

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, 2008 through June 30, 2009

Report No. 1003204

Issued **March 22, 2010**
Reissued **March 29, 2010**



WASHINGTON
BRIAN SONNTAG
STATE AUDITOR



**Washington State Auditor
Brian Sonntag**

March 29, 2010

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.

Sincerely,

BRIAN SONNTAG, CGFM
STATE AUDITOR

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Federal Summary

Housing Authority of the City of Everett Snohomish County July 1, 2008 through June 30, 2009

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.

FINANCIAL STATEMENTS

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

Internal Control Over Financial Reporting:

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

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

FEDERAL AWARDS

Internal Control Over Major Programs:

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

We issued an unqualified opinion on the Housing Authority's compliance with requirements applicable to its major federal programs.

We reported no findings that are required to be disclosed under OMB Circular A-133.

Identification of Major Programs:

The following were major programs during the period under audit:

<u>CFDA No.</u>	<u>Program Title</u>
14.182/195/249/856	Section 8 Cluster
Moderate Rehabilitation	
14.850	Public and Indian Housing
14.871	Housing Choice Vouchers
14.872	Public Housing Capital Fund
14.885	ARRA - Public Housing Capital Fund Stimulus Formula Cluster (Recovery Act)

The dollar threshold used to distinguish between Type A and Type B programs, as prescribed by OMB Circular A-133, was \$740,516.

The Housing Authority did not qualify as a low-risk auditee under OMB Circular A-133.

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, 2008 through June 30, 2009

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

We have audited the financial statements of the business-type activities and the aggregate discretely presented component units of the Housing Authority of the City of Everett, Snohomish County, Washington, as of and for the year ended June 30, 2009, which collectively comprise the Housing Authority's basic financial statements, and have issued our report thereon dated February 16, 2010. Our report was modified to include a reference to 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. Other auditors audited the financial statements of the Twelve Pines Limited Partnership, as described in our report on the Housing Authority's financial statements. The financial statements of that entity were audited in accordance with Government Auditing Standards.

INTERNAL CONTROL OVER FINANCIAL REPORTING

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Housing Authority's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses.

We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

COMPLIANCE AND OTHER MATTERS

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

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

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

A handwritten signature in black ink, appearing to read "Brian Sonntag", is positioned above the printed name.

BRIAN SONNTAG, CGFM
STATE AUDITOR

February 16, 2010

Independent Auditor's Report on Compliance with Requirements Applicable to each 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, 2008 through June 30, 2009

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 programs for the year ended June 30, 2009. The Housing Authority's major federal programs are identified in the Federal Summary. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the Housing Authority's management. Our responsibility is to express an opinion on the Housing Authority's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to 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 complied, in all material respects, with the requirements referred to above that are applicable to its major federal programs for the year ended June 30, 2009.

INTERNAL CONTROL OVER COMPLIANCE

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

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is a more than remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in a more than remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

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

A handwritten signature in black ink, appearing to read 'Brian Sonntag', is positioned above the printed name and title.

BRIAN SONNTAG, CGFM
STATE AUDITOR

February 16, 2010

Independent Auditor's Report on Financial Statements

Housing Authority of the City of Everett Snohomish County July 1, 2008 through June 30, 2009

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

We have audited the accompanying financial statements of the business-type activities and the aggregate discretely presented component units of the Housing Authority of the City of Everett, Snohomish County, Washington, as of and for the year ended June 30, 2009, which collectively comprise the Housing Authority's basic financial statements as listed on page 9. 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 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 reports thereon have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Twelve Pines Limited Partnerships, is based solely on the report of the other auditor.

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 the other auditors provide a reasonable basis for our opinions.

In our opinion, based upon our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate discretely presented component units of the Housing Authority of the City of Everett, as of June 30, 2009, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

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

The management's discussion and analysis on pages 10 through 16 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

The Supplemental Segment Information - Unaudited and Notes to Supplemental Segment Information - Unaudited are not a required part of the basic financial statements but are supplementary information presented for purposes of additional analysis. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

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

BRIAN SONNTAG, CGFM
STATE AUDITOR

February 16, 2010

Financial Section

Housing Authority of the City of Everett Snohomish County July 1, 2008 through June 30, 2009

REQUIRED SUPPLEMENTAL INFORMATION

Management's Discussion and Analysis – 2009

BASIC FINANCIAL STATEMENTS

Statement of Net Assets – 2009

Statement of Revenues, Expenses and Changes in Net Assets – 2009

Statement of Cash Flows – 2009

Notes to Financial Statements – 2009

SUPPLEMENTAL INFORMATION

Schedule of Expenditures of Federal Awards – 2009

Notes to the Schedule of Expenditures of Federal Awards – 2009

Financial Data Schedule – 2009

Supplemental Segment Information – Unaudited – 2009

Notes to the Supplemental Segment Information – Unaudited – 2009

Actual Comprehensive Grant Cost Certificate

HOUSING AUTHORITY OF THE CITY OF EVERETT
Management's Discussion and Analysis
Year Ended June 30, 2009

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 public corporation (public body corporate and politic) 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"): (a) Conventional Low Income Public Housing program and (b) Housing Choice Voucher program.

Overview of the Financial Statements

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 Management's Discussion and Analysis (MD&A) section.

The financial statements are presented in accordance with U.S. generally accepted accounting principles (GAAP). GAAP requires the presentation of three basic financial statements (statement of net assets; statement of revenues, expenses and changes in net assets; and statement of cash flows) and notes to the financial statements. These 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, 2009 and the results of its operations and cash flows for the year then ended.

The basic financial statements and notes to the financial statements are:

- **Statement of Net Assets** – presents the assets, liabilities and net assets of the Authority at the end of the fiscal year. The difference between the total assets and the total liabilities equals the Authority's net assets. Over time, changes in total net assets may reflect changes in the financial position of the Authority.
- **Statement of Revenues, Expenses and Changes in Net Assets** – this statement presents information showing how the Authority's assets changed during the year. All changes in total net assets are reported when the relevant event occurs, regardless of the timing of the cash flow. This means that revenues and expenses are reported in this statement for which the cash flow may occur in a future period. For example, unused paid leave earned by employees during the current year is reported as an expense of this period but will not actually be paid until some future fiscal period
- **Statement of Cash Flows** – reports cash receipts, cash payments and net changes in cash resulting from operating, investing and financing activities. This statement also provides insight into where cash came from, how it was used and what the change in cash balance was during the reporting period.
- **Notes to the Financial Statements** – the notes provide additional information that is essential to a full understanding of the data provided in the Authority's basic financial statements. The notes can be found following the basic financial statements.

Financial Highlights

- Assets of the Authority exceeded liabilities at June 30, 2009 by \$30,689,872 (net assets). Of this amount, \$5,757,777 is classified as unrestricted net assets and may be used by the Authority to meet its ongoing obligations.
- Total net assets increased by \$409,143 (or 1.4%) during the past year. Net assets were \$30,689,872 and \$30,280,729 at June 30, 2009 and 2008, respectively.
- Total operating and non-operating revenues increased by \$2,128,377 (or 7.8%) during the past year, and were \$29,483,190 for 2009 and \$27,354,813 for 2008.
- The total expenses of the Authority's programs increased by \$1,646,944 (or 6%). Total expenses were \$29,080,968 and \$27,434,024 for 2009 and 2008, respectively.
- The Authority's unrestricted net assets at June 30, 2009 and 2008 were 5,757,777 and \$4,257,535 respectively, an increase of 35.2%.

The Authority's Programs

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:

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 Annual Contributions Contracts with HUD, and HUD provides operating subsidies and capital grant funding to enable EHA to provide housing at a rent that is based on 30% of household income. Effective July 1, 2007, the Authority separated the Low Income Public Housing program into five asset management projects (AMPS) as a part of the conversion to Asset Management. 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 contracts with independent landlords that own rental housing property. The Authority subsidizes the tenant 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 normally 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 costs are funded from rents collected from residents and a Section 8 New Construction Housing Assistance Payment Contract with HUD. In July 2008 the Everett Housing Authority notified HUD of its intention to “opt out” of the Section 8 New Construction Housing Assistance Payment Contract with HUD on August 1, 2009. As a result of a competitive process completed in 2007, the Authority has entered into a 15

year contract under which it will replace the Section 8 New Construction Housing Assistance Payment Contract with "Project Based" housing voucher assistance on August 1, 2009.

Broadway Plaza West – An 89 unit apartment building serving seniors. Operating costs are funded through a combination of tenant rents and "Project Based" housing vouchers covering 84 of the units. The Project Based contract is for a period of ten years beginning August 1, 2007.

Affordable Housing Properties – Includes seven separate non-subsidized apartment complexes all located within the Authority's service area. These seven properties have a combined total of 122 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. At June 30, 2009, sixty of the tenants residing in these apartment complexes were participants in the Authority's Housing Choice Voucher Program.

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 method used by most private-sector institutions. The purpose of this statement is to provide financial statement readers with a snapshot of the financial condition of the Authority as of a certain point in time. 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,	
	2009	2008
Assets		
Current assets	\$ 9,008,360	\$ 9,355,251
Capital	28,737,298	28,333,380
Other assets	378,599	414,780
Total Assets	<u>38,124,257</u>	<u>38,103,411</u>
Liabilities		
Accounts payable and other current liabilities	1,479,521	1,525,869
Long-term liabilities	5,954,864	6,296,813
Total Liabilities	<u>7,434,385</u>	<u>7,822,682</u>
Net Assets		
Invested in capital assets, net of related debt	22,724,896	21,977,112
Restricted	2,207,199	4,046,082
Unrestricted	<u>5,757,777</u>	<u>4,257,535</u>
Total Net Assets	<u>\$ 30,689,872</u>	<u>\$ 30,280,729</u>

Major Factors Affecting the Statement of Net Assets

Total assets of the Authority at June 30, 2009 and June 30, 2008 were \$38,124,257 and \$38,103,411, respectively. This represents an increase of \$20,846 during the year.

Current assets decreased by \$346,891 and current liabilities decreased by \$46,348. The Authority's current ratio decreased from 6.13 in 2008 to 6.09 in 2009. There are sufficient current assets (primarily cash, investments and accounts receivable) to extinguish current liabilities.

The net increase in capital assets of \$403,918 represents the difference between capital assets acquired during the year totaling \$2,208,454, depreciation expense of \$1,796,068 and book value of assets disposed of for \$8,468

The following table presents details on the changes in unrestricted net assets during the year:

CHANGES IN UNRESTRICTED NET ASSETS

Unrestricted net assets - June 30, 2008	\$ 4,257,535
Total change in net assets (including prior period adjustment)	409,143
Adjustments:	
Depreciation (1)	1,796,068
Adjusted change in net assets	6,462,746
Proceeds from capital asset long-term debt borrowings	-
Payments on capital asset long-term debt borrowings	(343,866)
Capital asset additions	(2,208,454)
Other changes	8,468
Decrease in restricted assets	1,838,883
Unrestricted net assets - June 30, 2008	<u>\$ 5,757,777</u>

(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.

As of June 30, 2009 there are no restrictions, commitments or other limitations that would significantly affect the availability of resources for future use.

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 purpose of the Statement of Revenues, Expenses and Changes in Net Assets is to present 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.

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,	
	2009	2008
Operating and nonoperating revenue		
Operating grants and subsidies	\$ 23,738,733	\$ 21,877,644
Tenant revenue - rents and other	4,544,181	4,226,905
Capital grants	788,158	572,043
Interest income	134,300	377,094
Other revenue	277,818	301,127
Total revenue	<u>29,483,190</u>	<u>27,354,813</u>
Operating and nonoperating expenses		
Housing assistance payments	19,106,490	17,929,385
Administrative	3,287,218	3,106,589
Maintenance and operation	2,017,644	1,922,178
Depreciation	1,796,068	1,813,190
Tenant services	1,254,644	1,115,677
General	760,103	657,596
Utilities	580,633	602,514
Interest expense	278,168	286,895
Total expenses	<u>29,080,968</u>	<u>27,434,024</u>
Change in Net	402,222	(79,211)
Net Assets - Beginning of Year	30,280,729	29,910,032
Prior period adjustment	<u>6,921</u>	<u>449,908</u>
Net Assets - End of Year	<u>\$ 30,689,872</u>	<u>\$ 30,280,729</u>

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

Operating subsidies and grants received during the year increased by approximately \$1,861,089. Rents and other tenant revenue increased by approximately \$317,276.

Total expenses increased by \$1,646,944 (6.0%), primarily due to the increase in Section-8 Housing Assistance Payments by \$1,177,105. All other expense categories combined increased by \$469,839 or 4.9%.

Capital Assets and Debt Administration

Capital Assets

At June 30, 2009, the Authority had \$28,737,298 invested in a variety of capital assets (as summarized below), which represents a net increase of \$403,918 from June 30, 2008.

CAPITAL ASSETS AT YEAR-END (Net of Depreciation)

	As of June 30,	
	2009	2008
Land and site improvements	\$ 4,030,625	\$ 4,030,625
Building and building improvements	52,183,922	50,111,308
Equipment	2,628,349	2,601,525
Construction in progress	767,555	855,608
Total	59,610,451	57,599,066
Accumulated depreciation	(30,873,153)	(29,265,686)
Capital assets - net	<u>\$ 28,737,298</u>	<u>\$ 28,333,380</u>

The following reconciliation summarizes the change in capital assets from June 30, 2008 to June 30, 2009, which is presented in more detail in Note 5 of the Notes to the Financial Statements.

