

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

Housing Authority of the City of Everett
Snohomish County

Audit Period
July 1, 2004 through June 30, 2005

Report No. 70055

Issue Date
January 27, 2006



Washington _____
State Auditor
_____ Brian Sonntag



**Washington State Auditor
Brian Sonntag**

January 27, 2006

Board of Commissioners
Housing Authority of the City of Everett
Everett, Washington

Report on Financial Statements and Federal Single Audit

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

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

In addition to this work, we look at other areas of our audit client's operations for compliance with state laws and regulations. The results of that audit will be included in a separately issued accountability report.

Sincerely,

BRIAN SONNTAG, CGFM
STATE AUDITOR

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Snohomish County
July 1, 2004 through June 30, 2005**

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Federal Summary

Housing Authority of the City of Everett Snohomish County July 1, 2004 through June 30, 2005

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

- An unqualified opinion was issued on the Housing Authority's financial statements.
- We noted no instances of noncompliance that were material to the financial statements of the Housing Authority.
- We issued an unqualified opinion on the Housing Authority's compliance with requirements applicable to its major federal program.
- We reported no findings which are required to be disclosed under OMB Circular A-133.
- We noted in our Independent Auditor's Report on Financial Statements that the Schedule of Expenditures of Federal Awards was fairly presented.
- The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by OMB Circular A-133, was \$668,183.
- The Housing Authority qualified as a low-risk auditee under OMB Circular A-133.
- The following was a major program during the period under audit:

<u>CFDA No.</u>	<u>Program Title</u>
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14.871	Section 8 Housing Choice Vouchers
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Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters in Accordance with *Government Auditing Standards*

**Housing Authority of the City of Everett
Snohomish County
July 1, 2004 through June 30, 2005**

Board of Commissioners
Housing Authority of the City of Everett
Everett, Washington

We have audited the basic financial statements of the Housing Authority of the City of Everett, Snohomish County, Washington, as of and for the year ended June 30, 2005, and have issued our report thereon dated December 20, 2005. We did not audit the financial statements of the discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based 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 the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the Housing Authority's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control over financial reporting.

Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over financial reporting and its operation that we consider to be material weaknesses.

COMPLIANCE AND OTHER MATTERS

As part of obtaining reasonable assurance about whether the Housing Authority's financial statements are free of material misstatement, we performed tests of the Housing Authority's compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with these provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported herein under *Government Auditing Standards*.

This report is intended for the information and use of management, the Board of Commissioners, federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in black ink, appearing to read "Brian Sonntag". The signature is fluid and cursive, with the first name "Brian" written in a larger, more prominent script than the last name "Sonntag".

BRIAN SONNTAG, CGFM
STATE AUDITOR

June 30, 2005

Independent Auditor's Report on Compliance with Requirements Applicable to its Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133

Housing Authority of the City of Everett Snohomish County July 1, 2004 through June 30, 2005

Board of Commissioners
Housing Authority of the City of Everett
Everett, Washington

COMPLIANCE

We have audited the compliance of the Housing Authority of the City of Everett, Snohomish County, Washington, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2005. The Housing Authority's major federal program is identified in the Federal Summary. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on the Housing Authority's compliance based on our audit.

The Housing Authority's basic financial statements include the operations of EHA-Twelve Pines Limited Partnership, which expended \$315,324 in federal awards. Our audit, described below, did not include the operations of the EHA-Twelve Pines Limited Partnership because it has arranged for a separate audit of its federal awards in accordance with OMB Circular A-133.

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

In our opinion, the Housing Authority of the City of Everett complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2005.

INTERNAL CONTROL OVER COMPLIANCE

The management of the Housing Authority is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Housing Authority's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of management, the Board of Commissioners, federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited. It also serves to disseminate information to the public as a reporting tool to help citizens assess government operations.

A handwritten signature in black ink, appearing to read "Brian Sonntag". The signature is fluid and cursive, with the first name "Brian" and last name "Sonntag" clearly distinguishable.

BRIAN SONNTAG, CGFM
STATE AUDITOR

June 30, 2005

Independent Auditor's Report on Financial Statements

Housing Authority of the City of Everett Snohomish County July 1, 2004 through June 30, 2005

Board of Commissioners
Housing Authority of the City of Everett
Everett, Washington

We have audited the accompanying basic financial statements of the Housing Authority of the City of Everett, Snohomish County, Washington and its aggregate discretely presented component unit as of and for the year ended June 30, 2005, as listed on page 8. These financial statements are the responsibility of the Housing Authority's management. Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the EHA-Twelve Pines Limited Partnership, which represents 100 percent of the assets, net assets, and revenues of the aggregate discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the discretely presented component unit, is based on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the report of other auditors provides a reasonable basis for our opinion.

In our opinion, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Housing Authority of the City of Everett and of its discretely presented component unit, as of June 30, 2005, and the respective changes in financial position and cash flows, where applicable, thereof, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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

The Management's Discussion and Analysis on pages 9 through 15 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of

management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

The Supplemental Segment Information and Notes to Supplemental Segment Information are not a required part of the basic financial statements. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of supplementary information. However, we did not audit the information and express no opinion on it.

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BRIAN SONNTAG, CGFM
STATE AUDITOR

December 20, 2005

Financial Section

Housing Authority of the City of Everett Snohomish County July 1, 2004 through June 30, 2005

REQUIRED SUPPLEMENTAL INFORMATION

Management's Discussion and Analysis – 2005

BASIC FINANCIAL STATEMENTS

Statement of Net Assets – 2005
Statement of Revenues, Expenses and Changes in Net Assets – 2005
Statement of Cash Flows – 2005
Notes to Financial Statements – 2005

SUPPLEMENTAL INFORMATION

Supplemental Schedule of Expenditures of Federal Awards – 2005
Notes to the Supplemental Schedule of Expenditures of Federal Awards – 2005
Supplemental Segment Information – Unaudited – 2005
Notes to Supplemental Segment Information – Unaudited – 2005
Supplemental Financial Data Schedule – 2005

HOUSING AUTHORITY OF THE CITY OF EVERETT
Management's Discussion and Analysis
Year Ended June 30, 2005

The Housing Authority of the City of Everett ("EHA" or the "Authority") owns and manages property and administers rent subsidy programs to provide eligible low-income persons good, safe and affordable housing. EHA is a municipal corporation of the State of Washington (RCW 35.82) and provides services to citizens in the City of Everett primarily through two federally assisted programs administered by the U.S. Department of Housing and Urban Development ("HUD"): Conventional Low Income Public Housing and Housing Choice Voucher programs.

The following discussion and analysis provides an overview of the Authority's financial activities and should be read in conjunction with the Authority's financial statements that follow the Managements Discussion and Analysis section.

Overview of the Financial Statements

The financial statements are presented in accordance with accounting principles generally accepted in the United States of America, including GASB Statement No. 34 (as amended by GASB Statement No. 37). The Authority follows the "business-type activities" reporting requirements of GASB Statement No. 34 that provide a comprehensive authority wide look at the Authority's financial activities. The statements are:

- Statement of Net Assets
- Statement of Revenues, Expenses and Changes in Net Assets
- Statement of Cash Flows

The statements are prepared on the accrual basis and present all assets and liabilities of the Authority, both financial and capital, and short and long term. They also present all revenues and expenses of the Authority during the year, regardless of when cash was received or paid. Collectively, the statements provide information regarding the Authority's financial condition as of June 30, 2005 and the results of its operations and cash flows for the year then ended.

Financial Highlights

- The Authority's net assets decreased by \$303,347 (or 1.1%) during the past year. Depreciation expense, a non-cash item, of \$1,613,241 was the primary reason for the net change. Net assets were \$27,120,684 and \$27,424,031 at June 30, 2005 and 2004, respectively.
- Total operating and non-operating revenues increased by \$137,149 (or .5%) during the past year, and were \$25,794,231 for 2005 and \$25,657,082 for 2004.
- The total expenses of the Authority's programs decreased by \$741,044 (or 2.8%). Total expenses were \$26,097,578 and \$26,838,622 for 2005 and 2004, respectively.
- The Authority's unrestricted net assets at June 30, 2005 and 2004 were \$2,604,953 and 3,028,203 respectively, for a decrease of 14.0%.

The Authorities Funds

The Authority's financial statements include all programs that are considered to be within its administrative control. The Authority generally maintains separate accounting records for each grant program or annual contributions contract, as required by HUD. A list of the more significant programs is as follows:

HOUSING AUTHORITY OF THE CITY OF EVERETT
Management's Discussion and Analysis
Year Ended June 30, 2005

Conventional Low Income Public Housing - Under the Conventional Low Income Public Housing Program, the Authority rents units that it owns to low-income households. The Conventional Low Income Public Housing Program is operated under an Annual Contributions Contract with HUD, and HUD provides operating subsidy and capital grant funding to enable EHA to provide the housing at a rent that is based on 30% of household income. The Conventional Low Income Public Housing Program also includes the Capital Fund Program, which is the primary funding source for physical and management improvements to the Authority's public housing properties.

Housing Choice Voucher Program - Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income.

Other Programs - In addition to the major programs discussed above, the Authority also maintains the following non-major programs which have assets, liabilities, revenues, or expenses of at least 5% or more of the Authority's total assets, liabilities, revenues or expenses:

Broadway Plaza East – A 102 unit apartment building that serves seniors and disabled persons. Operating and debt service costs are funded from rents collected from residents and a Section 8 New Construction Housing Assistance Payment Contract with HUD.

Broadway Plaza West – A 89 unit apartment building serving seniors. Operating costs are funded through tenant rents. No operating subsidy is received for this facility.

Affordable Housing Properties – Includes five separate non-subsidized apartment complexes all located within the City of Everett. These four properties have a combined total of 63 apartments. The majority of tenants served have an income level of less than 50% of median income, and all are under 80% of median income. Operating costs are funded through tenant rents. No operating subsidy is received for these properties.

Everett Smelter Site – A parcel of property located in North Everett that consists of approximate 7 acres parcel (the fenced area) plus nine single family homes.(residential area) adjacent to the fenced area. Prior to the Authority's acquisition of the property, the Washington State Department of Ecology determined that the Everett Smelter Site contained hazardous soils and contamination requiring cleanup to meet residential standards. The Authority, designated by the City of Everett as the Community Renewal Agency for the City, is responsible to oversee and coordinate the cleanup and remediation of the Site. As of June 30, 2005 approximately 75% of the cleanup and remediation work had been completed. Please refer to footnote 4 and 11 to the financial statements.

ParkRidge Condominiums – A 60 unit condominium conversion project acquired by the Authority in January 2005 with the intent to sell the individual units to low income families following renovation. This property is currently undergoing renovation to convert the property from its prior use as an apartment complex to a condominium complex. The renovation and sale of all units is expected to be completed by July 1, 2006.

HOUSING AUTHORITY OF THE CITY OF EVERETT
Management's Discussion and Analysis
Year Ended June 30, 2005

AUTHORITY-WIDE FINANCIAL STATEMENT

Statement of Net Assets

The Statement of Net Assets includes all assets and liabilities of the Authority using the accrual basis of accounting which is similar to the accounting used by most private-sector institutions. The following table reflects the condensed information from the Authority's Statement of Net Assets compared to the prior year.

