

HOUSING AUTHORITY OF THE  
CITY OF SEDRO-WOOLLEY



MEETING OF THE  
BOARD OF COMMISSIONERS

Thursday, December 19, 2019

Hillsview Apartments  
(Community Room)  
830 Township Street, Sedro-Woolley, WA 98284

# HOUSING AUTHORITY OF THE CITY OF SEDRO-WOOLLEY



## MEETING OF THE BOARD OF COMMISSIONERS

Thursday, December 19, 2019

10:45 am

Hillview Apartments

(Community Room)

830 Township Street, Sedro-Woolley, WA 98284

## AGENDA

---

- I. Call to Order
- II. Roll Call
- III. Public Comment
- IV. Approval of Minutes
  - A. October 17, 2019 Board of Commissioners' Meeting Minutes 1
- V. Action Items for Discussion & Approval
  - A. Approval of Voucher Report October 1, 2019 to November 30, 2019 2
  - B. Resolution No. 467: To Enter into a Settlement Agreement by and Between The Secretary of Housing and Urban Development ("HUD") and The Housing Authority of the City of Sedro-Woolley (SWHA). 3
  - C. Resolution No. 468: Acknowledging Receipt of Audit Examinations for the Period January 1, 2018 through December 31, 2018. 4
  - D. Resolution No. 469: 2020 Comprehensive Operating and Capital Budget 5
- VI. Reports
  - A. Financial Report for October 2019 6
  - B. Housing Management Report for October/November 2019 7
- VII. New Business
- VIII. Adjournment

T  
A  
B

N  
U  
M  
B  
E  
R

1

HOUSING AUTHORITY OF THE  
CITY OF SEDRO-WOOLLEY  
BOARD OF COMMISSIONERS  
MEETING MINUTES

Thursday, October 17, 2019

---

I. Call to Order

The regular meeting of the Board of Commissioners of the Sedro-Woolley Housing Authority was called to order by Chair Laurie Fellers at 10:50 a.m., on Thursday, October 17, 2019, at Hillsvew Apartments, 830 Township Street, Sedro-Woolley, WA.

II. Roll Call

**Present:** Commissioner Laurie Fellers (Chair), Commissioner Reta Stephenson (Vice-Chair), Commissioner Dona Cowan, Commissioner Kacy Johnson and Commissioner Lee Elliot

III. Public Comment

None.

IV. Approval of Minutes

A. August 15, 2019 Board of Commissioners' Meeting Minutes

Commissioner Reta Stephenson moved for approval of the Minutes, seconded by Commissioner Kacy Johnson; the Board unanimously approved the Minutes from August 15, 2019.

V. Action Items for Discussion & Approval

A. Approval of Voucher Report August 1, 2019 to September 30, 2019

Questions of Commissioners' were answered by Kimberly Sayavong.

Commissioner Kacy Johnson moved for approval of the Voucher Report, seconded by Commissioner Dona Cowan; the board unanimously approved the Voucher Report for August 1, 2019 to September 30, 2019.

B. Resolution No. 466: Adopting the Annual Civil Rights Certification Required in Conjunction with the Receipt of the Federal Fiscal Year 2019 Allocation of Funds from the HUD Capital Fund Program.

There was a Public Comment time at 10:30 a.m. – No Public Comment, no residents were in attendance.

Commissioner Dona Cowan moved for approval of Resolution No. 466, seconded by Commissioner Reta Stephenson; the board unanimously approved Resolution No. 466.

## VI. Reports

### A. Financial Report for August 2019

Windy Epps, Assistant Director of Finance, presented the details of the August 2019 Financial Report.

### B. Housing Management Report for August/September 2019

Kimberly Sayavong, Senior Property Manager presented the report to the Commissioners'.

Questions of Commissioners' were answered by Kimberly Sayavong.

### C. EPC Update

Jill Stanton, Deputy Executive Director for Administration gave an update on the EPC.

Sedro-Woolley Energy Performance Contract background - When KCHA did the energy contract, we included SWHA but they are separate and a non-moving to work authority. KCHA is a moving to work authority and that provides flexibility.

HUD approved the King County Housing Authority Energy Performance Contract that said we can enter into energy performance contracts for our housing authority or any housing authorities that we manage.

HUD came back and said yes, we did that, but we didn't have the legal authority to approve. After a year and a half, we have come to an agreement.

Questions of Commissioners' were answered by Jill Stanton.

## VII. New Business

- A. The Holiday Party will be on Thursday, December 19<sup>th</sup>.

## VIII. Adjournment

There being no further business before the Board of Commissioners, the meeting was adjourned at 11:33 a.m.

THE HOUSING AUTHORITY OF THE  
CITY OF SEDRO-WOOLLEY

---

LAURIE FELLERS, Chair  
Board of Commissioners

---

STEPHEN J. NORMAN  
Executive Director

T  
A  
B  
  
N  
U  
M  
B  
E  
R



# SEDRO-WOOLLEY HOUSING AUTHORITY

**TO:** Board of Commissioners  
**FROM:** Linda Riley, Controller  
**DATE:** December 2, 2019  
**RE:** Approval of Vouchers October 1, 2019 to November 30, 2019

---

I, Linda Riley, do hereby certify under penalty of perjury that the materials have been furnished, the services rendered or the labor performed as described herein and that the expenditures represented by the summary listed below were just obligations of the Sedro-Woolley Housing Authority, and that I am authorized to authenticate and certify said claims.

---

Linda Riley  
Controller  
December 2, 2019

**Expenditures to Sedro-Woolley**

Operations

Directly to Cedar Grove	14,409.96
Directly to Hillsview	<u>18,111.94</u>
<b>Total Expenditures</b>	<b><u><u>\$32,521.90</u></u></b>

SEDRO-WOOLLEY HOUSING AUTHORITY  
Accounts Payable Report  
10/01/2019 TO 11/30/2019

Account No.	Major Account Description	Amount	Vendor Name	Voucher Description	Date	Check Number
<b>CEDAR GROVE</b>						
400100	Salaries-Temporary Employees	5.31	TERRA STAFFING GROUP	G SALINAS 9/22/19	10/4/2019	325312
400100	Salaries-Temporary Employees	5.14	TERRA STAFFING GROUP	G SALINAS 9/29/19	10/11/2019	325470
410000	Admin Supplies	3.08	COMPLETE OFFICE	OFFICE SUPPLIES	10/18/2019	325589
410000	Admin Supplies	0.10	CANON SOLUTIONS AMERICA INC	SN RZ127626	11/1/2019	325930
410000	Admin Supplies	0.09	CANON SOLUTIONS AMERICA INC	SN RZ127626	11/26/2019	326403
411100	Comp Equip-Hardware	4.56	CDW/COMPUTER CENTERS INC	COMPUTER SUPPLIES	10/4/2019	325225
411100	Comp Equip-Hardware	0.80	CDW/COMPUTER CENTERS INC	FUJITSU 3YR ADVANCE EXCHANGE	10/11/2019	325392
411100	Comp Equip-Hardware	1.75	PAPERLESS PRODUCTIVITY INC	SONUS GATEWAY	11/1/2019	325937
411100	Comp Equip-Hardware	1.42	CDW/COMPUTER CENTERS INC	COMPUTER SUPPLIES	11/26/2019	326352
411100	Comp Equip-Hardware	5.29	CDW/COMPUTER CENTERS INC	COMPUTER SUPPLIES	11/26/2019	326352
411103	Comp Equip-Software Maint	50.23	UNIT 4 BUSINESS SOFTWARE	ANNUAL MAINT	11/1/2019	325867
411103	Comp Equip-Software Maint	56.95	MRI SOFTWARE LLC	ANNUAL TENMAST SUBSCRIPTION FEE	11/1/2019	325906
420101	Prof Services-Auditing	175.00	STATE AUDITOR S OFFICE	SEDRO AUDIT PERIOD 18-18	10/25/2019	325701
420908	Prof Services-Comps	0.10	HYLAND SOFTWARE, INC	PROFESSIONAL SVCS	11/8/2019	326001
421904	Admin Contracts- Cloud Recovery Services	6.87	NET2VAULT LLC	MANAGED VAULTING	10/18/2019	325636
421904	Admin Contracts- Cloud Recovery Services	6.92	NET2VAULT LLC	MANAGED VAULTING	11/22/2019	326200
440010	Travel-Training Related-Distant	1.31	MARSHA PREMEL	10/8-12/19 TRAVEL REIMBURSE	11/8/2019	326004
440010	Travel-Training Related-Distant	1.17	MARSHA PREMEL	10/8-12/19 TRAVEL REIMBURSE	11/22/2019	326284
440100	Travel-Non-training Related-Local-Mileage	4.37	JUDITH ANDINO	8/1-9/26/19 MILEAGE	10/11/2019	325500
440100	Travel-Non-training Related-Local-Mileage	30.64	KIMBERLY SAYAVONG	9/10-10/31/19 MILEAGE	11/15/2019	326143
440100	Travel-Non-training Related-Local-Mileage	0.14	MARSHA PREMEL	10/8-12/19 TRAVEL REIMBURSE	11/22/2019	326284
440100	Travel-Non-training Related-Local-Mileage	0.67	CATHERINE COLLEEN CUNNINGHAM	1/28-7/12/19 MILEAGE	11/26/2019	326398
441000	Training-Individual	1.32	JOHN PAUL STURTEVANT JR	REG FEE COLLEEN CUNNINGHAM	10/25/2019	325796
441000	Training-Individual	1.32	JOHN PAUL STURTEVANT JR	REG FEE VANESSA OWEN	10/25/2019	325796
450001	Comm-Phones Lines-Service-Voice	16.88	CONSOLIDATED TECHNOLOGY SERVICES	SEPT 2019 CHGS	10/18/2019	325616
450001	Comm-Phones Lines-Service-Voice	16.87	CONSOLIDATED TECHNOLOGY SERVICES	OCTOBER 2019 CHGS	11/22/2019	326281
450002	Comm-Phones Lines-Service-Digital Voice	0.10	INTRADO LIFE & SAFETY INC	MONTHLY MAINT CHG	11/1/2019	325929
450002	Comm-Phones Lines-Service-Digital Voice	0.10	INTRADO LIFE & SAFETY INC	MONTHLY MAINT CHG	11/22/2019	326308
491000	Admin Exp-Criminal/Background Checks	6.01	NATIONAL CREDIT REPORTING	CREDIT CHECK	10/11/2019	325415
491000	Admin Exp-Criminal/Background Checks	35.80	NATIONAL CREDIT REPORTING	CREDIT CHECK	10/11/2019	325415
491000	Admin Exp-Criminal/Background Checks	9.10	WASHINGTON STATE PATROL	BACKGROUND CHECKS	10/18/2019	325551
491000	Admin Exp-Criminal/Background Checks	6.36	WASHINGTON STATE PATROL	BACKGROUND CHECKS	11/15/2019	326089
491000	Admin Exp-Criminal/Background Checks	9.03	NATIONAL CREDIT REPORTING	BACKGROUND CHECK	11/22/2019	326192
493000	Other Admin Exp-Postage	4.85	NEOFUNDS BY NEOPOST	POSTAGE	10/4/2019	325317
493000	Other Admin Exp-Postage	7.26	MAIL ADVERTISING BUREAU INC	1650 STAPLED	10/18/2019	325536
493000	Other Admin Exp-Postage	9.90	NEOFUNDS BY NEOPOST	POSTAGE	11/8/2019	326019
493100	Other Admin Exp-Mail Handling	7.62	MAIL ADVERTISING BUREAU INC	1650 STAPLED	10/18/2019	325536

