 5.295%. The bonds mature on June 1, 2036.

As of December 31, 2013, HPNLP has other long-term debt totaling $27,152,734. Of this, $25,152,734 represents the general partner loans made by the Authority and is secured by liens on HPNLP's property. These loans accrue compounding interest at the annual rate of 1% and mature in fiscal year 2054. Interest-only payments on the loans are due to the general partner from available net cash flows. As of December 31, 2013, no interest payments had been made to the Authority. The remaining $2,000,000 represents a loan from the State of Washington Housing Assistance Program. Payments of principal and interest are deferred for 12 years, with interest accruing at 1% a year during the deferral period. Beginning April 30, 2016, quarterly interest payments are due, and beginning April 30, 2021, quarterly payments of principal and interest are required until the final maturity date of January 31, 2046.

The High Point South Limited Partnership (HPSLP) has bonds outstanding at December 31, 2013 totaling $15,545,000. The bonds were issued by the Authority on behalf of the component unit and are backed by a deed of trust on HPSLP's leasehold interest in the High Point Phase II redevelopment

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project. The bonds are further secured by a pledge of the Authority's unobligated general revenue. Interest is due monthly at a fixed rate of 3.98% through an interest rate swap agreement, and at the variable rate of 65.01% of the one month LIBOR rate plus 2.54%. The bonds mature on March 1, 2039.

As of December 31, 2013, HPSLP has other long-term debt totaling $15,212,665. Of this, $13,212,665 represents the general partner loans made by the Authority and is secured by liens on HPSLP's property. These loans accrue noncompounding interest at the annual rate of 1% and mature in fiscal year 2062. Interest-only payments on the loans are due to the general partner from available net cash flows. As of December 31, 2013, no interest payments had been made to the Authority. The remaining $2,000,000 represents a loan from the State of Washington Housing Trust Fund. Payments of principal and interest are deferred for 12 years, with interest accruing at 1% a year during the deferral period. Beginning December 31, 2019, quarterly interest payments are due, and beginning December 31, 2029, quarterly payments of principal and interest are required until the final maturity date of September 30, 2059.

The Ritz Apartments Limited Partnership (RALP) has total loans outstanding totaling $1,815,090 as of December 31, 2013. The construction loan of $989,234 bears interest at 5.496%, requires monthly principal and interest payments, and is due September 1, 2036.

As of December 31, 2013, RALP has other long-term notes payable outstanding totaling $825,856. Of this amount, $560,000 represents a note to the City that bears simple interest at 1% annually. Payments are due annually beginning June 30, 2006 from available net cash flows and the note is payable in full by August 9, 2054. The remaining $265,856 is payable to the general partner and bears interest at 1% annually. Payments are due annually beginning March 30, 2006 from available net cash flows, with final maturity on December 31, 2054.

The Alder Crest Limited Partnership (ACLP) has outstanding long-term obligations in the amount of $2,480,682 as of December 31, 2013. Of this amount, $992,283 represents a loan payable to the City that bears interest at 1% per annum and matures March 31, 2057. ACLP also has a loan payable to the City in the amount of $111,124. The loan bears interest at 1% per annum and matures March 31, 2057. The loan is secured by a third deed of trust on the property. ACLP has a loan payable to the State in the amount of $1,035,460. Of this amount, $485,460 requires quarterly payments. The entire amount bears no interest and is payable in full March 31, 2057. In addition, ACLP also has other borrowings outstanding in the amount of $341,815 from the Authority. One loan in the amount of $220,000 bears interest at 5% per annum and is secured by a fourth deed of trust on the property and matures March 31, 2057. The remaining $121,815 is a new loan from the Authority during 2013 for reimbursement of capital work needed on the stairways of the property. The loan amount shall not exceed $371,816, bears interest at 0.5% annually beginning January 1, 2014 and matures January 31, 2029.

The High Rise Rehabilitation Phase I Limited Partnership (HRRILP) has long-term obligations totaling $24,000,000 as of December 31, 2013. Of this, $12,000,000 represents a promissory note from the general partner made by the Authority and secured by a deed of trust encumbering HRRILP's interest in the project. During the rehabilitation phase of the project, interest-only payments are due quarterly beginning April 1, 2006, with interest accruing at a rate of 4.82%. After the rehabilitation stage, principal and interest shall be paid from available cash flows at an annual interest rate of 2.75%. The loan matures on January 1, 2046. The HRRILP has another loan from the general partner made by the Authority and secured by the land, buildings, and improvements in the amount of $12,000,000 as of December 31, 2013. During the rehabilitation phase of the project, interest only payments are due quarterly beginning April 1, 2006, with interest accruing at a rate of 4.68%. After the rehabilitation stage, principal and interest shall be paid from available cash flows at an annual interest rate of 2.75%. The loan matures on January 1, 2046.

The Seattle High Rise Limited Partnership Phase II (SHRIILP) has long-term obligations totaling $28,051,551 as of December 31, 2013. Of this, $12,000,000 represents a promissory note from the general partner made by the Authority and secured by a deed of trust encumbering SHRIILP's interest in the project. During the rehabilitation phase of the project, interest-only payments are due quarterly beginning April 1, 2007, with interest accruing at a rate of 4.88%. After the rehabilitation stage, principal and interest shall be paid from available cash flows at an annual interest rate of 3.5%. The loan matures on December 21, 2046. The SHRIILP has another loan from the general partner made by the Authority and secured by the land, buildings, and improvements in the amount of $16,051,551 as of December 31, 2013. During the rehabilitation phase of the project, interest-only payments are due quarterly beginning April 1, 2007, with interest accruing at a rate of 4.6%. After the rehabilitation stage, principal and interest shall be paid from available cash flows at an annual interest rate of 3.5%. The loan matures on December 21, 2046.

The Seattle High Rise Limited Partnership Phase III (SHRIIILP) has long-term obligations totaling $20,950,000 as of December 31, 2013. Of this, $9,200,000 represents a promissory note from the general partner made by the Authority and secured by a deed of trust encumbering SHRIIILP's interest in the project. During the rehabilitation phase of the project, interest-only payments are due quarterly beginning April 1, 2008, with interest accruing at a rate of 4.13%. After the rehabilitation stage, principal and interest shall be paid from available cash flows at an annual interest rate of 4.25%. The loan matures on December 19, 2047. The SHRIIILP has another loan from the general partner made by the Authority and secured by the land, buildings, and improvements in the amount of $11,750,000 as of December 31, 2013. During the rehabilitation phase of the project, interest-only payments are due quarterly beginning April 1, 2008, with interest accruing at a rate of 5.04%. After the rehabilitation stage, principal and interest shall be paid from available cash flows at an annual interest rate of 4.25%. The loan matures on December 19, 2047.

(Continued)

The Douglas Apartments Limited Partnership (DALP) has outstanding long-term obligations in the amount of $8,020,000 as of December 31, 2013. Of this amount, $3,650,000 represents a loan payable to the City that bears interest at 2% per annum and matures June 30, 2060. Also, the DALP has a long-term note payable to the Authority in the amount of $1,870,000 which bears interest at 4.8% annually and matures June 1, 2040. The DALP has another note payable to the Department of Commerce with the face amount of $2,500,000. The note bears no interest and is payable on June 30, 2060.

As of December 31, 2013, Tamarack Place Limited Partnership (TPLP) has outstanding long-term obligations in the amount of $11,371,695. Of this amount, $971,695 represents a fixed rate construction loan payable to Washington Community Reinvestment Association (WCRA). As of December 31, 2013, the rate was 6.5%. In addition, the TPLP has a loan payable to the Authority in the amount of $10,400,000. The loan bears interest at 1% per annum and is secured by a leasehold deed of trust on the project.

As of December 31, 2013 Lake City Village Limited Liability Limited Partnership (LCVLLLP) has outstanding long-term obligations in the amount of $18,033,505. Of this amount, $16,358,505 represents a note payable to the Authority which bears interest at 0.8% per annum and is secured by a leasehold dead of trust on the project. LCVLLLP also has a lease payable to the Authority in the amount $1,675,000, which is payable from available cash flows. The variable construction loan was paid during the year.

As of December 31, 2013, Rainier Vista Northeast Limited Liability Limited Partnership (RVNLLLP) has outstanding long-term obligations in the amount of $19,268,112. RVNLLLP has a fixed rate note payable to U.S. Bank in the amount of $2,663,844 which is secured by a deed of trust on the property. As of December 31, 2013, the note had a rate of 4.83%. The remaining long-term obligation balance consists of two loans payable to the Authority. Loan one bears interest at 1.5% per annum and is secured by a leasehold deed of trust on the project. As of December 31, 2013, $10,000,000 was outstanding. Loan two bears interest at 1.5% per annum and is also secured by a leasehold deed of trust on the project. As of December 31, 2013, $6,604,268 was outstanding.

As of December 31, 2013 1105 E Fir Limited Liability Limited Partnership (EFLLLP), has outstanding long-term obligations in the amount of $1,885,699. Of this amount $50,001 represents the amounts advanced on variable rate construction loan from Chase which matures February 8, 2016. The maximum loan amount is $15,250,000. The remaining $1,835,698 is a note from the Authority which bears interest at 3.0% with principal and interest payable annually from the property's cash flow and matures April 1, 2065. The note is secured by a leasehold deed of trust and the maximum amount is $4,969,356.

As of December 31, 2013, Leschi House LLLP (LHLLLP) has outstanding long-term obligations in the amount of $2,226,920. Of this amount, $50,286 represents a variable rate bonds payable to Bank of America Public Capital Corp. As of December 31, 2013, the rate was 1.67% and matures on August 1, 2045. In addition, LHLP has a loan payable to the State of Washington Department of Commerce in the amount of $852,997. The loan will begin accruing interest of 1% per annum beginning on May 1, 2015 and matures on April 30, 2065. LHLP has an additional loan payable to the City of Seattle Office of Housing in the amount of $1,323,637. The loan accrues interest at a rate of 1% per annum and matures on April 30, 2065.