CONDENSED STATEMENT OF NET ASSETS

	As of June 30,	
	2005	2004
Assets		
Current assets	\$ 5,604,290	\$ 6,444,570
Capital assets	27,665,630	25,997,570
Other assets	6,789,457	-
Total Assets	40,059,377	32,442,140
Liabilities		
Accounts payable and other current liabilities	1,418,845	1,576,432
Long-term liabilities	11,519,848	3,441,677
Total Liabilities	12,938,693	5,018,109
Net Assets		
Invested in capital assets, net of related debt	22,771,846	22,218,808
Restricted	1,743,885	2,177,020
Unrestricted	2,604,953	3,028,203
Total Net Assets	\$ 27,120,684	\$ 27,424,031

Major Factors Affecting the Statement of Net Assets

Current assets decreased by \$840,280 and current liabilities decreased by \$157,587. The Authority's current ratio decreased from 4.09 in 2004 to 3.95 in 2005. This decrease in the current ratio is principally do to the increase in a deferred credit balance included as a part of other current liabilities. There are sufficient current assets (primarily cash, investments and receivables from HUD) to extinguish current liabilities.

The increase in capital assets of \$1,668,060 represents the net difference between capital assets acquired during the year (\$3,286,443), depreciation expense (\$1,613,241) and book value of assets disposed of (\$5,142).

Other assets totaling \$6,789,457 are comprised of the accumulated costs incurred through June 30, 2005 associated with the Everett Smelter Site acquisition and cleanup (\$3,087,370) and the acquisition and renovation of the ParkRidge property (\$3,702,087).

Increase in the Authority's long-term debt is principally due to the acquisition of the Timber Hill Apartments (\$1,770,000), the Everett Smelter Site (\$3,937,060) and the ParkRidge property (\$3,638,430).

HOUSING AUTHORITY OF THE CITY OF EVERETT
Management's Discussion and Analysis
Year Ended June 30, 2005

The following presents details on the change in unrestricted net assets:

CHANGE IN UNRESTRICTED NET ASSETS

Unrestricted net assets - June 30, 2004	\$	3,028,203
Total change in net assets		(303,347)
Adjustments:		
Depreciation (1)		1,613,241
Adjusted change in net assets		4,338,097
Proceeds from capital asset long-term debt borrowings		1,769,999
Payments on capital asset long-term debt borrowings		(654,976)
Capital expenditures		(3,286,444)
Other changes		5,142
Decrease in restricted assets		433,135
Unrestricted net assets - June 30, 2005	\$	2,604,953

- (1) Depreciation is treated as an expense and reduces the net assets invested in capital assets, net of related debt, but does not have an impact on unrestricted net assets.

While operating results are a significant measure of the Authority's activities, the analysis of the changes in unrestricted net assets provides a clearer picture of the change in financial well-being.

Statement of Revenues, Expenses and Changes in Net Assets

The Statement of Revenues, Expenses and Changes in Net Assets presents the operating results of the Authority, as well as the non-operating revenues and expenses. HUD operating grants and subsidies are considered to be operating revenues (rather than non-operating revenues) based on guidance received from HUD, the primary user of the financial statements.

HOUSING AUTHORITY OF THE CITY OF EVERETT
Management's Discussion and Analysis
Year Ended June 30, 2005

Condensed information from the Authority's statements of revenue, expenses and changes in net assets follows:

**CONDENSED STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN NET ASSETS**

	June 30,	
	2005	2004
Operating revenue		
Operating grants and subsidies	\$ 21,047,924	\$ 21,479,954
Tenant revenue - rents and other	3,252,007	2,687,171
Other revenue	331,344	415,558
Total operating revenue	24,631,275	24,582,683
Operating expenses		
Housing assistance payments	17,683,582	18,359,517
Administrative	2,934,051	3,134,524
Maintenance and operation	2,276,728	2,310,914
Depreciation	1,613,241	1,730,355
Utilities	556,822	476,678
General	436,740	341,218
Tenant services	338,628	357,098
Total operating expenses	25,839,792	26,710,304
Nonoperating revenue (expense)		
Capital grants	1,059,528	1,002,088
Interest income	103,428	72,311
Interest expense	(257,786)	(128,318)
Total nonoperating revenue (expense)	905,170	946,081
Change in Net Assets	(303,347)	(1,181,540)
Net Assets - Beginning of Year	27,424,031	28,605,571
Net Assets - End of Year	\$ 27,120,684	\$ 27,424,031

Major Factors Affecting the Statement of Revenues, Expenses and Changes in Net Assets

Tenant revenues show an increase due to a combination of higher average rents received along with the addition of 30 affordable rental property units acquired during the past year.

HUD subsidies and grants received decreased over that of the prior year due primarily to cuts in funding for the Public Housing Program and the Section-8 Housing Choice Voucher program. The total decrease in operating subsidies and grants was \$432,030, or 2.0%

Total operating expenses decreased by \$870,512 (3.3%) primarily due to the following: Housing assistance payments decreased \$675,935, and administrative expenses decreased \$200,473. Most of the decrease in administrative expenses resulted from a decrease in payroll and related benefits to administer the housing choice vouchers program and the Hope for Elderly Independence program.

HOUSING AUTHORITY OF THE CITY OF EVERETT
Management's Discussion and Analysis
Year Ended June 30, 2005

Capital Assets and Debt Administration

Capital Assets

At June 30, 2005, the Authority had \$27,665,630 invested in variety of capital assets (as summarized below), which represents a net increase of \$1,668,060 from June 30, 2004.

CAPITAL ASSETS AT YEAR-END
(Net of Depreciation)

	As of June 30,	
	2005	2004
Land and site improvements	\$ 3,340,550	\$ 3,045,350
Structures	44,710,553	42,707,231
Equipment	2,484,775	2,374,655
Construction in progress	1,559,517	721,168
Total	52,095,395	48,848,404
Accumulated depreciation	(24,429,765)	(22,850,834)
Capital assets - net	\$ 27,665,630	\$ 25,997,570

The following reconciliation summarizes the change in capital assets from June 30, 2004 to June 30, 2005, which is presented in more detail in Note 3 of the notes to the financial statements.

CHANGE IN CAPITAL ASSETS

Balance at June 30, 2004	\$ 25,997,570
Additions	3,286,443
Reductions - net	(5,142)
Depreciation expense	(1,613,241)
Balance at June 30, 2005	\$ 27,665,630

This year's major additions to capital assets resulted primarily from the Authority's Public Housing Capital Improvement Program and also the acquisition of Timber Hill Apartments, a non-subsidized housing property. Public Housing modernization has been in process for several years to renovate the Grandview Homes property, a 148-unit public housing property. It is anticipated that the Grandview Homes renovation work will be completed by the end of 2009. Dwelling and non-dwelling equipment additions for the year totaled \$110,120.

HOUSING AUTHORITY OF THE CITY OF EVERETT
Management's Discussion and Analysis
Year Ended June 30, 2005

OUTSTANDING DEBT, AT YEAR-END

	As of June 30,	
	2005	2004
Revenue Bonds Payable		
Broadway Plaza East apartments	\$ -	\$ 410,000
Douglas Grove apartments	431,860	461,750
Greenhouse property	103,749	122,240
Rainier Park apartments	566,050	598,235
Rucker Street apartments	434,441	458,677
Oakes Street apartments	392,958	413,605
Bridge Creek apartments	698,264	734,255
Timber Hill apartments	1,701,299	-
	4,328,621	3,198,762
Less: Current portion	(253,847)	(569,818)
	\$ 4,074,774	\$ 2,628,944
Notes Payable		
Bridge Creek apartments	\$ 565,163	\$ 580,000
Less: Current portion	(12,004)	(14,837)
	\$ 553,159	\$ 565,163
Non-revolving Line of Credit Obligations		
Everett Smelter Site Project	\$ 3,016,275	\$ -
ParkRidge Condominium Project	3,638,430	-
	6,654,705	-
Less: Current portion	-	-
	\$ 6,654,705	\$ -

Please refer to Note 5 of the notes to financial statements for additional information on the Authority's outstanding long-term debt.

Economic Factors

Significant economic factors affecting the Authority are as follows:

- Federal funding is at the discretion of the U.S. Department of Housing and Urban Development
- Local labor supply and demand, which can affect salary and wage rates of the Authority
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore the amount of rental income.
- Inflationary pressure on utility rates, supplies and other costs, which affects the cost of the programs.

HOUSING AUTHORITY OF THE CITY OF EVERETT
Statement of Net Assets
June 30, 2005

	Primary Government Total	Component Unit
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents - unrestricted	\$ 2,678,356	\$ 116,066
Cash and cash equivalents - restricted	670,495	79,170
Investments - unrestricted	567,879	-
Investments - restricted	1,477,008	177,274
Accounts receivable (net)		
Tenants	10,132	3,036
HUD	100,023	-
Other	47,479	-
Inventories	41,084	-
Prepaid and other current assets	11,834	12,478
Total current assets	5,604,290	388,024
NON-CURRENT ASSETS:		
Capital assets		
Land	3,340,550	708,000
Property and equipment, net	24,325,080	3,791,145
	27,665,630	4,499,145
Other assets	6,789,457	119,666
Total non-current assets	34,455,087	4,618,811
Total assets	40,059,377	5,006,835
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable - vendors	156,161	23,321
Accounts payable - HUD	10,837	-
Accrued expenses	237,372	57,550
Deferred revenue	21,568	3,948
Security deposits	212,943	16,870
FSS escrow	190,675	-
Other deferred credits	323,438	-
Current portion of long-term debt	265,851	40,000
Total current liabilities	1,418,845	141,689
NON-CURRENT LIABILITIES:		
Bonds and notes payable	11,282,638	3,624,271
Accrued compensated absences	237,210	-
Deferred interest - HOME loan	-	178,147
Total non-current liabilities	11,519,848	3,802,418
Total liabilities	12,938,693	3,944,107
NET ASSETS		
Investment in capital assets, net of related debt	22,771,846	834,874
Restricted	1,743,885	239,574
Unrestricted	2,604,953	(11,720)
TOTAL NET ASSETS	\$ 27,120,684	\$ 1,062,728

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

HOUSING AUTHORITY OF THE CITY OF EVERETT
Statement of Revenues, Expenses and Changes in Net Assets
Year ended June 30, 2005

	Primary Government Total	Component Unit
	<u> </u>	<u> </u>
Operating Revenues		
Tenant rents	\$ 2,986,217	\$ 225,042
HUD operating grants and subsidies	21,047,924	315,324
Other grants	12,917	-
Other tenant charges	265,790	8,778
Other revenue	318,427	600
	<u>24,631,275</u>	<u>549,744</u>
Operating Expenses		
Administration	2,934,051	130,051
Tenant services	338,628	-
Utilities	556,822	35,365
Maintenance & operations	2,276,728	122,974
General	436,740	33,913
Housing assistance payments	17,683,582	-
Depreciation	1,613,241	128,579
	<u>25,839,792</u>	<u>450,882</u>
Operating income (loss)	<u>(1,208,517)</u>	<u>98,862</u>
Nonoperating income (expense)		
HUD capital grants	909,528	-
Other capital grants	150,000	-
Interest income	103,428	2,808
Interest expense	(257,786)	(189,814)
	<u>905,170</u>	<u>(187,006)</u>
Change in Net Assets	(303,347)	(88,144)
Net Assets - Beginning of Year	<u>27,424,031</u>	<u>1,150,872</u>
Net Assets - End of Year	<u><u>\$ 27,120,684</u></u>	<u><u>\$ 1,062,728</u></u>