CHANGE IN CAPITAL ASSETS

Balance at June 30, 2008	\$ 28,333,380
Additions	2,208,454
Reductions - net	(8,468)
Depreciation expense	<u>(1,796,068)</u>
Balance at June 30, 2009	<u>\$ 28,737,298</u>

This year's major additions to capital assets resulted primarily from the Authority's Public Housing Capital Improvement Program (Grandview Homes renovation), and also equipment and system upgrades to the Broadway Plaza East Apartments property. It is anticipated that the majority of the Grandview Homes renovation work will be completed by the end of 2011. Dwelling and non-dwelling equipment additions for the year totaled \$214,919.

Outstanding Debt

At June 30, 2009 the Authority had outstanding debt (bonds and notes) totaling \$6,012,402, a net decrease of \$343,866. This net decrease resulted from the principal payments on debt of \$343,866. Please refer to Note 6 of the Notes to the Financial Statements for more information.

OUTSTANDING DEBT AT YEAR-END

	As of June 30,	
	2009	2008
Revenue Bonds Payable		
Douglas Grove apartments	\$ 301,419	\$ 336,694
Greenhouse property	22,356	43,878
Rainier Park apartments	423,141	461,135
Rucker Street apartments	326,744	355,389
Oakes Avenue apartments	299,375	324,549
Bridge Creek apartments	537,599	580,447
Timber Hill apartments	1,329,338	1,429,021
Pacific Square apartments	355,215	374,541
Lakeview Terrace apartments	1,512,583	1,533,613
	<u>5,107,770</u>	<u>5,439,267</u>
Less: Current portion	<u>(347,322)</u>	<u>(329,998)</u>
 Total Revenue Bonds Payable - non-current	 <u><u>\$ 4,760,448</u></u>	 <u><u>\$ 5,109,269</u></u>
 Notes Payable		
Bridge Creek apartments	\$ 516,419	\$ 528,788
Pacific Square apartments (HOME Loan)	65,633	65,633
Pacific Square apartments (Housing Trust Fund Loan)	232,544	232,544
Lakeview Terrace apartments (Housing Trust Fund Loan)	90,036	90,036
	<u>904,632</u>	<u>917,001</u>
Less: Current portion	<u>(12,493)</u>	<u>(12,369)</u>
 Total Notes Payable - non-current	 <u><u>\$ 892,139</u></u>	 <u><u>\$ 904,632</u></u>

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.

The financial report is designed to provide a general overview of the finances of the Everett Housing Authority for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, Everett Housing Authority, P.O. Box 1547, Everett, WA 98206.

HOUSING AUTHORITY OF THE CITY OF EVERETT

Statement of Net Assets

June 30, 2009

	Primary Government Total	Component Unit
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents - unrestricted	\$ 5,709,661	\$ 93,759
Cash and cash equivalents - restricted	2,663,510	171,409
Investments - unrestricted	-	-
Investments - restricted	55,427	177,100
Accounts receivable (net)	345,270	3,041
Inventories	123,752	-
Prepaid and other current assets	110,740	15,736
	<u>9,008,360</u>	<u>461,045</u>
Total current assets	<u>9,008,360</u>	<u>461,045</u>
NON-CURRENT ASSETS:		
Capital assets		
Land	3,865,729	708,000
Property and equipment, net	24,104,014	3,299,754
Construction in progress	767,555	-
Total capital assets	28,737,298	4,007,754
Note receivable	378,599	-
Other assets	-	100,130
	<u>29,115,897</u>	<u>4,107,884</u>
Total non-current assets	<u>29,115,897</u>	<u>4,107,884</u>
Total assets	<u>38,124,257</u>	<u>4,568,929</u>
LIABILITIES		
CURRENT LIABILITIES:		
Accounts payable	276,402	19,248
Accrued expenses	194,162	57,401
Deferred revenue	42,716	4,437
Security deposits	225,684	15,788
FSS escrow	230,628	-
Other deferred credits	58,752	-
Current portion of long-term debt	451,177	45,000
	<u>1,479,521</u>	<u>141,874</u>
Total current liabilities	<u>1,479,521</u>	<u>141,874</u>
NON-CURRENT LIABILITIES:		
Bonds and notes payable	5,652,587	3,278,599
Accrued compensated absences	274,086	-
Deferred interest - HOME & Housing Trust Fund loans	28,191	272,071
	<u>5,954,864</u>	<u>3,550,670</u>
Total non-current liabilities	<u>5,954,864</u>	<u>3,550,670</u>
Total liabilities	<u>7,434,385</u>	<u>3,692,544</u>
NET ASSETS		
Investment in capital assets, net of related debt	22,724,896	684,155
Restricted	2,207,199	332,721
Unrestricted	5,757,777	(140,491)
	<u>30,689,872</u>	<u>876,385</u>
TOTAL NET ASSETS	<u>\$ 30,689,872</u>	<u>\$ 876,385</u>

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, 2009

	Primary Government Total	Component Unit
Operating Revenues		
Tenant rents	\$ 4,007,900	\$ 239,442
HUD operating grants and subsidies	23,530,010	349,005
Other grants	208,723	-
Other tenant charges	536,281	8,807
Other revenue	277,818	1,725
	<u>28,560,732</u>	<u>598,979</u>
Total operating revenue	<u>28,560,732</u>	<u>598,979</u>
Operating Expenses		
Administration	3,287,218	115,373
Tenant services	1,254,644	304
Utilities	580,633	40,627
Maintenance & operations	2,017,644	170,452
General	760,103	51,388
Housing assistance payments	19,106,490	-
Depreciation and amortization	1,796,068	130,019
	<u>28,802,800</u>	<u>508,163</u>
Total operating expenses	<u>28,802,800</u>	<u>508,163</u>
Operating income (loss)	<u>(242,068)</u>	<u>90,816</u>
Nonoperating revenue (expense)		
Interest income	134,300	6,053
Interest expense	(278,168)	(170,923)
	<u>(143,868)</u>	<u>(164,870)</u>
Total nonoperating revenue (expense)	<u>(143,868)</u>	<u>(164,870)</u>
Loss before capital contributions	(385,936)	(74,054)
HUD capital contributions	788,158	-
	<u>402,222</u>	<u>(74,054)</u>
Change in net assets	<u>402,222</u>	<u>(74,054)</u>
Net Assets - Beginning of Year	30,280,729	950,439
Prior period adjustment	6,921	-
Net Assets - End of Year	<u>\$ 30,689,872</u>	<u>\$ 876,385</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, 2009

	Primary Government Total	Component Unit
Cash flow from operating activities:		
Cash received from tenant rents	\$ 4,028,465	\$ 241,047
Cash received from HUD operating grants and subsidies	23,523,284	349,359
Cash received from other operating grants	214,586	-
Cash received from other resources	761,500	10,531
Cash payments to suppliers for goods and services	(3,274,415)	(280,688)
Cash paid for salaries and benefits	(4,773,044)	(99,476)
Cash paid for Housing Assistance Payments	(19,113,720)	-
Net cash provided by operating activities	<u>1,366,656</u>	<u>220,773</u>
Cash flows from noncapital financing activities:		
Bill & Melinda Gates Foundation grant distributions	(15,000)	-
Net cash provided by (used in) noncapital financing activities	<u>(15,000)</u>	<u>-</u>
Cash flows from capital and related financing activities:		
HUD capital grants	710,369	-
Property and equipment additions	(2,150,498)	(2,233)
Repayment of long-term debt obligations	(343,866)	(81,181)
Interest paid on debt obligations	(267,817)	(143,460)
Net cash provided by (used in) capital and related financing activities	<u>(2,051,812)</u>	<u>(226,874)</u>
Cash flows from investing activities:		
Net reductions to unrestricted investments	642,951	-
Net reductions to restricted investments	587,382	2,516
Payments received - note receivable	36,181	-
Interest income	143,116	6,053
Net cash provided by investing activities	<u>1,409,630</u>	<u>8,569</u>
Increase in cash and cash equivalents	709,474	2,468
Cash and cash equivalents at beginning of year	<u>7,663,697</u>	<u>262,700</u>
Cash and cash equivalents at end of year	<u><u>\$ 8,373,171</u></u>	<u><u>\$ 265,168</u></u>

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, 2009

	<u>Primary Government Total</u>	<u>Component Unit</u>
Reconciliation of Operating Income (Loss) to Net Cash Used		
In Operating Activities:		
Operating income (loss)	\$ (242,068)	\$ 90,816
Adjustments to reconcile operating income (loss) to net cash used in operating activities:		
Depreciation	1,796,068	125,135
Amortization of bond issue costs	-	4,884
Loss on disposition of equipment	8,468	-
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable tenants	4,743	(1,856)
Accounts receivable - HUD	(6,688)	354
Accounts receivable - other	(55,355)	-
Inventory	64	-
Prepaid expenses and other assets	(40,838)	(1,632)
Increase (decrease) in liabilities:		
Accounts payable - vendors	(128,042)	(390)
Accounts payable - HUD	(38)	-
Accrued expenses	11,307	3,285
Deferred revenue	13,653	-
FSS escrow	(7,230)	-
Security deposits	2,169	177
Accrued compensated absences	10,292	-
Other deferred credits	151	-
Net cash provided by operating activities	<u>\$ 1,366,656</u>	<u>\$ 220,773</u>

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, 2009

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

1 – Summary of Significant Accounting Policies

a. *Organization of the Housing Authority*

The Housing Authority of the City of Everett, Washington (Authority) was created in 1942 as a public corporation (public body corporate and politic) 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, subject to approval by the City Council. The terms are staggered so that generally one term expires each year on October 6, 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 cooperation agreements, which call 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.

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

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 applying the criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity* and Statement No. 39, *Determining Whether Certain Organizations are Component Units*. 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, 2008 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, P.O. Box 1547, Everett, WA 98206.

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 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. The classification of operating grants and subsidies as operating revenues 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 at fair value.

g. Inventories and Prepaid Items

Inventories are stated at lower of average cost or market and consist of expendable materials and supplies. Inventory items are expended using a moving weighted-average cost 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 they relate and all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted. Receipts from the Public Housing Capital Grant Program and other reimbursement based grants are recognized when the related expenses are incurred. Tenant rental revenues are recognized during the period of occupancy. Expenses are recognized when incurred.

j. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the Authority will compensate the employees for the benefits through paid time off or some other means.

All fulltime employees earn annual vacations at the rate of 12 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. Exempt employees earn 22 days annual vacation per year upon initial employment. Employees are allowed to accumulate a maximum of 30 days of unused vacation time. Employees are paid for all accumulated vacation pay upon termination.

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 Section 115 of the Internal Revenue Code of 1986, as amended. 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 the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and report amounts of revenues and expenditures 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 funding.

n. Budgetary Accounting and Control

Budgets are prepared on an annual basis for each major operating program and are used as a management tool throughout the accounting cycle. Capital Fund Program budgets are adopted on a "project length" basis covering up to three years. The Authority's annual budgets is prepared on the accrual basis of accounting and approved by the Board of Commissioners. Budgets are not, however, legally adopted nor required for financial statement presentation.

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 – Cash and Investments

a. Deposits

At June 30, 2009, the carrying amount of Authority's demand deposits was \$437,321, and the bank balance was \$566,937. The carrying balance for the demand deposits of the component unit was \$178,252 at December 31, 2008, and the bank balance was \$178,292. Bank deposits are held with financial institutions and 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 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. In addition to bank deposits the authority has \$650 in petty cash and change funds.

All demand deposit accounts are maintained at depositories approved by the Board of Commissioners and are held in the name of the Authority.

b. Investments

The Authority's cash management and investment policy requires that all available cash funds are to be managed to preserve the value of the cash resources and to earn the maximum return on funds until they are disbursed. Safety and preservation of capital through prudent stewardship of the Authority's cash funds is a primary objective of the policy. The investment policy does not permit the Authority to invest in any securities that would be considered as speculative or leveraged investments. Washington State Law limits investments by housing authorities to those investments that are legal for savings banks. (RCW 35.82.070(6)).

The Authority invests a portion of its funds with the Washington State Local Government Investment Pool (LGIP) managed by the State Treasurer's office. 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 restricts its participation in money market mutual funds to those investing only in U.S. Treasury securities. However, any indirect exposure by the Authority to any risks arising from derivative instruments utilized by such funds is unknown.

Custodial Risk:

For an investment, the custodial credit risk is that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the Authority will not be able to recover the value of its investments that are in the possession of another party. The Authority's custodial credit risk policy is to require all securities purchased to be made in such a manner so that the securities are at all times insured, registered in the Authority's name, or in the possession of the Authority.

At June 30, 2009, all investments of the Housing Authority (as well as those of the component unit as of December 31, 2008) were insured or registered and held by the Authority or its agent in the Authority's name, or uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Authority's name, or held in investment pools that are not classified since the investments are not evidenced by securities that exist in physical or book entry form. Therefore, the investments are not exposed to custodial risk.