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Notes to Basic Financial Statements

December 31, 2013

The following is a summary of changes in long-term obligations for the component units:

	Balance January 1, 2013	Additions/ transfers	Retirements	Balance December 31, 2013	Due within one year
Loans payable to primary government from Ravenna School Limited Partnership	$ 529,727	—	—	529,727	—
Loans payable to primary government from Othello Street Limited Partnership	6,195,384	—	—	6,195,384	—
Loan payable to Washington State Office of Assistance Program from Othello Street Limited Partnership	2,000,000	—	—	2,000,000	—
Loans payable to primary government from Desdemona Limited Partnership	12,889,135	—	—	12,889,135	—
Loan payable to Washington State Housing Trust fund from Desdemona Limited Partnership	2,000,000	—	—	2,000,000	—
Loan payable to City of Seattle HOME fund from Desdemona Limited Partnership	2,066,671	—	—	2,066,671	—
Loans payable to primary government from Escallonia Limited Partnership	23,347,094	—	—	23,347,094	—
Loans payable to primary government from High Point North Limited Partnership	25,152,734	—	—	25,152,734	—
Loan payable to Washington State Housing Trust fund from High Point North Limited Partnership	2,000,000	—	—	2,000,000	—
Loans payable to primary government from High Point South Limited Partnership	13,212,665	—	—	13,212,665	—
Loan payable to Washington State Housing Trust fund from High Point South Limited Partnership	2,000,000	—	—	2,000,000	—
Loans payable to primary government from the Ritz Apartments Limited Partnership	265,856	—	—	265,856	—

	Balance January 1, 2013	Additions/ transfers	Retirements	Balance December 31, 2013	Due within one year
Loans payable to the City of Seattle from the Ritz Apartments Limited Partnership	$ 560,000	—	—	560,000	—
Loans payable to Washington Mutual from the Ritz Apartments Limited Partnership	1,010,505	—	21,271	989,234	22,469
Loan payable to City of Seattle from Alder Crest Limited Partnership	992,283	—	—	992,283	—
Loan payable to City of Seattle from Alder Crest Limited Partnership	111,124	—	—	111,124	—
Loans payable to primary government from Alder Crest Limited Partnership	220,000	121,815	—	341,815	—
Loan payable to Washington State Housing Trust fund from Alder Crest Limited Partnership	1,046,685	—	11,225	1,035,460	11,224
Loans payable to primary government from High Rise Rehabilitation Phase I Limited Partnership	24,000,000	—	—	24,000,000	—
Loans payable to primary government from Seattle High Rise Rehabilitation Phase II Limited Partnership	28,051,551	—	—	28,051,551	—
Loans payable to primary government from Seattle High Rise Rehabilitation Phase III Limited Partnership	20,950,000	—	—	20,950,000	—
Loan payable to City of Seattle from Douglas Apartments Limited Partnership	3,650,000	—	—	3,650,000	—
Loan payable to primary government from Douglas Apartments Limited Partnership	1,900,000	—	30,000	1,870,000	30,000
Loan payable to the Department of Commerce from Douglas Apartments	2,500,000	—	—	2,500,000	—
Loans payable to primary government from Tamarack Place Limited Partnership	10,400,000	—	—	10,400,000	—

(Continued)

	Balance January 1, 2013	Additions/ transfers	Retirements	Balance December 31, 2013	Due within one year
Loan payable to WCRA from Tamarack Place Limited Partnership	$ 983,947	—	12,252	971,695	13,073
Loan payable to primary government from Rainier Vista North East LLLP	16,604,268	—	—	16,604,268	—
Loan payable to US Bank for construction of Rainier Vista North East LLLP	2,700,000	—	36,156	2,663,844	42,583
Loan payable to Key Bank for construction at Lake City Village LLLP	9,872,966	—	9,872,966	—	—
Lease payable to primary government from Lake City Village LLLP	16,358,505	—	—	16,358,505	—
Lease payable to primary government from Lake City Village LLLP	1,675,000	—	—	1,675,000	—
Loan payable to Office of Housing from Leschi LLLP	—	852,996	—	852,996	—
Loan payable to Washington State Housing Trust fund from Leschi LLLP	—	1,323,637	—	1,323,637	—
Loan payable to primary government from 1105 E Fir LLLP for predevelopment	953,897	—	953,897	—	—
Loan payable to Chase Bank 1105 E Fir LLLP Fir LLLP	—	50,001	—	50,001	—
Loan payable to primary government from 1105 E Fir LLLP	—	1,835,698	—	1,835,698	—
Total notes payable	236,199,997	4,184,147	10,937,767	229,446,377	119,349
Bonds payable – Othello Street Limited Partnership	2,080,000	—	50,000	2,030,000	55,000
Bonds payable – Desdemona Limited Partnership	7,085,000	—	150,000	6,935,000	160,000
Bonds payable – Escallonia Limited Partnership	4,645,000	—	110,000	4,535,000	115,000

	Balance January 1, 2013	Additions/ transfers	Retirements	Balance December 31, 2013	Due within one year
Bonds payable – High Point North Limited Partnership	$ 9,463,365	—	209,913	9,253,452	220,329
Bonds payable – High Point South Limited Partnership	15,785,000	—	240,000	15,545,000	275,000
Bonds payable – Leschi LLLP	—	50,286	—	50,286	—
Total bonds payable	39,058,365	50,286	759,913	38,348,738	825,329
Total long-term obligations	$ 275,258,362	4,234,433	11,697,680	267,795,115	944,678

Debt service requirements of long-term obligations of the component units as of December 31, 2013 are as follows:

	Bonds	Notes	Total Principal	Total Interest
2014	$ 2,675,570	4,791,942	944,678	6,522,834
2015	2,741,909	4,804,524	1,055,075	6,491,358
2016	17,346,872	4,893,757	15,768,761	6,471,868
2017	1,779,679	4,833,246	786,039	5,826,886
2018	1,779,519	4,758,765	826,273	5,712,011
2019 – 2023	8,898,766	24,275,670	5,067,282	28,107,154
2024 – 2028	8,885,055	26,955,894	8,868,513	26,972,436
2029 – 2033	8,680,802	25,461,636	9,079,306	25,063,132
2034 – 2038	4,127,389	26,317,797	6,924,663	23,520,523
2039 – 2043	—	25,915,211	3,188,649	22,726,562
2044 – 2048	—	91,955,860	74,196,788	17,759,072
2049 – 2053	—	28,946,849	19,373,461	9,573,388
2054 – 2058	—	71,879,580	64,498,204	7,381,376
2059 – 2063	—	39,835,259	36,024,583	3,810,676
2064 – 2068	—	22,777,941	21,192,840	1,585,101
Total requirements	$ 56,915,561	408,403,931	267,795,115	197,524,377

(8) Unearned Revenue – Operating Leases

The Authority leased the building and land of the Ritz Apartments to the Ritz Apartments Limited Partnership (RALP) beginning in August 2004. The lease term is 75 years and the Authority has received all required payments. The lease includes a purchase option in which RALP has the right to require the

Authority to convey legal title to the property for a total purchase price equal to $1 plus the sum of the amount remaining to be paid or outstanding on the bonds any time after all lease payments have been made. Assets held for lease included the land of $194,480 and building and improvements with a cost of $1,395,225 and accumulated depreciation at December 31, 2013 of $354,532.

The Authority leased the building and land of the Alder Crest Apartments to the Alder Crest Limited Partnership (ACLP) beginning in December 2005. The lease matures December 31, 2080. The lease includes a purchase option in which ACLP has the right to require the Authority to convey legal title to the property for a total purchase price of $1 any time after December 31, 2104. The Authority has received all payments required under the terms of the lease. Assets held for lease included land of $595,017 and building and improvements with a cost of $1,405,230 and accumulated depreciation at December 31, 2013 of $333,790.

The High Rise Rehabilitation Phase I Limited Partnership (HRRILP) has leased seven public housing buildings and the related land from the Authority for the purpose of rehabilitating and operating the properties. The initial lease amount was $11,434,751 and all payments have been received. The lease matures December 31, 2104. Assets held for lease included land of $982,235 and building and improvements with a cost of $17,052,143 and accumulated depreciation at December 31, 2013 of $16,689,890.

The Seattle High Rise Phase II Limited Partnership (SHRIILP) has leased seven public housing buildings and the related land from the Authority for the purpose of rehabilitating and operating the properties. The initial lease amount was $11,062,522 and all payments have been received. The lease matures December 31, 2105. Assets held for lease included land of $804,323 and building and improvements with a cost of $16,997,451 and accumulated depreciation at December 31, 2013 of $16,567,406.

The Seattle High Rise Phase III Limited Partnership (SHRIIILP) has leased seven public housing buildings and the related land from the Authority for the purpose of rehabilitating and operating the properties. The initial lease amount was $10,510,573 and the last required payment was received during the year. The lease matures December 31, 2106. Assets held for lease included land of $1,088,828 and building and improvements with a cost of $18,442,567 and accumulated depreciation at December 31, 2013 of $17,085,676.

The Authority leased the building and land of the Douglas Apartments to the Douglas Apartments Limited Partnership (DALP) beginning in December 2008. The lease matures December 31, 2083. The lease includes a purchase option in which DALP has the right to require the Authority to convey legal title to the property for a total purchase price of $1 any time after December 31, 2058. The Authority has received all payments required under the terms of the lease. Assets held for lease included land of $813,062 and building and improvements with a cost of $2,856,708 and accumulated depreciation at December 31, 2013 of $493,711.

(Continued)

The Lake City Village LLLP has leased land and improvements from the Authority beginning May, 2010 for the purpose of constructing an 86 unit affordable apartment building in northeast Seattle. The initial lease amount was $1,075,000, the remaining $1,675,000 is in the form of a note payable to the Authority no later than May 1, 2065 and payments are subject to available cash flow of the partnership. The lease matures December 31, 2109. Assets held for lease include land with a cost of $951,658.

The Authority has leased land to 1105 E Fir LLLP for the purpose of constructing a 103 unit affordable apartment building as part of the overall Yesler Terrace development. The initial lease amount was $365,615 based on the appraised land value and is shown as a capital contribution from the Authority. The lease matures December 31, 2112. Assets held for lease include land with a value of $8,505 as of December 31, 2013.

The Authority has leased land to Leschi House LLLP for the purpose of constructing a 35 unit addition to Leschi House. The initial lease amount was $3,110,000 based on the appraised land value and is shown as a capital contribution from the Authority. The lease matures December 31, 2112. Assets held for lease include land of $427,500 and building and improvements with a cost of $1,700,469 and accumulated depreciation of $664,076 as of December 31, 2013.

Unearned lease payments are shown as unearned revenue on the statement of net position. The following schedule shows related unearned rental revenue as of December 31, 2013.

		Original lease amount	Unearned revenue
Ritz Apartments	$	1,600,000	1,400,891
High Rise Rehabilitation, Phase I		11,434,750	10,511,028
Alder Crest Apartments		1,935,000	1,728,600
High Rise Rehabilitation, Phase II		12,171,533	11,307,286
High Rise Rehabilitation, Phase III		11,446,098	10,748,391
Douglas Apartments		3,650,000	3,406,665
Lake City Village LLLP		2,750,000	1,026,193
Leschi House LLLP		3,110,000	3,106,965
1105 E Fir		365,615	365,615
Total	$	48,462,996	43,601,634

(9) Pension Plans

Substantially all of the Authority's full-time and qualifying part-time employees participate in the Washington State Public Employees Retirement System (PERS), a defined benefit, cost-sharing, multiple-employer public employee retirement system.