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

HOUSING AUTHORITY OF THE CITY OF EVERETT
Statement of Cash Flows
Year Ended June 30, 2005

	Primary Government Total	Component Unit
Cash flow from operating activities:		
Cash received from tenant rents	\$ 2,962,444	\$ 224,432
Cash received from HUD operating grants and subsidies	21,416,075	323,739
Cash received from other operating grants	20,344	-
Cash payments to suppliers for goods and services	(2,490,849)	(195,719)
Cash paid for salaries and benefits	(3,828,848)	(122,476)
Housing assistance payments	(17,769,614)	-
Other receipts	637,460	600
Net cash provided by operating activities	947,012	230,576
Cash flows from capital and related financing activities:		
HUD capital grants	1,034,702	-
Other capital grants	150,000	-
Property and equipment additions	(3,286,444)	(1,567)
Proceeds from short-term borrowings	7,575,489	-
Repayment of short-term debt obligations	(920,784)	-
Proceeds from long-term borrowings	1,770,000	-
Repayment of long-term debt obligations	(654,978)	(35,000)
Interest paid on debt obligations	(204,629)	(139,958)
Reduction in assets held for sale	331,300	-
Additions to other assets	(6,789,457)	-
Net cash used in capital and related financing activities	(994,801)	(176,525)
Cash flows from investing activities:		
Net (additions) reductions to unrestricted investments	74,875	-
Net (additions) reductions to restricted investments	609,720	(397)
Interest income	102,322	2,808
Net cash provided by (used in) investing activities	786,917	2,411
Increase in cash and cash equivalents	739,128	56,462
Cash and cash equivalents at beginning of year	2,609,723	138,774
Cash and cash equivalents at end of year	\$ 3,348,851	\$ 195,236

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

Continued

HOUSING AUTHORITY OF THE CITY OF EVERETT
Statement of Cash Flows
Year Ended June 30, 2005

	Primary Government Total	Component Unit
Reconciliation of Operating Loss to Net Cash Used		
In Operating Activities:		
Operating loss	\$ (1,208,517)	98,862
Adjustments to reconcile operating loss to net cash used in operating activities:		
Depreciation	1,613,241	123,695
Amortization of bond issue costs	-	4,884
Loss on disposition of equipment	5,142	-
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable tenants	1,617	(2,926)
Accounts receivable - HUD	181,928	8,415
Accounts receivable - other	28,971	-
Inventory	5,225	-
Prepaid expenses and other assets	221,705	(799)
Increase (decrease) in liabilities:		
Accounts payable - vendors	(7,011)	4,907
Accounts payable - HUD	(132,477)	-
Accrued expenses	(5,784)	-
Deferred revenue	(15,768)	(5,677)
FSS escrow	(86,032)	-
Security deposits	31,699	(785)
Accrued compensated absences	3,994	-
Other deferred credits	309,079	-
Net cash used in operating activities	\$ 947,012	\$ 230,576

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

Concluded

HOUSING AUTHORITY OF THE CITY OF EVERETT
Notes to Financial Statements
June 30, 2005

The following notes are an integral part of the accompanying financial statements.

1 – Summary of Significant Accounting Policies

The Housing Authority of the City of Everett, Washington (Authority) was created in 1942 as a municipal corporation which derives its power from state law, Chapter 35.82, RCW. The Authority is responsible for operating certain low-rent housing programs in the City of Everett under programs administered by the U.S. Department of Housing and Urban Development (HUD). These programs provide housing for eligible families under the United States Housing Act of 1937, as amended. The Authority has no taxing powers.

The Mayor of the City of Everett appoints the six member Board of Commissioners for five-year terms. The terms are staggered so that generally one term expires each year on October 4, the Authority's anniversary. The Board sets policy of the Authority and hires the Executive Director who directs the daily operations of the Authority.

The Authority is not considered to be a component unit of the City of Everett. However, the Authority cooperates closely with the City in carrying out housing programs within the Everett area. An important element of the Authority's relationship with the City is a cooperation agreement, which calls for the City to provide support services (police, fire, etc.,) to specified developments. In exchange, the Authority makes voluntary payments in lieu of taxes (PILOT) to the City of Everett for those developments.

a. Financial Reporting Model

The Housing Authority has prepared its financial statements in conformity with accounting principles generally accepted in the United States of America. The Authority follows the business-type activities reporting requirements of GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*. The Authority has implemented GASB Statement No. 37, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments: Omnibus, an amendment of GASB Statements No. 21 and No. 34*, and Statement No. 38, *Certain Financial Statement Disclosures*. These statements revise accounting and reporting standards for general purpose external financial reporting by governmental units. In accordance with GASB Statement No. 34, the accompanying basic financial statements are reported on an Authority-wide basis.

Statement No. 34 requires the following, which collectively make up the Authority's basic financial statements:

- Management's Discussion and Analysis
- Basic financial statements:
 - Statement of Net Assets
 - Statement of Revenues, Expenses, and Changes in Net Assets
 - Statement of Cash Flows
 - Notes to the financial statements

b. Reporting Entity

As required by GAAP, the accompanying financial statements present the financial data of the Authority (the primary government) and its discretely presented component unit. The financial data of the discretely presented component unit is included in the Authority's financial statements because of the significance of its operational or financial relationships with the Authority. The Authority and its component unit are together referred to as the reporting entity.

In determining how to define the reporting entity, management has considered all potential component units. The decision to include a component unit in the reporting entity is governed by

HOUSING AUTHORITY OF THE CITY OF EVERETT
Notes to Financial Statements
June 30, 2005

applying the criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*. These criteria state that the financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Based on these criteria, the following entity has been identified as a component unit:

Discretely Presented Component Unit

The Authority has significant influence as the general partner in the limited partnership, EHA-Twelve Pines Limited Partnership. In addition, the Authority also has a significant financial relationship with the limited partnership. Third parties unrelated to the Authority hold the limited partnership interests. The Authority has certain rights and responsibilities which enable it to impose its will on the limited partnership due to its significant influence as the general partner and also its financial relationships with the partnership.

The limited partnership was formed in August 1999 for the purpose of acquiring and renovating an 80 unit apartment complex located in Everett, Washington. The partnership agreement provides for termination of the partnership in 2097.

The responsibility for the management of the affairs of the limited partnership is vested with the Everett Housing Authority as the general partner. The limited partnership's December 31, 2004 year-end financial statements are included within the Authority's basic financial statements. Complete financial statements of the limited partnership can be obtained from the Executive Director of the Everett Housing Authority, 3107 Colby Avenue, Everett, WA 98201.

c. Basis of Presentation

All of the Authority's programs are accounted for as one business-type activity for reporting purposes. This financial statement presentation provides for an indication of the financial performance of the Authority as a whole. Enterprise designations are used to account for activities (a) which are financed with debt that is solely secured by a pledge of the net revenues from fees and charges of the activity; (b) which are governed by laws or regulations that require that the activity's costs of providing services be recovered with fees and charges, rather than taxes or similar revenues; or (c) that the pricing policies of the activity establish fees and charges designated to recover its costs. The Authority has elected not to follow Financial Accounting Standards Board (FASB) pronouncements issued subsequent to November 30, 1989. The Authority follows all applicable GASB pronouncements and FASB pronouncements issued prior to November 30, 1989, unless they conflict with GASB pronouncements.

d. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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 the related cash flows.

Depreciation of capital assets is recognized and all assets and liabilities associated with the operation of the Authority are included in the statement of net of assets.

The principal operating revenues of the Authority are rental revenues received from residents and operating subsidies and grants received from HUD. Grants, subsidies and similar items are recognized as revenue as soon as all eligibility requirements have been met. Operating expenses for the Authority include the costs of operating housing units, administrative expenses, housing assistance payments to landlords and depreciation on capital assets. HUD operating grants and

HOUSING AUTHORITY OF THE CITY OF EVERETT
Notes to Financial Statements
June 30, 2005

subsidies are received by the Authority for each unit rented to qualified tenants in the public housing and Section 8 programs. Classification of operating grants and subsidies as operating revenues (rather than as non-operating revenues) is based on guidance from HUD, the primary user of the financial statements. This presentation, which is a change from the prior year, results in a operating income that is higher than a non-operating revenue presentation by the amount of the subsidies and grants. Overall it does not affect the presentation of net income or the change in net assets in the statement of revenues, expenses, and changes in net assets, or the presentation of cash and cash equivalents in the statement of cash flows. All other revenue and expenses not meeting the definition of operating revenues and expenses are reported as non-operating revenues and expenses, primarily interest income and interest expense.

e. Cash and Cash Equivalents – Unrestricted and Restricted

For the purposes of the statement of cash flows, the Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents are stated at fair value.

f. Investments – Unrestricted and Restricted

Investments are stated a fair value.

g. Inventories and Prepaid Items

Inventories are stated at cost and consist of expendable materials and supplies. Inventory items are expended using the first-in, first-out method. Prepaid items are for payments made by the Authority in the current year to provide services occurring in a subsequent fiscal year.

h. Capital Assets and Depreciation

All land, structures and equipment are recorded on a historical cost basis. All capital assets with a value of \$2,000 or more and a life expectancy of three years are capitalized. Depreciation is calculated using the straight-line method over the estimated useful lives of the respective assets, which are as follows:

Buildings and improvements	15 to 35 years
Furnishings and equipment	10 to 12 years
Computer equipment	5 years
Vehicles	7 years

i. Revenue Recognition

Subsidies and grants received from HUD and other grantors are generally recognized during the periods to which the grants relate. Tenant rental revenues are recognized during the period of occupancy. Receipts from the Public Housing Capital Grant Program and other reimbursement based grants are recognized when the related expenses are incurred. Expenses are recognized when incurred.

j. Compensated Absences

All fulltime employees earn annual vacations at the rate of 13 days per year. Additional vacation time is earned by employees based on their years of service. A maximum of 22 days per year can be earned after ten years of service. Employees are allowed to accumulate a maximum of 30 days of unused vacation time. Employees are paid for all accumulated vacation pay upon termination.

HOUSING AUTHORITY OF THE CITY OF EVERETT
Notes to Financial Statements
June 30, 2005

The Authority recognizes and compensates employees for 11 traditional holidays and one floating holiday. Holiday pay is recorded as an expense when paid. Fulltime employees earn sick leave at a rate of 13 days per year. Sick leave is allowed to accumulate to a maximum of 120 days. Employees are compensated for accumulated unused sick leave at the rate of 25% upon termination.

k. Income Taxes

The Everett Housing Authority is exempt from federal income tax under 501(c)(4) of the Internal Revenue Code. Accordingly, no provision for income tax is reflected in the financial statements.

l. Use of Estimates.