SEDRO-WOOLLEY HOUSING AUTHORITY  
Accounts Payable Report  
10/01/2019 TO 11/30/2019

Account No.	Major Account Description	Amount	Vendor Name	Voucher Description	Date	Check Number
494000	Other Admin Exp-Membership Dues	30.40	NAHRO	1/1/20-12/31/20 MEMBERSHIP	10/4/2019	325198
520104	Social Service Contracts-Interpretation	1.55	LANGUAGE LINE SERVICES, INC	INTERPRETATION	11/15/2019	326078
620006	Occup Exp-Floor Covering	3,900.09	GREAT FLOORS LLC	FLOORING	10/11/2019	325466
620013	Occup Exp-Yard/Garden/Landscaping	525.71	WHIRLWIND CLEAN & GREEN	LANDSCAPING	10/25/2019	325797
620013	Occup Exp-Yard/Garden/Landscaping	525.71	WHIRLWIND CLEAN & GREEN	LANDSCAPING MAINT	11/22/2019	326202
620016	Occup Exp-Hazardous Material	750.00	CONSTRUCTION GROUP INTER LLC	ASBESTOS ABATEMENT	10/11/2019	325421
660000	Occup Exp-Utilities-Water	70.89	PUBLIC UTILITY DISTRICT #1	WATER	11/22/2019	326268
660000	Occup Exp-Utilities-Water	198.04	PUBLIC UTILITY DISTRICT #1	WATER	11/22/2019	326268
660000	Occup Exp-Utilities-Water	82.48	PUBLIC UTILITY DISTRICT #1	WATER	11/22/2019	326268
660000	Occup Exp-Utilities-Water	91.21	PUBLIC UTILITY DISTRICT #1	WATER	11/22/2019	326268
660000	Occup Exp-Utilities-Water	123.26	PUBLIC UTILITY DISTRICT #1	WATER	11/22/2019	326268
660000	Occup Exp-Utilities-Water	286.63	PUBLIC UTILITY DISTRICT #1	WATER	11/22/2019	326268
660000	Occup Exp-Utilities-Water	170.03	PUBLIC UTILITY DISTRICT #1	WATER	11/22/2019	326268
660000	Occup Exp-Utilities-Water	101.13	PUBLIC UTILITY DISTRICT #1	WATER	11/22/2019	326268
660000	Occup Exp-Utilities-Water	106.44	PUBLIC UTILITY DISTRICT #1	WATER	11/22/2019	326268
660000	Occup Exp-Utilities-Water	148.84	PUBLIC UTILITY DISTRICT #1	WATER	11/22/2019	326268
660000	Occup Exp-Utilities-Water	101.13	PUBLIC UTILITY DISTRICT #1	WATER	11/22/2019	326268
660000	Occup Exp-Utilities-Water	176.67	PUBLIC UTILITY DISTRICT #1	WATER	11/22/2019	326268
660000	Occup Exp-Utilities-Water	155.31	PUBLIC UTILITY DISTRICT #1	WATER	11/22/2019	326268
660000	Occup Exp-Utilities-Water	117.92	PUBLIC UTILITY DISTRICT #1	WATER	11/22/2019	326268
660000	Occup Exp-Utilities-Water	91.21	PUBLIC UTILITY DISTRICT #1	WATER	11/22/2019	326268
660000	Occup Exp-Utilities-Water	117.92	PUBLIC UTILITY DISTRICT #1	WATER	11/22/2019	326268
660000	Occup Exp-Utilities-Water	117.92	PUBLIC UTILITY DISTRICT #1	WATER	11/22/2019	326268
660000	Occup Exp-Utilities-Water	117.04	PUBLIC UTILITY DISTRICT #1	WATER	11/22/2019	326268
660000	Occup Exp-Utilities-Water	90.54	PUBLIC UTILITY DISTRICT #1	WATER	11/22/2019	326268
660000	Occup Exp-Utilities-Water	111.73	PUBLIC UTILITY DISTRICT #1	WATER	11/22/2019	326268
660000	Occup Exp-Utilities-Water	159.43	PUBLIC UTILITY DISTRICT #1	WATER	11/22/2019	326268
660100	Occup Exp-Utilities-Sewer	695.98	CITY OF SEDRO WOOLLEY	SEWER	10/18/2019	325605
660100	Occup Exp-Utilities-Sewer	417.60	CITY OF SEDRO WOOLLEY	SEWER	10/18/2019	325605
660100	Occup Exp-Utilities-Sewer	278.56	CITY OF SEDRO WOOLLEY	SEWER	10/18/2019	325605
660100	Occup Exp-Utilities-Sewer	695.77	CITY OF SEDRO WOOLLEY	SEWER	11/15/2019	326134
660100	Occup Exp-Utilities-Sewer	417.60	CITY OF SEDRO WOOLLEY	SEWER	11/15/2019	326134
660100	Occup Exp-Utilities-Sewer	278.56	CITY OF SEDRO WOOLLEY	SEWER	11/15/2019	326134
660200	Occup Exp-Utilities-Electricity	79.70	PUGET SOUND ENERGY-BOT-01H	ELECT	11/1/2019	325875
660200	Occup Exp-Utilities-Electricity	42.71	PUGET SOUND ENERGY-BOT-01H	ELECT	11/1/2019	325875
660200	Occup Exp-Utilities-Electricity	37.12	PUGET SOUND ENERGY-BOT-01H	ELECT	11/1/2019	325875
660201	Occup Exp-Utilities-Electricity-Closing Bill	28.60	PUGET SOUND ENERGY-BOT-01H	ELECT	11/8/2019	325987
660300	Occup Exp-Utilities-Natural Gas	11.21	CASCADE NATURAL GAS CO	GAS	10/18/2019	325593

SEDRO-WOOLLEY HOUSING AUTHORITY  
Accounts Payable Report  
10/01/2019 TO 11/30/2019