(a) Plan Description

The State legislature established PERS in 1947 under RCW Chapter 41.40. Membership in the system includes: elected officials; State employees; employees of the Supreme, Appeals, and Superior courts (other than judges); employees of legislative committees; college and university employees not in national higher education retirement programs; judges of district and municipal courts; noncertificated employees of school districts; and employees of local government. Approximately 50% of PERS members are State employees. PERS contains three tiers (Plans). Participants who joined the system by September 30, 1977 are enrolled in Plan I, while those joining thereafter are enrolled in Plan II. Plan III applies to all employees joining after September 1, 2002 and employees in Plan II were allowed to transfer to Plan III during the period from September 1, 2002 to May 31, 2003. Retirement benefits are financed from employee and employer contributions and investment earnings. Retirement benefits in both Plan I and Plan II are vested after completion of 5 years of eligible service. Plan III members are vested after 10 years for new employees and 5 years for employees transferring from Plan II to Plan III.

Plan I members are eligible for retirement after 30 years of service, or at the age of 60 with 5 years of service, or at the age of 55 with 25 years of service. The annual retirement benefit is 2% of the final average salary per year of service, capped at 60%. Final average salary is based on the 24 consecutive highest-paid months.

Plan II members may retire at the age of 65 with 5 years of service, or at 55 with 20 years of service. The annual retirement benefit is 2% of the final average salary per year of service. Final average salary is based on the 60 consecutive highest-paid creditable months. Plan II retirements prior to age 65 are actuarially reduced. There is no cap on years of service credit and a cost-of-living allowance is granted, capped at 3% annually.

Plan III members may retire at the age of 65 with at least 10 years of service, or 5 years of service including one year of service after reaching age 55, or 5 years of service under Plan II. The annual retirement benefit is 1% of the final average salary per year of service. Final average salary is based on the 60 consecutive highest-paid creditable months. Plan III retirements prior to age 65 are actuarially reduced. There is no cap on years of service credit and a cost-of-living allowance is granted, capped at 3% annually. There is also a defined contribution component of this plan, and the amount varies between 5% and 15% depending on the option chosen by the employee.

The Authority's payroll reported to PERS was $30,261,028 for the year ended December 31, 2013. Total payroll for the year ended December 31, 2013 was $30,157,169.

(b) Contributions

Each biennium, the legislature establishes Plan I and Plan III employer contribution rates and Plan II employer and employee contribution rates. Employee contribution rates for Plan I are established by legislative statute and do not vary from year to year. Employer rates for Plan I are not necessarily adequate to fully fund the system. The employer and employee contribution rates for Plan II and for Plan III are developed by the Office of the State Actuary to fully fund the system. The methods used to determine the contribution requirements were established under State statute. All employers are required to contribute at the level established by the legislature and the Office of the State Actuary.

The actual contribution rates for the employer were changed twice during the year. Effective July 1, 2013 employer rates were increased from 7.21% to 9.19% for all plans. And, effective September 1, 2013 employer rates were increased to 9.21% for all plans. Contribution rates for employees in Plans I and II increased from 4.64% to 4.92% effective July 1, 2013.

The Authority's employer and employee rates and required contributions for employees covered by PERS as of December 31, 2013 were:

	PERS Plan I required	PERS Plan II required	PERS Plan III required
Employer	9.21%	9.21%	9.21%
Employee	6.00	4.92	varies
	15.21%	14.13%	varies

	PERS Plan I required	PERS Plan II required	PERS Plan III required
Employer	$ 39,893	2,064,083	387,108
Employee	29,981	1,198,831	323,183
	$ 69,874	3,262,914	710,291

The Authority's actuarially determined employer contribution requirement represents approximately 0.350% of the total for all employees covered by PERS.

The following is a three-year summary of the Authority's employee and employer contributions for payroll covered under PERS:

	Total covered payroll	Required employee contributions	Actual contributions as a percentage of required contributions	Employer contributions	Actual contributions as a percentage of required contributions	Employee contributions as a percentage of covered payroll	Employer contributions as a percentage of covered payroll
2013	$ 30,261,028	1,551,995	100%	$ 2,491,084	100%	5.13%	8.23%
2012	30,469,939	1,526,189	100	2,711,817	100	5.01	8.90
2011	32,342,984	1,519,775	100	2,019,533	100	4.70	6.24

Six-year historical trend information showing PERS' progress in accumulating sufficient assets to pay benefits when due is presented in the PERS December 31, 2013 combined actuarial valuation report. Such report can be obtained from the Washington State Department of Retirement Systems at 402 Legion Way, Olympia, WA 98504.

(10) Deferred Compensation Plan

The Authority, in conjunction with the State, offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is managed by the Washington State Department of Retirement Systems. In June 1998, the State Deferred Compensation Program plan assets were placed into trust for the exclusive benefit of participants and their beneficiaries. Pursuant to GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*, since the Authority is not the owner of these assets, the plan assets and liabilities are not reported as part of the Authority.

(11) Other Post Employment Benefits (OPEB)

(a) Plan Description and Funding Policy

The Authority participates in the City Health Care Blended Premium Subsidy, a cost-sharing multiple-employer postemployment healthcare plan administered by the City. Employees who retire from the Authority and spouses of employees who have passed away may continue medical coverage until age 65. Eligible retirees self pay 100% of the premium based on blended rates which were established by including the experience of retirees with the experience of active employees for underwriting purposes. The Authority employees are included with the City of Seattle for this plan. The Authority provides implicit subsidy of the post-retirement health insurance costs and funds the subsidy on a pay as you go basis. The postemployment benefit provisions are established and may be amended by City Ordinances.

(b) OPEB Obligation

The actuarial valuation is updated biannually. The most recent actuarial valuation was as of January 1, 2012. The net OPEB obligation is recorded on the statement of net position as of December 31, 2012, which is calculated based on the excess of Annual Required Contribution over the actual contribution.

(c) Funded Status and Funding Progress

As of December 31, 2013, based on the actuarial valuation dates for each of the plans, the unfunded actuarial accrued liability (UAAL) was equal to the actuarial accrued liability (AAL) due to the Authority's pay-as-you-go policy. Following is the funded status (in thousands) for the plans as of December 31, 2013:

Actuarial valuation date		January 1, 2012
Actuarial value of assets (a)	$	—
Entry age normal AAL (b)		2,273,000
UAAL (b-a)	$	2,273,000
Funded ratio (a/b)		0.0%
Covered payroll	$	30,469,939
UAAL as a percentage of covered payroll ((b-a)/c)		7%

(d) Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits in force at the time of the valuation and the pattern of sharing of benefit costs between the employer and plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of any assets.

In the January 1, 2012 actuarial valuation, the entry age normal method was used and the actuarial assumptions included a discount rate of 3.88%. The medical inflation trend rate for the City of Seattle traditional and preventative plans was 9% initially and decreasing by 0.5% each year for 4 years, then increasing 1.02% in the fifth year, decreasing 1.62% in the sixth year, 0.49% in the seventh year and 0.16% in the eighth year until it reaches an ultimate rate of 5.75%. The medical inflation trend rate for the Group Health standard and deductible plans was 8.5% initially and decreasing by 0.5% each year for 7 years until it reaches an ultimate rate of 5.0%. Unfunded actuarial accrued liability is being amortized as a level amount over past and future service. The remaining amortization period at January 1, 2012 was 30 years.

(12) Risk Management

The Authority maintains insurance against most normal hazards. Property insurance coverage is at a limit of $100 million, with a deductible of $50,000. Earthquake insurance coverage is $1 million per occurrence, with a deductible of $100,000 per occurrence. The Authority participates in the Housing Authority Risk Retention Group (HARRG) in order to obtain stable and affordable general liability insurance coverage. General liability coverage provided is $15 million per year, with a deductible of $25,000 per occurrence. The Authority also maintains a number of other insurance policies necessary and appropriate in the normal course of business, including employee fidelity and directors and officers insurance. The amount of settlements has not exceeded insurance coverage for each year of the past three fiscal years.

The Authority's economic risk as a participant in HARRG is limited to the Authority's initial surplus contribution of $90,000 and the payment of annual premiums for its general liability insurance coverage. Although the underwriting experience of HARRG may result in increased annual premium charges and/or assessments against each participant's surplus contribution account, the Authority's exposure to any net loss allocation is restricted to its surplus contribution account balance. Based on the results of HARRG's latest annual independent actuarial study performed in accordance with GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, the level of reserve maintained by HARRG has been determined to be adequate to cover estimated claim liabilities.

The Authority has elected to pay for its employment security coverage via quarterly reimbursements to the Washington State Department of Employment Security. This reimbursable method of payment is in lieu of unemployment taxes and the election is authorized for all political subdivisions under Washington State Law (RCW 50.44.060).

(13) Contingencies

In connection with various federal and state grant programs, the Authority is obligated to administer related programs and spend the grant moneys in accordance with regulatory restrictions, and is subject to audit by the grantor agencies. In cases of noncompliance, the agencies involved may require the Authority to refund program moneys. The amount, if any, of expenses, which may be disallowed by the grantor, cannot be determined at this time although the Authority expects such amount, if any, to be immaterial.

As of December 31, 2013, the Authority and its component units have outstanding construction contracts and other commitments totaling approximately $37 million. These commitments are primarily related to the implementation of redevelopment activities and capital projects funded by federal, State, and local financial assistance, tax-exempt bonds, and tax credit equity contributions.

The Authority is also contingently liable in connection with claims and contracts arising in the normal course of its activities. Authority management is of the opinion that the outcome of such matters will not have a material effect on the accompanying financial statements.

The possibility exists that HUD contributions may decrease in the future. In the event such contributions were significantly reduced, the Authority would need to seek other funding sources to maintain operations at current levels.

(14) Pollution Remediation

During the year, the Authority worked on pollution remediation at the 1105 E Fir construction site which is part of the Yesler Terrace redevelopment project. The work involved the removal of contaminated soil and also required pumping and disposal of contaminated water. During the year, the Authority spent approximately $23,500 and work is expected to be completed in 2014. The cost of the remaining work at the site is estimated to be $21,500 which includes removal of an underground tank, removal of contaminated soil and related consulting costs.

Another pollution remediation liability that has not yet been recognized because it is not reasonably estimable:

Property location	Description
7301 MLK Jr Way S	Former service station site. Authority is planning to sell this property, and Chevron has agreed to pay for cleanup costs, but the Authority may be liable for any costs not covered by Chevron.