Investments in the LGIP are not categorized because the investments are not evidenced by securities that exist in physical or book entry form. Investments in the First American Treasury Obligations Fund are investments held by the trustee in the Authority's name for the component units' bond issue.

Concentration of Credit Risk and Interest Rate Risk:

Concentration of credit risk is the risk of loss that may occur due to the amount of investments in a single issuer. Investments issued or guaranteed by the U.S. Government, investments in a mutual fund or external investment pools are excluded. At June 30, 2009, the Authority's investments were limited to investments that were guaranteed by the U.S. Government or to investments in external investment pools.

Credit risk of investments is the risk that the issuer or other counterparty will not meet its obligations. This credit risk is measured by the credit quality rating of investments in debt securities as described by a national statistical rating organization, such as Standard and Poor's (S&P). To limit credit risk, the Authority's investment policy does not allow for the investment in corporate bonds or other fixed income securities that are not guaranteed or insured by the U.S. Government, or have not been issued by a state or local government.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Authority's policy limits investments to securities maturing in periods of up to one year, or up to three years for the investment of operating reserves. None of the investment of the Authority or the component unit exceed one year at their respective year ends.

At June 30, 2009 cash and investment are classified in the accompanying financial statements as follows:

	Primary	Component
	Government	Unit
Cash and investments	\$ 8,428,598	\$ 265,168
Cash and investments held by bond trustee	-	177,100
Total cash and investments	\$ 8,428,598	\$ 442,268

Cash and investments consisted of the following at June 30, 2009:

	Primary Government	Component Unit
Change and petty cash funds	\$ 650	\$ -
Demand deposits with financial institutions	437,321	178,252
Deposits with state investment pool (LGIP)	7,935,200	86,916
Certificate of deposit investments	55,427	-
First American Treasury Obligation Fund	-	177,100
Total cash and investments	\$ 8,428,598	\$ 442,268

3 – Restricted Assets

Restricted cash and investments, which are generally not available for operating purposes, have been classified in the Statement of Net Assets as restricted assets. These restricted assets are summarized as follows:

	Cash and Cash Equivalents	Investments
<u>Primary Government:</u>		
Replacement reserves	\$ 151,812	\$ -
Residual receipts	4,998	-
Housing Choice Voucher Program - Housing Assistance Payment funding	2,050,389	-
Tenant security deposits	225,684	-
FSS escrow deposits	230,627	-
Gates Foundation	-	55,427
	\$ 2,663,510	\$ 55,427
<u>Component Unit:</u>		
Replacement reserves	\$ 155,617	\$ -
Tenant security deposits	15,792	-
Funds held by Bond Trustee	-	177,100
	\$ 171,409	\$ 177,100

4 – Notes Receivable

A fifteen-year third mortgage promissory note in the original amount of \$580,481 dated August 30, 2002 and due from EHA-Twelve Pines Limited Partnership (a component unit of the Everett Housing Authority). The note was issued in connection with the acquisition and development of the 80-unit apartment complex, Twelve Pines Apartments. Annual payments of \$48,625 are due on August 1, including interest at the rate of 3% per annum. The note is classified as non-current since repayment is subject to available cash flow of the EHA-Twelve Pines Limited Partnership. The note matures on March 15, 2018.

5 – 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, 2008	Additions	Reductions and adjustments	Balance June 30, 2009	
Capital assets, not being depreciated:					
Land	\$ 3,865,729	\$ -	\$ -	\$ 3,865,729	
Construction in progress	855,608	1,978,126	2,066,179	767,555	
Total capital assets, not being depreciated	4,721,337	1,978,126	2,066,179	4,633,284	
Capital assets, being depreciated:					
Site improvements	164,896	-	-	164,896	
Building and building improvements	50,111,308	2,081,588	8,974	52,183,922	
Furniture, equipment and machinery	2,601,525	214,919	188,095	2,628,349	
Total capital assets, being depreciated	52,877,729	2,296,507	197,069	54,977,167	
Less accumulated depreciation for:					
Site improvements	109,411	4,624	-	114,035	
Building and building improvements	27,387,927	1,611,197	6,593	28,992,531	
Furniture, equipment and machinery	1,768,348	180,246	182,007	1,766,587	
Total accumulated depreciation	29,265,686	1,796,067	188,600	30,873,153	
Total capital assets being depreciated, net	23,612,043	500,440	8,469	24,104,014	
Total capital assets, net	\$ 28,333,380	\$ 2,478,566	\$ 2,074,648	\$ 28,737,298	

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, 2008:

	Balance January 1, 2008	Additions	Reductions	Balance December 31, 2008
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
Building and building improvements	4,148,668	-	-	4,148,668
Furniture, equipment and machinery	224,248	2,233	828	225,653
Total capital assets, being depreciated	4,376,275	2,233	828	4,377,680
Less accumulated depreciation for:				
Site improvements	910	168	-	1,078
Building and building improvements	802,963	103,715	-	906,678
Furniture, equipment and machinery	149,746	21,252	828	170,170
Total accumulated depreciation	953,619	125,135	828	1,077,926
Total capital assets being depreciated, net	3,422,656	(122,902)	-	3,299,754
Total capital assets, net	\$ 4,130,656	\$ (122,902)	\$ -	\$ 4,007,754

6 – Non-Current Liabilities**Primary Government:**

Changes in long-term debt obligations for the Primary Government during the year ended June 30, 2009 are summarized below:

	Beginning Balance July 1	Additions	Reductions	Ending Balance June 30	Due Within One Year
Revenue bonds	\$ 5,439,267	\$ -	\$ 331,497	\$ 5,107,770	\$ 347,322
Promissory notes	917,001	-	12,369	904,632	12,493
	\$ 6,356,268	\$ -	\$ 343,866	\$ 6,012,402	\$ 359,815
Compensated absences				365,448	91,362
				\$ 6,377,850	\$ 451,177

The following schedule lists the outstanding bonds of the Primary Government as of June 30, 2009:

	Issuance Date	Maturity Date	Interest Rate	Bond Issuance	Annual Debt Service Payments	Bonds Outstanding June 30
<u>Revenue Bonds - Name of Issue</u>						
Revenue Bond 2001						
Douglas Grove Apartments	5/1/2001	5/1/2016	5.20%	540,000	51,938	\$ 301,419
Refunding Revenue Bond 2003						
Greenhouse Project	5/30/2003	6/1/2010	3.75%	140,000	22,819	22,356
Revenue Bond 2003						
Rainier Park Apartments Project	6/10/2003	6/10/2018	4.10%	625,000	56,446	423,141
Revenue Bond 2003						
Rucker Apartments Project	7/2/2003	7/2/2018	4.13%	480,000	42,982	326,744
Revenue Bond 2003						
Oakes Avenue Apartments Project	8/1/2003	8/1/2018	4.90%	430,000	40,731	299,375
Revenue Bond 2004						
Bridge Creek Apartments Project	3/31/2004	3/31/2019	4.31%	740,000	67,364	537,599
Revenue Bond 2004						
Timber Hill Apartments Project	7/30/2004	8/1/2019	4.64%	1,770,000	164,785	1,329,338
Revenue Bond 2006						
Gibson Road Townhomes Project (Pacific Square Apartments)	12/28/2006	1/1/2022	5.25%	400,000	38,586	355,215
Revenue Bond 2007						
Terrace View Apartments Project	7/31/2007	7/31/2012	5.72%	1,550,000	108,207	1,512,583
Total bonds outstanding						<u>\$ 5,107,770</u>

The following schedule lists the outstanding notes of the Primary Government as of June 30, 2009:

	Loan Date	Maturity Date	Interest Rate	Original Amount	Annual Debt Service Payments	Notes Outstanding June 30
<u>Description of Note</u>						
Promissory Note						
Bridge Creek Apartments Project	3/15/2004	3/31/2044	1.00%	\$ 580,000	\$ 17,611	\$ 516,419
Promissory Note - City of Everett (HOME Loan)						
Gibson Road Townhomes Project	12/6/2006	12/6/2031	3.00%	65,633	-	65,633
Promissory Note - City of Everett (Housing Trust Fund)						
Gibson Road Townhomes Project	12/6/2006	12/6/2031	3.00%	232,544	-	232,544
Promissory Note - City of Everett (Housing Trust Fund)						
Terrace View Apartments Project	7/31/2007	7/31/2032	3.00%	90,036	-	90,036
Total notes outstanding						<u>\$ 904,632</u>

Component Unit:

Changes in long-term debt obligations for the Component Unit during the year ended December 31, 2008 are summarized below:

	Beginning Balance January 1	Additions	Reductions	Ending Balance December 31	Due Within One Year
Revenue bonds	\$ 2,040,000	\$ -	\$ 45,000	\$ 1,995,000	\$ 45,000
Promissory notes	1,364,780	-	36,181	\$ 1,328,599	-
	\$ 3,404,780	\$ -	\$ 81,181	\$ 3,323,599	\$ 45,000

The following is a schedule of outstanding bonds of the Component Unit as of December 31, 2008:

	Issuance Date	Maturity Date	Interest Rate	Bond Issuance	Bonds Outstanding December 31
<u>Revenue Bonds - Name of Issue</u>					
Housing Revenue Bonds 1999					
Twelve Pines Apartment Project	8/1/1999	8/1/2029	4.70 - 6.50%	\$ 2,300,000	\$ 1,995,000
Total bonds outstanding					\$ 1,995,000

The following is a schedule of outstanding notes as of December 31, 2008:

	Loan Date	Maturity Date	Interest Rate	Original Amount	Notes Outstanding December 31
<u>Description of Note</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	378,599
Total notes outstanding					\$ 1,328,599

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	Interest	Total
2010	\$ 347,322	\$ 12,493	\$ 251,867	\$ 611,682
2011	340,660	12,619	235,585	588,864
2012	356,814	12,745	219,303	588,862
2013	1,789,773	12,873	133,531	1,936,177
2014	364,563	13,002	103,090	480,655
2015-2019	1,787,892	66,996	251,196	2,106,084
2020-2024	120,746	70,427	24,583	215,756
2025-2029	-	74,033	14,020	88,053
2030-2034	-	466,037	301,389	767,426
2035-2039	-	81,809	6,244	88,053
2040-2044	-	81,598	2,055	83,653
2045-2049	-	-	-	-
	<u>\$ 5,107,770</u>	<u>\$ 904,632</u>	<u>\$ 1,542,863</u>	<u>\$ 7,555,265</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
2009	\$ 45,000	\$ 37,267	\$ 140,033	\$ 222,300
2010	50,000	38,385	136,305	224,690
2011	55,000	39,537	131,953	226,490
2012	55,000	40,723	127,247	222,970
2013	60,000	41,944	122,506	224,450
2014-2018	375,000	180,743	528,881	1,084,624
2019-2023	505,000	-	378,535	883,535
2024-2028	685,000	950,000	914,971	2,549,971
2029-2033	165,000	-	10,725	175,725
	<u>\$ 1,995,000</u>	<u>\$ 1,328,599</u>	<u>\$ 2,491,156</u>	<u>\$ 5,814,755</u>

7 – Arbitrage

The Housing Authority periodically monitors for the existence of any rebatable arbitrage interest associated with its tax-exempt debt. Rebatable arbitrage interest is based on the difference between the interest earnings from the investment of bond proceeds as compared to the interest expense associated with the respective bonds. As of June 30, 2009, the Housing Authority estimated that no arbitrage rebate exists in conjunction with its debt reserve funds, and therefore no liability exists.

8 – 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, 2009, there were 5 separate series of these special revenue bonds outstanding with an aggregate original principal amount payable of \$29,864,000. The estimated unpaid principal balance of these obligations at June 30, 2009 is \$22,755,352.

9 – Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors or omissions; injuries to employees; and natural disasters. The Agency maintains comprehensive insurance coverage with private carriers for vehicles, earthquake, and employee major medical and dental. Workman's compensation insurance is provided through the Washington State Department of Labor and Industries. The Authority also pays unemployment claims to the State of Washington as incurred. Coverage for property, general liability, errors and omissions, and fidelity insurance is provided by the Housing Authorities Risk Retention Pool. Settled claims have not exceeded coverage purchased during the past three years.

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 member/owner housing authorities in the states of Washington, Oregon, California and Nevada, of which thirty-six are Washington housing authorities.

The Everett Housing Authority has obtained the following coverages from HARRP:

- General liability coverage is 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 \$200,000 for employee dishonesty and forgery or alteration and \$10,000 for theft, with a deductible of \$1,000 per occurrence.

Coverage limits for general liability, errors & omissions and property are \$2,000,000 per occurrence with a \$2,000,000 annual aggregate. Additional property coverage is provided for the Bakerview, Broadway Plaza East and Broadway Plaza West properties. 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.

10 – Pension Plan

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

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

Plan Description. PERS is a cost-sharing multiple-employer retirement system comprised of three separate plans for membership purposes: Plans 1 and 2 are defined benefit plans and Plan 3 is a 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. Notwithstanding, PERS Plan 2 and Plan 3 members may opt out of plan membership if terminally ill, with less than five years to live.

PERS 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.