Account No.	Major Account Description	Amount	Vendor Name	Voucher Description	Date	Check Number
660300	Occup Exp-Utilities-Natural Gas	65.31	RONALD WASTEWATER DISTRICT	GAS	11/1/2019	voided ck 325880
660300	Occup Exp-Utilities-Natural Gas	65.31	CASCADE NATURAL GAS CO	GAS	11/1/2019	325943
660300	Occup Exp-Utilities-Natural Gas	97.00	CASCADE NATURAL GAS CO	GAS	11/22/2019	326261
660301	Occup Exp-Utilities-Natural Gas-Closing Bill	7.85	CASCADE NATURAL GAS CO	GAS	10/18/2019	325593
660301	Occup Exp-Utilities-Natural Gas-Closing Bill	21.35	CASCADE NATURAL GAS CO	GAS	11/22/2019	326261
660500	Occup Exp-Utilities-Surface Water Mgmt	59.23	CITY OF SEDRO WOOLLEY	STORM	10/18/2019	325605
660500	Occup Exp-Utilities-Surface Water Mgmt	35.54	CITY OF SEDRO WOOLLEY	STORM	10/18/2019	325605
660500	Occup Exp-Utilities-Surface Water Mgmt	23.71	CITY OF SEDRO WOOLLEY	STORM	10/18/2019	325605
660500	Occup Exp-Utilities-Surface Water Mgmt	59.21	CITY OF SEDRO WOOLLEY	STORM	11/15/2019	326134
660500	Occup Exp-Utilities-Surface Water Mgmt	35.54	CITY OF SEDRO WOOLLEY	STORM	11/15/2019	326134
660500	Occup Exp-Utilities-Surface Water Mgmt	23.71	CITY OF SEDRO WOOLLEY	STORM	11/15/2019	326134
660700	Occup Exp-Utilities-Garbage	516.44	CITY OF SEDRO WOOLLEY	GARBAGE	10/18/2019	325605
660700	Occup Exp-Utilities-Garbage	163.85	CITY OF SEDRO WOOLLEY	GARBAGE	10/18/2019	325605
660700	Occup Exp-Utilities-Garbage	170.95	CITY OF SEDRO WOOLLEY	GARBAGE	10/18/2019	325605
660700	Occup Exp-Utilities-Garbage	783.09	CITY OF SEDRO WOOLLEY	GARBAGE	11/15/2019	326134
660700	Occup Exp-Utilities-Garbage	170.95	CITY OF SEDRO WOOLLEY	GARBAGE	11/15/2019	326134
660700	Occup Exp-Utilities-Garbage	163.85	CITY OF SEDRO WOOLLEY	GARBAGE	11/15/2019	326134
	<b>TOTAL CEDAR GROVE</b>	<b>14,409.96</b>				
<b>HILLSVIEW</b>						
400100	Salaries-Temporary Employees	16.04	TERRA STAFFING GROUP	G SALINAS 9/22/19	10/4/2019	325312
400100	Salaries-Temporary Employees	15.54	TERRA STAFFING GROUP	G SALINAS 9/29/19	10/11/2019	325470
410000	Admin Supplies	9.24	COMPLETE OFFICE	OFFICE SUPPLIES	10/18/2019	325589
410000	Admin Supplies	45.04	COMPLETE OFFICE	OFFICE SUPPLIES	10/18/2019	325589
410000	Admin Supplies	0.30	CANON SOLUTIONS AMERICA INC	SN RZJ27626	11/1/2019	325930
410000	Admin Supplies	0.28	CANON SOLUTIONS AMERICA INC	SN RZJ27626	11/26/2019	326403
411100	Comp Equip-Hardware	13.78	CDW/COMPUTER CENTERS INC	COMPUTER SUPPLIES	10/4/2019	325225
411100	Comp Equip-Hardware	2.41	CDW/COMPUTER CENTERS INC	FUJITSU 3YR ADVANCE EXCHANGE	10/11/2019	325392
411100	Comp Equip-Hardware	5.25	PAPERLESS PRODUCTIVITY INC	SONUS GATEWAY	11/1/2019	325937
411100	Comp Equip-Hardware	4.26	CDW/COMPUTER CENTERS INC	COMPUTER SUPPLIES	11/26/2019	326352
411100	Comp Equip-Hardware	15.86	CDW/COMPUTER CENTERS INC	COMPUTER SUPPLIES	11/26/2019	326352
411103	Comp Equip-Software Maint	150.69	UNIT 4 BUSINESS SOFTWARE	ANNUAL MAINT	11/1/2019	325867
411103	Comp Equip-Software Maint	170.84	MRI SOFTWARE LLC	ANNUAL TENMAST SUBSCRIPTION FEE	11/1/2019	325906
420000	Prof Services-Legal	81.00	MONTGOMERY PURDUE BLANKINSHIP	LEGAL SVCS	10/25/2019	325700
420101	Prof Services-Auditing	525.00	STATE AUDITOR S OFFICE	SEDRO AUDIT PERIOD 18-18	10/25/2019	325701
420901	Prof Services-Financial & Real Estate	214.00	CHICAGO TITLE INSURANCE COMPANY	RECORD DECLARATION OF TRUST	11/15/2019	326077
420908	Prof Services-Comps	0.31	HYLAND SOFTWARE, INC	PROFESSIONAL SVCS	11/8/2019	326001
421904	Admin Contracts- Cloud Recovery Services	20.61	NET2VAULT LLC	MANAGED VAULTING	10/18/2019	325636

SEDRO-WOOLLEY HOUSING AUTHORITY  
Accounts Payable Report  
10/01/2019 TO 11/30/2019

Account No.	Major Account Description	Amount	Vendor Name	Voucher Description	Date	Check Number
421904	Admin Contracts- Cloud Recovery Services	20.77	NET2VAULT LLC	MANAGED VAULTING	11/22/2019	326200
440010	Travel-Training Related-Distant	3.91	MARSHA PREMEL	10/8-12/19 TRAVEL REIMBURSE	11/8/2019	326004
440010	Travel-Training Related-Distant	3.48	MARSHA PREMEL	10/8-12/19 TRAVEL REIMBURSE	11/22/2019	326284
440100	Travel-Non-training Related-Local-Mileage	13.10	JUDITH ANDINO	8/1-9/26/19 MILEAGE	10/11/2019	325500
440100	Travel-Non-training Related-Local-Mileage	91.87	KIMBERLY SAYAVONG	9/10-10/31/19 MILEAGE	11/15/2019	326143
440100	Travel-Non-training Related-Local-Mileage	0.43	MARSHA PREMEL	10/8-12/19 TRAVEL REIMBURSE	11/22/2019	326284
440100	Travel-Non-training Related-Local-Mileage	2.02	CATHERINE COLLEEN CUNNINGHAM	1/28-7/12/19 MILEAGE	11/26/2019	326398
441000	Training-Individual	3.99	JOHN PAUL STURTEVANT JR	REG FEE COLLEEN CUNNINGHAM	10/25/2019	325796
441000	Training-Individual	3.99	JOHN PAUL STURTEVANT JR	REG FEE VANESSA OWEN	10/25/2019	325796
450001	Comm-Phones Lines-Service-Voice	50.62	CONSOLIDATED TECHNOLOGY SERVICES	SEPT 2019 CHGS	10/18/2019	325616
450001	Comm-Phones Lines-Service-Voice	50.63	CONSOLIDATED TECHNOLOGY SERVICES	OCTOBER 2019 CHGS	11/22/2019	326281
450002	Comm-Phones Lines-Service-Digital Voice	0.29	INTRADO LIFE & SAFETY INC	MONTHLY CHARGES	11/1/2019	325929
450002	Comm-Phones Lines-Service-Digital Voice	0.29	INTRADO LIFE & SAFETY INC	MONTHLY MAINT CHG	11/22/2019	326308
450003	Comm-Phones Lines-Security	101.25	CONSOLIDATED TECHNOLOGY SERVICES	SEPT 2019 CHGS	10/18/2019	325616
450003	Comm-Phones Lines-Security	101.25	CONSOLIDATED TECHNOLOGY SERVICES	OCTOBER 2019 CHGS	11/22/2019	326281
450100	Comm-Long Distance Charges	13.92	LINGO	MONTHLY CHGS	10/11/2019	325440
450100	Comm-Long Distance Charges	5.95	LINGO	MONTHLY CHGS	11/8/2019	325993
491000	Admin Exp-Criminal/Background Checks	17.90	NATIONAL CREDIT REPORTING	CREDIT CHECK	10/11/2019	325415
491000	Admin Exp-Criminal/Background Checks	18.17	NATIONAL CREDIT REPORTING	CREDIT CHECK	10/11/2019	325415
491000	Admin Exp-Criminal/Background Checks	27.50	WASHINGTON STATE PATROL	BACKGROUND CHECKS	10/18/2019	325551
491000	Admin Exp-Criminal/Background Checks	18.95	WASHINGTON STATE PATROL	BACKGROUND CHECKS	11/15/2019	326089
491000	Admin Exp-Criminal/Background Checks	26.92	NATIONAL CREDIT REPORTING	BACKGROUND CHECK	11/22/2019	326192
493000	Other Admin Exp-Postage	14.65	NEOFUNDS BY NEOPOST	POSTAGE	10/4/2019	325317
493000	Other Admin Exp-Postage	21.90	MAIL ADVERTISING BUREAU INC	1650 STAPLED	10/18/2019	325536
493000	Other Admin Exp-Postage	29.49	NEOFUNDS BY NEOPOST	POSTAGE	11/8/2019	326019
493100	Other Admin Exp-Mail Handling	23.00	MAIL ADVERTISING BUREAU INC	1650 STAPLED	10/18/2019	325536
494000	Other Admin Exp-Membership Dues	91.20	NAHRO	1/1/20-12/31/20 MEMBERSHIP	10/4/2019	325198
520104	Social Service Contracts-Interpretation	4.62	LANGUAGE LINE SERVICES, INC	INTERPRETATION	11/15/2019	326078
620006	Occup Exp-Maint Contracts-Floor Covering	1,143.07	GREAT FLOORS LLC	FLOORING	10/11/2019	325466
620007	Occup Exp-Maint Contracts-Elevator	576.00	ELTEC SYSTEMS LLC	Q4 INSTALLMENT	11/8/2019	326031
620013	Occup Exp-Yard/Garden/Landscaping	326.96	WHIRLWIND CLEAN & GREEN	LANDSCAPING	10/25/2019	325797
620013	Occup Exp-Yard/Garden/Landscaping	326.96	WHIRLWIND CLEAN & GREEN	LANDSCAPE MAINT	11/22/2019	326202
640008	Occup Exp-Maint Projects-Electrical	347.99	COMMERCIAL ENTRY SYSTEMS INC	TAX INVOICE 4089	11/8/2019	325964
660000	Occup Exp-Utilities-Water	1,828.73	PUBLIC UTILITY DISTRICT #1	WATER	11/22/2019	326268
660100	Occup Exp-Utilities-Sewer	4,170.38	CITY OF SEDRO WOOLLEY	SEWER	10/18/2019	325605
660100	Occup Exp-Utilities-Sewer	4,170.38	CITY OF SEDRO WOOLLEY	SEWER	11/15/2019	326134
660200	Occup Exp-Utilities-Electricity	857.82	PUGET SOUND ENERGY-BOT-01H	ELECT	11/1/2019	325875
660500	Occup Exp-Utilities-Surface Water Mgmt	354.93	CITY OF SEDRO WOOLLEY	STORM	10/18/2019	325605