(15) General Revenue Pledge

The Authority issues certain bonds and short-term borrowings that are backed by the general revenues of the Authority. The Authority also backs certain bonds issued by its discretely presented component units. For some borrowings, revenues from the properties are intended to be the primary source of repayment and the revenues of the Authority would be used only if those revenues are not sufficient to cover the required payments. Total pledged revenues as of December 31, 2013 are as follows:

Description of debt	Purpose of debt	Year issued		Total future revenues pledged	Proportion of annual debt service pledged to 2013 general revenue	Term of commitment
Obligations of the Authority:						
Project revenues are primary repayment source:						
Fixed rate bonds	Purchase of Villa Park Townhomes	1996	$	1,925,763	0.13%	2026
Fixed rate bonds	Purchase of Telemark Apartments, Stone Ave N and N 104th St. properties	2001		4,139,382	0.18	2031
Fixed rate bonds	Purchase of Market Terrace Apartments and Mary Avenue Townhomes	2002		4,356,847	0.19	2032
Fixed rate bonds	Purchase of Longfellow Creek Apartments	2003		4,939,030	0.22	2033
Fixed rate bonds	Purchase of Yesler Court and Main Street Place Apartments	2004		790,059	0.69	2034
Fixed rate bonds	Refinancing of Bayview Tower and construction at Lake City Commons	2004		5,421,938	0.23	2034
Fixed rate bonds	Purchase of condominium units at Gamelin and Gennesse mixed use buildings	2005		4,760,940	0.12	2035
Fixed rate bonds	Purchase of condominium units at Gamelin and Gennesse mixed use buildings	2005		1,145,650	0.14	2020
Fixed rate bonds	Construction of housing units at New Holly redevelopment, phase I	1998		6,538,516	0.34	2030

Description of debt	Purpose of debt	Year issued		Total future revenues pledged	Proportion of annual debt service pledged to 2013 general revenue	Term of commitment
Fixed rate bonds	2013 refunding for Montridge Arms, Main Street Apartments, 2002 Replacement housing projects, and Yesler Court properties	2013	$	26,201,464	0.72	2043
General revenues are primary repayment source:						
Fixed rate bonds	Purchase of medical office for redevelopment at Wallingford site	2000		71,456	0.06%	2015
Variable rate bonds	Purchase Wedgewood Estates Apartment complex	2001		1,999,200	0.45	2036
Variable rate bonds	Rehabilitation of Douglas Apartments	2009		3,116,270	0.06	2040
Operating line of credit, $6 million	Short-term financing for general operations of the Authority	2002		532,482	0.01	2013
Real estate line of credit, $15 million	Purchase real estate for affordable housing	2003		6,998,167	0.19	2013
Taxable line of credit, $7 million	Purchase commercial properties	2004		5,148,049	0.10	2013
Obligations of the Authority for component units:						
Project revenues are primary repayment source:						
Fixed rate bonds	Construction of housing units at NewHolly redevelopment, Phase II	2000		3,661,700	0.17%	2032
Fixed rate bonds	Construction of housing units at Rainier Vista redevelopment, Phase I	2003		7,138,368	0.26	2036
Fixed rate bonds	Construction of housing units at NewHolly redevelopment, Phase III	2003		12,871,053	0.51	2035
Fixed rate bonds	Construction of housing units at High Point redevelopment, Phase I	2004		15,825,107	0.61	2036
Fixed rate bonds	Construction of housing units at High Point redevelopment, Phase II	2007		17,367,243	0.78	2039
Equity investment is primary repayment source for component units:						
Variable rate bonds	Construction of housing units at Leschi House	2013		52,090	—	2045
Variable construction loan	Construction of housing units at 1105 E. Fir	2013		58,634	—	2016

(16) Discretely Presented Component Units Condensed Financial Information

The following tables reflect the condensed statements of net position and statements of revenues, expenses, and changes in net position for the discretely presented component units as of and for the year ended December 31, 2013:

		Condensed statement of net position				
		Ravenna School Limited Partnership	Othello Street Limited Partnership	Desdemona Limited Partnership	Escallonia Limited Partnership	Tamarack Place Limited Partnership
Total assets	$	987,833	12,178,436	33,845,301	30,555,470	13,788,189
Current receivables from primary government		93,361	—	59,393	3,669	8,430
Capital assets, net		703,814	10,557,239	31,636,564	29,094,458	13,129,729
Total liabilities		902,238	11,631,967	30,922,575	31,683,494	12,169,812
Current payables due to primary government		—	17,979	682,449	180,879	94,246
Long-term payables to primary government		883,333	7,127,849	18,622,261	26,076,936	11,022,039
Bonds and other long-term liabilities outstanding		—	3,975,000	10,841,671	5,110,097	958,622
Net investment in capital assets		174,087	331,855	7,745,758	1,212,364	1,758,034
Restricted net position		172,840	613,006	858,877	882,660	386,459
Unrestricted net position		(261,332)	(398,392)	(5,681,909)	(3,223,048)	(526,116)
Total net position	$	85,595	546,469	2,922,726	(1,128,024)	1,618,377

(Continued)

	Condensed statement of net position				
	High Point North Limited Partnership	High Point South Limited Partnership	Ritz Apts Limited Partnership	Alder Crest Limited Partnership	Douglas Apts Limited Partnership
Total assets	$ 51,694,850	54,395,108	2,318,607	5,919,904	10,144,117
Current receivables from primary government	107,872	65,866	—	18,050	—
Capital assets, net	47,646,580	51,705,598	2,144,048	5,512,473	9,485,220
Total liabilities	41,474,227	37,039,494	2,267,641	2,820,142	8,738,582
Current payables due to primary government	331,101	227,490	29,195	—	56,313
Long-term payables due to primary government	29,382,597	15,987,357	506,816	555,858	2,123,146
Bonds and other long-term liabilities outstanding	11,033,123	20,095,879	1,604,700	2,127,643	6,514,085
Net investment in capital assets	11,240,394	20,947,933	328,958	3,031,791	1,465,220
Restricted net position	2,534,998	1,097,894	99,113	260,474	305,556
Unrestricted net position	(3,554,769)	(4,690,213)	(376,805)	(192,503)	(365,241)
Total net position	$ 10,220,623	17,355,614	51,266	3,099,762	1,405,535

	Condensed statement of net position				
	High Rise Rehab Phase I Limited Partnership	Seattle High Rise Rehab Phase II Limited Partnership	Seattle High Rise Rehab Phase III Limited Partnership	Rainier Vista NE LL Limited Partnership	Lake City Village LL Limited Partnership
Total assets	$ 30,323,360	35,525,764	27,340,668	24,020,485	28,479,640
Current receivables from primary government	—	—	—	33,226	21,956
Capital assets, net	26,666,206	31,955,241	24,933,437	22,198,287	26,564,427
Total liabilities	28,840,937	34,468,324	25,491,600	20,130,869	19,499,101
Current payables due to primary government	324,340	273,885	74,208	2,314	668,530
Long-term payables due to primary government	28,144,250	33,868,006	25,148,289	17,173,767	18,726,262
Bonds and other long-term liabilities outstanding	—	—	—	2,621,261	—
Net investment in capital assets	2,666,203	3,903,690	3,983,437	2,930,175	8,530,922
Restricted net position	2,820,307	2,558,272	1,682,012	927,226	1,374,307
Unrestricted net position	(4,004,087)	(5,404,522)	(3,816,381)	32,215	(924,690)
Total net position	$ 1,482,423	1,057,440	1,849,068	3,889,616	8,980,539

	Condensed statement of net position			
		Leschi House LL Limited Partnership	1105 E Fir LL Limited Partnership	Total
Total assets	$	7,947,677	4,836,088	374,301,497
Current receivables from primary government		56,510	—	468,333
Capital assets, net		4,781,657	3,961,455	342,676,430
Total liabilities		3,763,287	3,055,485	314,899,475
Current payables due to primary government		—	287,084	3,250,013
Long-term payables due to primary government		271,497	1,835,698	237,455,961
Bonds and other long-term liabilities outstanding		2,226,919	50,001	67,159,001
Net investment in capital assets		2,605,024	2,075,756	74,931,601
Restricted net position		2	29,564	16,603,567
Unrestricted net position		1,579,364	(324,717)	(32,133,146)
Total net position	$	4,184,390	1,780,603	59,402,022

	Condensed statement of revenues, expenses, and changes in net position					
		Ravenna School Limited Partnership	Othello Street Limited Partnership	Desdemona Limited Partnership	Escallonia Limited Partnership	Tamarack Limited Partnership
Operating revenues	$	264,103	945,408	2,153,594	1,514,842	653,776
Operating expenses		309,235	1,164,658	2,800,530	2,205,787	907,380
Depreciation/amortization		54,503	428,451	1,159,572	1,126,239	407,858
Operating loss		(45,132)	(219,250)	(646,936)	(690,945)	(253,604)
Nonoperating expenses		(11,368)	(225,195)	(775,603)	(177,075)	(167,389)
Change in net position before contributions		(56,500)	(444,445)	(1,422,539)	(868,020)	(420,993)
Partners' contributions		—	20,763	—	—	—
Beginning net position		142,095	970,151	4,345,265	(260,004)	2,039,370
Ending net position	$	85,595	546,469	2,922,726	(1,128,024)	1,618,377

(Continued)

	Condensed statement of revenues, expenses, and changes in net position				
	High Point North Limited Partnership	High Point South Limited Partnership	Ritz Apts Limited Partnership	Alder Crest Limited Partnership	Douglas Apts Limited Partnership
Operating revenues	$ 3,350,743	3,191,192	212,277	241,466	339,597
Operating expenses	4,333,452	4,031,739	215,206	491,088	500,130
Depreciation/amortization	1,804,028	2,026,302	107,207	234,144	252,069
Operating loss	(982,709)	(840,547)	(2,929)	(249,622)	(160,533)
Nonoperating revenue (expense)	(788,146)	478,589	(63,068)	(21,604)	(165,645)
Change in net position before contributions	(1,770,855)	(361,958)	(65,997)	(271,226)	(326,178)
Partners' contributions	—	—	—	—	—
Beginning net position	11,991,478	17,717,572	117,263	3,370,988	1,731,713
Ending net position	$ 10,220,623	17,355,614	51,266	3,099,762	1,405,535

	Condensed statement of revenues, expenses, and changes in net position				
	High Rise Rehab Phase I Limited Partnership	Seattle High Rise Rehab Phase II Limited Partnership	Seattle High Rise Rehab Phase III Limited Partnership	Rainier Vista LL Limited Partnership	Lake City Village LL Limited Partnership
Operating revenues	$ 3,892,802	3,964,328	3,448,655	1,031,246	628,786
Operating expenses	4,568,477	4,962,232	4,127,403	1,464,450	1,396,001
Depreciation/amortization	855,497	1,127,177	761,636	848,525	866,952
Operating loss	(675,675)	(997,904)	(678,748)	(433,204)	(767,215)
Nonoperating expenses	(654,204)	(976,480)	(886,826)	(384,808)	(249,438)
Change in net position before contributions	(1,329,879)	(1,974,384)	(1,565,574)	(818,012)	(1,016,653)
Partners' contributions	—	—	—	286,588	11,474,112
Beginning net position	2,812,302	3,031,824	3,414,642	4,421,040	(1,476,920)
Ending net position	$ 1,482,423	1,057,440	1,849,068	3,889,616	8,980,539

	Condensed statement of revenues, expenses, and changes in net position		
	Leschi House Limited Partnership	1105 E Fir Limited Partnership	Total
Operating revenues	$ 51,996	—	25,884,811
Operating expenses	86,113	—	33,563,881
Depreciation/amortization	13,034	—	12,073,194
Operating loss	(34,117)	—	(7,679,070)
Nonoperating revenue (expense)	2	113	(5,068,145)
Change in net position before contributions	(34,115)	113	(12,747,215)
Partners' contributions	4,218,505	1,780,490	17,780,458
Beginning net position	—	—	54,368,779
Ending net position	$ 4,184,390	1,780,603	59,402,022

(17) Lease Commitment

During August 2011, the Authority executed a long-term operating lease for the central office. The lease began on April 1, 2012 and the following schedule shows the future minimum rentals under the lease:

Year ending December 31:	
2014	$ 1,404,295
2015	1,404,295
2016	1,404,295
2017	1,451,546
2018	1,467,297
Thereafter	6,236,012
Total	$ 13,367,740

(18) Subsequent Events

On March 26, 2014, the Authority issued fixed rate bonds in the amount of $13,855,000. Proceeds of the bonds were used to repay the outstanding 1996 Housing Revenue Bonds for Villa Park Townhomes, repay the 2001 Housing Revenue Bonds for Telemark properties, repay the 2002 Housing Revenue bonds for Market Terrace and Mary Avenue, repay a portion ($3.5 million) of the revolving real estate line of credit and a portion of the taxable revolving line of credit ($187,140), and to provide advance repayment for the 2004 Housing Revenue bonds for Bayview and Lake City Commons, provide approximately $863,000 for critical repairs on the properties covered under the new bond issue, and to cover the cost of issuing the bonds.