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues and expenses, at and during the reporting period. Actual results could differ from those estimates.

m. Public Support Funding

The Housing Authority receives a substantial amount of its funding from HUD. In the event that HUD would discontinue its support because of budget cuts, the Housing Authority could experience a significant loss of support.

n. Budgetary Accounting and Control

The Authority's annual budget is prepared on the accrual basis of accounting and approved by the Board of Commissioners. The budget includes anticipated amounts for current year revenues and expenses as well as new capital projects.

The Authority maintains budgetary control by not permitting total operating expenses and expenditures for individual programs to exceed their respective budget amounts without the appropriate approvals. All budget amounts lapse at year-end. Encumbrance accounting is not used as an extension of formal budget control.

2 – Deposits and Investments

a. Deposits

Cash and cash equivalents of the Authority at year-end are as follows:

	Primary Government	Component Unit
Change and petty cash funds	\$ 800	\$ -
Demand deposits with Financial Institutions	526,558	81,933
Invested with the Washington State Local Government Investment Pool	2,821,493	113,303
Carrying value	\$ 3,348,851	\$ 195,236

Cash and cash equivalents consisted of demand deposits with financial institutions are fully insured or collateralized by the Federal Deposit Insurance Corporation (FDIC) and the Washington Public Deposit Protection Commission. The Public Deposit Protection Act, as created in 1969 and subsequently amended, requires all participating banks in the State of Washington to collectively

HOUSING AUTHORITY OF THE CITY OF EVERETT
Notes to Financial Statements
June 30, 2005

assure that no loss of funds will be suffered by any public treasurer or custodian of public funds, within certain guidelines as stipulated by amendments to the original Act. The Act therefore allows all custodians of public funds in the State of Washington to maintain deposits in excess of the financial institution's FDIC limit.

The bank balances (demand deposits with financial institutions) at year-end were \$749,422 (primary government) and \$93,238 (component unit). The difference represents deposits in transit, outstanding checks and other in-transit items. The custodial risk of the Authority's deposits are classified as Category 1, insured or collateralized with securities held by the Authority or by its agent in the Authority's name.

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, interest bearing bank deposits and certificates of deposit. 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 assets and share prices since that amount approximates fair value. The Authority's investment in the LGIP is not subject to custodial credit risk categorization because it is not evidenced by securities that exist in physical or book entry form. Prior to July 1, 2004 the Authority classified the funds invested in the LGIP as an *investment* rather than as *cash and cash equivalents*.

b. Investments

The Authority is authorized by HUD and its Board to invest in time deposits, certificates of deposit and obligations of the U.S. Government or its agencies, and with the State of Washington through its Local Government Investment Pool.

The Authority and the Component Unit assumes levels of custodial credit risk for its deposits with financial institutions, bank investment agreements and investments. Investment risks are categorized as (1) insured or registered, or securities held by the Authority or its agent in the Authority's name, (2) uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Authority's name or (3) uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Authority's name.

At year-end the investment risks for the Authority's and the Component Unit's investments are summarized as follows:

	<u>Category 1</u>	<u>Category 2</u>	<u>Category 3</u>	<u>Carrying Value</u>
<u>Primary Government</u>				
Certificates of deposit - unrestricted	\$ 567,879	\$ -	\$ -	\$ 567,879
Certificates of deposit - restricted	<u>1,477,008</u>	<u>-</u>	<u>-</u>	<u>1,477,008</u>
	<u>\$ 2,044,887</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,044,887</u>
 <u>Component Unit</u>				
First American Treasury Obligation Fund				<u>\$ 177,274</u>

The First American Treasury Obligations Fund investments are not categorized because the investments are not evidenced by securities that exist in physical or book entry form.

HOUSING AUTHORITY OF THE CITY OF EVERETT
Notes to Financial Statements
June 30, 2005

3 – Capital Assets

Primary Government:

The following is a summary of the changes (at cost) in capital assets (land, structures and equipment) used by the Authority in its enterprise fund operations:

	Balance July 1, 2004	Additions	Reductions	Balance June 30, 2005
Capital assets, not being depreciated:				
Land	\$ 2,880,454	\$ 295,200	\$ -	\$ 3,175,654
Construction in progress	721,168	838,349	-	1,559,517
Total capital assets, not being depreciated	<u>3,601,622</u>	<u>1,133,549</u>	<u>-</u>	<u>4,735,171</u>
Capital assets, being depreciated:				
Site improvements	164,896	-	-	164,896
Dwelling and dwelling improvements	42,707,231	2,003,322	-	44,710,553
Furniture, equipment and machinery	2,374,655	149,572	39,452	2,484,775
Total capital assets, being depreciated	<u>45,246,782</u>	<u>2,152,894</u>	<u>39,452</u>	<u>47,360,224</u>
Less accumulated depreciation for:				
Site improvements	90,153	4,827	-	94,980
Dwelling and dwelling improvements	21,165,861	1,455,283	-	22,621,144
Furniture, equipment and machinery	1,594,820	153,131	34,310	1,713,641
Total accumulated depreciation	<u>22,850,834</u>	<u>1,613,241</u>	<u>34,310</u>	<u>24,429,765</u>
Total capital assets being depreciated, net	<u>22,395,948</u>	<u>539,653</u>	<u>5,142</u>	<u>22,930,459</u>
Total capital assets, net	<u>\$25,997,570</u>	<u>\$ 1,673,202</u>	<u>\$ 5,142</u>	<u>\$27,665,630</u>

HOUSING AUTHORITY OF THE CITY OF EVERETT
Notes to Financial Statements
June 30, 2005

Component Unit:

The following is a summary of the changes (at cost) in capital assets (land, structures and equipment) held by the Component Unit at December 31, 2004:

	Balance January 1, 2004	Additions	Reductions	Balance December 31, 2004
Capital assets, not being depreciated:				
Land	\$ 708,000	\$ -	\$ -	\$ 708,000
Total capital assets, not being depreciated	708,000	-	-	708,000
Capital assets, being depreciated:				
Site improvements	3,359	-	-	3,359
Dwelling and dwelling improvements	4,357,156	-	-	4,357,156
Furniture, equipment and machinery	8,705	1,567	-	10,272
Total capital assets, being depreciated	4,369,220	1,567	-	4,370,787
Less accumulated depreciation for:				
Site improvements	238	168	-	406
Dwelling and dwelling improvements	451,959	122,472	-	574,431
Furniture, equipment and machinery	3,750	1,055	-	4,805
Total accumulated depreciation	455,947	123,695	-	579,642
Total capital assets being depreciated, net	3,913,273	(122,128)	-	3,791,145
Total capital assets, net	\$ 4,621,273	\$ (122,128)	\$ -	\$ 4,499,145

4 – Other Assets

Primary Government

a. Everett Smelter Site

On July 22, 2004 the Everett Housing Authority finalized a purchase and sale agreement with Domestic Realty Company (a wholly-owned subsidiary of ASARCO, Incorporated) to purchase, clean up and, if applicable, to rehabilitate and prepare for redevelopment portions of the property known as the “Everett (Asarco) Smelter Site”. The property, located in North Everett, consists of approximately 7 acres (the Fenced Area) plus 9 single family homes near the fenced area. Under the purchase and sale agreement, ASARCO has accepted full responsibility for the remediation of the fenced area and the nine houses to residential standards as established by the Washington State Department of Ecology. Any remediation cost overruns will be the responsibility of ASARCO.

Funding for the purchase of the property was provided by Bank of America through the issuance of a \$5,700,000 Tax-exempt Non-Revolving Line of Credit Revenue Note. The note matures on July 23, 2006. Interest (at 65% of the Bank’s prime rate) is due quarterly. Repayment of the note principal is

HOUSING AUTHORITY OF THE CITY OF EVERETT
Notes to Financial Statements
June 30, 2005

anticipated to come from a combination of funds provide by the Washington State Department of Ecology and from the sale of the property following remediation. The City of Everett has guaranteed repayment of the loan through a pledge of its full faith and credit.

During the year ended June 30, 2005, Bank of America advanced a total of \$3,937,060 to the Authority under the line of credit note. Loan principal advances were used by the Authority to pay for acquisition and remediation of the property. Principal repayments totaling \$920,784 were made by the Authority during the year. At June 30, 2005, the unpaid principal balance was \$3,016,275. The un-drawn line of credit balance available to the Authority at year-end was \$1,762,940. All interest payments due during the year were paid when due and are include as a remediation cost.

Net acquisition and remediation costs incurred through June 30, 2005 were \$3,087,370.

See Footnote 11, Subsequent Events.

b. ParkRidge Condominium Project

In January 2005 the Authority acquired a 60-unit property which had been operated as an apartment complex for approximately twenty-three years. The complex is located in an unincorporated area just south of the City of Everett, Washington. The Authority purchased the property with the intent to sell the individual condominium units to low income families following renovation.

During the period from acquisition through June 30, 2005, the Authority operated the complex as a rental property. Renovation work began in July 2005, and is expected to be completed prior to July 1, 2006. Unit sales began in July 2005. As of September 30, 2005, the Authority has entered into individual advance sales agreements for all 60 units.

Financing for the purchase and renovation of the property was provided by a \$4,760,000 Tax-exempt Non-Revolving Line of Credit Revenue Bond sold to Bank of America. The bond matures on January 20, 2008. Interest (at 65% of the Bank's prime rate) is due quarterly. Condominium sales proceeds will be used to retire the bond.

Bank of America has advanced a total of \$3,638,430 to the Authority under the line of credit bond agreement as of June 30, 2005. Bond principal advances were used by the Authority to pay for acquisition and renovation of the property. No principal repayments have been made as of June 30, 2005. The balance of funds available under the line of credit agreement at year-end was \$1,121,570. All interest accrued through June 30th is include as a non-operating expense in the Authority's Statement of Revenues, Expenses and Changes in Net Assets.

As of June 30, 2005, a total of \$3,702,087 in costs had been incurred for the acquisition and renovation of the property.