SEDRO-WOOLLEY HOUSING AUTHORITY  
 Accounts Payable Report  
 10/01/2019 TO 11/30/2019

Account No.	Major Account Description	Amount	Vendor Name	Voucher Description	Date	Check Number
660500	Occup Exp-Utilities-Surface Water Mgmt	354.93	CITY OF SEDRO WOOLLEY	STORM	11/15/2019	326134
660700	Occup Exp-Utilities-Garbage	800.64	CITY OF SEDRO WOOLLEY	GARBAGE	10/18/2019	325605
660700	Occup Exp-Utilities-Garbage	800.64	CITY OF SEDRO WOOLLEY	GARBAGE	11/15/2019	326134
	<b>TOTAL HILLSVIEW</b>	<b>18,111.94</b>				
	<b>TOTAL SEDRO WOOLLEY</b>	<b>32,521.90</b>				

T  
A  
B  
  
N  
U  
M  
B  
E  
R

3

**SETTLEMENT AGREEMENT and AMENDMENT  
TO THE ANNUAL CONTRIBUTIONS CONTRACT**

This Settlement Agreement and Amendment to the Annual Contributions Contract (the Agreement) is made this 19<sup>th</sup> day of December, 2019, by and between the Secretary of Housing and Urban Development ("HUD") and the Housing Authority of the City of Sedro-Woolley (SWHA).

Whereas, in accordance with the United States Housing Act of 1937 (the Act) and Federal regulations, SWHA and the United States Department of Housing and Urban Development (HUD) entered into a Consolidated Annual Contributions Contract (ACC) S004 dated September 28<sup>th</sup>, 1995;

Whereas, SWHA considered its Energy Performance Contract (EPC) to be self-managed under the King County Housing Authority (KCHA) Moving to Work Agreement and HUD determined that this resulted in both overpayment of EPC energy incentive and HUD underpayment of Operating Funds since 2006;

Whereas to resolve all EPC and Operating Fund issues, SWHA agrees to make a one-time payment of \$68,435.00 and HUD agrees to make a one-time payment of \$43,906.00 (calculations as agreed to by the parties are attached as Exhibit A);

Whereas this Agreement evidences the parties' mutual cooperation in achieving public goals and neither party admits liability in connection with the matters covered by the Agreement;

And

**NOW THEREFORE HUD and the SWHA** agree to take the following actions:

By December 31, 2019, SWHA agrees to pay by wire to HUD \$68,435.00 out of its Operating Fund Reserves. Wire Payments will be made in accordance with the following:

1) Wire \$68,435.00 to:

Bank Name:	U.S. Treasury FRB New York
Bank Address:	New York, NY
ABA Routing Number:	021030004
Beneficiary:	D
Account Number:	86011101
Account Holder:	U.S. Department of HUD (Ft. Worth, TX)

In the "third party memorandum" field, indicate the project, grant or loan number to which the funds should be applied (i.e., the complete PPN number).

The day that SWHA makes the wire transfer, SWHA shall fax a copy of backup documents, listed below, to the Office of the Chief Financial Officer in Ft. Worth, Attention: Otis Jones, at (817) 978-5748, and to the PIH Field Office the following:

- a) A copy of the wire transfer
  - b) A cover letter that:
    - Identifies the funds as “Repayment for Overpayment of Operating Subsidy”;
    - Identifies the source year of the Federal appropriations (i.e., the Federal Fiscal Year that the funds were obligated to the SWHA); and
    - Includes the PAS/LOCS Project Number (PPN)
  - c) A copy of this Settlement Agreement signed by SWHA
- 2) Upon receipt of the payment by wire in the amount specified in section 1 above and all backup documents listed in section 1 above, HUD agrees to pay to SWHA \$43,906.00 into its Operating Fund account. HUD agrees to make this payment as soon as possible after such receipt. Unless HUD funding is subject to a shutdown, HUD expects to make its payment no later than February 28, 2020.
- 3) Waivers: Reservation of Rights

If either party fails to meet its obligations under paragraphs 1 or 2 above, the other party shall retain all rights it has to enforce this Agreement under applicable law.

4) Notice

Any notice required or made with respect to this Agreement shall be in writing and shall be effective upon receipt. For any matter relating to this Agreement, the contact persons are:

For SWHA:

Stephen J. Norman  
Secretary/Treasurer of the Board of Commissioners  
Housing Authority of the City of Sedro-Woolley  
600 Andover Park West  
Seattle, WA 98188

For HUD:

Danielle Bastarache  
Deputy Assistant Secretary,  
Office of Public Housing and Voucher Programs  
U. S. Department of Housing and Urban Development  
451 7<sup>th</sup> St. SW Room 4204  
Washington, DC 20410

5) Modifications

The parties agree that this Agreement may not be modified, amended, or terminated except by written agreement signed by the parties.

6) Applicable Law

This Agreement shall be governed by and constructed under the laws of the United States.

7) Third-Party Beneficiaries

Nothing in this Agreement shall be constructed to make any other person or entity not executing this Agreement a third-party beneficiary to this Agreement.

8) Representative Authority

Each undersigned representative of the parties to this Agreement certifies that he or she is fully authorized to enter into and execute the terms and conditions of this Agreement, and to bind such parties to this Agreement.

9) Attorney Fees

Each party is to bear its own costs and attorney's fees.

10) Termination

This Agreement shall terminate upon receipt by HUD of the payment due from SWHA and receipt by SWHA of the payment due from HUD under the provisions of this Agreement, provided that Section 12 shall survive such termination.

11) Effective Date

This Agreement shall become effective only upon its acceptance by the Deputy Assistant Secretary, Office of Public Housing and Voucher Programs, as evidenced by the dated execution of this Agreement.

12) Full Settlement

This Agreement shall constitute the full settlement of any claims by HUD or SWHA regarding the EPC and related Operating Fund issues.

WHEREFORE, the parties hereto have duly executed this Agreement.