SUPPLEMENTARY INFORMATION
COST CERTIFICATES (SEE INDEPENDENT AUDITORS' REPORT)

Actual Modernization Cost Certificate

U.S. D[illegible]rtment of Housing and U[illegible]n Development
Office of Public and Indian Housing

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

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

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

Do not send this form to the above address.

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

HA Name:	Modernization Project Number:
SEATTLE HOUSING AUTHORITY	WA19P001501-10

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

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

A. Original Funds Approved	$	10,531,471.00
B. Funds Disbursed	$	10,531,471.00
C. Funds Expended (Actual Modernization Cost)	$	10,531,471.00
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 Andrew J Lofton 8-9-13

For HUD Use Only

The Cost Certificate is approved for audit:

Approved for Audit (Director, Office of Public Housing / ONAP Administrator) — Date: 8/30/13

X

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official) — Date:

X

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

X

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

Actual Modernization Cost Certificate

U.S. D[epartment] of Housing and U[rba]n Development
Office of Public and Indian Housing

OMB Approv[al] No. 2577-0157 (exp. 12/31/2011)

Comprehensive Improvement Assistance Program (CIAP)
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HA Name:	Modernization Project Number:
SEATTLE HOUSING AUTHORITY	WA19P001501-11

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

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

A. Original Funds Approved	$	7,541,000.00
B. Funds Disbursed	$	7,541,000.00
C. Funds Expended (Actual Modernization Cost)	$	7,541,000.00
D. Amount to be Recaptured (A–C)	$	0.00
E. Excess of Funds Disbursed (B-C)	$	0.00

2. That all modernization work in connection with the Modernization Grant has been completed;
3. That the entire Actual Modernization Cost or liabilities therefor incurred by the HA have been fully paid;
4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and
5. That the time in which such liens could be filed has expired.

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Signature of Executive Director & Date:

X [signature] 8-9-13

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Approved for Audit (Director, Office of Public Housing / ONAP Administrator)
X [signature]

Date: 8/30/13

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)
X

Date:

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

Date:

Actual Modernization Cost Certificate

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

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

Comprehensive Improvement Assistance Program (CIAP)
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HA Name:	Modernization Project Number:
SEATTLE HOUSING AUTHORITY	WA19R001501-11

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

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

A. Original Funds Approved	$	1,666,585.00
B. Funds Disbursed	$	1,666,585.00
C. Funds Expended (Actual Modernization Cost)	$	1,666,585.00
D. Amount to be Recaptured (A–C)	$	0.00
E. Excess of Funds Disbursed (B-C)	$	0.00

2. That all modernization work in connection with the Modernization Grant has been completed;
3. That the entire Actual Modernization Cost or liabilities therefor incurred by the HA have been fully paid;
4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and
5. That the time in which such liens could be filed has expired.

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Signature of Executive Director & Date:

X [signature] 8-9-13

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

X [signature] | 8/30/13

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official) | Date:

X

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

X

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Statistical Section
(Unaudited)

Section III

Statistical Section

This section provides additional information regarding the Authority in the following categories:

Financial Trends	show how the Authority's financial position has changed over time	Tables 1 – 2
Revenue Capacity	the tables in this section show the Authority's ability to generate revenue	Tables 3 – 4
Debt Capacity	shows the Authority's debt burden over time and provide information on the ability to issue debt	Tables 5 – 6
Demographics and Economic Statistics	the tables in this section portray the socioeconomic environment and provide information to allow comparisons over time and comparisons to other governments	Table 7 – 9
Operating Information	the purpose of these tables is to show the Authority's operations and provide information to assess the government's economic condition	Tables 10 – 12

Table 1

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Financial Trends

Net Position by Component – Primary Government

Last Ten Fiscal Years (Unaudited)

Fiscal year ended September 30 (a)		Net investment in capital assets	Restricted	Unrestricted	Total
2004	$	204,283,445	7,788,390	71,066,202	283,138,037
2005		223,381,297	5,194,324	101,203,466	329,779,087
2006		174,593,252	5,448,150	144,625,694	324,667,096
2007 (a)		211,875,842	9,725,557	132,651,693	354,253,092
2008 (a)		222,001,336	5,326,536	142,674,746	370,002,618
2009 (a)		227,083,324	5,550,146	151,794,210	384,427,680
2010 (a)		229,826,301	6,486,917	170,526,030	406,839,248
2011 (a)(b)		224,771,337	8,543,577	185,863,188	419,178,102
2012 (a)(b)		199,273,982	9,406,113	212,444,630	421,124,725
2013 (a)		210,293,958	10,069,831	228,421,457	448,785,246

Notes: (a) Beginning in fiscal year 2007, the Authority's fiscal year-end date changed to December 31 from September 30.

(b) Net position for 2011 and 2012 were restated as a result of the adoption of GASB 65.

Table 2

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Financial Trends

Changes in Net Position – Primary Government

Last Ten Fiscal Years (Unaudited)

	2004	2005	2006	2007 (a)	2008 (a)	2009 (a)	2010 (a)	2011 (a, c)	2012 (a, c)	2013 (a)
Operating revenues:										
Tenant rentals	$ 19,990,759	20,697,641	19,888,907	23,958,442	18,548,105	18,963,514	19,853,164	21,338,005	20,690,177	21,287,096
Housing assistance payment subsidies	75,725,763	80,263,996	77,907,735	107,528,715	84,099,962	87,253,047	96,202,546	95,645,677	105,422,182	103,981,489
Operating subsidies and grants (b)	17,347,758	16,668,848	16,038,328	19,109,472	17,523,075	18,006,286	21,258,217	22,814,568	19,522,792	28,020,480
Other	13,619,504	49,240,885	21,232,065	35,381,503	22,594,560	19,212,557	19,480,446	21,762,895	18,081,083	18,618,710
Total operating revenues	126,683,784	166,871,370	135,067,035	185,978,132	142,765,702	143,435,404	156,794,373	161,561,145	163,716,234	171,907,775
Operating expenses:										
Housing operations and administration	26,024,065	29,152,797	30,248,810	46,408,207	41,515,711	38,998,671	42,453,709	44,662,095	41,680,059	39,654,837
Tenant services	2,242,826	2,436,512	2,750,585	3,171,644	1,307,592	1,644,363	3,729,452	3,937,994	3,602,554	3,542,648
Utility services	5,177,870	4,922,362	4,827,108	5,252,632	4,092,002	4,540,982	4,718,662	4,998,955	5,393,684	5,951,355
Maintenance	18,133,133	17,281,723	16,388,539	21,461,247	17,053,995	18,159,325	20,082,664	18,824,304	15,081,988	17,336,014
Housing assistance payments	71,889,208	68,212,519	62,296,993	80,300,757	64,270,568	71,064,302	73,550,131	76,942,437	79,478,249	78,552,745
Other	1,712,092	3,413,099	6,031,825	2,585,630	2,767,976	2,115,315	4,209,600	1,318,772	2,021,796	956,269
Depreciation and amortization	11,166,605	11,656,022	11,929,183	15,155,490	10,299,572	9,281,594	10,059,962	10,676,293	10,258,105	10,178,373
Total operating expenses	136,345,799	137,075,034	134,473,043	174,335,607	141,307,416	145,804,552	158,804,180	161,360,850	157,516,435	156,172,241
Operating income (loss)	(9,662,015)	29,796,336	593,992	11,642,525	1,458,286	(2,369,148)	(2,009,807)	200,295	6,199,799	15,735,534
Nonoperating revenues (expenses):										
Interest expense	(4,811,281)	(5,510,982)	(7,849,402)	(10,755,826)	(8,532,367)	(7,956,814)	(7,479,432)	(6,887,452)	(5,721,825)	(5,488,597)
Interest income	1,450,061	3,190,698	5,625,496	7,637,844	6,547,470	5,337,931	5,257,848	1,536,648	1,397,221	444,930
Change in fair value of investments	972,676	(718,763)	(273,517)	140,142	(332,725)	430,908	44,842	68,742	(74,996)	(94,819)
Loss on notes receivable	—	—	—	—	—	—	—	(479,017)	—	—
Loss on investment in limited partnerships	—	—	—	—	(1,505,687)	(1,480)	(67,624)	(1,321)	(760,305)	(70,809)
Disposition of assets	(5,070,867)	(1,932,491)	(13,426,642)	(6,673,827)	(1,735,402)	(4,472,397)	(19,878,330)	(16,774,091)	(12,343,242)	(11,826)
Net nonoperating expenses	(7,459,411)	(4,971,538)	(15,924,065)	(9,651,667)	(5,558,711)	(6,661,852)	(22,122,696)	(22,536,491)	(17,503,147)	(5,221,121)
Change in net position before contributions	(17,121,426)	24,824,798	(15,330,073)	1,990,858	(4,100,425)	(9,031,000)	(24,132,503)	(22,336,196)	(11,303,348)	10,514,413
Capital contributions	40,837,228	21,816,252	10,218,082	27,595,138	19,849,951	23,456,062	46,544,071	34,675,050	13,249,971	17,146,108
Increase (decrease) in net position	23,715,802	46,641,050	(5,111,991)	29,585,996	15,749,526	14,425,062	22,411,568	12,338,854	1,946,623	27,660,521
Net position at beginning of year	259,422,235	283,138,037	329,779,087	324,667,096	354,253,092	370,002,618	384,427,680	406,839,248	419,178,102	421,124,725
Net position at end of year	$ 283,138,037	329,779,087	324,667,096	354,253,092	370,002,618	384,427,680	406,839,248	419,178,102	421,124,725	448,785,246

Notes: (a) Fiscal years 2004 through 2006 represent a year-end date of September 30. Beginning in 2007, the fiscal year-end date is December 31, and in 2007, the statement of revenues, expenses, and changes in net position reflects a fifteen-month period.