HOUSING AUTHORITY OF THE CITY OF EVERETT
Notes to Financial Statements
June 30, 2005

5 – Non-Current Liabilities

Primary Government:

Changes in long-term debt obligations for the Primary Government during the year ended June 30, 2005 are summarized below:

	Beginning Balance July 1	Additions	Reductions	Ending Balance June 30	Due Within One Year
Revenue bonds	\$ 3,198,762	\$ 1,770,000	\$ 640,141	\$ 4,328,621	\$ 253,847
Promissory notes	580,000	-	14,837	565,163	12,004
Line of credit obligations	-	7,575,489	920,784	6,654,705	-
	<u>\$ 3,778,762</u>	<u>\$ 9,345,489</u>	<u>\$ 1,575,762</u>	<u>\$ 11,548,489</u>	<u>\$ 265,851</u>

The following schedule lists the outstanding bonds of the Primary Government as of June 30, 2005:

Revenue Bonds - Name of Issue	Issuance Date	Maturity Date	Interest Rate	Bond Issuance	Balance Outstanding June 30
Revenue Bond 2001					
Douglas Grove Apartments	5/1/2001	5/1/2016	5.20%	\$ 540,000	\$ 431,860
Refunding Revenue Bond 2003					
Greenhouse Project	5/30/2003	6/1/2010	3.75%	140,000	103,749
Revenue Bond 2003					
Rainier Park Apartments Project	6/10/2003	6/10/2018	4.10%	625,000	566,050
Revenue Bond 2003					
Rucker Apartments Project	7/2/2003	7/2/2018	4.13%	480,000	434,441
Revenue Bond 2003					
Oakes Avenue Apartments Project	8/1/2003	8/1/2018	4.90%	430,000	392,958
Revenue Bond 2004					
Bridge Creek Apartments Project	3/31/2004	3/31/2019	4.31%	740,000	698,264
Revenue Bond 2004					
Timber Hill Apartments Project	7/30/2004	8/1/2019	4.64%	1,770,000	1,701,299
Total bonds outstanding					<u>\$ 4,328,621</u>

The following is a schedule of outstanding notes as of June 30, 2005:

Description of Note	Loan Date	Maturity Date	Interest Rate	Original Amount	Balance Outstanding June 30
Promissory Note					
Bridge Creek Apartments Project	3/15/2004	3/31/2044	1.00%	\$ 580,000	\$ 565,163
Total notes outstanding					<u>\$ 565,163</u>

HOUSING AUTHORITY OF THE CITY OF EVERETT
Notes to Financial Statements
June 30, 2005

The following is a schedule of outstanding non-revolving line of credit obligations as of June 30, 2005:

<u>Description of Line of Credit Obligation</u>	<u>Loan Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Not to Exceed Amount</u>	<u>Balance Outstanding June 30</u>
Non-revolving Line of Credit Revenue Note, 2004					
Everett Smelter Site Project	7/23/2004	7/23/2006	65% of Prime Rate	\$ 5,700,000	\$ 3,016,275
Non-revolving Line of Credit Revenue Bond, 2005					
ParkRidge Condominiums Project	1/20/2005	1/20/2008	65% of Prime Rate	4,760,000	3,638,430
Total line of credit note and bond outstanding					<u><u>\$ 6,654,705</u></u>

Component Unit:

Changes in long-term debt obligations for the Component Unit during the year ended December 31, 2004 is summarized below:

	<u>Beginning Balance January 1</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance December 31</u>	<u>Due Within One Year</u>
Revenue bonds	\$ 2,200,000	\$ -	\$ 35,000	\$ 2,165,000	\$ 40,000
Promissory notes	1,499,271	-	-	1,499,271	-
	<u><u>\$ 3,699,271</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 35,000</u></u>	<u><u>\$ 3,664,271</u></u>	<u><u>\$ 40,000</u></u>

The following is a schedule of outstanding bonds as of December 31, 2004:

<u>Revenue Bonds - Name of Issue</u>	<u>Issuance Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Bond Issuance</u>	<u>Balance Outstanding December 31</u>
Housing Revenue Bonds 1999					
Twelve Pines Apartment Project	8/1/1999	8/1/2029	4.70 - 6.50%	\$ 2,300,000	\$ 2,165,000
Total bonds outstanding					<u><u>\$ 2,165,000</u></u>

The following is a schedule of outstanding notes as of December 31, 2004:

<u>Description of Note</u>	<u>Loan Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance Outstanding December 31</u>
Promissory Note, City of Everett					
HOME Loan	8/1/1999	8/1/2024	3.00%	\$ 950,000	\$ 950,000
Promissory Note, EHA					
Developer fee	8/30/2002	3/15/2018	3.00%	580,481	549,271
Total notes outstanding					<u><u>\$ 1,499,271</u></u>

HOUSING AUTHORITY OF THE CITY OF EVERETT
Notes to Financial Statements
June 30, 2005

Primary Government:

The annual debt service requirements of the Primary Government long-term debt obligations are as follows:

Year Ended June 30	Revenue Bonds	Notes	Lines of Credit Notes	Interest	Total
	\$				\$
2006	253,847	\$ 12,004	\$ -	\$ 444,138	709,989
2007	265,595	12,124	3,016,275	365,179	3,659,173
2008	277,486	12,246	3,638,430	294,433	4,222,595
2009	290,857	12,369	-	161,450	464,676
2010	304,394	12,493	-	147,788	464,675
2011-2015	1,441,705	64,373	-	481,976	1,988,054
2016-2020	1,308,030	67,669	-	170,953	1,546,652
2021-2025	186,707	71,134	-	22,462	280,303
2026-2030	-	74,776	-	13,277	88,053
2031-2035	-	78,605	-	9,448	88,053
2036-2040	-	82,630	-	5,423	88,053
2041-2045	-	64,740	-	1,300	66,040
	\$	\$			
	<u>4,328,621</u>	<u>565,163</u>	<u>\$ 6,654,705</u>	<u>\$ 2,117,827</u>	<u>\$ 13,666,316</u>

Component Unit:

The annual debt service requirements of the Component Unit long-term debt obligations are as follows:

Year Ended December 31	Revenue Bonds	Notes	Interest	Total
2005	\$ 40,000	\$ 65,258	\$ 170,112	\$ 275,370
2006	40,000	34,105	150,480	224,585
2007	45,000	35,128	147,257	227,385
2008	45,000	36,182	143,683	224,865
2009	45,000	37,267	140,033	222,300
2010-2014	285,000	203,791	635,419	1,124,210
2015-2019	400,000	137,540	499,459	1,036,999
2020-2024	535,000	-	345,800	880,800
2025-2029	730,000	950,000	870,446	2,550,446
	\$	\$	\$	\$
	<u>\$ 2,165,000</u>	<u>\$ 1,499,271</u>	<u>3,102,689</u>	<u>6,766,960</u>

HOUSING AUTHORITY OF THE CITY OF EVERETT
Notes to Financial Statements
June 30, 2005

6 – Conduit Debt

The Authority has issued special revenue low income housing bonds to provide financial assistance to not-for-profit agencies to acquire, construct and rehabilitate low-income housing. These bonds are payable solely from the revenue of the low-income housing properties owned by the not-for-profit agencies, and do not constitute a debt or pledge of the full faith and credit of the Authority, the State of Washington or any political subdivision thereof. Accordingly, these obligations and related assets are not presented in the financial statements of the Authority.

As of June 30, 2005, there were 4 separate series of these special revenue bonds outstanding with an aggregate original principal amount payable of \$16,104,000. The estimated unpaid principal balance of these obligations at June 30, 2005 is \$12,028,800. No new debt of this type was issued during the year ended June 30, 2005.

7 – Participation in Housing Authorities Risk Retention Pool

The Authority is a member of the Housing Authorities Risk Retention Pool (HARRP). Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Interlocal Cooperation Act), authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insure, or hire or contract for risk management services. HARRP was created in March 1987 for the purposes of providing insurance and risk management services for housing authorities in the states of Washington, Oregon and California. HARRP currently has a total of ninety-one members, of which thirty-seven are Washington housing authorities.

The Housing Authority has obtained the following coverages from HARRP:

- General liability and automobile liability coverages are written on an occurrence form basis, without any deductible.
- Errors and omissions coverage, including employment practices liability, is written on a claims made basis. The Authority is responsible for 10% of any incurred loss.
- Property loss coverage is on a replacement cost basis with a deductible of \$1,000 per occurrence.
- Fidelity coverage with a limit of \$100,000 for employee dishonesty and forgery or alteration and \$20,000 for theft, with a deductible of \$1,000 per occurrence.

Coverage limits for general liability, errors & omissions and property are \$3,000,000 per occurrence with a \$3,000,000 annual aggregate. Additional property coverage is provided for the Bakerview, Broadway Plaza East and Broadway Plaza West properties. Limits for automobile liability are \$2,000,000 per occurrence with a \$2,000,000 annual aggregate. HARRP self-insures \$300,000 per claim, purchases reinsurance for the remaining casualty limits and for \$1,700,000 of the property limits. Property limits above \$2,000,000 are purchased from Saint Paul Travelers Insurance Company. The HARRP Board of Directors determines the limits and coverage terms, in its sole discretion.

HARRP provides loss control services, claim investigation and adjusting, litigation management and defense with in-house staff and retained third party contractors.

HARRP is fully funded by member assessments that are adjusted annually by the HARRP Board on the basis of independent actuarial studies. These assessments cover loss, loss adjustment, reinsurance and other administrative expenses. HARRP does not have the right to assess the membership for any shortfall in its funding. Such shortfalls are made up through future rate adjustments.

HOUSING AUTHORITY OF THE CITY OF EVERETT
Notes to Financial Statements
June 30, 2005

8 – Pension Plan

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

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

Plan Description. PERS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a combination defined benefit/defined contribution plan. Membership in the system includes: elected officials; state employees; employees of the Supreme, Appeals, and Superior courts (other than judges currently in a judicial retirement system); employees of legislative committees; community and technical colleges, college and university employees (not in national higher education retirement programs); judges of district and municipal courts; and employees of local governments. PERS participants who joined the system by September 30, 1977, are Plan 1 members. Those who joined on or after October 1, 1977 and by either, February 28, 2002 for state and higher education employees, or August 31, 2002 for local government employees, are Plan 2 members unless they exercise an option to transfer their membership to Plan 3. PERS participants joining the system on or after March 1, 2002 for state and higher education employees, or September 1, 2002 for local government employees have the irrevocable option of choosing membership in either PERS Plan 2 or PERS Plan 3. The option must be exercised within 90 days of employment. An employee is reported in Plan 2 until a choice is made. Employees who fail to choose within 90 days default to PERS Plan 3. PERS defined benefit retirement benefits are financed from a combination of investment earnings and employer and employee contributions. PERS retirement benefit provisions are established in state statute and may be amended only by the State Legislature.

Plan 1 retirement benefits are vested after an employee completes five years of eligible service. Plan 1 members are eligible for retirement at any age after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. The annual pension is 2 percent of the average final compensation per year of service, capped at 60 percent. The average final compensation is based on the greatest compensation during any 24 eligible consecutive compensation months. If qualified, after reaching the age of 66 a cost-of-living allowance is granted based on years of service credit and is capped at 3 percent annually.

Plan 2 retirement benefits are vested after an employee completes five years of eligible service. Plan 2 members may retire at the age of 65 with five years of service, or at the age of 55 with 20 years of service, with an allowance of 2 percent of the average final compensation per year of service. The average final compensation is based on the greatest compensation during any eligible consecutive 60-month period. Plan 2 retirements prior to the age of 65 receive reduced benefits. If retirement is at age 55 or older with at least 30 years of service, a 3 percent per year reduction applies; otherwise an actuarial reduction will apply. There is no cap on years of service credit; and a cost-of-living allowance is granted (indexed to the Seattle Consumer Price Index), capped at 3 percent annually.

Plan 3 has a dual benefit structure. Employer contributions finance a defined benefit component, and member contributions finance a defined contribution component. The defined benefit portion provides a benefit calculated at 1 percent of the average final compensation per year of service. The average final compensation is based on the greatest compensation during any eligible consecutive 60-month period. Plan 3 members become eligible for retirement if they have: at least ten years of service; or five years including twelve months that were earned after age 54; or five service credit years earned in PERS Plan 2 prior to June 1, 2003. Plan 3 retirements prior to the age of 65 receive reduced benefits. If retirement is at age 55 or older with at least 30 years of service, a 3 percent per year reduction applies; otherwise an actuarial reduction will apply. There is no cap on years of service credit; and Plan 3 provides the same

HOUSING AUTHORITY OF THE CITY OF EVERETT
Notes to Financial Statements
June 30, 2005

cost-of-living allowance as Plan 2. The defined contribution portion can be distributed in accordance with an option selected by the member, either as a lump sum or pursuant to other options authorized by the Employee Retirement Benefits Board.