PERS Plan 1 retirement benefits are vested after the completion of five years of eligible service. Plan 1 members are eligible for retirement after 30 years of service, or at the age of 60 with five years of service, or at the age of 55 with 25 years of service. The annual benefit is two percent of the average final compensation (AFC) per year of service, capped at 60 percent. (The AFC is based on the greatest compensation during any 24 eligible consecutive compensation

months.) Plan 1 members who retire from inactive status prior to the age of 65 may receive actuarially reduced benefits. The benefit is actuarially reduced to reflect the choice of a survivor option. A cost-of-living allowance (COLA) is granted at age 66 based upon years of service times the COLA amount, increased by three percent annually. Plan 1 members may also elect to receive an optional COLA amount that provides an automatic annual adjustment based on the Consumer Price Index. The adjustment is capped at three percent annually. To offset the cost of this annual adjustment, the benefit is reduced.

PERS 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 with an allowance of two percent of the AFC per year of service. (The AFC is based on the greatest compensation during any eligible consecutive 60-month period.) Plan 2 members who retire 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 three percent per year reduction applies; otherwise an actuarial reduction will apply. The benefit is also actuarially reduced to reflect the choice of a survivor option. There is no cap on years of service credit; and a cost-of-living allowance is granted (based on the Consumer Price Index), capped at three 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 AFC per year of service. (The AFC is based on the greatest compensation during any eligible consecutive 60-month period.) Effective June 7, 2006, Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service, if twelve months of that service are earned after age 44; or after five service credit years earned in PERS Plan 2 prior to June 1, 2003. Plan members are immediately vested in the defined contribution portion of their plan. Vested Plan 3 members are eligible to retire with full benefits at age 65, or they may retire at age 55 with 10 years of service. Plan 3 members who retire 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 three percent per year reduction applies; otherwise an actuarial reduction will apply. The benefit is also actuarially reduced to reflect the choice of a survivor option. There is no cap on years of service credit; and Plan 3 provides the same cost-of-living allowance as Plan 2.

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 1,190 participating employers in PERS. Membership in PERS consisted of the following as of the latest actuarial valuation date for the plans of June 30, 2007:

Retirees and beneficiaries receiving benefits	71,244
Terminated plan members entitled to but not yet receiving benefits	26,583
Active plan members vested	105,447
Active plan members non-vested	<u>52,575</u>
Total	<u><u>255,849</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 six percent for state agencies and local government unit employees, and at 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. Under PERS Plan 3, employer contributions finance the defined benefit portion of the plan, and member contributions finance the defined contribution portion. 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, 2009 was \$3,500,796. Total gross payroll for the Authority was \$3,858,159.

The required contribution rates expressed as a percentage of current-year covered payroll as of June 30, 2009, were as follows:

	PERS Plan 1 Required	PERS Plan 2 Required	PERS Plan 3 Required
Employer	8.31%	8.31%	8.31%
Employee	6.00%	5.45%	varies
	14.31%	13.76%	varies

For employees participating in PERS Plan 3, employee contribution rate varies from 5.00% minimum to 15.00% maximum based on rate selected by PERS 3 member.

The employer and employee required contributions during the year ended June 30, 2009 were:

	PERS Plan 1 Required	PERS Plan 2 Required	PERS Plan 3 Required	Total
Employer	\$8,125	\$237,722	\$45,070	\$290,917
Employee	5,866	155,907	31,617	193,390
	\$13,991	\$393,629	\$76,687	\$484,307

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
2009	\$3,500,796	\$193,390	\$290,917
2008	\$3,219,221	\$142,282	\$197,288
2007	\$3,028,863	\$115,695	\$141,342

11 – 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.

12 – Bill & Melinda Gates Foundation Grant

In July 2005 the Bill & Melinda Gates Foundation provided the Everett Housing Authority with a pass-through \$75,000 grant to be used by the Catholic Community Services (CCS) to provide transitional services to ten families who reside in the Authority's Timber Hill Apartments. In October 2006 an additional \$50,000 was received from the Foundation. Under terms of the grant the Authority holds the funds in trust for the benefit of the CCS. The Authority temporarily invests the funds prior to making annual disbursement of \$15,000 to CCS. In addition to the pass-through grant, the Authority provides Section-8 project based assistance to the ten families residing at the Timber Hill Apartments.

13 – 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.

Under the terms of Federal grants, periodic audits are required and certain costs may be questioned as not being appropriate expenses under the terms of the grants. Any disallowed costs may constitute a liability of the applicable funds. The amount, if any, of expenses which may be disallowed by the grantor cannot be determined at this time, although the Authority expects such amounts, if any, to be immaterial.

14 – Prior Period Adjustment

At June 30, 2008, grant funding due from HUD for the ROSS program was understated by \$6,921. This understatement in grant revenue is attributable to the liability for compensated absences for employees funded through the ROSS grant program. A prior period adjustment was required to recognize funding that was due prior to July 1, 2008.

15 – Subsequent Event

On December 1, 2009, the Authority purchased a 22-unit apartment complex located in Everett, Washington for \$1,640,000. Financing for the purchase of the complex was made available through the combination of a 5 year \$1,063,000 loan financed by the seller, P. Salamonsen Construction Company, and a 40 year \$500,000 loan from the City of Everett. In addition, the Authority contributed \$77,000 towards the purchase.

HOUSING AUTHORITY OF THE CITY OF EVERETT
Supplemental Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2009

Federal Grantor/Program Title	Federal CFDA #	Expenditure of Federal Awards
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	\$ 449,983
Section 8 Housing Assistance Payments Program - Special Allocations Twelve Pines Apartments	14.195	349,005
Section 8 Moderate Rehabilitation Single Room Occupancy	14.249	111,850
Lower Income Housing Assistance Program - Section 8 Moderate Rehabilitation	14.856	41,375
Subtotal Section-8 Project-Based Cluster		<u>952,213</u>
Public and Indian Housing	14.850	1,717,542
Public Housing Capital Fund	14.872	1,355,313
ARRA - Public Housing Capital Fund Stimulus (Formula)	14.885	27,234
Section 8 Housing Choice Vouchers	14.871	20,376,202
ARRA - Section 8 Housing Assistance Payments Program Special Allocations	14.317	159,043
Resident Opportunity and Supportive Services - Home Ownership and Family	14.870	<u>79,627</u>
Total Expenditures of Federal Awards - Direct Programs		<u>\$ 24,667,174</u>
Department of Homeland Security Indirect Programs		
Disaster Housing Assistance Grant	97.109	<u>\$ 16,680</u>
Total Expenditures of Federal Awards - Indirect Programs		<u>\$ 16,680</u>
Total Expenditures of Federal Awards		<u><u>\$ 24,683,854</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.

As required by the granting agency, the amounts shown on the Schedule for the Housing Choice Voucher program (CFDA 14.871) represent amounts awarded to the Authority during the current fiscal year. Actual grant expenditures of Housing Choice Voucher program funds for the year were \$20,844,010. Expenditures in excess of current year funding (awards) for housing assistance payments were funded out of the Authority's Housing Assistance Payments Equity account.

Line Item Number	Account Description	Public Housing Projects							COCC Central Office Cost Center
		Baker Heights WAO06000100	Grandview Homes WAO06000200	Bakerview Apts WAO06000300	Pineview Apts WAO06000400	Scattered Sites WAO06000500	Other Public Housing	Total Public Housing Projects	
111	Cash - unrestricted	\$ 1,428,368	\$ 422,488	\$ 319,876	\$ 214,450	\$ 343,587	\$ 378	\$ 2,729,147	\$ 533,262
113	Cash - other restricted	-	-	-	-	-	-	-	-
114	Cash - tenant security deposits	53,494	35,244	20,969	7,850	10,450	-	128,007	-
115	Cash - restricted for payment of current liability	-	-	-	-	16,351	-	16,351	-
100	Total Cash	1,481,862	457,732	340,845	222,300	370,388	378	2,873,505	533,262
121	Accounts receivable - PHA projects	-	-	-	-	-	-	-	-
122-010	Accounts receivable - HUD - operating subsidy	-	-	-	-	-	-	-	-
122-020	Accounts receivable - HUD - capital fund	43,112	114,770	12,002	2,519	2,867	-	175,270	4,204
122-030	Accounts receivable - HUD - other	-	-	-	-	-	-	-	-
122	Accounts receivable - HUD other projects	43,112	114,770	12,002	2,519	2,867	-	175,270	4,204
124	Accounts receivable - other government	-	-	-	-	-	-	-	-
125	Accounts receivable - miscellaneous	-	-	-	-	-	-	-	-
126	Accounts receivable - tenants	7,012	4,705	1,033	308	256	-	13,314	-
126.1	Allowance for doubtful accounts - tenants	(500)	(250)	(250)	(100)	-	-	(1,100)	-
120	Total receivables, net of allowance for doubtful accounts	49,624	119,225	12,785	2,727	3,123	-	187,484	4,204
132	Investments - restricted	-	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	1,266	2,301	770	275	327	-	4,939	9,356
143	Inventories	-	-	-	-	-	-	-	112,509
144	Inter program - due from	-	18,924	-	25,426	-	44,350	88,700	-
150	Total current assets	1,532,752	598,182	354,400	250,728	373,838	44,728	3,154,628	659,331
161	Land	12,028	11,115	-	99,385	901,500	-	1,024,028	206,200
162	Buildings	10,176,303	9,326,610	3,516,961	1,884,814	3,003,290	-	27,907,978	2,266,116
163	Furniture, equipment and machinery - dwellings	143,094	85,512	85,067	19,080	26,306	-	359,059	-
164	Furniture, equipment and machinery - administration	29,927	102,549	247,738	36,657	2,299	-	419,170	1,204,523
166	Accumulated depreciation	(9,960,042)	(5,893,506)	(2,840,745)	(1,128,352)	(1,521,473)	-	(21,344,118)	(1,642,980)
167	Construction in progress	-	720,875	13,184	27,234	2,082	-	763,375	-
160	Total capital assets, net of accumulated depreciation	401,310	4,353,155	1,022,205	938,818	2,414,004	-	9,129,492	2,033,859
171	Notes, loans, & mortgages receivable - non-current	-	-	-	-	-	-	-	-
174	Other assets	-	-	-	-	-	-	-	-
180	Total non-current Assets	401,310	4,353,155	1,022,205	938,818	2,414,004	-	9,129,492	2,033,859
190	Total assets	\$ 1,934,062	\$ 4,951,337	\$ 1,376,605	\$ 1,189,546	\$ 2,787,842	\$ 44,728	\$ 12,284,120	\$ 2,693,190
312	Accounts payable <= 90 days	34,110	32,559	9,818	1,120	3,439	378	81,424	29,274
322	Accrued compensated absences - current portion	3,169	3,295	2,505	1,129	1,772	-	11,870	49,195
325	Accrued interest payable	-	-	-	-	-	-	-	-
331	Accounts payable - HUD PHA programs	-	-	-	-	-	-	-	-
341	Tenant security deposits	53,494	35,244	20,969	7,850	10,450	-	128,007	-
342	Deferred revenue	8,094	5,842	3,676	4,285	4,596	-	26,493	-
343	Current portion of long-term debt - capital projects/mortgage revenue bonds	-	-	-	-	-	-	-	-
345	Other current liabilities	-	-	-	1,928	16,353	-	18,281	-
346	Accrued liabilities - other	56,863	44,938	26,121	9,603	16,310	-	153,835	-
347	Inter program - due to	-	-	-	-	-	44,350	44,350	-
310	Total current liabilities	155,730	121,878	63,089	25,915	52,920	44,728	464,260	78,469

Line Item Number	Account Description	Public Housing Projects							COCC Central Office Cost Center
		Baker Heights WA006000100	Grandview Homes WA006000200	Bakerview Apts WA006000300	Pineview Apts WA006000400	Scattered Sites WA006000500	Other Public Housing	Total Public Housing Projects	
351	Long-term debt, net of current-capital projects/mortgage revenue bonds	-	-	-	-	-	-	-	-
353	Non-current liabilities - other	-	-	-	-	-	-	-	-
354	Accrued compensated absences- Non-current	9,507	9,884	7,515	3,386	5,319	-	35,611	147,586
350	Total non-current liabilities	9,507	9,884	7,515	3,386	5,319	-	35,611	147,586
300	Total liabilities	165,237	131,762	70,604	29,301	58,239	44,728	499,871	226,055
508	Invested in capital assets, net of related debt	401,310	4,353,155	1,022,205	938,818	2,414,004	-	9,129,492	2,033,859
511	Restricted net assets	-	-	-	-	-	-	-	-
512	Unrestricted net assets	1,367,515	466,420	283,796	221,427	315,599	-	2,654,757	433,276
513	Total equity/net assets	1,768,825	4,819,575	1,306,001	1,160,245	2,729,603	-	11,784,249	2,467,135
600	Total liabilities and equity/net assets	\$ 1,934,062	\$ 4,951,337	\$ 1,376,605	\$ 1,189,546	\$ 2,787,842	\$ 44,728	\$ 12,284,120	\$ 2,693,190