(b) Beginning with reporting year 2010, the Authority has classified Operating subsidies and grants as operating revenues. Prior years have been restated on this schedule to reflect comparative results.

(c) Net position for 2011 and 2012 were restated as a result of the adoption of GASB 65.

Table 3

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Revenue Capacity

Operating Revenues by Source – Primary Government

Last Ten Fiscal Years (Unaudited)

	Tenant rentals		Housing assistance payment subsidies		Operating subsidies and grants		Other		Total	
Year (a)	**Amount**	**Percentage of total**	**Amount**	**Percentage of total**	**Amount**	**Percentage of total**	**Amount**	**Percentage of total**	**Amount**	**Total**
2004	$ 19,990,759	15.8%	$ 75,725,763	59.7%	$ 17,347,758	13.7%	$ 13,619,504	10.8%	$ 126,683,784	100.0%
2005	20,697,641	12.4	80,263,996	48.1	16,668,848	10.0	49,240,885	29.5	166,871,370	100.0
2006	19,888,907	14.7	77,907,735	57.7	16,038,328	11.9	21,232,065	15.7	135,067,035	100.0
2007	23,958,442	12.9	107,528,715	57.8	19,109,472	10.3	35,381,503	19.0	185,978,132	100.0
2008	18,548,105	13.0	84,099,962	58.9	17,523,075	12.3	22,594,560	15.8	142,765,702	100.0
2009	18,963,514	13.2	87,253,047	60.9	18,006,286	12.6	19,212,557	13.3	143,435,404	100.0
2010	19,853,164	12.7	96,202,546	61.3	21,258,217	13.6	19,480,446	12.4	156,794,373	100.0
2011	21,338,005	13.2	95,645,677	59.2	22,814,568	14.1	21,762,895	13.5	161,561,145	100.0
2012	20,690,177	12.6	105,422,182	64.4	19,522,792	11.9	18,081,083	11.1	163,716,234	100.0
2013	21,287,096	12.4	103,981,489	60.5	28,020,480	16.3	18,618,710	10.8	171,907,775	100.0

Notes: (a) Fiscal years 2003 through 2006 represent a year-end date of September 30. Beginning in 2007, the fiscal year-end date is December 31, and in 2007, the statement of revenues, expenses, and changes in net position reflects a fifteen-month period.

Table 4

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Revenue Capacity

Nonoperating Revenues by Source – Primary Government

Last Ten Fiscal Years (Unaudited)

	Interest income		Change in fair value of investments		Total	
Year (a)	Amount	Percent of total	Amount	Percent of total	Amount	Total
2004	$ 1,450,061	59.9	$ 972,676	40.1	$ 2,422,737	100.0%
2005	3,190,698	129.1	(718,763)	(29.1)	2,471,935	100.0
2006	5,625,496	105.1	(273,517)	(5.1)	5,351,979	100.0
2007	7,637,844	98.2	140,142	1.8	7,777,986	100.0
2008	6,547,470	105.3	(332,725)	(5.3)	6,214,745	100.0
2009	5,337,931	92.5	430,908	7.5	5,768,839	100.0
2010	5,257,848	99.2	44,842	0.8	5,302,690	100.0
2011	1,536,648	95.7	68,742	4.3	1,605,390	100.0
2012	1,397,221	105.7	(74,996)	(5.7)	1,322,225	100.0
2013	444,930	127.1	(94,819)	(27.1)	350,111	100.0

Notes: (a) Fiscal years 2004 through 2006 represent a year-end date of September 30. Beginning in 2007, the fiscal year-end date is December 31, and in 2007, the statement of revenues, expenses, and changes in net position reflects a fifteen-month period.

Table 5

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Debt Capacity

Schedule of General Revenue Bond Coverage

Last Ten Fiscal Years (Unaudited)

Fiscal year	Debt service		Total debt service	General expense (b)	Ratio of debt service to general expenses
	Principal	Interest			
Villa Park 1996 Bonds:					
2004	35,000	113,147	148,147	179,791	0.8
2005	35,000	110,406	145,406	190,861	0.8
2006	40,000	106,550	146,550	337,199	0.4
2007 (a)	50,000	133,255	183,255	282,354	0.6
2008	45,000	102,534	147,534	252,675	0.6
2009	50,000	99,612	149,612	239,185	0.6
2010	50,000	96,691	146,691	251,264	0.6
2011	55,000	92,919	147,919	280,945	0.5
2012	60,000	90,263	150,263	263,439	0.6
2013	60,000	85,800	145,800	354,439	0.4
Wakefield 2000 Bonds for Wallingford:					
2004	30,299	34,417	64,716	16,021	4.0
2005	32,491	32,225	64,716	23,470	2.8
2006	34,840	22,636	57,476	18,115	3.2
2007 (a)	47,093	33,620	80,713	15,327	5.3
2008	40,749	24,278	65,027	6,070	10.7
2009	43,711	20,971	64,682	710	91.1
2010	46,871	17,845	64,716	825	78.4
2011	50,259	14,456	64,715	—	—
2012	53,893	10,823	64,716	—	—
2013	57,789	6,927	64,716	—	—
Telemark 2001 Bonds:					
2004	30,000	171,756	201,756	128,387	1.6
2005	35,000	170,556	205,556	222,399	0.9
2006	35,000	168,544	203,544	111,717	1.8
2007 (a)	50,000	208,287	258,287	112,065	2.3
2008	40,000	164,536	204,536	112,669	1.8
2009	45,000	162,431	207,431	161,058	1.3
2010	50,000	160,035	210,035	161,343	1.3
2011	50,000	156,910	206,910	120,290	1.7
2012	55,000	154,809	209,809	130,366	1.6
2013	60,000	150,981	210,981	120,983	1.7
Wedgewood 2001 Variable Rate Bonds:					
2004	135,000	39,831	174,831	897,686	0.2
2005	140,000	74,056	214,056	963,775	0.2
2006	150,000	105,939	255,939	943,339	0.3
2007 (a)	187,500	151,700	339,200	922,274	0.4
2008	160,000	69,529	229,529	808,109	0.3
2009	165,000	40,280	205,280	812,350	0.3
2010	170,000	12,862	182,862	821,552	0.2
2011	—	13,320	13,320	860,218	0.0
2012	—	7,755	7,755	897,637	0.0
2013	765,000	4,511	769,511	935,755	0.8

(Continued)

Table 5

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Debt Capacity

Schedule of General Revenue Bond Coverage

Last Ten Fiscal Years (Unaudited)

Fiscal year	Debt service		Total debt service	General expense (b)	Ratio of debt service to general expenses
	Principal	Interest			
Market Terrace/Mary Avenue 2002 Bonds:					
2004	45,000	169,719	214,719	141,603	1.5
2005	45,000	168,292	213,292	149,021	1.4
2006	50,000	166,827	216,827	152,883	1.4
2007 (a)	62,500	165,847	228,347	231,906	1.0
2008	55,000	175,305	230,305	178,955	1.3
2009	55,000	160,255	215,255	196,758	1.1
2010	60,000	157,763	217,763	270,925	0.8
2011	60,000	155,055	215,055	183,154	1.2
2012	65,000	153,445	218,445	172,933	1.3
2013	65,000	148,827	213,827	198,263	1.1
Montridge Arms 2002 Bonds:					
2004	25,000	102,965	127,965	105,846	1.2
2005	30,000	101,782	131,782	110,403	1.2
2006	30,000	100,430	130,430	112,855	1.2
2007 (a)	37,500	123,911	161,411	117,360	1.4
2008	30,000	97,615	127,615	133,722	1.0
2009	35,000	95,869	130,869	114,649	1.1
2010	35,000	94,158	129,158	60,775	2.1
2011	35,000	92,411	127,411	132,118	1.0
2012	40,000	90,225	130,225	166,796	0.8
2013	40,000	92,017	132,017	149,449	0.9
Longfellow Creek 2003 Bonds:					
2004	—	143,739	143,739	496,191	0.3
2005	15,000	180,645	195,645	476,275	0.4
2006	65,000	179,215	244,215	255,770	1.0
2007 (a)	87,500	221,437	308,937	428,712	0.7
2008	70,000	175,085	245,085	282,268	0.9
2009	75,000	172,891	247,891	343,526	0.7
2010	75,000	170,379	245,379	335,457	0.7
2011	80,000	167,670	247,670	420,657	0.6
2012	80,000	165,450	245,450	445,630	0.6
2013	85,000	161,419	246,419	540,047	0.5
HOPE VI Replacement Housing Bonds:					
2004	125,000	608,672	733,672	674,351	1.1
2005	130,000	598,208	728,208	454,761	1.6
2006	140,000	589,735	729,735	508,423	1.4
2007 (a)	188,750	690,082	878,832	603,954	1.5
2008	165,000	569,624	734,624	724,984	1.0
2009	175,000	558,625	733,625	664,970	1.1
2010	190,000	548,800	738,800	667,486	1.1
2011	200,000	535,172	735,172	687,160	1.1
2012	210,000	524,913	734,913	773,740	0.9
2013	225,000	512,050	737,050	747,149	1.0
Bayview/Lake City Commons 2004 Bonds:					
2005	60,000	192,915	252,915	460,249	0.5
2006	65,000	195,575	260,575	497,517	0.5
2007 (a)	81,250	222,891	304,141	680,237	0.4
2008	65,000	192,216	257,216	544,688	0.5
2009	70,000	189,021	259,021	693,499	0.4
2010	70,000	186,428	256,428	683,532	0.4
2011	75,000	183,606	258,606	697,836	0.4
2012	75,000	181,856	256,856	631,961	0.4
2013	80,000	177,329	257,329	660,417	0.4

(Continued)

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Debt Capacity

Schedule of General Revenue Bond Coverage

Last Ten Fiscal Years (Unaudited)

Fiscal year	Debt service Principal	Debt service Interest	Total debt service	General expense (b)	Ratio of debt service to general expenses
Yesler Community Replacement Bonds:					
2005	$ 15,000	109,504	124,504	68,783	1.8
2006	15,000	109,144	124,144	64,738	1.9
2007 (a)	18,750	135,850	154,600	88,859	1.7
2008	20,000	107,832	127,832	76,361	1.7
2009	20,000	109,307	129,307	97,884	1.3
2010	25,000	106,362	131,362	76,764	1.7
2011	25,000	105,327	130,327	74,775	1.7
2012	30,000	104,398	134,398	85,292	1.6
2013	30,000	103,040	133,040	81,349	1.6
Gamelin/Genesee Bonds:					
2007 (a)	30,000	288,150	318,150	37,079	8.6
2008	17,000	229,901	246,901	58,525	4.2
2009	21,000	229,052	250,052	43,951	5.7
2010	62,000	228,955	290,955	17,837	16.3
2011	70,000	219,218	289,218	10,204	28.3
2012	78,000	218,792	296,792	8,307	35.7
2013	87,000	212,439	299,439	13,183	22.7

Notes: (a) Fiscal years 2002 through 2006 represent a year-end date of September 30. Beginning in 2007, the fiscal year-end date is December 31, and in 2007, the statement of revenues, expenses, and changes in net assets reflects a fifteen-month period.