HOUSING AUTHORITY OF THE CITY  
OF SEDRO-WOOLLEY

U.S. DEPARTMENT OF HOUSING  
AND URBAN DEVELOPMENT

---

Stephen J. Norman  
Secretary/Treasurer of the Board of Commissioners  
Sedro Woolley Housing Authority

---

Danielle Bastarache  
Deputy Assistant Secretary  
Office of Public Housing and Voucher Programs

---

Date

---

Date

Exhibit A

Calculations as Agreed to By Sedro Woolley Housing Authority and HUD

Schedule of HUD Subsidy Overpayment

Year	AMP	50% Rule Repayment Amount	Proration	Repayment
2017	WA030000103	-	92.81%	\$ -
	WA030000155	-		
2016	WA030000103	2,838	90.21%	\$ 2,559.72
	WA030000155			
2015	WA030000103	9,158	85.36%	\$ 7,817.23
	WA030000155			
2014	WA030000103	15,000	88.79%	\$ 13,318.82
	WA030000155			
2013	WA030000103	22,030	81.86%	\$ 18,033.60
	WA030000155			
2012	WA030000103	3,444	94.97%	\$ 3,270.68
	WA030000155			
2011	WA030000103	978	100.00%	\$ 978.20
	WA030000155			
2010	WA030000103	2,964	103.00%	3,053.06
	WA030000155			
2009	WA030000103	15,316	88.42%	13,542.57
	WA030000155			
2008	WA030000103	-	88.96%	-
	WA030000155			
2007	WA03000007D	n/a	n/a	n/a
2006	WA03000106J	6,814	86.02%	5,861.40
<b>Total</b>				<b>\$ 68,435</b>

Schedule of HUD Subsidy Underpayment

Year	AMP	Original submitted PUM EUL	Revised PUM EUL	EPC excluded (HUD funded)	EPC Included (Revised)	Eligibility Difference	Sum of AMPs	Proration	Underpayment
2017	WA030000103	\$ 115.01	\$ 164.65	109,231	121,193	(11,962)	(47,307)	92.81%	\$ (43,906)
	WA030000155	\$ 82.75	\$ 131.84	177,587	212,932	(35,345)			

**THE HOUSING AUTHORITY OF THE CITY OF SEDRO-  
WOOLLEY RESOLUTION NO. 467**

**A RESOLUTION TO ENTER INTO A SETTLEMENT AGREEMENT BY AND  
BETWEEN THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT (“HUD”)  
AND THE HOUSING AUTHORITY OF THE CITY OF SEDRO WOOLLEY (SWHA)**

---

**WHEREAS**, in accordance with the United States Housing Act of 1937 (the Act) and Federal regulations, SWHA and the United States Department of Housing and Urban Development (HUD) entered into a Consolidated Annual Contributions Contract (ACC) S004 dated September 28<sup>th</sup>, 1995; and

**WHEREAS**, SWHA considered its Energy Performance Contract (EPC) to be self-managed under the King County the Housing Authority (KCHA) Moving to Work Agreement and HUD determined that this resulted in both overpayment of EPC energy incentive and HUD under payment of Operating Funds since 2006; and

**WHEREAS**, to resolve all EPC and Operating Fund issues, SWHA agrees to make a one-time payment of \$68,435.00 to HUD, and HUD agrees to make a one-time payment of \$43,906.00 to SWHA (calculations and payment instructions provided in attached Exhibit A); and

**WHEREAS**, this agreement evidences the parties’ mutual cooperation in achieving public goals and neither party admits liability in connection with the matters covered by the agreement; and

**WHEREAS**, the Board of Commissioners has determined it is in the best interests of SWHA to enter into the settlement agreement to fully and final resolve all matters related to the EPC and Operating Fund overpayments and under payments;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS  
OF THE HOUSING AUTHORITY OF THE CITY OF SEDRO-WOOLLEY, THAT:**

SWHA shall enter into the attached Settlement Agreement, and that Stephen J. Norman, Secretary/Treasurer of the Board of Commissioners, is authorized to execute the Settlement Agreement on behalf of SWHA and submit it to HUD in compliance with the requirements as set forth in the agreement.

**ADOPTED AT A MEETING OF THE BOARD OF COMMISSIONERS OF THE  
HOUSING AUTHORITY OF THE CITY OF SEDRO-WOOLLEY THIS 19<sup>th</sup> DAY OF  
DECEMBER, 2019.**

THE HOUSING AUTHORITY OF THE  
CITY OF SEDRO-WOOLLEY, WASHINGTON

---

**LAURIE FELLERS**, Chair  
Board of Commissioners

---

**STEPHEN J. NORMAN**  
Secretary-Treasurer

T  
A  
B

N  
U  
M  
B  
E  
R

4



**SEDRO-WOOLLEY HOUSING AUTHORITY**

Date: November 13, 2019

To: Board of Commissioners

From: Craig Violante, Director of Finance

Subject: **Resolution No. 468:** Acceptance of State Auditor's Office Financial Statement Audit Report for the period January 1, 2018 through December 31, 2018

---

The Washington State Auditor's Office issued Financial Statement Audit Report No.1024689 on September 23, 2019. The Financial Statement Audit Report is for the period January 1, 2018 through December 31, 2018. There was no Accountability Audit for 2018 as this audit is performed once every three years. The next accountability audit will be for the period from January 1, 2017 through December 31, 2019. A copy of the Financial Statement Audit Report is enclosed with this Board packet.

The financial report covers the Authority's financial statements and related disclosures. A federal "Single Audit" was not required this year.

In the Financial Statement Audit Report, the auditors expressed in their written opinion that the financial statements present fairly, in all material respects, the financial position of the Housing Authority of the City of Sedro-Woolley.

There were no negative findings in the Financial Statement report.

When the Board formally accepts the SAO report via resolution, this signifies the Board's review and approval of the information contained within the report.

**THE HOUSING AUTHORITY OF THE CITY OF SEDRO-WOOLLEY**

**RESOLUTION NO. 468**

**ACKNOWLEDGING RECEIPT OF AUDIT EXAMINATIONS FOR  
THE PERIOD JANUARY 1, 2018 THROUGH DECEMBER 31, 2018**

---

**WHEREAS**, the State of Washington, Office of the State Auditor, Division of Audit Services, has conducted a fiscal audit of the Housing Authority of the City of Sedro-Woolley for the period January 1, 2018 through December 31, 2018, and has transmitted same to the Housing Authority; and

**WHEREAS**, a formal acceptance of the Audit is required by the Board of Commissioners;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS  
OF THE HOUSING AUTHORITY OF THE CITY OF SEDRO-WOOLLEY:**

Receipt of the official examination of the Housing Authority of the City of Sedro-Woolley, Report on Financial Statement No. 1024689 for the period January 1, 2018 through December 31, 2018, prepared and transmitted for filing by the State Auditor's Division of Municipal Corporations pursuant to RCW 43.09.260, is hereby acknowledged and formally accepted by the Board of Commissioners of the Housing Authority of the City of Sedro-Woolley.

**ADOPTED AT A REGULAR MEETING OF THE BOARD OF COMMISSIONERS  
OF THE HOUSING AUTHORITY OF THE CITY OF SEDRO-WOOLLEY THIS 19<sup>th</sup> DAY  
OF DECEMBER 2019.**

**THE HOUSING AUTHORITY OF THE  
CITY OF SEDRO-WOOLLEY, WASHINGTON**

---

**LAURIE FELLERS**, Chair  
Board of Commissioners

---

**STEPHEN J. NORMAN**  
Secretary-Treasurer



**Office of the Washington State Auditor**  
**Pat McCarthy**

**Financial Statements Audit Report**  
**Housing Authority of the City of**  
**Sedro-Woolley**

**For the period January 1, 2018 through December 31, 2018**

**Published September 23, 2019**

**Report No. 1024689**





**Office of the Washington State Auditor  
Pat McCarthy**

September 23, 2019

Board of Commissioners  
Housing Authority of the City of Sedro-Woolley  
Tukwila, Washington

**Report on Financial Statements**

Please find attached our report on the Housing Authority of the City of Sedro-Woolley's financial statements.

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

Sincerely,

A handwritten signature in cursive script that reads "Pat McCarthy".

Pat McCarthy  
State Auditor  
Olympia, WA

## TABLE OF CONTENTS

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards.....	4
Independent Auditor's Report on Financial Statements.....	6
Financial Section.....	9
About the State Auditor's Office.....	28

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS**

**Housing Authority of the City of Sedro-Woolley  
January 1, 2018 through December 31, 2018**

Board of Commissioners  
Housing Authority of the City of Sedro-Woolley  
Tukwila, Washington

We have audited, 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, the financial statements of the Housing Authority of the City of Sedro-Woolley, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements, and have issued our report thereon dated September 12, 2019.

**INTERNAL CONTROL OVER FINANCIAL REPORTING**

In planning and performing our audit of the financial statements, we considered the Housing Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control.

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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **COMPLIANCE AND OTHER MATTERS**

As part of obtaining reasonable assurance about whether the Housing Authority's financial statements are free from 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*.

## **PURPOSE OF THIS REPORT**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Housing Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. 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.