Line Item Number	Account Description	Other Programs									
		Business Activities	NIC S/R Section 8 Programs	Sec 8 Housing Assist Pgm Special Alloc.	ROSS Grant Program	Housing Choice Vouchers	Section 8 Moderate Rehab Program	Disaster Voucher Program	Disaster Housing Assist Grant	ARRA Grant Program	Total Other Programs
111	Cash - unrestricted	\$ 1,566,334	\$ 456,051	\$ -	\$ -	\$ 424,867	\$ -	\$ -	\$ -	\$ -	\$ 2,447,252
113	Cash - other restricted	53,016	103,793	-	-	2,050,390	-	-	-	-	2,207,199
114	Cash - tenant security deposits	73,639	24,038	-	-	-	-	-	-	-	97,677
115	Cash - restricted for payment of current liability	-	-	-	-	214,276	-	-	-	-	214,276
100	Total Cash	1,692,989	583,882	-	-	2,689,533	-	-	-	-	4,966,404
121	Accounts receivable - PHA projects	-	-	-	-	47,531	-	-	-	-	47,531
122-010	Accounts receivable - HUD - operating subsidy	-	-	-	-	35,875	944	-	-	-	36,819
122-020	Accounts receivable - HUD - capital fund	-	-	-	-	-	-	-	-	27,233	27,233
122-030	Accounts receivable - HUD - other	-	-	-	26,527	-	-	-	-	-	26,527
122	Accounts receivable - HUD other projects	-	-	-	26,527	35,875	944	-	-	27,233	90,579
124	Accounts receivable - other government	11,456	-	-	-	-	-	-	-	-	11,456
125	Accounts receivable - miscellaneous	-	-	-	-	-	-	-	-	-	-
126	Accounts receivable - tenants	4,245	420	-	-	-	-	-	-	-	4,665
126.1	Allowance for doubtful accounts - tenants	(650)	-	-	-	-	-	-	-	-	(650)
120	Total receivables, net of allowance for doubtful accounts	15,051	420	-	26,527	83,406	944	-	-	27,233	153,581
132	Investments - restricted	55,427	-	-	-	-	-	-	-	-	55,427
142	Prepaid expenses and other assets	86,038	8,617	-	-	1,790	-	-	-	-	96,445
143	Inventories	236	7,825	-	-	3,182	-	-	-	-	11,243
144	Inter program - due from	-	-	-	-	-	63,875	1,548	6,407	-	71,830
150	Total current assets	1,849,741	600,744	-	26,527	2,777,911	64,819	1,548	6,407	27,233	5,354,930
161	Land	1,930,886	704,615	-	-	-	-	-	-	-	2,635,501
162	Buildings	14,580,528	7,595,725	-	-	-	-	-	-	-	22,176,253
163	Furniture, equipment and machinery - dwellings	162,259	62,780	-	-	-	-	-	-	-	225,039
164	Furniture, equipment and machinery - administration	106,289	215,970	-	-	96,769	-	-	-	-	419,028
166	Accumulated depreciation	(3,919,726)	(3,892,026)	-	-	(74,302)	-	-	-	-	(7,886,054)
167	Construction in progress	2,090	2,090	-	-	-	-	-	-	-	4,180
160	Total capital assets, net of accumulated depreciation	12,862,326	4,889,154	-	-	22,467	-	-	-	-	17,573,947
171	Notes, loans, & mortgages receivable - non-current	378,599	-	-	-	-	-	-	-	-	378,599
174	Other assets	-	-	-	-	-	-	-	-	-	-
180	Total non-current Assets	13,240,925	4,889,154	-	-	22,467	-	-	-	-	17,952,546
190	Total assets	\$ 15,090,666	\$ 5,289,898	\$ -	\$ 26,527	\$ 2,800,378	\$ 64,819	\$ 1,548	\$ 6,407	\$ 27,233	\$ 23,307,476
312	Accounts payable <= 90 days	60,161	73,414	-	1,928	15,004	23	-	-	5,146	155,676
322	Accrued compensated absences - current portion	8,428	5,358	-	584	15,825	102	-	-	-	30,297
325	Accrued interest payable	20,985	-	-	-	-	-	-	-	-	20,985
331	Accounts payable - HUD PHA programs	-	-	-	-	-	2,072	1,548	6,407	-	10,027
341	Tenant security deposits	73,639	24,038	-	-	-	-	-	-	-	97,677
342	Deferred revenue	12,352	3,871	-	-	-	-	-	-	-	16,223
343	Current portion of long-term debt - capital projects/mortgage revenue bonds	359,815	-	-	-	-	-	-	-	-	359,815
345	Other current liabilities	-	-	-	-	214,276	-	-	-	-	271,099
346	Accrued liabilities - other	56,823	-	-	-	-	-	-	-	-	19,342
347	Inter program - due to	-	19,342	-	-	-	-	-	-	-	116,180
310	Total current liabilities	592,203	126,023	-	22,263	71,830	-	-	6,407	22,087	1,097,321
					24,775	316,935	2,197	1,548		27,233	

Line Item Number	Account Description	Other Programs									
		Business Activities	N/C S/R Section 8 Programs	Sec 8 Housing Assist Pgm Special Alloc.	ROSS Grant Program	Housing Choice Vouchers	Section 8 Moderate Rehab Program	Disaster Voucher Program	Disaster Housing Assist Grant	ARRA Grant Program	Total Other Programs
351	Long-term debt, net of current-capital projects/mortgage revenue bonds	5,652,587	-	-	-	-	-	-	-	-	5,652,587
353	Non-current liabilities - other	28,191	-	-	-	-	-	-	-	-	28,191
354	Accrued compensated absences- Non-current	25,285	16,073	-	1,752	47,474	305	-	-	-	90,889
350	Total non-current liabilities	5,706,063	16,073	-	1,752	47,474	305	-	-	-	5,771,667
300	Total liabilities	6,298,266	142,096	-	26,527	364,409	2,502	1,548	6,407	27,233	6,868,988
508	Invested in capital assets, net of related debt	6,849,924	4,689,155	-	-	22,467	-	-	-	-	11,561,546
511	Restricted net assets	53,016	103,793	-	-	2,050,390	-	-	-	-	2,207,199
512	Unrestricted net assets	1,889,460	354,854	-	-	363,112	62,317	-	-	-	2,669,743
513	Total equity/net assets	8,792,400	5,147,802	-	-	2,435,969	62,317	-	-	-	16,438,488
600	Total liabilities and equity/net assets	\$ 15,090,666	\$ 5,289,898	\$ -	\$ 26,527	\$ 2,800,378	\$ 64,819	\$ 1,548	\$ 6,407	\$ 27,233	\$23,307,476

Line Item Number	Account Description	Subtotal Housing Authority Projects/Programs	Eliminations	Total Housing Authority Projects/Programs	Component Unit	Memorandum Total
111	Cash - unrestricted	\$ 5,709,661	\$ -	\$ 5,709,661	\$ 93,759	\$ 5,803,420
113	Cash - other restricted	2,207,199	-	2,207,199	155,617	2,362,816
114	Cash - tenant security deposits	225,684	-	225,684	15,792	241,476
115	Cash - restricted for payment of current liability	230,627	-	230,627	-	230,627
100	Total Cash	8,373,171	-	8,373,171	265,168	8,638,339
121	Accounts receivable - PHA projects	47,531	-	47,531	-	47,531
122-010	Accounts receivable - HUD - operating subsidy	36,819	-	36,819	-	36,819
122-020	Accounts receivable - HUD - capital fund	206,707	-	206,707	-	206,707
122-030	Accounts receivable - HUD - other	26,527	-	26,527	-	26,527
122	Accounts receivable - HUD other projects	270,053	-	270,053	-	270,053
124	Accounts receivable - other government	11,456	-	11,456	-	11,456
125	Accounts receivable - miscellaneous	-	-	-	709	709
126	Accounts receivable - tenants	17,979	-	17,979	2,332	20,311
126.1	Allowance for doubtful accounts - tenants	(1,750)	-	(1,750)	-	(1,750)
120	Total receivables, net of allowance for doubtful accounts	345,269	-	345,269	3,041	348,310
132	Investments - restricted	55,427	-	55,427	177,100	232,527
142	Prepaid expenses and other assets	110,740	-	110,740	15,736	126,476
143	Inventories	123,752	-	123,752	-	123,752
144	Inter program - due from	160,530	(160,530)	-	-	-
150	Total current assets	9,168,889	(160,530)	9,008,359	461,045	9,469,404
161	Land	3,865,729	-	3,865,729	708,000	4,573,729
162	Buildings	52,350,347	-	52,350,347	4,152,027	56,502,374
163	Furniture, equipment and machinery - dwellings	584,098	-	584,098	212,546	796,644
164	Furniture, equipment and machinery - administration	2,042,721	-	2,042,721	13,107	2,055,828
166	Accumulated depreciation	(30,873,152)	-	(30,873,152)	(1,077,926)	(31,951,078)
167	Construction in progress	767,555	-	767,555	-	767,555
160	Total capital assets, net of accumulated depreciation	28,737,298	-	28,737,298	4,007,754	32,745,052
171	Notes, loans, & mortgages receivable - non-current	378,599	-	378,599	-	378,599
174	Other assets	-	-	-	100,130	100,130
180	Total non-current Assets	29,115,897	-	29,115,897	4,107,884	33,223,781
190	Total assets	38,284,786	\$ (160,530)	\$ 38,124,256	\$ 4,568,929	\$ 42,693,185
312	Accounts payable <= 90 days	266,374	-	266,374	19,248	285,622
322	Accrued compensated absences - current portion	91,362	-	91,362	-	91,362
325	Accrued interest payable	20,985	-	20,985	57,401	78,386
331	Accounts payable - HUD PHA programs	10,027	-	10,027	-	10,027
341	Tenant security deposits	225,684	-	225,684	15,788	241,472
342	Deferred revenue	42,716	-	42,716	4,437	47,153
343	Current portion of long-term debt - capital projects/mortgage revenue bonds	359,815	-	359,815	45,000	404,815
345	Other current liabilities	289,380	-	289,380	-	289,380
346	Accrued liabilities - other	173,177	-	173,177	-	173,177
347	Inter program - due to	160,530	(160,530)	-	-	-
310	Total current liabilities	1,640,050	(160,530)	1,479,520	141,874	1,621,394

Housing Authority of the City of Everett
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Line Item Number	Account Description	Subtotal Housing Authority Projects/Programs	Eliminations	Total Housing Authority Projects/Programs	Component Unit	Memorandum Total
351	Long-term debt, net of current-capital projects/mortgage revenue bonds	5,652,587	-	5,652,587	3,278,599	8,931,186
353	Non-current liabilities - other	28,191	-	28,191	272,071	300,262
354	Accrued compensated absences- Non-current	274,086	-	274,086	-	274,086
350	Total non-current liabilities	5,954,864	-	5,954,864	3,550,670	9,505,534
300	Total liabilities	7,594,914	(160,530)	7,434,384	3,692,544	11,126,928
508	Invested in capital assets, net of related debt	22,724,897	-	22,724,897	684,155	23,409,052
511	Restricted net assets	2,207,199	-	2,207,199	332,721	2,539,920
512	Unrestricted net assets	5,757,776	-	5,757,776	(140,491)	5,617,285
513	Total equity/net assets	30,689,872	-	30,689,872	876,385	31,566,257
600	Total liabilities and equity/net assets	\$ 38,284,786	\$ (160,530)	\$ 38,124,256	\$ 4,568,929	\$ 42,693,185

Housing Authority of the City of Everett
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Year Ended June 30, 2009

Line Item Number	Account Description	Public Housing Projects							COCC Central Office Cost Center
		Baker Heights WAO06000100	Grandview Homes WAO06000200	Bakerview Apts WAO06000300	Pineview Apts WAO06000400	Scattered Sites WAO06000500	Other Public Housing	Total Public Housing Projects	
70300	Net tenant rental revenue	\$ 680,258	\$ 544,955	\$ 347,106	\$ 119,868	\$ 200,396	\$ -	\$ 1,892,583	\$ -
70400	Tenant revenue - other	11,900	10,862	9,093	889	4,227	-	36,971	-
70500	Total tenant revenue	692,158	555,817	356,199	120,757	204,623	-	1,929,554	-
70600	HUD PHA operating grants	977,542	581,366	502,552	103,781	146,689	-	2,311,930	-
70610	Capital grants	-	667,434	66,107	4,956	2,082	-	740,579	20,346
70710	Management Fee	-	-	-	-	-	-	-	1,004,137
70720	Asset management fee	-	-	-	-	-	-	-	74,760
70730	Book-keeping fee	-	-	-	-	-	-	-	285,713
70740	Front line service fee	-	-	-	-	-	-	-	549,624
70750	Other fees	-	-	-	-	-	-	-	92,624
70700	Total fee revenue	-	-	-	-	-	-	-	2,006,858
70800	Other government grants	-	-	-	-	2,148	-	2,148	-
71100	Investment income - unrestricted	16,574	9,154	9,226	2,368	2,929	-	40,251	7,260
71500	Other revenue	-	-	61,747	-	-	-	61,747	10,797
71600	Gain or loss on sale of capital assets	-	-	-	(30)	(230)	-	(260)	-
72000	Investment income - restricted	-	-	-	-	-	-	-	-
70000	Total Revenue	1,686,274	1,813,771	995,831	231,832	358,241	-	5,085,949	2,045,261
91100	Administrative salaries	147,355	94,603	135,665	23,661	30,554	-	431,838	723,680
91200	Auditing fees	4,284	2,557	2,592	576	756	-	10,765	1,800
91300	Management fee	193,080	116,496	118,860	26,909	33,955	-	489,300	-
91310	Book-keeping fee	21,990	13,125	13,515	3,052	3,833	-	55,515	-
91400	Advertising and marketing	73	44	44	10	13	-	184	-
91500	Employee benefit contributions - administrative	59,763	39,334	43,843	8,687	12,237	-	163,864	220,843
91600	Office expenses	10,557	5,181	7,335	1,083	1,379	-	25,535	67,626
91700	Legal expense	1,579	458	1,617	-	18	-	3,672	24,969
91800	Travel	5,544	3,269	4,458	526	840	-	14,637	20,038
91900	Other	32,076	16,997	20,754	3,614	4,869	-	78,310	119,406
91000	Total operating - administrative	476,301	292,064	348,683	68,118	88,454	-	1,273,620	1,178,362
92000	Asset management fee	29,520	17,760	18,120	4,080	5,280	-	74,760	-
92100	Tenant services - salaries	15,161	57,736	22,961	11,192	-	-	107,050	-
92200	Relocation Costs	175	107	108	25	31	-	446	-
92300	Employee benefit contributions - tenant services	6,149	24,005	7,420	4,109	-	-	41,683	-
92400	Tenant services - other	5,224	21,080	1,660	3,931	847	-	32,742	-
92500	Total tenant services	26,709	102,928	32,149	19,257	878	-	181,921	-
93100	Water	20,532	17,625	6,184	7,101	11,907	-	63,349	1,226
93200	Electricity	2,998	3,092	42,855	1,302	1,288	-	51,515	21,542
93300	Gas	355	5,537	14,042	-	-	-	19,934	16,012
93600	Sewer	87,743	69,320	22,811	15,426	24,124	-	219,424	2,626
93000	Total utilities	111,628	95,574	85,892	23,829	37,299	-	354,222	41,406
94100	Ordinary maintenance and operations - labor	79,166	74,535	78,874	21,345	36,989	-	290,909	398,265
94200	Ordinary maintenance and operations - materials and other	61,410	44,154	43,824	17,476	33,107	-	199,971	18,441
94300-010	Ordinary maintenance and operations contracts - garbage	48,403	42,715	5,990	10,504	11,573	-	119,185	9,556