(b) General expense includes operating expenses except for depreciation and amortization.

Table 6

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Debt Capacity

Ratio of Debt to Capital Assets – Primary Government

Last Ten Fiscal Years (Unaudited)

Fiscal year ended September 30 (a)		Bonds payable	Notes payable	Short-term borrowings	Total debt	Capital assets, net	Ratio of total debt to capital assets	Ratio of total debt to housing units
2004	$	62,439,614	35,539,012	20,132,303	118,110,929	300,731,249	39.27	11.85%
2005		60,277,566	34,244,424	17,071,307	111,593,297	314,126,900	35.52	23.66
2006		85,476,724	33,750,623	31,154,788	150,382,135	304,561,566	49.38	33.50
2007		130,867,182	33,016,355	45,212,312	209,095,849	329,120,245	63.53	43.31
2008		123,459,433	32,485,160	48,603,302	204,547,895	337,110,417	60.68	44.43
2009		108,984,688	60,573,959	16,321,253	185,879,900	337,089,410	55.14	44.71
2010		98,950,816	62,277,978	16,077,424	177,306,218	343,138,706	51.67	51.45
2011		79,675,557	55,221,591	12,077,424	146,974,572	322,532,095	45.57	53.07
2012		77,128,664	49,564,954	12,827,698	139,521,316	291,056,484	47.94	54.07
2013		71,408,875	40,188,127	12,678,698	124,275,700	288,455,844	43.08	54.71

Note: (a) The Authority changed its fiscal year-end date from September 30 to December 31 beginning in fiscal year 2007.

(b) Unit count excludes Section 8 units not owned by the Authority and excludes units owned by component units where the related debt is held by the component unit.

Table 7

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Demographics and Economic Statistics

Tenant Demographics – Population Statistics

Last Ten Fiscal Years (Unaudited)

		Public housing program			
Calendar year (a)	**Adults**	**Elderly**	**Minors**	**Total number of tenants**	**Nonelderly handicapped/ disabled**
2003	4,754	1,615	2,517	8,886	1,997
2004	4,824	1,625	2,548	8,997	1,930
2005	4,944	1,657	2,755	9,356	1,953
2006	4,731	1,662	2,648	9,041	1,793
2007	4,598	1,727	2,587	8,912	1,709
2008	4,730	1,685	2,814	9,229	1,739
2009	4,897	1,767	3,230	9,894	1,782
2010	4,888	1,823	3,089	9,800	1,839
2011	5,029	1,909	3,180	10,118	1,807
2012	5,140	1,970	3,317	10,427	1,774
2013	4,953	2,008	3,148	10,109	1,691

		Section 8 program (b)			
Calendar year (a)	**Adults**	**Elderly**	**Minors**	**Total number of tenants**	**Nonelderly handicapped/ disabled**
2003	7,362	1,446	5,838	14,646	2,665
2004	7,631	1,501	5,933	15,065	2,718
2005	7,149	1,421	5,636	14,206	2,615
2006	7,209	1,857	5,102	14,168	2,727
2007	7,426	1,801	5,311	14,538	2,863
2008	7,616	1,970	5,258	14,844	3,044
2009	8,084	1,995	5,998	16,077	3,289
2010	8,371	2,059	5,937	16,367	3,451
2011	8,694	2,307	5,949	16,950	3,520
2012	8,654	2,477	5,938	17,069	3,510
2013	8,528	2,547	5,717	16,792	3,503

(Continued)

Table 7

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Demographics and Economic Statistics

Tenant Demographics – Population Statistics

Last Ten Fiscal Years (Unaudited)

Calendar year (a)	Adults	Senior and local housing programs (c) Elderly	Minors	Total number of tenants	Nonelderly handicapped/ disabled
2003	572	867	186	1,625	266
2004	596	899	222	1,717	240
2005	640	903	746	2,289	196
2006	661	904	278	1,843	192
2007	723	913	345	1,981	186
2008	711	906	310	1,927	170
2009	924	1,023	424	2,371	126
2010	926	1,001	424	2,351	117
2011	994	1,039	426	2,459	86
2012	1,023	1,042	434	2,499	110
2013 (d)	1,040	1,058	499	2,597	93

Calendar year (a)	Adults	Agencywide totals Elderly	Minors	Total number of tenants	Nonelderly handicapped/ disabled
2003	12,688	3,928	8,541	25,157	4,928
2004	13,051	4,025	8,703	25,779	4,888
2005	12,733	3,981	9,137	25,851	4,764
2006	12,601	4,423	8,028	25,052	4,712
2007	12,747	4,441	8,243	25,431	4,758
2008	13,057	4,561	8,382	26,000	4,953
2009	13,905	4,785	9,652	28,342	5,197
2010	14,185	4,883	9,450	28,518	5,407
2011	14,717	5,255	9,555	29,527	5,413
2012	14,817	5,489	9,689	29,995	5,394
2013	14,521	5,613	9,364	29,498	5,287

Notes: (a) 2001 data is presented on a fiscal year basis rather than calendar year.

(b) Includes port-ins and excludes port-outs and participants living in the Authority's Senior Housing program.

(c) Effective 2009, Senior and Local Housing Programs includes tenants from privately managed properties.

(d) Excludes 36 households whose age is unknown

Table 8

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Demographics and Economic Statistics

Regional Demographics – Population Statistics

Last Ten Fiscal Years (Unaudited)

Year	King County (a)	Seattle population (a)	Per capital income King County (b)	Per capita income King region (b)	Public school enrollment (c)	King County average annual unemployment rate (d)
2004	1,788,300	572,600	49,118	45,122	46,420	4.6
2005	1,808,300	573,000	48,116	45,242	46,239	4.8
2006	1,835,300	578,700	52,655	48,522	45,634	4.2
2007	1,861,300	586,200	57,710	53,061	45,276	4.5
2008	1,884,200	592,800	58,141	53,999	45,572	5.7
2009	1,909,300	602,000	56,904	50,644	45,944	8.5
2010	1,931,249	608,660	54,927	51,370	47,008	8.4
2011	1,942,600	612,100	57,281	53,931	48,496	7.1
2012	1,957,000	616,500	60,090	N/A	49,864	6.1
2013	1,981,900	626,600	N/A	N/A	N/A	5.6

Notes: (a) As of April 1, source: Washington State Office of Financial Management, 2013 Population Trends for Washington State estimates only.

(b) Source: U.S. Bureau of Economic Analysis, 2012 is most current available.

(c) Seattle Public Schools, 2012 is most current available

(d) Preliminary source: Washington State Employment Security Department.

Table 9

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Demographics and Economic Statistics

Principal Industries

Last Ten Fiscal Years (Unaudited)

	2013			2012			2011		
Industry	Number of employees	Percentage of Employment	Rank	Number of employees	Percentage of Employment	Rank	Number of employees	Percentage of Employment	Rank
Retail trade	120,200	9.75%	1	113,600	9.62%	1	109,300	9.47%	1
Professional and technical	107,100	8.68	2	102,200	8.66	2	97,900	8.49	2
Local government	90,400	7.33	3	89,100	7.55	3	88,800	7.70	3
Food services and drinking places	84,100	6.82	4	79,600	6.74	6	76,400	6.62	6
Information	82,300	6.67	5	80,900	6.85	4	80,200	6.95	4
Manufacturing durable goods	82,100	6.66	6	80,000	6.78	5	77,100	6.68	5
Administrative and waste services	66,100	5.36	7	64,000	5.42	7	63,000	5.46	7
Wholesale trade	60,600	4.91	8	59,400	5.03	8	58,500	5.07	8
State government	56,800	4.61	9	55,500	4.70	9	55,000	4.77	9
Ambulatory health care services	50,400	4.09	10	49,200	4.17	10	48,400	4.20	10
Finance and insurance	45,500	3.69	11	43,600	3.69	11	44,400	3.85	11
Transportation and warehousing	43,500	3.53	12	42,700	3.62	12	43,400	3.76	12
	889,100	72.10%		859,800	72.83%		842,400	73.02%	

	2010			2009			2008		
Industry	Number of employees	Percentage of Employment	Rank	Number of employees	Percentage of Employment	Rank	Number of employees	Percentage of Employment	Rank
Retail trade	105,900	9.33%	1	106,000	9.19%	1	116,900	9.62%	1
Professional and technical	93,400	8.23	2	92,900	8.05	2	100,600	8.28	2
Local government	89,300	7.87	3	89,300	7.74	3	89,500	7.37	3
Food services and drinking places	74,400	6.56	6	74,000	6.42	6	77,700	6.39	6
Information	79,400	7.00	4	80,200	6.95	4	79,800	6.57	5
Manufacturing durable goods	75,200	6.63	5	79,000	6.85	5	83,700	6.89	4
Administrative and waste services	61,000	5.37	7	61,100	5.30	7	72,500	5.97	7
Wholesale trade	58,000	5.11	8	59,700	5.18	8	63,400	5.22	8
State government	55,800	4.92	9	55,800	4.84	9	57,100	4.70	9
Ambulatory health care services	47,400	4.18	10	46,400	4.02	11	44,800	3.69	12
Finance and insurance	44,500	3.92	11	46,900	4.07	10	49,000	4.03	10
Transportation and warehousing	42,400	3.74	12	43,500	3.77	12	46,600	3.83	11
	826,700	72.86%		834,800	72.38%		881,600	72.56%	

	2007			2006			2005		
Industry	Number of employees	Percentage of Employment	Rank	Number of employees	Percentage of Employment	Rank	Number of employees	Percentage of Employment	Rank
Retail trade	119,800	9.86%	1	120,900	10.06%	1	123,000	10.47%	1
Professional and technical	94,700	7.80	2	88,600	7.37	2	84,700	7.21	3
Local government	87,300	7.19	3	86,000	7.15	4	85,800	7.31	2
Food services and drinking places	77,100	6.35	5	75,900	6.31	5	74,100	6.31	5
Information	75,600	6.23	6	72,500	6.03	7	70,100	5.97	7
Manufacturing durable goods	86,900	7.16	4	87,200	7.25	3	83,800	7.13	4
Administrative and waste services	73,900	6.09	7	75,000	6.24	6	71,300	6.07	6
Wholesale trade	64,200	5.29	8	64,700	5.38	8	63,900	5.44	8
State government	55,300	4.55	9	55,400	4.61	9	55,000	4.68	9
Ambulatory health care services	42,800	3.52	12	42,700	3.55	12	43,100	3.67	12
Finance and insurance	50,600	4.17	10	51,400	4.28	10	53,000	4.51	10
Transportation and warehousing	48,700	4.01	11	47,900	3.98	11	46,000	3.92	11
	876,900	72.22%		868,200	72.21%		853,800	72.69%	

	2004		
Industry	Number of employees	Percentage of Employment	Rank
Retail trade	121,600	10.64%	1
Professional and technical	79,700	6.97	3
Local government	85,700	7.50	2
Food services and drinking places	70,200	6.14	5
Information	68,600	6.00	6
Manufacturing durable goods	77,900	6.82	4
Administrative and waste services	65,900	5.77	7
Wholesale trade	63,500	5.56	8
State government	55,100	4.82	9
Ambulatory health care services	41,600	3.64	12
Finance and insurance	52,700	4.61	10
Transportation and warehousing	47,500	4.16	11
	830,000	72.63%	

Source: Washington Employment Security Department Labor Market and Economic Analysis.