There are 1,168 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of September 30, 2003:

Retirees and beneficiaries receiving benefits	65,362
Terminated plan members entitled to but not yet receiving benefits	20,001
Active plan members vested	100,469
Active plan members nonvested	<u>54,081</u>
 Total	 <u><u>239,913</u></u>

Funding Policy. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates, Plan 2 employer and employee contribution rates, and Plan 3 employer contribution rates. Employee contribution rates for Plan 1 are established by statute at 6 percent for state agencies and local government unit employees, and 7.5 percent for state government elected officers. The employer and employee contribution rates for Plan 2 and the employer contribution rate for Plan 3 are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. All employers are required to contribute at the level established by the Legislature. PERS Plan 3 defined contribution is a non-contributing plan for employers. Employees who participate in the defined contribution portion of PERS Plan 3 do not contribute to the defined benefit portion of PERS Plan 3. The Employee Retirement Benefits Board sets Plan 3 employee contribution rates. Six rate options are available ranging from 5 to 15 percent; two of the options are graduated rates dependent on the employee's age. The methods used to determine the contribution requirements are established under state statute in accordance with chapters 41.40 and 41.45 RCW.

The Housing Authority's covered payroll for the year ended June 30, 2005 was \$3,202,399. Total gross payroll for the Authority was \$3,515,844.

The required contribution rates expressed as a percentage of covered payroll effective with the rate change on September 1, 2004 were:

	PERS Plan 1 Required	PERS Plan 2 Required	PERS Plan 3 Required
Employer	1.38%	1.38%	1.38%
Employee	6.00%	1.18%	varies
	<u>7.38%</u>	<u>2.56%</u>	<u>varies</u>

The employer and employee required contributions during the year ended June 30, 2005 were:

	PERS Plan 1 Required	PERS Plan 2 Required	PERS Plan 3 Required	Total Required
Employer	\$1,450	\$38,548	\$4,305	\$44,303
Employee	<u>6,290</u>	<u>32,879</u>	<u>17,213</u>	<u>56,382</u>
	<u><u>\$7,740</u></u>	<u><u>\$71,427</u></u>	<u><u>\$21,518</u></u>	<u><u>\$100,685</u></u>

HOUSING AUTHORITY OF THE CITY OF EVERETT
Notes to Financial Statements
June 30, 2005

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	Required Employer Contributions
2005	\$ 3,202,399	\$ 56,382	\$ 44,303
2004	3,204,876	56,503	44,867
2003	2,859,970	32,015	37,752

9 – Deferred Compensation Plan

The Housing Authority offers its employees a deferred compensation plan created in accordance with Internal Revenue Service Code Section 457. The Plan, available to all regular employees, permits them to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency. The Authority made no contributions to the plan during the year.

All assets of the plan are held in a trust for the exclusive benefit of the participants and their beneficiaries. Investments are managed by the Washington State Department of Retirement Systems. The plan is not included in the Authority's financial statements as the Authority does not hold these assets in a trust capacity.

10 – Contingencies

The Authority is a party to various legal proceedings which seek damages or injunctive relief generally incidental to its operations and pending projects. The Authority's management is of the opinion that the ultimate disposition of various claims and legal proceedings will not have a material effect, if any, on the financial condition of the Authority.

11– Subsequent Event

Everett Smelter Site. On August 10, 2005, ASARCO LLC, successor to ASARCO, Incorporated, filed for Chapter 11 Bankruptcy protection (See footnote 4).

The Housing Authority notified ASARCO by letter dated August 15, 2005 that ASARCO was in default under the Purchase Agreement and the Remediation Agreement as a result of (i) the failure of ASARCO to conduct the remediation work required by the Remediation Agreement, and (ii) the failure of ASARCO to pay the costs for such remediation work in excess of budget (cost overruns) for the Everett Smelter Site. The bankruptcy filing by ASARCO is also considered to be a material condition (breach or default) under the Contingent Funding Agreement between the City of Everett, the Bank of America and the Authority. As a result, Bank of America temporarily suspended loan advances under the line of credit loan agreement.

The Authority has assumed responsibility for completing the cleanup of the Everett Smelter Site. On September 16, 2005, the City of Everett, the Bank of America and the Housing Authority agreed to a supplemental financing plan under which the cleanup could continue. At the same time, the City and the

HOUSING AUTHORITY OF THE CITY OF EVERETT
Notes to Financial Statements
June 30, 2005

Housing Authority entered into a related Agreement (“Agreement Regarding Advancement of Additional Cleanup Costs”), under which the City will advance to the Authority up to \$900,000 to pay the anticipated cost overruns resulting from the ASARCO bankruptcy filing. The City further agreed to convert \$225,000 of this advance to a grant. On September 27, 2005, the Department of Ecology notified the Housing Authority that it would increase its grant to the Authority and pay \$450,000 of the \$900,000 anticipated cost overruns. The Housing Authority has agreed to pay the remaining \$225,000 itself.

On October 6, 2005, Bank of America notified the Housing Authority that all conditions had been met to resume draws on its line of credit revenue note.

The Authority has entered into an agreement to sell the Everett Smelter Site property to a local developer. The sale is scheduled to close on March 31, 2006, subject to completion of all remediation work, the Department of Ecology’s approval, and removal of any liens filed against the property.

HOUSING AUTHORITY OF THE CITY OF EVERETT
Supplemental Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2005

Federal Grantor/Program Title	<u>Federal CFDA #</u>	<u>Current Year Expenditures</u>
U. S. Department of Housing & Urban Development - Direct Programs		
Lower Income Housing Assistance Program - Section 8 New Construction/Substantial Rehabilitation		
Broadway Plaza East Apartments	14.182	\$ 436,330
Douglas Grove Apartments	14.182	<u>66,765</u>
Subtotal CFDA # 14.182		503,095
Section 8 Housing Assistance Payments Program		
Twelve Pines Apartments	14.195	315,324
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.856	<u>127,050</u>
Subtotal Section-8 Project-Based Cluster		945,469
Low Income Housing	14.850	955,640
Public Housing Capital Fund	14.872	1,073,257
Section 8 Housing Choice Vouchers	14.871	19,177,675
Resident Opportunity and Supportive Services	14.870	<u>120,735</u>
Total Expenditures of Federal Awards		<u><u>\$ 22,272,776</u></u>

See notes to Supplemental Schedule of Expenditures of Federal Awards

EVERETT HOUSING AUTHORITY
Notes to the Supplemental Schedule of Expenditures of Federal Awards

1. Basis of Presentation

The accompanying Supplemental Schedule of Expenditures of Federal Awards (The "Schedule") presents the activity of all federal financial assistance programs of the Everett Housing Authority (the "Authority"). The Authority's reporting entity is defined in Note 1 to the Authority's financial statements. All federal financial assistance received directly from the federal government as well as federal financial assistance that is passed through to other governmental agencies is required to be included on the Schedule.

The information presented in the Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Catalog of Federal Domestic Assistance ("CFDA") Numbers are presented for each federal grant.

Revenue and expenses are presented on an accrual basis of accounting with the exception of fixed assets and depreciation. For purposes of the Schedule, depreciation expense is not recorded and the cost of fixed asset additions is included as an expenditure.

The amounts shown on the Schedule are for current year expenditures and represent only the federal portion of the actual program costs. Actual program costs, including the Authority's portion, may be more than shown.

HOUSING AUTHORITY OF THE CITY OF EVERETT
Supplemental Segment Information - Unaudited
As of and for the Year Ended June 30, 2005

CONDENSED STATEMENT OF NET ASSETS

	Affordable Housing Properties	Broadway Plaza West	Douglas Grove	Greenhouse	ParkRidge Condominiums	Property Management	Local	Everett Smeller Site	Total (memorandum only)
Assets									
Cash & investments - unrestricted	\$ 8,711	\$ 169,021	\$ 21,389	\$ 27,771	\$ 6,049	\$ 457,258	\$ 184,170	\$ -	\$ 874,369
Cash & investments - restricted	86,378	20,564	14,161	-	16,630	-	-	-	137,733
Due from other programs	-	-	-	-	-	49,459	32,611	-	82,070
Other current assets	5,459	2,390	-	-	3,307	890	-	-	12,046
Capital assets	5,559,317	4,343,517	513,283	300,754	-	-	281,741	-	10,998,612
Other assets	-	-	-	-	3,702,086	-	-	3,087,371	6,789,457
Total Assets	5,659,865	4,535,492	548,833	328,525	3,728,072	507,607	498,522	3,087,371	18,894,287
Liabilities									
Current liabilities	21,680	10,365	2,288	319	61,733	2,966	-	33,068	132,419
Due to other programs	-	-	-	-	-	-	-	34,429	34,429
Current portion of long-term debt	216,708	-	29,937	19,206	-	-	-	-	265,851
Current liabilities payable from restricted assets	34,267	20,564	2,052	-	16,630	-	-	3,599	77,112
Bonds and notes payable - non-current	4,141,466	-	401,924	84,543	3,638,430	-	-	3,016,275	11,282,638
Other non-current liabilities	6,483	7,169	700	-	7,646	13,179	-	-	35,177
Total Liabilities	4,420,604	38,098	436,901	104,068	3,724,439	16,145	-	3,087,371	11,827,626
Net Assets									
Invested in capital assets, net of related debt	1,201,143	4,343,517	81,422	197,005	-	-	281,741	-	6,104,828
Restricted	52,111	-	12,109	-	-	-	-	-	64,220
Unrestricted	(13,993)	153,877	18,401	27,452	3,633	491,462	216,781	-	897,613
Total Net Assets	\$ 1,239,261	\$ 4,497,394	\$ 111,932	\$ 224,457	\$ 3,633	\$ 491,462	\$ 498,522	\$ -	\$ 7,066,661

CONDENSED STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS

	Affordable Housing Properties	Broadway Plaza West	Douglas Grove	Greenhouse	ParkRidge Condominiums	Property Management	Local	Property Development	Total (memorandum only)
Operating Revenue (Expenses)									
Operating revenue	\$ 621,202	\$ 613,130	\$ 83,304	\$ 29,400	\$ 188,036	\$ 92,395	\$ 862	\$ -	\$ 1,628,329
Operating expenses	(340,607)	(366,926)	(34,519)	(906)	(131,697)	(128,730)	-	-	(1,003,385)
Operating transfers in	23,078	-	-	-	-	56,460	-	-	79,538
Operating transfers out	-	(284,057)	(3,400)	-	-	-	-	-	(287,457)
Depreciation expense	(143,197)	(142,296)	(9,403)	(9,643)	-	-	-	-	(304,539)
Operating income (loss)	160,476	(180,149)	35,982	18,851	56,339	20,125	862	-	112,486
Nonoperating Revenue (Expense)									
Capital grants	150,000	-	-	-	-	-	-	-	150,000
Interest income	-	4,412	528	460	390	9,728	5,394	-	20,912
Interest expense	(174,981)	-	(21,893)	(4,271)	(53,096)	-	-	-	(254,241)
Nonoperating transfers in	350,513	-	-	-	-	-	-	-	350,513
Nonoperating income (expense)	325,532	4,412	(21,365)	(3,811)	(52,706)	9,728	5,394	-	267,184
Increase (decrease) in net assets	486,008	(175,737)	14,617	15,040	3,633	29,853	6,256	-	379,670
Net Assets, Beginning of Year	755,253	4,673,131	97,315	209,417	-	461,609	492,266	-	6,686,991
Net Assets, End of Year	\$ 1,239,261	\$ 4,497,394	\$ 111,932	\$ 224,457	\$ 3,633	\$ 491,462	\$ 498,522	\$ -	\$ 7,066,661

See notes to supplemental segment information

HOUSING AUTHORITY OF THE CITY OF EVERETT
Notes to Supplemental Segment Information - Unaudited

The Housing Authority issues separate revenue bonds and other debt to finance the acquisition, rehabilitation, and construction of housing and community development projects. The financial activities for these projects are reported with other Business-Type Activities in the Primary Government Financial Statements. However, investors in the revenue bonds and lenders rely solely on the revenue generated by the individual activities of these projects for repayment. Therefore, a summary of the financial information for activities that meet these criteria is presented on the previous page.