Pat McCarthy  
State Auditor  
Olympia, WA

September 12, 2019

# INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

## **Housing Authority of the City of Sedro-Woolley January 1, 2018 through December 31, 2018**

Board of Commissioners  
Housing Authority of the City of Sedro-Woolley  
Tukwila, Washington

### **REPORT ON THE FINANCIAL STATEMENTS**

We have audited the accompanying financial statements of the Housing Authority of the City of Sedro-Woolley, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed on page 9.

#### **Management's Responsibility for the Financial Statements**

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

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether

due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Housing Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Housing Authority of the City of Sedro-Woolley, as of December 31, 2018, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### ***Required Supplementary Information***

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

### *Supplementary and Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Housing Authority's basic financial statements. The accompanying Financial Data Schedule and HUD forms are supplementary information required by HUD. These schedules are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

### **OTHER REPORTING REQUIRED BY GOVERNMENT AUDITING STANDARDS**

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 2019 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority's internal control over financial reporting and compliance.



Pat McCarthy

State Auditor

Olympia, WA

September 12, 2019

## **FINANCIAL SECTION**

### **Housing Authority of the City of Sedro-Woolley January 1, 2018 through December 31, 2018**

#### **REQUIRED SUPPLEMENTARY INFORMATION**

Management's Discussion and Analysis – 2018

#### **BASIC FINANCIAL STATEMENTS**

Statement of Net Position – 2018

Statement of Revenues, Expenses and Changes in Net Position – 2018

Statement of Cash Flows – 2018

Notes to Financial Statements – 2018

#### **SUPPLEMENTARY AND OTHER INFORMATION**

Financial Data Schedule – 2018

Actual Modernization Cost Certificate – WA19P030501-14

Actual Modernization Cost Certificate – WA19P030501-15

# **Housing Authority of the City of Sedro-Woolley**

## **Management's Discussion and Analysis**

This first section of the annual financial report presents a discussion and analysis of the Housing Authority of the City of Sedro-Woolley's (SWHA) financial performance during the year ended December 31, 2018. It should be read in conjunction with the Authority's financial statements, which immediately follow this section.

Located in Skagit County, Washington, the city of Sedro-Woolley officially merged the neighboring towns of Sedro and Woolley when it incorporated over 100 years ago. With a local population of approximately 11,838, SWHA currently operates two public housing developments—Hillsview and Cedar Grove. These two developments total 80 units and serve a diversified population including senior, disabled and family households.

The King County Housing Authority (KCHA) has a long-standing contract to manage and assist the Sedro-Woolley Housing Authority. SWHA has its own Board of Commissioners, which is responsible for approving its operating and capital budgets and overseeing programs. SWHA is charged by KCHA for the direct operating expenses of the two public housing developments. In addition, KCHA also charges for administrative services provided. These indirect costs are allocated to SWHA using established allocation methods, generally based upon the number of units.

The financial statements included in this report are in conformance with Generally Accepted Accounting Principles for governments.

### **2018 Financial Highlights**

- Total assets of the Authority exceeded total liabilities at December 31, 2018 by \$2,218,461.
- Total revenues (operating and non-operating) for 2018 were \$776,469. Total expenses (operating and non-operating) were \$632,639. The change in net position was an increase of \$143,830.

## Overview of the Financial Statements

As required under the GASB 34 financial reporting standards, this annual report consist of two parts—the *basic financial statements*, and *required supplementary information*.

The following *basic financial statements* are included in this report:

- Statement of Net Position—reports the Authority’s current financial resources (short-term expendable resources) with capital assets and long-term debt obligations.
- Statement of Revenues, Expenses and Changes in Net Position—reports the operating and non-operating revenues, by major source along with operating and non-operating expenses and capital contributions.
- Statement of Cash Flows—reports the Authority’s cash flows from operating, investing, capital and non-capital activities.
- The statements identified above are followed by a section of required supplementary information that further explains and supports the information found in the financial statements.

## Financial Analysis of the Authority

### Statement of Net Position:

The *Statement of Net Position* presents the assets, liabilities, and net position of the Authority at the end of the year. The purpose of the statement is to provide a snapshot of the financial condition of the Authority at a certain point in time. Table A-1 presents the Authority’s *Condensed Statement of Net Position* for 2018 and 2017. Supplementary information is provided in the accompanying notes that further explain and support the data presented in table A-1.

**Table A-1, Condensed Statement of Net Position**

<b>Assets:</b>	<b>2018</b>	<b>2017</b>
Current and other assets	\$ 376,171	\$ 318,840
Capital assets	1,941,852	1,845,490
Total Assets	2,318,023	2,164,330
<b>Liabilities:</b>		
Current and other liabilities	99,562	89,667
Long-term debt, net of current	-	32
Total Liabilities	99,562	89,699
<b>Net Position:</b>		
Net investment in capital assets	1,941,852	1,845,458
Unrestricted	276,609	229,173
Total Net Position	\$ 2,218,461	\$ 2,074,631

Current and other assets, excluding capital assets, for the year ended December 31, 2018 total \$376,171 and are comprised of \$321,401 in cash and cash equivalents and \$45,824 in accounts receivables, and \$8,946 in other assets. Cash and cash equivalents increased by \$14,544 from 2017.

Capital assets for the year ended December 31, 2018 are \$1.9 million. Included in this category are land and improvements, buildings and improvements, personal property, and construction-in-progress.

Total liabilities, excluding the non-current portion of long-term debt, totaled \$99,562 at December 31, 2018, an increase of \$9,895 from 2017. The increase is primarily due to contract retention related to the Hillsvie and Cedar Grove site upgrade project.

The Authority's current ratio reflects the relationship between current assets and current liabilities and is a measure of the Authority's ability to pay short-term obligations. At December 31, 2018, the Authority's current ratio was 3.78:1, an increase from the previous year's current ratio of 3.56:1. This means that for every dollar in current liabilities there is \$3.78 in current assets.

Total net position increased by \$143,830 during 2018. Net investment in capital assets increased by \$96,394, primarily due to site improvement work on sidewalks, patios, and parking lots and unit upgrades, while unrestricted net position increased by \$47,436. Unrestricted net position increased by 21% primarily due to increase in receivables and noncurrent assets.

#### Statement of Revenues, Expenses and Changes in Net Position:

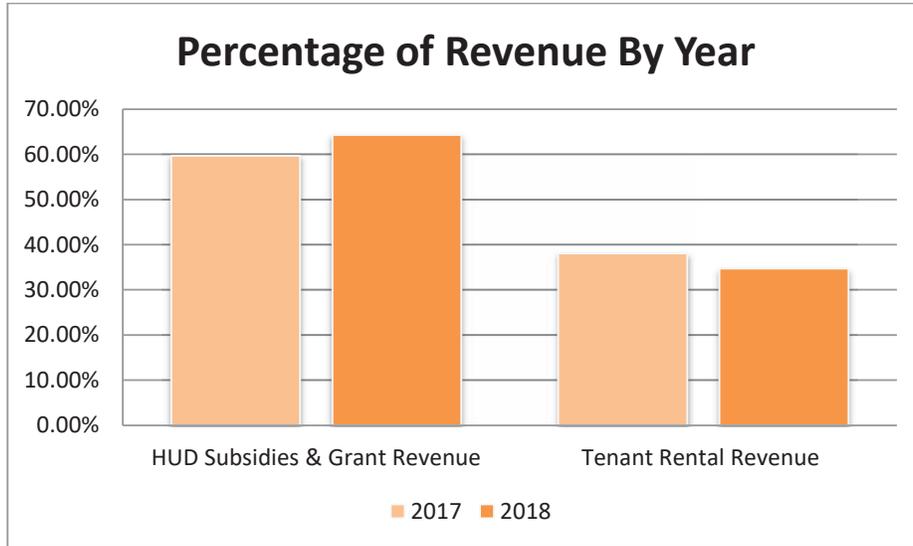
The purpose of the Statement of Revenues, Expenses and Changes in Net Position is to present the revenues earned by the Authority (both operating and non-operating) and the expenses incurred (operating and non-operating), and any other revenues, expenses, gains and losses received or spent by SWHA. Table A-2 represents the Authority's *Condensed Statement of Revenues, Expenses, and Changes in Net Position* for 2018 and 2017.