Housing Authority of the City of Everett
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Line Item Number	Account Description	Public Housing Projects							COCC	
		Baker Heights WAO06000100	Grandview Homes WAO06000200	Bakerview Apts WAO06000300	Pineview Apts WAO06000400	Scattered Sites WAO06000500	Other Public Housing	Total Public Housing Projects	Central Office Cost Center	
94300-020	Ordinary maintenance and operations contracts - health	329	-	1,588	-	-	-	1,917	11,268	
94300-040	Ordinary maintenance and operations contracts - eleva	-	-	16,198	-	-	-	16,198	-	
94300-050	Ordinary maintenance and operations contracts - lands	-	-	15,722	-	2,000	-	17,722	-	
94300-070	Ordinary maintenance and operations contracts - elect	8,836	556	1,378	-	-	-	10,770	414	
94300-080	Ordinary maintenance and operations contracts - plum	870	5,005	1,258	-	3,967	-	11,100	-	
94300-090	Ordinary maintenance and operations contracts - exten	10,847	1,491	155	-	219	-	12,712	-	
94300-100	Ordinary maintenance and operations contracts - janit	-	-	-	-	-	-	-	-	
94300-110	Ordinary maintenance and operations contracts - routi	135,910	107,797	89,373	45,127	55,336	-	433,543	-	
94300-120	Ordinary maintenance and operations contracts - misc.	8,508	5,867	22,646	1,644	8,711	-	47,376	10,460	
94300	Ordinary maintenance and operations contracts	213,703	163,431	154,308	57,275	81,806	-	670,523	31,698	
94500	Employee benefit contribution - ordinary maintenance	32,108	30,990	25,490	7,836	14,814	-	111,238	121,537	
94000	Total maintenance	386,387	313,110	302,496	103,932	166,716	-	1,272,641	569,941	
96110	Property insurance	16,440	13,380	9,196	3,461	5,958	-	48,435	4,616	
96120	Liability insurance	5,188	3,356	3,591	696	1,042	-	13,873	5,192	
96130	Workmen's compensation	6,765	6,641	9,206	1,799	2,733	-	27,144	40,699	
96140	All other insurance	1,192	2,131	726	208	257	-	4,514	5,067	
96100	Total insurance premiums	29,585	25,508	22,719	6,164	9,990	-	93,966	55,574	
96200	Other general expenses	137,390	-	-	-	-	-	137,390	-	
96300	Payments in lieu of taxes	56,863	44,938	26,122	9,604	16,309	-	153,836	-	
96400	Bad debt - tenant rents	821	(43)	939	100	1,909	-	3,726	-	
96000	Total other general expenses	195,074	44,895	27,061	9,704	18,218	-	294,952	-	
96710	Interest of mortgage (or bonds) payable	-	-	-	-	-	-	-	-	
96730	Amortization of bond issue costs	-	-	-	-	-	-	-	-	
96700	Total interest and amortization cost	-	-	-	-	-	-	-	-	
96900	Total operating expenses	1,255,204	891,839	837,120	235,084	326,835	-	3,546,082	1,845,283	
97000	Excess revenue over operating expenses	431,070	921,932	158,711	(3,252)	31,406	-	1,539,867	199,978	
97100	Extraordinary maintenance	18,418	25,414	37,137	1,331	28,150	-	110,450	-	
97300-010	Mainstream 1 & 5 year	-	-	-	-	-	-	-	-	
97300-020	Home-ownership	-	-	-	-	-	-	-	-	
97300-035	Moving to work	-	-	-	-	-	-	-	-	
97300-040	Tenant protection	-	-	-	-	-	-	-	-	
97300-070	All other	-	-	-	-	-	-	-	-	
97300-0100	Total HAP payments	-	-	-	-	-	-	-	-	
97300	Housing assistance payments	-	-	-	-	-	-	-	-	
97400	Depreciation expense	296,470	401,441	137,785	57,781	88,059	-	981,536	151,954	
90000	Total expenses	1,570,092	1,318,694	1,012,042	294,196	443,044	-	4,638,068	1,997,237	
10010	Operating transfer in	228,469	55,994	73,326	12,779	40,856	-	411,424	-	
10020	Operating transfer out	(228,469)	(55,994)	(73,326)	(12,779)	(40,856)	-	(411,424)	-	
10091	Inter project excess cash transfer in	-	-	-	40,000	20,000	-	60,000	-	

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Year Ended June 30, 2009

Line Item Number	Account Description	Public Housing Projects							COCC Central Office Cost Center
		Baker Heights WAO06000100	Grandview Homes WAO06000200	Bakerview Apts WAO06000300	Pineview Apts WAO06000400	Scattered Sites WAO06000500	Other Public Housing	Total Public Housing Projects	
10092	Inter project excess cash transfer out	(60,000)	-	-	-	-	-	(60,000)	-
10100	Total other financing sources (uses)	(60,000)	-	-	40,000	20,000	-	-	-
10000	Excess (deficiency) of total revenue over (under) total expenses	\$ 56,182	\$ 495,077	\$ (16,211)	\$ (22,364)	\$ (64,803)	\$ -	\$ 447,881	\$ 48,024
11020	Required annual debt principal payments	-	-	-	-	-	-	-	-
11030	Beginning equity	1,712,643	4,301,398	1,322,212	1,152,589	2,794,406	-	11,283,248	2,414,820
11040-010	Prior period adjustments and correction of errors - edit	-	-	-	-	-	-	-	-
11040-070	Equity transfers	-	-	-	-	-	-	-	-
11040-080	Equity transfers	-	(23,100)	-	(30,020)	-	-	(53,120)	(4,291)
11040	Prior period adjustments, equity transfers, and correction of errors	\$ -	\$ (23,100)	\$ -	\$ (30,020)	\$ -	\$ -	\$ (53,120)	\$ (4,291)
11170-001	Administrative fee equity- beginning balance	-	-	-	-	-	-	-	-
11170-010	Administrative fee revenue	-	-	-	-	-	-	-	-
11170-021	FSS coordinator grant	-	-	-	-	-	-	-	-
11170-040	Investment income	-	-	-	-	-	-	-	-
11170-050	Other revenue	-	-	-	-	-	-	-	-
11170-090	Depreciation	-	-	-	-	-	-	-	-
11170-110	Total expenses	-	-	-	-	-	-	-	-
11170	Administrative fee equity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11180-010	Housing assistance payments equity - beginning balance	-	-	-	-	-	-	-	-
11180-040	Housing assistance payment revenues	-	-	-	-	-	-	-	-
11180-080	Investment income	-	-	-	-	-	-	-	-
11180-100	Housing assistance payments	-	-	-	-	-	-	-	-
11180	Housing assistance payments equity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11190	Unit months available	2,952	1,701	1,812	408	528	-	7,401	-
11210	Unit months leased	2,939	1,686	1,801	407	512	-	7,345	-
11270	Excess cash	\$ 1,375,757	\$ 474,004	\$ 290,541	\$ 224,538	\$ 320,591	\$ -	\$ 2,685,431	\$ -
11610	Land purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11620	Building purchases	-	621,283	35,241	-	2,082	-	658,606	20,346
11630	Furniture & equipment - dwelling purchases	-	5,253	-	-	-	-	5,253	-
11640	Furniture & equipment - administrative purchases	-	40,898	30,866	4,956	-	-	76,720	-
11650	Leasehold improvements	-	-	-	-	-	-	-	-
11660	Infrastructure purchases	-	-	-	-	-	-	-	-
13510	CFFP debt service payments	-	-	-	-	-	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-	-	-	-

Housing Authority of the City of Everett
Supplemental Financial Data Schedule
Year Ended June 30, 2009

Line Item Number	Account Description	Other Programs									
		Business Activities	N/C S/R Section 8 Programs	Sec 8 Housing Assist Pgm Special Alloc.	ROSS Grant Program	Housing Choice Vouchers	Section 8 Moderate Rehab Program	Disaster Voucher Program	Disaster Housing Assist Grant	ARRA Grant Program	Total Other Programs
70300	Net tenant rental revenue	\$ 1,867,274	\$ 248,043	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,115,317
70400	Tenant revenue - other	32,079	467,231	-	-	-	-	-	-	-	499,310
70500	Total tenant revenue	1,899,353	715,274	-	-	-	-	-	-	-	2,614,627
70600	HUD PHA operating grants	-	609,026	349,005	79,627	20,376,202	153,225	-	-	-	21,567,085
70610	Capital grants	-	-	-	-	-	-	-	-	27,233	27,233
70710	Management Fee	-	-	-	-	-	-	-	-	-	-
70720	Asset management fee	-	-	-	-	-	-	-	-	-	-
70730	Book-keeping fee	-	-	-	-	-	-	-	-	-	-
70740	Front line service fee	-	-	-	-	-	-	-	-	-	-
70750	Other fees	7,162	-	-	-	-	-	-	-	-	7,162
70700	Total fee revenue	7,162	-	-	-	-	-	-	-	-	7,162
70800	Other government grants	189,895	-	-	-	-	-	-	16,680	-	206,575
71100	Investment income - unrestricted	35,830	2,591	-	-	7,104	-	-	-	-	45,526
71500	Other revenue	55,035	13,220	-	-	45,703	-	-	-	-	113,958
71600	Gain or loss on sale of capital assets	(1,325)	(6,883)	-	-	-	-	-	-	-	(8,208)
72000	Investment income - restricted	-	2,873	-	-	38,389	-	-	-	-	41,261
70000	Total Revenue	2,185,950	1,336,101	349,005	79,627	20,467,398	153,225	-	16,680	27,233	24,615,219
91100	Administrative salaries	126,555	105,961	-	-	629,526	753	-	4,678	-	867,473
91200	Auditing fees	2,124	900	-	-	20,162	252	-	-	-	23,438
91300	Management fee	91,504	49,379	-	-	369,779	4,176	-	-	-	514,838
91310	Book-keeping fee	16,575	-	-	-	211,013	2,610	-	-	-	230,198
91400	Advertising and marketing	2,427	294	-	-	-	-	-	-	-	2,721
91500	Employee benefit contributions - administrative	42,947	31,416	-	-	211,013	214	-	-	-	285,590
91600	Office expenses	16,631	14,104	-	-	34,324	-	-	-	-	65,059
91700	Legal expense	17,725	877	-	-	466	-	-	-	-	19,068
91800	Travel	9,428	3,444	-	-	7,256	-	-	-	-	20,128
91900	Other	23,560	11,560	-	-	49,438	12,014	-	-	-	96,572
91000	Total operating - administrative	349,476	217,935	-	-	1,532,977	20,019	-	4,678	-	2,125,085
92000	Asset management fee	-	-	-	-	-	-	-	-	-	-
92100	Tenant services - salaries	122,466	235,310	-	56,574	102,374	-	-	-	-	516,724
92200	Relocation Costs	-	-	-	-	-	-	-	-	-	-
92300	Employee benefit contributions - tenant services	41,559	69,767	-	15,571	53,954	-	-	-	-	180,851
92400	Tenant services - other	51,081	313,803	-	7,482	2,783	-	-	-	-	375,149
92500	Total tenant services	215,106	618,880	-	79,627	159,111	-	-	-	-	1,072,724
93100	Water	20,344	5,867	-	-	-	-	-	-	-	26,211
93200	Electricity	39,444	27,631	-	-	-	-	-	-	-	67,075
93300	Gas	23,354	7,542	-	-	-	-	-	-	-	30,896
93600	Sewer	47,236	13,587	-	-	-	-	-	-	-	60,823
93000	Total utilities	130,378	54,627	-	-	-	-	-	-	-	185,005
94100	Ordinary maintenance and operations - labor	103,043	65,023	-	-	-	-	-	-	-	168,066
94200	Ordinary maintenance and operations - materials and other	54,531	27,982	-	-	2,108	-	-	-	-	84,621
94300-010	Ordinary maintenance and operations contracts - garbage	32,667	8,805	-	-	311	-	-	-	-	41,783