Housing Authority of the City of Everett
 Supplemental Financial Data Schedule
 Year Ended June 30, 2005

Line Item No.	Account Description	Business Activities	N/C SIR Section 8 Programs	Section 8 Housing Assistance Payments Program -Special Allocations	Low Rent Public Housing	Lower Income Housing Assistance Program -Section 8 Moderate Rehabilitate WA006MR0003	Resident Opportunity and Supportive Services
111	Cash - Unrestricted	\$ 874,369	\$ 50,828	\$ -	\$ 1,255,657	\$ -	\$ -
115	Cash - Restricted for Payment of Current Liabilities	-	-	-	2,089	-	-
113	Cash - Other Restricted	64,220	202,657	-	-	-	-
114	Cash - Tenant Security Deposits	73,513	21,576	-	117,854	-	-
100	Total Cash	1,012,102	275,061	-	1,375,600	-	-
122	Accounts Receivable - HUD Other Projects	-	-	-	-	-	13,815
125	Accounts Receivable - Miscellaneous	10,330	-	-	-	-	-
126	Accounts Receivable - Tenants - Dwelling Rents	18,909	6	-	5,618	-	-
126.1	Allowance for Doubtful Accounts - Dwelling Rents	(10,650)	-	-	(3,750)	-	-
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-	-	-
129	Accrued Interest Receivable	-	7,430	-	4,143	-	-
120	Total Receivables, net of allowances for doubtful accounts	18,589	7,436	-	6,011	-	13,815
131	Investments - Unrestricted	-	-	-	567,879	-	-
132	Investments Restricted	-	1,477,009	-	-	-	-
142	Prepaid Expenses and Other Assets	-	11,833	-	-	-	-
143	Inventories	3,788	9,501	-	20,246	95	-
143.1	Allowance for Obsolete Inventories	-	-	-	-	-	-
144	Interprogram Due From	49,459	-	-	48,014	49,494	-
145	Assets Held for Sale	-	-	-	-	-	-
150	Total Current Assets	1,083,938	1,780,840	-	2,017,750	49,589	13,815
161	Land	1,240,811	869,511	-	1,194,228	-	-
162	Buildings	12,091,942	5,090,813	-	27,313,974	-	-
163	Furniture, Equipment & Machinery - Dwellings	131,562	63,065	-	348,599	-	-
164	Furniture, Equipment & Machinery - Administration	80,579	256,476	-	1,239,199	-	23,913
165	Leasehold Improvements	-	-	-	-	-	-
166	Accumulated Depreciation	(2,542,902)	(3,246,757)	-	(18,333,882)	-	(10,696)
167	Construction In Progress	-	105,717	-	-	-	-
160	Total Fixed Assets, Net of Accumulated Depreciation	11,001,992	3,138,825	-	11,762,118	-	13,217
174	Other Assets	6,789,457	-	-	-	-	-
180	Total Non-Current Assets	17,791,449	3,138,825	-	11,762,118	-	13,217
190	Total Assets	\$ 18,875,387	\$ 4,919,665	\$ -	\$ 13,779,868	\$ 49,589	\$ 27,032

Housing Authority of the City of Everett
 Supplemental Financial Data Schedule
 Year Ended June 30, 2005

Line Item No.	Account Description	Housing Choice Vouchers	Public Housing Capital Fund Program	Total Primary Government	Component Unit
111	Cash - Unrestricted	\$ 497,503	-	\$ 2,678,357	\$ 116,066
115	Cash - Restricted for Payment of Current Liabilities	188,587	-	190,676	-
113	Cash - Other Restricted	-	-	286,877	62,300
114	Cash - Tenant Security Deposits	-	-	212,943	16,870
100	Total Cash	686,090	-	3,348,853	195,236
122	Accounts Receivable - HUD Other Projects	-	86,208	100,023	-
125	Accounts Receivable - Miscellaneous	25,577	-	35,907	-
126	Accounts Receivable - Tenants - Dwelling Rents	-	-	24,533	3,036
126.1	Allowance for Doubtful Accounts - Dwelling Rents	-	-	(14,400)	-
126.2	Allowance for Doubtful Accounts - Other	-	-	-	-
129	Accrued Interest Receivable	-	-	11,573	-
120	Total Receivables, net of allowances for doubtful accounts	25,577	86,208	157,636	3,036
131	Investments - Unrestricted	-	-	567,879	-
132	Investments Restricted	-	-	1,477,009	177,274
142	Prepaid Expenses and Other Assets	-	-	11,833	12,478
143	Inventories	7,454	-	41,084	-
143.1	Allowance for Obsolete Inventories	-	-	-	-
144	Interprogram Due From	5,728	-	152,695	-
145	Assets Held for Sale	-	-	-	-
150	Total Current Assets	724,849	86,208	5,756,989	388,024
161	Land	36,000	-	3,340,550	711,359
162	Buildings	213,826	-	44,710,555	4,148,668
163	Furniture, Equipment & Machinery - Dwellings	-	-	543,226	208,986
164	Furniture, Equipment & Machinery - Administration	341,379	-	1,941,546	9,774
165	Leasehold Improvements	-	-	-	-
166	Accumulated Depreciation	(295,527)	-	(24,429,764)	(579,642)
167	Construction In Progress	-	1,453,801	1,559,518	-
160	Total Fixed Assets, Net of Accumulated Depreciation	295,678	1,453,801	27,665,631	4,499,145
174	Other Assets	-	-	6,789,457	119,666
180	Total Non-Current Assets	295,678	1,453,801	34,455,088	4,618,811
190	Total Assets	\$ 1,020,527	\$ 1,540,009	\$ 40,212,077	\$ 5,006,835

Housing Authority of the City of Everett
 Supplemental Financial Data Schedule
 Year Ended June 30, 2005

Line Item No.	Account Description	Business Activities	N/C S/R Section 8 Programs	Section 8 Housing Assistance Payments Program - Special Allocations	Low Rent Public Housing	Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitate WA 006MR0003	Resident Opportunity and Supportive Services
312	Accounts Payable <= 90 Days	\$ 45,911	\$ 19,457	\$ -	\$ 24,911	\$ 952	\$ 974
322	Accrued Compensated Absences - Current Portion	6,843	2,839	-	17,937	47	654
325	Accrued Interest Payable	75,871	-	-	-	-	-
331	Accounts Payable - HUD PHA Programs	-	-	-	-	10,837	-
341	Tenant Security Deposits	73,513	21,576	-	117,853	-	-
342	Deferred Revenues	7,268	1,812	-	16,096	-	-
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	265,851	-	-	-	-	-
348	Loan Liability - Current	-	-	-	-	-	-
345	Other Current Liabilities	1,130	15,181	-	106,550	-	-
346	Accrued Liabilities - Other	-	-	-	-	-	-
347	Interprogram Due To	5,728	49,459	-	-	-	8,478
310	Total Current Liabilities	482,115	110,324	-	283,347	11,836	10,106
351	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue Bonds	4,627,933	-	-	-	-	-
354	Accrued Compensated Absences - Non Current	38,776	16,086	-	101,642	266	3,709
355	Loan Liability - Non Current	6,654,706	-	-	-	-	-
353	Noncurrent Liabilities - Other	-	-	-	-	-	-
350	Total Non-current Liabilities	11,321,415	16,086	-	101,642	266	3,709
300	Total Liabilities	11,803,530	126,410	-	384,989	12,102	13,815
508	Total Contributed Capital	-	-	-	-	-	-
508	Invested in Capital Assets, Net of Related Debt	6,108,208	3,138,825	-	11,762,118	-	13,217
511	Total Reserved Fund Balance	-	-	-	-	-	-
511	Restricted Net Assets	64,221	1,679,666	-	-	-	-
512	Unrestricted Net Assets	899,428	(25,236)	-	1,632,761	37,487	-
513	Total Equity/Net Assets	7,071,857	4,793,255	-	13,394,879	37,487	13,217
600	Total Liabilities and Equity/Net Assets	\$ 18,875,387	\$ 4,919,665	\$ -	\$ 13,779,868	\$ 49,589	\$ 27,032

Housing Authority of the City of Everett
 Supplemental Financial Data Schedule
 Year Ended June 30, 2005

Line Item No.	Account Description	Housing Choice Vouchers	Public Housing Capital Fund Program	Total Primary Government	Component Unit
312	Accounts Payable <= 90 Days	\$ 17,285	\$ 46,672	\$ 156,162	\$ 10,591
322	Accrued Compensated Absences - Current Portion	13,541	-	41,861	-
325	Accrued Interest Payable	-	-	75,871	57,550
331	Accounts Payable - HUD PHA Programs	-	-	10,837	-
341	Tenant Security Deposits	-	-	212,942	16,870
342	Deferred Revenues	-	-	25,176	3,948
343	Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue Bonds	-	-	265,851	40,000
348	Loan Liability - Current	-	-	-	-
345	Other Current Liabilities	507,288	-	630,149	-
346	Accrued Liabilities - Other	-	-	-	12,731
347	Interprogram Due To	49,494	39,536	152,695	-
310	Total Current Liabilities	587,608	86,208	1,571,544	141,690
	Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue Bonds	-	-	4,627,933	3,624,270
351	Revenue Bonds	-	-	237,211	-
354	Accrued Compensated Absences - Non Current	76,732	-	6,654,706	-
355	Loan Liability - Non Current	-	-	-	-
353	Noncurrent Liabilities - Other	-	-	-	178,147
350	Total Non-current Liabilities	76,732	-	11,519,850	3,802,417
300	Total Liabilities	664,340	86,208	13,091,394	3,944,107
508	Total Contributed Capital	-	-	-	-
508	Invested in Capital Assets, Net of Related Debt	295,678	1,453,801	22,771,847	834,875
511	Total Reserved Fund Balance	-	-	-	-
511	Restricted Net Assets	-	-	1,743,887	239,574
512	Unrestricted Net Assets	60,509	-	2,604,949	(11,721)
513	Total Equity/Net Assets	356,187	1,453,801	27,120,683	1,062,728
600	Total Liabilities and Equity/Net Assets	\$ 1,020,527	\$ 1,540,009	\$ 40,212,077	\$ 5,006,835