Data provided for King County, which includes the Seattle Metropolitan Area and other surrounding communities.

Table 10

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Operating Information

Number of Units by Program (d)

Last Ten Fiscal Years (Unaudited)

Fiscal year	Public housing	Section 8	Senior housing	Other housing programs	Hope IV nonpublic units	Total
2004	5,481	8,758	993	870	190	16,292
2005	5,441	9,199	993	875	290	16,798
2006	5,432	9,199	993	902	423	16,949
2007	5,250	9,202	993	1,008	423	16,876
2008	5,263	9,260	993	971	539	17,026
2009	5,261	9,425	993	910	629	17,218
2010	5,316	9,612	994	915	661	17,498
2011 (c)	5,408	10,164	994	915	385	17,866
2012 (c)	5,441	10,558	994	876	739	18,608
2013 (c)	5,401	10,775	994	876	739	18,785

Households Served and Waiting List Data

Last Ten Fiscal Years (Unaudited)

Fiscal year	Total households served (a)	Total households on waiting lists (b)
2004	12,027	8,546
2005	11,861	11,074
2006	11,869	12,284
2007	12,077	3,850
2008	12,359	6,879
2009	12,912	7,751
2010	13,220	8,179
2011	13,765	7,523
2012	13,769	7,586
2013	13,601	9,435

Notes: (a) Excludes Mod rehab, outgoing portable vouchers, nonpublic housing tax credits, and local programs, but includes incoming portable vouchers.

(b) For year 2013 - Housing Choice Voucher waiting list opened. Current reflects unique households. Include HOPE VI communities

(c) 894 Senior housing units were added to public housing but are represented with senior and other local housing programs.

(d) Includes overlap of other housing program units and senior housing units which also have project based and program based Housing Choice Vouchers.

Table 11

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Operating Information

Property Characteristics and Dwelling Unit Composition

December 31, 2013 (Unaudited)

Public housing

Name of development	Address	Number of units	Year built or acquired
Ballard House	2445 NW 57th Street	79	1969
Barton Place	9201 Rainier Avenue S.	91	1971
Beacon Tower	1311 S. Massachusetts	108	1971
Bell Tower	2215 1st Avenue	120	1970
Cal-Mor Circle	6420 California Avenue SW	75	1968
Capitol Park	525 14th Avenue E.	125	1970
Cedarvale House	11050 8th Avenue NE	118	1970
Cedarvale Village	11050 8th Avenue NE	24	1971
Center Park	2121 26th Avenue S.	137	1969
Center West	533 3rd Avenue W.	91	1969
Denny Terrace	100 Melrose Avenue E.	220	1968
Green Lake Plaza	505 NE 70th Street	130	1969
Harvard Court	610 Harvard Avenue E.	81	1968
High Point	3000 SW Graham Street	250	Various
Holly Court	3804 S. Myrtle	97	1980
International Terrace	202 6th Avenue S.	100	1972
Jackson Park House	14396 30th Avenue NE	71	1970
Jackson Park Village	14396 30th Avenue NE	41	1970
Jefferson Terrace	800 Jefferson Street	299	1967
Lake City Court	12536 33rd Avenue NE	51	2011
Lake City House	12546 33rd Avenue NE	115	1971
Lictonwood	9009 Greenwood Avenue N.	81	1970
Longfellow Creek*	5915 Delridge Way SW	30	1993
New Holly	7050 32nd Avenue S.	400	Various
Olive Ridge	1700 17th Avenue	105	1969
Olympic West	110 W. Olympic Place	75	1970
Partnership units	Various	50	Various
Queen Anne Heights	1212 Queen Anne Avenue N.	53	1970
Rainier Vista	2917 S Snoqualmie St	251	Various
Ross Manor	1420 Western Avenue	100	1984
Roxhill Court Apartments*	9940 27th Ave SW	13	1980
Scattered Sites	Various	715	Various
Stewart Manor	6339 34th Avenue	74	1968
Tri-Court	720 N. 143rd	87	1971
University House	4700 12th Avenue NE	101	1971
University West	4544 7th Avenue NE	113	1971
West Town View	1407 2nd Avenue W	59	1977
Westwood Heights	9455 27th Avenue SW	130	1978
Wisteria Court*	7544 24th Ave SW	20	1987
Yesler Terrace	903 E. Yesler Way	521	1941
	Total units – public housing	5,401	

*Nonpublic housing units are listed under "Other housing program" section.

(Continued)

Table 11

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Operating Information

Property Characteristics and Dwelling Unit Composition

December 31, 2013 (Unaudited)

Section 8

Name of development	Address	Number of units	Year built or acquired
Housing Choice Vouchers	Various	9,885	—
Moderate Rehabilitation	Various	760	—
Bay View Tower	2614 4th Ave	100	1979
Market Terrace	1115 NW Market St.	30	1980
	Total number of Section 8 units	10,775	

Senior housing

Name of development	Address	Number of units	Year built or acquired
Leschi House	1011 S. Weller	34	1988
Ravenna School Apartments	6564 Ravenna Avenue NE	39	1979
South Park Manor	520 S. Cloverdale	27	1983
Bitter Lake Manor	620 N. 130th	72	1983
Blakeley Manor	2401 NE Blakeley	70	1984
Carroll Terrace	600 5th Avenue W.	26	1985
Columbia Place	4628 S. Holly	66	1983
Fort Lawton Place	3401 W. Government Way	24	1984
Fremont Place	4601 Phinney Avenue N.	31	1983
Gideon-Mathews Gardens	323 25th Avenue S.	45	1986
Island View	3031 California Avenue SW	48	1984
Michaelson Manor	320 W. Roy	57	1985
Nelson Manor	220 NW 58th	32	1985
Olmsted Manor	501 NE Ravenna Blvd.	35	1986
Phinney Terrace	6561 Phinney Avenue N.	51	1984
Pinehurst Court	12702 15th Avenue NE	73	1984
Pleasant Valley Plaza	3801 34th Avenue W.	41	1984
Primeau Place	308 14th Avenue E.	53	1984
Reunion House	530 10th Avenue E.	28	1984
Schwabacher House	1715 NW 59th Street	44	1984
Sunrise Manor	1530 NW 57th Street	32	1985
Wildwood Glen	4501 SW Wildwood	24	1983
Willis House	6341 5th Ave NE	42	1983
	Total number of senior housing units	994	

(Continued)

Table 11

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Operating Information

Property Characteristics and Dwelling Unit Composition

December 31, 2013 (Unaudited)

Other housing programs

Name of development	Address	Number of units	Year built or acquired
104th St Townhomes	528 N 104th	3	2001
127th & Greenwood	12701 Greenwood Ave N	6	1983
5983 Rainier Ave S	5983 Rainier Ave S	12	2002
924 MLK Jr Way S	924 MLK Jr Way S	5	1998
Alder Crest Apartments	6520 35th Ave SW	36	1977
Beacon House	1545 12th Ave S	6	1993
Daybreak	1515 2nd Ave N.	3	1978
Delridge Triplexes	8136 and 8144 Delridge Way SW	6	1993
Fir Street Townhomes	Various	7	Various
Heritage House	1533 Western Avenue	62	1990
Lake City Commons	12745 30th Ave NE	15	2002
Lam Bow Apartments	6935 Delridge Way SW	51	1970
Longfellow Creek Apartments [b]	5915 Delridge Way SW	54	1993
Main Place II	308 22nd Ave S	25	1993
Main Street Apartments	2035 S Main St	12	1993
Mary Avenue Townhomes	8550-84 Mary Ave NW	8	2001
MLK Townhomes	Various	6	1996
Montridge Arms Apartments	9000 27th Ave SW	33	1968
Norman Street Townhomes	Various	15	Various
Ravenna Springs/Bryant Apts	Various	13	Various
Referendum 37	Various	2	Various
Ritz Apartments	1302 E Yesler Way	30	1908
Roxhill Court Apartments [b]	9940 27th Ave SW	11	1980
Spruce Street Townhomes	Various	10	1997
South Shore Court	4811 S Henderson	44	1962
Stone Ave Townhomes	8514 Stone Ave N	4	2001
Telemark Apartments	2850 NW 56th St	24	1975
Villa Park Townhomes	9111 50th Avenue S.	43	1997
Wedgewood Estates	3716 NE 75th	203	1948
Westwood Heights East Apts	9440 27th Ave SW	42	1997
Wisteria Court [b]	7544 24th Ave SW	76	1987
Yesler Court	114 23rd Ave	9	1994
	Total other housing units	876	
HOPE VI nonpublic housing units:			
High Point		350	
Lake City Village		35	
NewHolly		220	
Rainier Vista		134	
	Total HOPE VI Nonpublic housing	739	
	Total units – All programs (a)	18,785	

Notes: (a) Includes overlap of other housing program units and senior housing units which also have project based and program based Housing Choice Vouchers.

(b) Public housing units are listed under the public housing section.

Table 12

THE HOUSING AUTHORITY OF THE CITY OF SEATTLE, WASHINGTON

Operating Information

Regular Staff Headcount by Department

Last Ten Fiscal Years (Unaudited)

Fiscal year	Executive	Development and asset management	Housing operations	Admissions and Section 8	Finance and administrative services	Information systems	Human resources	Total
2004	12	37	347	53	47	10	10	516
2005	11	35	342	51	43	11	8	501
2006	13	37	333	56	44	14	7	504
2007	15	36	352	51	43	17	8	522
2008	16	31	362	60	42	18	10	539
2009	14	33	362	59	41	19	10	538
2010	15	33	350	63	43	22	10	536
2011	12	32	367	54	43	19	10	537
2012	12	33	343	54	45	18	10	515
2013	13	29	308	57	40	16	9	472