**Table A-2, Condensed Statement of Revenues, Expenses and Changes in Net Position**

	<u>2018</u>	<u>2017</u>
Operating Revenues	\$ 205,562	\$ 206,260
Net nonoperating revenues	<u>382,917</u>	<u>310,523</u>
Total Revenues	588,479	516,783
Operating expenses	632,639	598,279
Nonoperating expenses	<u>-</u>	<u>-</u>
Total Expenses	632,639	598,279
Excess or deficiency before contributions	(44,160)	(81,496)
Capital grant contributions	<u>187,990</u>	<u>56,426</u>
Change in Net Position	143,830	(25,070)
Beginning Net Position	<u>2,074,631</u>	<u>2,099,701</u>
Ending Net Position	<u>\$ 2,218,461</u>	<u>\$ 2,074,631</u>

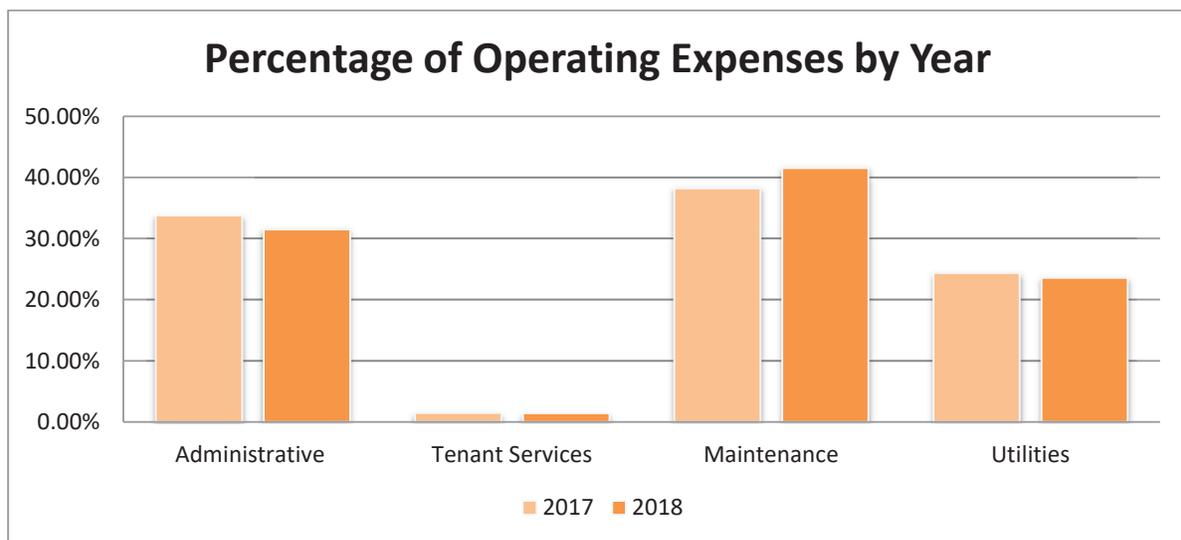
Revenues are classified as operating or non-operating. Table A-3 shows the sources of operating revenues for 2017 and 2018.

**Table A-3, Sources of Revenues for 2017 and 2018**



Operating expenses are amounts paid for providing housing to the Authority’s tenants and administering the various programs. Total operating expenses (excluding depreciation), for 2018 were \$533,752. Costs included in operating expenses include: administrative, tenant services, maintenance, utilities, and other. Table A-4 illustrates the operating expense break down by category. Increase in operating expense was mainly due to increase in unit upgrade projects completed during the year.

**Table A-4, Operating Expenses for 2017 and 2018**



## Capital Assets

The Housing Authority of the City of Sedro-Woolley is committed to the ongoing rehabilitation and modernization of its housing inventory. Hillsview and Cedar Grove were both built in 1971.

**Table A-5, Capital Assets for 2018 and 2017**

	<b>2018</b>	<b>2017</b>
Land	\$ 59,287	\$ 59,287
Buildings and Improvements	4,111,605	4,111,606
Construction-in-progress	<u>197,531</u>	<u>2,281</u>
	4,368,423	4,173,173
Total accumulated depreciation	<u>(2,426,571)</u>	<u>(2,327,683)</u>
Net Capital Assets	<u>\$ 1,941,852</u>	<u>\$ 1,845,490</u>

Information about the Authority's capital assets is further presented in the financial statements Note 4 – Capital Assets.

### **Economic Factors Affecting the Authority's Future**

The Authority receives the bulk of its operational funding from the United States Department of Housing and Urban Development (HUD) which, like all federal agencies, depends upon congressional appropriations. The current administration advocates severe funding cuts to programs administered by HUD; including completely defunding the Capital Fund Program. Much like the prior year, it is uncertain how much congress will appropriate.

### **Contacting the Authority's Financial Management**

This financial report is designed to provide our stakeholders with a general overview of the Housing Authority's finances and to demonstrate SWHA's accountability for its resources. Any questions about this report, or requests for additional information, should be directed to the Director of Finance of the King County Housing Authority.

**Housing Authority of The City of Sedro-Woolley**  
**Statement Of Net Position**

As of December 31, 2018

**ASSETS:**

***Current Assets***

Cash and cash equivalents	\$ 312,401
Restricted cash and cash equivalents	9,000
Receivables, net	45,824
Other current assets	8,946
	<hr/>
Total Current Assets	376,171

***Noncurrent Assets***

Land, Buildings, and Equipment, net	
Nondepreciable	256,818
Depreciable	1,685,034
	<hr/>
Total Noncurrent Assets	1,941,852
	<hr/>
Total Assets	2,318,023

**LIABILITIES:**

***Current Liabilities***

Accounts payable	68,607
Accrued compensated absences	7,626
Tenant security deposits	9,000
Prepaid tenant rent	3,571
Current portion of long term debt	-
Contract retentions	7,133
Other Current Liabilities	3,625
	<hr/>
Total Current Liabilities	99,562

***Noncurrent Liabilities***

Long term debt, net of current	-
	<hr/>
Total Noncurrent Liabilities	-
	<hr/>
Total Liabilities	99,562

**NET POSITION:**

Net investment in capital assets	1,941,852
Restricted	-
Unrestricted	276,609
	<hr/>
Total Net Position	\$ 2,218,461

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

**Housing Authority of The City of Sedro-Woolley**  
**Statement of Revenues, Expenses and Changes in Net Position**  
For the 12 Month Period Ending December 31, 2018

**UNAUDITED**

**Operating Revenues**

Tenant revenue	\$ 204,186
Other revenue	1,376
Total Operating Revenues	<u>205,562</u>

**Operating Expenses**

Administrative	168,029
Tenant services	7,556
Maintenance	221,778
Utilities	125,920
Depreciation	98,887
Other expenses	10,469
Total Operating Expenses	<u>632,639</u>
Operating Gain (Loss)	(427,077)

**Nonoperating Revenues (Expenses)**

HUD subsidies and grant revenue	378,351
Investment income	4,540
Gain (loss) on disposal of assets	26
Total Nonoperating Revenues (Expenses)	<u>382,917</u>

INCOME (LOSS) before contributions (44,160)

Capital grant contributions 187,990

CHANGE IN NET POSITION 143,830

Beginning Net Position 2,074,631

Ending Net Position \$ 2,218,461

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

**Housing Authority of The City of Sedro-Woolley**  
**Statement of Cash Flows**

For the 12 Month Period Ending December 31, 2018

**Cash Flows from Operating Activities:**

Receipts from tenants	\$ 201,077
Payments to employees	(99,934)
Payments to suppliers of goods and services	(426,835)
Other payments	1,376
Net cash provided by (used in) operating activities	<u>(324,316)</u>

**Cash Flows from Noncapital Financing Activities:**

Receipts from HUD	264,261
Net cash provided by noncapital financing activities	<u>264,261</u>

**Cash Flows from Capital and Related Financing Activities:**

Capital grant contributions	262,433
Purchases of capital assets	(195,251)
Other receipts (payments)	26
Net cash provided by capital and related financing activities	<u>67,176</u>

**Cash Flows from Investing Activities:**

Investment income	4,540
Other receipts (payments)	7,133
Net cash provided (used in) by investing activities	<u>11,673</u>

Net increase (decrease) in cash and cash equivalents 18,794

Cash and cash equivalents -- beginning of the year	345,610
Cash and cash equivalents -- end of the year	<u>\$ 321,401</u>

**Reconciliation of operating income (loss) to net cash provided (used) by operating activities:**

Operating income (loss)	(427,077)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	98,887
Change in assets and liabilities:	
Receivables	(1,889)
Inventories and other	(757)
Accounts payable	7,767
Other current liabilities	(1,247)
Net cash provided by (used in) operating activities	<u>\$ (324,316)</u>

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

## **Note 1 – Reporting Entity and Summary of Significant Accounting Policies**

### **Reporting Entity**

#### **Primary Government**

The Housing Authority of the City of Sedro-Woolley (the “Authority”) was created as a municipal corporation under the provisions of the State Housing Authorities Law (RCW 35.82) and the Housing Cooperation Law (RCW 35.83) in response to the Federal Housing Act of 1937. The Act created the United States Housing Authority, empowering it to make loans and annual contributions to local public housing agencies to assist in the development, acquisition and administration of low rent projects. The programs authorized under the Act, as amended, are now administered by the Department of Housing and Urban Development (HUD).