Housing Authority of the City of Everett
Supplemental Financial Data Schedule
Year Ended June 30, 2009

Line Item Number	Account Description	Other Programs									
		Business Activities	N/C S/R Section 8 Programs	Sec 8 Housing Assist Pgm Special Alloc.	ROSS Grant Program	Housing Choice Vouchers	Section 8 Moderate Rehab Program	Disaster Voucher Program	Disaster Housing Assist Grant	ARRA Grant Program	Total Other Programs
94300-020	Ordinary maintenance and operations contracts - health	810	1,305	-	-	-	-	-	-	-	2,115
94300-040	Ordinary maintenance and operations contracts - eleva	14,837	4,775	-	-	-	-	-	-	-	19,612
94300-050	Ordinary maintenance and operations contracts - lands	892	-	-	-	-	-	-	-	-	892
94300-070	Ordinary maintenance and operations contracts - electri	2,402	3,017	-	-	-	-	-	-	-	5,419
94300-080	Ordinary maintenance and operations contracts - plum	2,136	1,009	-	-	-	-	-	-	-	3,145
94300-090	Ordinary maintenance and operations contracts - exten	1,601	4,365	-	-	-	-	-	-	-	5,966
94300-100	Ordinary maintenance and operations contracts - janito	-	-	-	-	-	-	-	-	-	-
94300-110	Ordinary maintenance and operations contracts - routir	94,229	21,852	-	-	-	-	-	-	-	116,081
94300-120	Ordinary maintenance and operations contracts - misc.	47,082	12,941	-	-	5,165	-	-	-	-	65,188
94300	Ordinary maintenance and operations contracts	196,656	58,069	-	-	5,476	-	-	-	-	260,201
94500	Employee benefit contribution - ordinary maintenance	34,968	19,279	-	-	-	-	-	-	-	54,247
94000	Total maintenance	389,198	170,353	-	-	7,584	-	-	-	-	567,135
96110	Property insurance	17,842	5,590	-	-	-	-	-	-	-	23,432
96120	Liability insurance	6,598	3,526	-	-	7,543	48	-	-	-	17,715
96130	Workmen's compensation	12,778	7,362	-	-	6,628	7	-	-	-	26,775
96140	All other insurance	19,120	15,917	-	-	1,770	-	-	-	-	36,807
96100	Total insurance premiums	56,338	32,395	-	-	15,941	55	-	-	-	104,729
96200	Other general expenses	27,559	-	-	-	152,904	-	-	-	-	180,463
96300	Payments in lieu of taxes	-	19,342	-	-	-	-	-	-	-	19,342
96400	Bad debt - tenant rents	9,538	1,540	-	-	-	-	-	-	-	11,078
96000	Total other general expenses	37,097	20,882	-	-	152,904	-	-	-	-	210,883
96710	Interest of mortgage (or bonds) payable	278,168	-	-	-	-	-	-	-	-	278,168
96730	Amortization of bond issue costs	-	-	-	-	-	-	-	-	-	-
96700	Total interest and amortization cost	278,168	-	-	-	-	-	-	-	-	278,168
96900	Total operating expenses	1,455,761	1,115,072	-	79,627	1,868,517	20,074	-	4,678	-	4,543,729
97000	Excess revenue over operating expenses	730,189	221,029	349,005	-	18,598,881	133,151	-	12,002	27,233	20,071,490
97100	Extraordinary maintenance	25,393	21,710	-	-	-	-	-	-	-	47,103
97300-010	Mainstream 1 & 5 year	-	-	-	-	1,196,909	-	-	-	-	1,196,909
97300-020	Home-ownership	-	-	-	-	36,095	-	-	-	-	36,095
97300-035	Moving to work	-	-	-	-	-	-	-	-	-	-
97300-040	Tenant protection	-	-	-	-	75,000	-	-	-	-	75,000
97300-070	All other	-	-	-	-	17,659,658	126,826	-	12,002	-	17,798,486
97300-0100	Total HAP payments	-	-	-	-	-	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	18,967,662	126,826	-	12,002	-	19,106,490
97400	Depreciation expense	377,753	276,256	-	-	8,567	-	-	-	-	662,576
90000	Total expenses	1,858,907	1,413,038	-	79,627	20,844,746	146,900	-	16,680	-	24,359,898
10010	Operating transfer in	-	83,633	-	-	-	-	-	-	-	83,633
10020	Operating transfer out	(83,633)	-	(349,005)	-	-	-	-	-	-	(432,638)
10091	Inter project excess cash transfer in	-	-	-	-	-	-	-	-	-	-

Housing Authority of the City of Everett
Supplemental Financial Data Schedule
Year Ended June 30, 2009

Line Item Number	Account Description	Other Programs										Total Other Programs
		Business Activities	N/C S/R Section 8 Programs	Sec 8 Housing Assist Pgm Special Alloc.	ROSS Grant Program	Housing Choice Vouchers	Section 8 Moderate Rehab Program	Disaster Voucher Program	Disaster Housing Assist Grant	ARRA Grant Program		
10092	Inter project excess cash transfer out	-	-	-	-	-	-	-	-	-	-	
10100	Total other financing sources (uses)	(83,633)	83,633	(349,005)	-	-	-	-	-	-	(349,005)	
10000	Excess (deficiency) of total revenue over (under) total expenses	\$ 243,410	\$ 6,696	\$ -	\$ -	\$ (377,348)	\$ 6,325	\$ -	\$ -	\$ 27,233	\$ (93,684)	
11020	Required annual debt principal payments	359,815	-	-	-	-	-	-	-	-	359,815	
11030	Beginning equity	8,553,281	5,141,106	-	18,966	2,813,317	55,991	-	-	-	16,582,661	
11040-010	Prior period adjustments and correction of errors - edit	-	-	-	(6,921)	-	-	-	-	-	(6,921)	
11040-070	Equity transfers	4,291	-	-	25,887	-	-	-	-	27,233	57,411	
11040-080	Equity transfers	-	-	-	-	-	-	-	-	-	-	
11040	Prior period adjustments, equity transfers, and correction of errors	\$ 4,291	\$ -	\$ -	\$ 18,966	\$ -	\$ -	\$ -	\$ -	\$ 27,233	\$ 50,490	
11170-001	Administrative fee equity- beginning balance	-	-	-	-	220,373	-	-	-	-	220,373	
11170-010	Administrative fee revenue	-	-	-	-	1,848,894	-	-	-	-	1,848,894	
11170-021	FSS coordinator grant	-	-	-	-	140,589	-	-	-	-	140,589	
11170-040	Investment income	-	-	-	-	7,104	-	-	-	-	7,104	
11170-050	Other revenue	-	-	-	-	45,703	-	-	-	-	45,703	
11170-090	Depreciation	-	-	-	-	(8,567)	-	-	-	-	(8,567)	
11170-110	Total expenses	-	-	-	-	(1,868,517)	-	-	-	-	(1,868,517)	
11170	Administrative fee equity	\$ -	\$ -	\$ -	\$ -	\$ 385,579	\$ -	\$ -	\$ -	\$ -	\$ 385,579	
11180-010	Housing assistance payments equity - beginning balance	-	-	-	-	2,592,944	-	-	-	-	2,592,944	
11180-040	Housing assistance payment revenues	-	-	-	-	18,386,719	-	-	-	-	18,386,719	
11180-080	Investment income	-	-	-	-	38,389	-	-	-	-	38,389	
11180-100	Housing assistance payments	-	-	-	-	(18,967,662)	-	-	-	-	(18,967,662)	
11180	Housing assistance payments equity	\$ -	\$ -	\$ -	\$ -	\$ 2,050,390	\$ -	\$ -	\$ -	\$ -	\$ 2,050,390	
11190	Unit months available	2,652	1,212	-	-	28,480	348	-	18	-	32,710	
11210	Unit months leased	2,587	1,196	-	-	28,068	330	-	18	-	32,199	
11270	Excess cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
11610	Land purchases	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
11620	Building purchases	-	-	-	-	-	-	-	-	-	-	
11630	Furniture & equipment - dwelling purchases	-	-	-	-	-	-	-	-	-	-	
11640	Furniture & equipment - administrative purchases	-	-	-	-	-	-	-	-	-	-	
11650	Leasehold improvements purchases	-	-	-	-	-	-	-	-	-	-	
11660	Infrastructure purchases	-	-	-	-	-	-	-	-	-	-	
13510	CFFP debt service payments	-	-	-	-	-	-	-	-	-	-	
13901	Replacement housing factor funds	-	-	-	-	-	-	-	-	-	-	

Housing Authority of the City of Everett
Supplemental Financial Data Schedule
Year Ended June 30, 2009

Line Item Number	Account Description	Subtotal Housing Authority Projects/Programs	Eliminations	Total Housing Authority Projects/Programs	Component Unit	Memorandum Total
70300	Net tenant rental revenue	\$ 4,007,900	\$ -	\$ 4,007,900	\$ 239,442	\$ 4,247,342
70400	Tenant revenue - other	536,281	-	536,281	8,807	545,088
70500	Total tenant revenue	4,544,181	-	4,544,181	248,249	4,792,430
70600	HUD PHA operating grants	23,879,015	-	23,879,015	-	23,879,015
70610	Capital grants	788,158	-	788,158	-	788,158
70710	Management Fee	1,004,137	(1,004,137)	-	-	-
70720	Asset management fee	74,760	(74,760)	-	-	-
70730	Book-keeping fee	285,713	(285,713)	-	-	-
70740	Front line service fee	549,624	(549,624)	-	-	-
70750	Other fees	99,786	-	99,786	-	99,786
70700	Total fee revenue	2,014,020	(1,914,234)	99,786	-	99,786
70800	Other government grants	208,723	-	208,723	-	208,723
71100	Investment income - unrestricted	93,037	-	93,037	5,624	98,661
71500	Other revenue	186,502	-	186,502	1,725	188,227
71600	Gain or loss on sale of capital assets	(8,468)	-	(8,468)	-	(8,468)
72000	Investment income - restricted	41,261	-	41,261	429	41,690
70000	Total Revenue	31,746,429	(1,914,234)	29,832,195	256,027	30,088,222
91100	Administrative salaries	2,022,991	-	2,022,991	33,991	2,056,982
91200	Auditing fees	36,003	-	36,003	8,675	44,678
91300	Management fee	1,004,138	(1,004,137)	-	41,145	41,146
91310	Book-keeping fee	285,713	(285,713)	-	-	-
91400	Advertising and marketing	2,905	-	2,905	180	3,085
91500	Employee benefit contributions - administrative	670,297	-	670,297	12,871	683,168
91600	Office expenses	158,220	-	158,220	4,947	163,167
91700	Legal expense	47,709	-	47,709	515	48,224
91800	Travel	54,803	-	54,803	1,790	56,593
91900	Other	294,288	-	294,288	11,259	305,547
91000	Total operating - administrative	4,577,067	(1,289,850)	3,287,217	115,373	3,402,590
92000	Asset management fee	74,760	(74,760)	-	-	-
92100	Tenant services - salaries	623,774	-	623,774	-	623,774
92200	Relocation Costs	446	-	446	-	446
92300	Employee benefit contributions - tenant services	222,534	-	222,534	-	222,534
92400	Tenant services - other	407,891	-	407,891	304	408,195
92500	Total tenant services	1,254,645	-	1,254,645	304	1,254,949
93100	Water	90,786	-	90,786	9,013	99,799
93200	Electricity	140,132	-	140,132	10,880	151,012
93300	Gas	66,842	-	66,842	-	66,842
93600	Sewer	282,873	-	282,873	20,734	303,607
93000	Total utilities	580,633	-	580,633	40,627	621,260
94100	Ordinary maintenance and operations - labor	857,240	-	857,240	38,163	895,403
94200	Ordinary maintenance and operations - materials and other	303,033	-	303,033	13,913	316,946
94300-010	Ordinary maintenance and operations contracts - garbage	170,524	-	170,524	23,559	194,083

Housing Authority of the City of Everett
Supplemental Financial Data Schedule
Year Ended June 30, 2009