Housing Authority of the City of Everett

Supplemental Financial Data Schedule
Year Ended June 30, 2005

Line Item No.	Account Description	Business Activities	N/C S/R Section 8 Programs	Section 8 Housing Assistance Payments Program -Special Allocations	Low Rent Public Housing	Lower Income Housing Assistance Program -Section 8 Moderate Rehabilitate WAO06MR0003	Resident Opportunity and Supportive Services
Revenue:							
703	Net Tenant Rental Revenue	\$ 1,388,791	\$ 200,828	\$ -	\$ 1,396,598	\$ -	\$ -
704	Tenant Revenue - Other	30,888	205,177	-	29,725	-	-
705	Total Tenant Revenue	1,419,679	406,005	-	1,426,323	-	-
706	HUD PHA Operating Grants	-	503,095	315,324	955,640	127,050	120,735
706.1	Capital Grants	-	-	-	-	-	-
708	Other Government Grants	12,917	-	-	-	-	-
711	Investment Income - Unrestricted	17,509	5,084	-	35,954	-	-
713	Proceeds from Disposition of Assets Held for Sale	320,657	-	-	-	-	-
713.1	Cost of Sale of Assets	(343,452)	-	-	-	-	-
714	Fraud Recovery	-	-	-	-	-	-
715	Other Revenue	360,489	53,576	-	69,087	-	-
716	Gain/Loss on Sale of Fixed Assets	(3,332)	(1,130)	-	(680)	-	-
720	Investment Income - Restricted	-	29,491	-	-	-	-
700	Total Revenue	1,784,467	986,121	315,324	2,486,324	127,050	120,735
Expenses:							
911	Administrative Salaries	247,717	109,224	-	448,507	2,650	-
912	Auditing Fees	1,928	934	-	5,663	241	-
913	Outside Management Fees	-	-	-	-	-	-
914	Compensated Absences	3,994	(2,335)	-	7,728	(85)	(2,140)
915	Employee Benefit Contributions - Administrative	66,465	31,731	-	119,419	821	-
916	Other Operating - Administrative	134,165	76,540	-	88,598	11,829	-
921	Tenant Services - Salaries	-	-	-	-	-	136,965
922	Employee Benefit Contributions - Tenant Services	-	-	-	-	-	-
923	Employee Benefit Contributions - Tenant Services	-	-	-	-	-	38,991
924	Tenant Services - Other	17,916	1,852	-	29,718	-	9,067
931	Water	62,724	24,416	-	279,610	15	-
932	Electricity	39,332	39,204	-	51,903	166	-
933	Gas	9,887	10,001	-	20,481	63	-
941	Ordinary Maintenance and Operations - Labor	153,375	292,465	-	540,026	270	-

Housing Authority of the City of Everett

Supplemental Financial Data Schedule
Year Ended June 30, 2005

Line Item No.	Account Description	Business Activities	N/C S/R Section 8 Programs	Section 8 Housing Assistance Payments Program -Special Allocations	Low Rent Public Housing	Lower Income Housing Assistance Program -Section 8 Moderate Rehabilitate WA006MR0003	Resident Opportunity and Supportive Services
942	Ordinary Maintenance and Operations - Materials and Other	35,760	262,428	-	144,091	58	-
943	Ordinary Maintenance and Operations - Contract Costs	96,923	54,897	-	184,735	544	-
945	Employee Benefit Contributions - Ordinary Maintenance	41,152	60,371	-	143,786	84	-
961	Insurance Premiums	61,675	67,484	-	115,452	457	-
963	Payments in Lieu of Taxes	-	15,182	-	104,461	-	-
964	Bad Debt - Tenant Rents	27,278	644	-	2,668	-	-
967	Interest Expense	254,241	3,544	-	-	-	-
969	Total Operating Expenses	1,254,532	1,048,582	-	2,286,846	17,113	182,883
970	Excess Operating Revenue over Operating Expenses	529,935	(52,461)	315,324	199,478	109,937	(62,148)
971	Extraordinary Maintenance	77,881	28,537	-	49,856	-	-
972	Casualty Losses - Non-Capitalized	-	-	-	25,406	-	-
973	Housing Assistance Payments	-	-	-	-	107,462	-
974	Depreciation Expense	305,437	208,592	-	1,062,467	-	4,560
900	Total Expenses	1,637,850	1,285,711	-	3,424,575	124,575	187,443
1001	Operating Transfers In	470,337	284,057	-	-	-	62,148
1002	Operating Transfers Out	(284,057)	(470,337)	(315,324)	(62,148)	-	-
1010	Total Other Financing Sources (Uses)	186,280	(186,280)	(315,324)	(62,148)	-	62,148
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	\$ 332,897	\$ (475,870)	\$ -	\$ (1,000,399)	\$ 2,475	\$ (4,560)

Housing Authority of the City of Everett

Supplemental Financial Data Schedule
Year Ended June 30, 2005

Line Item No.	Account Description	Housing Choice Vouchers	Public Housing Capital Fund Program	Total Primary Government	Component Unit
Revenue:					
703	Net Tenant Rental Revenue	\$ -	\$ -	\$ 2,986,217	\$ 225,042
704	Tenant Revenue - Other	-	-	265,790	8,778
705	Total Tenant Revenue	-	-	3,252,007	233,820
706	HUD PHA Operating Grants	19,177,675	163,729	21,363,248	-
706.1	Capital Grants	-	909,528	909,528	-
708	Other Government Grants	-	12,917	12,917	-
711	Investment Income - Unrestricted	15,390	-	73,937	2,560
713	Proceeds from Disposition of Assets Held for Sale	-	-	320,657	-
713.1	Cost of Sale of Assets	-	-	(343,452)	-
714	Fraud Recovery	791	-	791	-
715	Other Revenue	12,420	-	495,572	600
716	Gain/Loss on Sale of Fixed Assets	-	-	(5,142)	-
720	Investment Income - Restricted	-	-	29,491	248
700	Total Revenue	19,206,276	1,073,257	26,109,554	237,228
Expenses:					
911	Administrative Salaries	851,243	109,336	1,768,677	38,008
912	Auditing Fees	21,356	-	30,122	7,500
913	Outside Management Fees	-	-	-	50,305
914	Compensated Absences	(8,489)	-	(1,327)	-
915	Employee Benefit Contributions - Administrative	242,858	23,994	485,288	12,902
916	Other Operating - Administrative	313,755	26,406	651,293	21,336
921	Tenant Services - Salaries	77,022	-	213,987	-
922	Employee Benefit Contributions - Tenant Services	-	716	716	-
923	Employee Benefit Contributions - Tenant Services	21,974	-	60,965	-
924	Tenant Services - Other	4,406	-	62,959	-
931	Water	1,179	-	367,944	24,605
932	Electricity	12,922	-	143,527	10,760
933	Gas	4,919	-	45,351	-
941	Ordinary Maintenance and Operations - Labor	21,081	-	1,007,217	53,430

Housing Authority of the City of Everett

Supplemental Financial Data Schedule
Year Ended June 30, 2005

Line Item No.	Account Description	Housing Choice Vouchers	Public Housing Capital Fund Program	Total Primary Government	Component Unit
942	Ordinary Maintenance and Operations - Materials and Other	5,158	3,277	450,772	9,292
943	Ordinary Maintenance and Operations - Contract Costs	48,147	-	385,246	37,974
945	Employee Benefit Contributions - Ordinary Maintenance	6,014	-	251,407	18,137
961	Insurance Premiums	41,440	-	286,508	30,653
963	Payments in Lieu of Taxes	-	-	119,643	-
964	Bad Debt - Tenant Rents	-	-	30,590	3,260
967	Interest Expense	-	-	257,785	189,814
969	Total Operating Expenses	1,664,985	163,729	6,618,670	507,976
970	Excess Operating Revenue over Operating Expenses	17,541,291	909,528	19,490,884	(270,748)
971	Extraordinary Maintenance	405	-	156,679	4,141
972	Casualty Losses - Non-Capitalized	-	-	25,406	-
973	Housing Assistance Payments	17,576,120	-	17,683,582	-
974	Depreciation Expense	32,185	-	1,613,241	128,579
900	Total Expenses	19,273,695	163,729	26,097,578	640,696
1001	Operating Transfers In	-	-	816,542	315,324
1002	Operating Transfers Out	-	-	(1,131,866)	-
1010	Total Other Financing Sources (Uses)	-	-	(315,324)	315,324
1000	Excess (Deficiency) of Operating Revenue Over (Under) Expenses	\$ (67,419)	\$ 909,528	\$ (303,348)	\$ (88,144)

Housing Authority of the City of Everett
 Supplemental Financial Data Schedule
 Year Ended June 30, 2005

Line Item No.	Account Description	Business Activities		N/C S/R Section 8 Programs		Section 8 Housing Assistance Payments Program - Special Allocations		Low Rent Public Housing		Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitate WA006MR0003		Resident Opportunity and Supportive Services	
1102	Debt Principal Payments - Enterprise Funds	\$	244,978	\$	410,000	\$	-	\$	-	\$	-	\$	-
1103	Beginning Equity		6,738,960		5,269,125		-		14,285,753		35,012		17,777
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors		-		-		-		109,525		-		-
1113	Maximum Annual Contributions Commitment (Per ACC)		-		-		-		-		68,064		-
1114	Prorata Maximum Annual Contributions Applicable to a Period of less than Twelve Months		-		-		-		-		-		-
1115	Contingency Reserve, ACC Program Reserve		-		-		-		-		261,391		-
1116	Total Annual Contributions Available		-		-		-		-		329,455		-
1120	Unit Months Available		2,592		1,224		-		7,443		348		-
1121	Number of Unit Months Leased		2,415		1,170		-		7,352		318		-

Housing Authority of the City of Everett
 Supplemental Financial Data Schedule
 Year Ended June 30, 2005

Line Item No.	Account Description	Housing Choice Vouchers	Public Housing Capital Fund Program	Total Primary Government	Component Unit
1102	Debt Principal Payments - Enterprise Funds	\$ -	\$ -	\$ 654,978	\$ 35,000
1103	Beginning Equity	423,606	653,798	27,424,031	1,150,872
1104	Prior Period Adjustments, Equity Transfers and Correction of Errors	-	(109,525)	-	-
1113	Maximum Annual Contributions Commitment (Per ACC)	18,837,813	-	18,905,877	-
1114	Prorata Maximum Annual Contributions Applicable to a Period of less than Twelve Months	-	-	-	-
1115	Contingency Reserve, ACC Program Reserve	1,209,730	-	1,471,121	-
1116	Total Annual Contributions Available	20,047,543	-	20,376,998	-
1120	Unit Months Available	28,356	-	39,963	960
1121	Number of Unit Months Leased	27,520	-	38,775	930
				-	-