Line Item Number	Account Description	Subtotal Housing Authority Projects/Programs	Eliminations	Total Housing Authority Projects/Programs	Component Unit	Memorandum Total
94300-020	Ordinary maintenance and operations contracts - health	15,300	-	15,300	-	15,300
94300-040	Ordinary maintenance and operations contracts - elevators	35,810	-	35,810	-	35,810
94300-050	Ordinary maintenance and operations contracts - lands	18,614	-	18,614	414	19,028
94300-070	Ordinary maintenance and operations contracts - electrical	16,603	-	16,603	2,734	19,337
94300-080	Ordinary maintenance and operations contracts - plumbing	14,245	-	14,245	13,277	27,522
94300-090	Ordinary maintenance and operations contracts - exterior	18,678	-	18,678	645	19,323
94300-100	Ordinary maintenance and operations contracts - janitorial	-	-	-	-	-
94300-110	Ordinary maintenance and operations contracts - routing	549,624	(549,624)	-	51,759	51,759
94300-120	Ordinary maintenance and operations contracts - miscellaneous	123,024	-	123,024	5,796	128,820
94300	Ordinary maintenance and operations contracts	962,422	(549,624)	412,798	98,184	510,982
94500	Employee benefit contribution - ordinary maintenance	287,022	-	287,022	14,451	301,473
94000	Total maintenance	2,409,717	(549,624)	1,860,093	164,711	2,024,804
96110	Property insurance	76,483	-	76,483	13,895	90,378
96120	Liability insurance	36,780	-	36,780	5,689	42,469
96130	Workmen's compensation	94,618	-	94,618	2,713	97,331
96140	All other insurance	46,388	-	46,388	11,986	58,374
96100	Total insurance premiums	254,269	-	254,269	34,283	288,552
96200	Other general expenses	317,853	-	317,853	14,331	332,184
96300	Payments in lieu of taxes	173,178	-	173,178	-	173,178
96400	Bad debt - tenant rents	14,804	-	14,804	2,774	17,578
96000	Total other general expenses	505,835	-	505,835	17,105	522,940
96710	Interest of mortgage (or bonds) payable	278,168	-	278,168	170,923	449,091
96730	Amortization of bond issue costs	-	-	-	4,884	4,884
96700	Total interest and amortization cost	278,168	-	278,168	175,807	453,975
96900	Total operating expenses	9,935,094	(1,914,234)	8,020,860	548,210	8,569,070
97000	Excess revenue over operating expenses	21,811,335	-	21,811,335	(292,183)	21,519,152
97100	Extraordinary maintenance	157,553	-	157,553	5,741	163,294
97300-010	Mainstream 1 & 5 year	1,196,909	-	1,196,909	-	1,196,909
97300-020	Home-ownership	36,095	-	36,095	-	36,095
97300-035	Moving to work	-	-	-	-	-
97300-040	Tenant protection	75,000	-	75,000	-	75,000
97300-070	All other	17,798,486	-	17,798,486	-	17,798,486
97300-0100	Total HAP payments	-	-	-	-	-
97300	Housing assistance payments	19,106,490	-	19,106,490	-	19,106,490
97400	Depreciation expense	1,796,066	-	1,796,066	125,135	1,921,201
90000	Total expenses	30,995,203	(1,914,234)	29,080,969	679,086	29,760,055
10010	Operating transfer in	495,057	(844,062)	(349,005)	349,005	-
10020	Operating transfer out	(844,062)	844,062	-	-	-
10091	Inter project excess cash transfer in	60,000	60,000	120,000	-	120,000

Housing Authority of the City of Everett
Supplemental Financial Data Schedule
Year Ended June 30, 2009

Line Item Number	Account Description	Subtotal Housing Authority Projects/Programs	Eliminations	Total Housing Authority Projects/Programs	Component Unit	Memorandum Total
10092	Inter project excess cash transfer out	(60,000)	(60,000)	(120,000)	-	(120,000)
10100	Total other financing sources (uses)	(349,005)	-	(349,005)	349,005	-
10000	Excess (deficiency) of total revenue over (under) total expenses	\$ 402,221	\$ -	\$ 402,221	\$ (74,054)	\$ 328,167
11020	Required annual debt principal payments	359,815	-	359,815	45,000	404,815
11030	Beginning equity	30,280,729	-	30,280,729	950,439	31,231,168
11040-010	Prior period adjustments and correction of errors - edit	(6,921)	-	(6,921)	-	(6,921)
11040-070	Equity transfers	57,411	(57,411)	-	-	-
11040-080	Equity transfers	(57,411)	57,411	-	-	-
11040	Prior period adjustments, equity transfers, and correction of errors	\$ (6,921)	\$ -	\$ (6,921)	\$ -	\$ (6,921)
11170-001	Administrative fee equity- beginning balance	220,373	-	220,373	-	220,373
11170-010	Administrative fee revenue	1,848,894	-	1,848,894	-	1,848,894
11170-021	FSS coordinator grant	140,589	-	140,589	-	140,589
11170-040	Investment income	7,104	-	7,104	-	7,104
11170-050	Other revenue	45,703	-	45,703	-	45,703
11170-090	Depreciation	(8,567)	-	(8,567)	-	(8,567)
11170-110	Total expenses	(1,868,517)	-	(1,868,517)	-	(1,868,517)
11170	Administrative fee equity	\$ 385,579	\$ -	\$ 385,579	\$ -	\$ 385,579
11180-010	Housing assistance payments equity - beginning balance	2,592,944	-	2,592,944	-	2,592,944
11180-040	Housing assistance payment revenues	18,386,719	-	18,386,719	-	18,386,719
11180-080	Investment income	38,389	-	38,389	-	38,389
11180-100	Housing assistance payments	(18,967,662)	-	(18,967,662)	-	(18,967,662)
11180	Housing assistance payments equity	\$ 2,050,390	\$ -	\$ 2,050,390	\$ -	\$ 2,050,390
11190	Unit months available	40,111	-	40,111	960	41,071
11210	Unit months leased	39,544	-	39,544	953	40,497
11270	Excess cash	\$ 2,685,431	\$ -	\$ 2,685,431	\$ -	\$ 2,685,431
11610	Land purchases	-	\$ -	-	\$ -	-
11620	Building purchases	678,952	-	678,952	-	678,952
11630	Furniture & equipment - dwelling purchases	5,253	-	5,253	-	5,253
11640	Furniture & equipment - administrative purchases	76,720	-	76,720	-	76,720
11650	Leasehold improvements purchases	-	-	-	-	-
11660	Infrastructure purchases	-	-	-	-	-
13510	CFFP debt service payments	-	-	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-

HOUSING AUTHORITY OF THE CITY OF EVERETT
Supplemental Segment Information - Unaudited
As of and for the Year Ended June 30, 2009

CONDENSED STATEMENT OF NET ASSETS

	Affordable Housing Properties	Broadway Plaza West	Douglas Grove	Greenhouse	ParkRidge Condominiums	Property Management	Local	Total (memorandum only)
Assets								
Cash & investments - unrestricted	\$ 112,503	\$ 565,714	\$ 23,697	\$ 55,535	\$ 8,331	\$ 721,375	\$ 79,179	\$ 1,566,334
Cash & investments - restricted	154,487	23,595	4,000	-	-	-	-	182,082
Due from other programs	-	-	-	-	-	-	60,137	60,137
Other current assets	1,712	12,251	120	-	-	-	-	14,083
Capital assets (net of accumulated depreciation)	8,000,291	3,840,061	475,927	262,704	-	-	281,741	12,860,724
Other assets	-	-	-	-	-	378,599	-	378,599
Total Assets	8,268,993	4,441,621	503,744	318,239	8,331	1,099,974	421,057	15,061,959
Liabilities								
Current liabilities	45,717	17,950	6,826	133	-	1,771	1,252	73,649
Current portion of long-term debt	300,298	-	37,161	22,356	-	-	-	359,815
Current liabilities payable from restricted assets	101,471	23,595	4,000	-	-	-	-	129,066
Due to other programs	-	-	10,513	-	-	-	-	10,513
Bonds and notes payable - non-current	5,388,329	-	264,258	-	-	-	-	5,652,587
Other non-current liabilities	35,776	10,040	741	-	-	-	-	46,557
Total Liabilities	5,871,591	51,585	323,499	22,489	-	1,771	1,252	6,272,187
Net Assets								
Invested in capital assets, net of related debt	2,311,664	3,840,061	174,508	240,348	-	-	281,741	6,848,322
Restricted	53,016	-	-	-	-	-	-	53,016
Unrestricted	32,722	549,975	5,737	55,402	8,331	1,098,203	138,064	1,888,434
Total Net Assets	\$ 2,397,402	\$ 4,390,036	\$ 180,245	\$ 295,750	\$ 8,331	\$ 1,098,203	\$ 419,805	\$ 8,789,772

CONDENSED STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET ASSETS

	Affordable Housing Properties	Broadway Plaza West	Douglas Grove	Greenhouse	ParkRidge Condominiums	Property Management	Local	Total (memorandum only)
Operating Revenue (Expenses)								
Operating revenue	\$ 1,044,710	\$ 787,135	\$ 91,941	\$ 29,400	\$ -	\$ 7,162	\$ -	\$ 1,960,348
Operating expenses	(476,200)	(446,411)	(53,006)	(1,198)	(15,016)	-	(16,521)	(1,008,352)
Operating transfers in	48,500	-	-	-	-	-	-	48,500
Operating transfers out	-	(83,633)	-	-	(48,500)	-	(5,676)	(137,809)
Depreciation expense	(221,381)	(136,530)	(9,396)	(9,122)	-	-	-	(376,429)
Operating income (loss)	395,629	120,561	29,539	19,080	(63,516)	7,162	(22,197)	486,258
Nonoperating Revenue (Expense)								
Interest income	631	7,633	70	784	934	23,705	2,073	35,830
Interest expense	(260,448)	-	(16,492)	(1,229)	-	-	-	(278,169)
Nonoperating transfers out	-	-	-	-	-	-	(4,291)	(4,291)
Nonoperating income (expense)	(259,817)	7,633	(16,422)	(445)	934	23,705	(2,218)	(246,630)
Increase (decrease) in net assets	135,812	128,194	13,117	18,635	(62,582)	30,867	(24,415)	239,628
Net Assets, Beginning of Year	2,261,590	4,261,842	167,128	277,115	70,913	1,067,336	444,220	8,550,144
Net Assets, End of Year	\$ 2,397,402	\$ 4,390,036	\$ 180,245	\$ 295,750	\$ 8,331	\$ 1,098,203	\$ 419,805	\$ 8,789,772

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.

**Actual Comprehensive Grant
Cost Certificate**
Comprehensive Grant Program (CGP)

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

OMB Approval No. 2577-0157
(Exp. 09/30/2005)

PHA/HA Name HOUSING AUTHORITY OF THE CITY OF EVERETT	Comprehensive Grant Number
	WA19P006501-04 (EHA's 505)
	FFY of Grant Approval 2004

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

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

A. Original Funds Approved	\$ 979,883.00
B. Revised Funds Approved	\$ 979,883.00
C. Funds Advanced	\$ 979,883.00
D. Funds Expended (Actual Modernization Cost)	\$ 979,883.00
E. Amount to be Recaptured (A-D)	\$.00
F. Excess of Funds Advanced (C-D)	\$.00

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

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

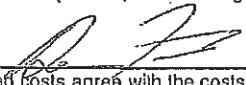
4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and

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

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.
Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature 	Date 10/20/2008
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am

For HUD Use Only	
The Cost Certificate is approved for audit.	
Approved for Audit (Director, Public Housing Division)	Date
	11/3/08
The audited costs agree with the costs shown above.	
Verified (Director, Public Housing Division)	Date
Approved (Field Office Manager)	Date

form HUD-52839 (2/92)
ref Handbook 7485.3

**Actual Comprehensive Grant
Cost Certificate**
Comprehensive Grant Program (CGP)

U.S. Department of Housing
And Urban Development
Office of Public & Indian Housing

OMB Approval No. 2577-0157
(Exp. 09-30-2005)

PHA/IHA Name HOUSING AUTHORITY OF THE CITY OF EVERETT	Comprehensive Grant Number:	SF-260
		Amendment #11-N
		WA19P006501-05
	FFY of Grant Approval	2005

The PHA/IHA hereby certifies to the Department of Housing and Urban Development as follows:

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

A. Original Funds Approved	\$	942,510.00
B. Revised Funds Approved	\$	942,510.00
C. Funds Advanced	\$	942,510.00
D. Funds Expended (Actual Modernization Cost)	\$	942,510.00
E. Amount to be Recaptured (A-D)	\$.00
F. Excess of Funds Advanced (C-D)	\$.00

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

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

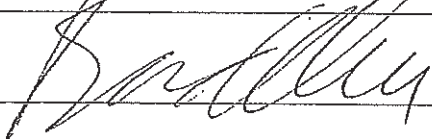
4. That there are no un-discharged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and

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

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

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

Signature



Bud Alkire
Executive Director

Date

July 27, 2009

For HUD Use Only

The cost Certificate is approved for audit.

Approved for Audit (Director, Public Housing Division)

Date



The Audited costs agree with the costs shown above.

Verified (Director, Public Housing Division)

Date

Approved (Field Office Manager)

Date

Form HUD-52839 (2/92)
Ref Handbook 7485.3



ABOUT THE STATE AUDITOR'S OFFICE

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

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

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

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

The results of our work are widely distributed through a variety of reports, which are available on our Web site and through our free, electronic subscription service. We continue to refine our reporting efforts to ensure the results of our audits are useful and understandable.

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

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Deputy Chief of Staff
Chief Policy Advisor
Director of Audit
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Director for Legal Affairs
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