The King County Housing Authority (KCHA) has a long-standing contract to manage and assist the Authority. The Authority has its own Board of Commissioners, which is responsible for approving its operating and capital budgets and overseeing programs. The Authority is charged by KCHA for the direct operating expenses of the two public housing developments. In addition, KCHA also charges a fee for administrative services provided.

The Authority has been granted a broad range of powers to provide housing assistance to low-income households. The nationally recognized definition of a low-income family is a household earning less than 80 percent of the area’s median income, adjusted for family size. The Authority administers programs that serve housing needs.

### **Summary of Significant Accounting Policies**

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

#### **Basis of Accounting**

Accounting records are maintained according to the proprietary fund model that is similar to private business enterprises. The Authority applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

#### **Accounts Organized by Funds**

The accounts of the Authority are organized on the basis of funds, each of which is considered a separate accounting entity. Each fund is accounted for by a separate set of self-balancing accounts that comprise its assets, liabilities, net position, revenues and expenditures. Each fund is, with limited exceptions, an independent fund and is restricted by contract or regulation from assisting or being assisted financially by any other fund.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from those estimates.

**Revenues and Expenses**

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are tenant revenues. Operating expenses for proprietary funds include the cost of maintenance and repairs, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The basis for recognition of revenues and expenses is the accrual basis of accounting. Revenues are recorded when earned. Expenses are recorded when incurred. Revenue from operating subsidies and grants is classified as non-operating revenue. Revenue from capital grants is classified as capital grant contributions.

**Cash, Cash Equivalents and Investments**

Cash consists of Federal Depository Insurance Corporation (FDIC) insurable deposits with original maturities of less than three months. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash. Investments include deposits with original maturities exceeding three months, securities and other assets that are held primarily for the purpose of obtaining income or profit. Restricted cash and cash equivalents as of December 31, 2018 include \$9,000 of tenant security deposits.

**Receivables**

Receivables consist primarily of rents due from tenants. Annually, tenant receivables are analyzed and the allowance for doubtful accounts is appropriately adjusted. No allowances existed at December 31, 2018 other than the allowance for tenant accounts receivable.

**Capital Assets**

Capital assets are recorded at historical cost in the land, structures, and equipment accounts and at appraised fair market value at date of receipt if contributed. The Authority defines capital assets as tangible items with an initial individual cost of at least \$5,000 if the item is equipment and \$50,000 if the item is real property or a capital improvement. Capital assets are depreciated using the straight-line method with depreciation commencing in the acquisition year and ceasing in the disposal year. Capital project costs clearly associated with the acquisition, development, and construction of a real estate project, including indirect costs and interest, are capitalized as a cost of that project.

Depreciable lives for the capital asset categories follow:

Land	No depreciation
Buildings	20 – 40 years
Improvements	15 years
Equipment	3 – 10 years
Construction-in-process	No depreciation

Maintenance and repairs are charged to expense when incurred. Management reviews land, structures, and equipment for possible impairment whenever events or circumstances indicate the carrying amount of an asset may not be recoverable. If there is an indication of impairment, management prepares an estimate of future cash flows expected to result from the use of the asset and its eventual disposition. If these cash flows are less than the carrying amount of the asset, an impairment loss is recognized to write down the asset to its estimated fair value. Preparation of estimated expected future cash flows is inherently subjective and is based on management's best estimate of assumptions concerning expected future conditions.

### **Tax Liability**

The Authority is by law exempt from all federal, state, and local taxes and assessments.

### **Compensated Absences**

It is the Authority's policy to pay 100% of accumulated annual leave when an employee terminates employment from the Authority. As such, the value of annual leave earned but not used at year-end is accrued. Sick leave does not vest and is only paid to those separating from the Authority as retirees as defined by the state pension system. Because the amount of such payments is difficult to estimate, an accrual is made only when the actual payment amount is known.

### **Note 2 - Cash Deposits and Investments**

The Authority is restricted in its cash deposits and investments to those allowed by RCW 35.82.070(6). In general, deposits must be made with qualified financial institutions whose deposits are insured by the Federal Deposit Insurance Corporation (FDIC).

### **Insurance and Collateralization**

Deposits that are in excess of the \$250,000 insured amount must be continuously and fully (100%) secured. Collateral, comprised of identifiable U.S. Government securities as prescribed by HUD, are pledged or set aside to secure these deposits. The Public Deposit Protection Act in effect in the State of Washington set up a multiple financial institution collateral pool to insure public deposits. This protection is in the form of securities pledged as collateral to the Public Deposit Protection Commission (PDPC) by all qualified depositories. In 1994, the Authority received a waiver from HUD that enabled it to make deposits in excess of \$100,000 in a qualified public depository because HUD determined that there were "adequate safeguards against the loss of Public Housing Authority funds."

### **Interest Rate Risk**

As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority's investment policy limits the maximum maturity of an investment to not greater than three years. Exceptions may be made for collateralization of repurchase agreements using investments not exceeding 30 years, for the investment of reserve funds, which can be invested up to 30 years if matched to an anticipated future cash flow, and for "step-investments" that increase interest payments at pre-defined times.

### **Credit Risk**

The Department of Housing and Urban Development (HUD), Washington State law, and the Authority's investment policy all limit the instruments in which the Authority may invest. Not all Authority funds have the same restrictions. Following are some of the instruments in which any Authority funds, including Federal funds, may be invested:

- 1) Direct obligations of the Federal government backed by the full faith and credit of the United States
  - a) U.S. Treasury Bills.
  - b) U.S. Treasury Notes and Bonds.
- 2) Obligations of Federal government agencies, such as:
  - a) Government National Mortgage Association (GNMA) mortgage-backed securities.
  - b) GNMA participation securities.
  - c) Maritime Administration Bonds.
  - d) Small Business Administration Bonds.
- 3) Securities of Government Sponsored Agencies, such as:
  - a) Federal Home Loan Mortgage Corporation (FHLMC) notes and bonds.
  - b) Federal National Mortgage Association (FNMA) notes and bonds.
  - c) Federal Home Loan Bank (FHLB) notes and bonds.
  - d) Federal Farm Credit Bank (FFCB) notes and bonds.
  - e) Student Loan Marketing Association (SLMA) notes and bonds.
- 4) Demand and savings accounts.
- 5) Money Market Deposit accounts.
- 6) Certain mutual funds.

**Concentration of Credit Risk**

The Authority diversifies its investments by security type and institution. SWHA follows the investment policy of KCHA which states: "With the exception of U.S. Treasury securities, investment agreements for trustee held funds, and authorized pools, no more than 15% of the Authority's total investment portfolio will be invested in a single security type or with a single financial institution.

**Valuation and Classification**

Cash equivalents include deposits and investments that are readily convertible to cash. Instruments with an original maturity date of over 3 months are classified as investments. Cash and investments held for the future payment of long-term liabilities are classified as non-current assets. Cash and investments legally or contractually restricted as to use are classified as restricted.

Cash equivalents include an investment in the Washington State Local Government Investment Pool (the Pool). The Pool is not registered with the Securities and Exchange Commission (SEC), but adheres to SEC Rule 2(a)(7) of the Investment Company Act of 1940 that requires portfolio diversification, divestiture considerations and action if the market value of the portfolio deviates more than .5 percent from the amortized costs. Government pools that adhere to the SEC rule can report their investments at amortized costs if the remaining maturities of the debt securities are 90 days or less. As of December 31, 2018, the pool had an average days-to-maturity of 42 days and therefore is reported at cost. Government securities are reported at fair value. A summary of cash and investments at December 31, 2018 follows.

	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total</b>
<b>Cash and Cash Equivalents:</b>			
Depository	\$ 5,000	\$ -	\$ 5,000
Local Government Investment Pool	307,401	9,000	316,401
Total Cash And Cash Equivalents	<u>\$ 312,401</u>	<u>\$ 9,000</u>	<u>\$321,401</u>

### **Note 3 – Capital Assets**

The components and capital activity of land, structures and equipment follow.

	<b>Beginning Balances</b>	<b>Additions and Transfers-in</b>	<b>Disposals and Transfers-out</b>	<b>Ending Balances</b>
<b>Nondepreciable:</b>				
Land	\$ 59,287	\$ -	\$ -	\$ 59,287
Construction-in-progress	2,281	204,981	(9,730)	197,531
Total Nondepreciable	<u>61,568</u>	<u>204,981</u>	<u>(9,730)</u>	<u>256,818</u>
<b>Depreciable:</b>				
Buildings and Improvements	4,111,605	-	-	4,111,605
Total Depreciable	<u>4,111,605</u>	<u>-</u>	<u>-</u>	<u>4,111,605</u>
<b>Total Capital Assets:</b>	4,173,172	204,981	(9,730)	4,368,423
Less: Accumulated depreciation	(2,327,683)	(98,887)	-	(2,426,571)
	<u>\$ 1,845,489</u>	<u>\$ 106,094</u>	<u>\$ (9,730)</u>	<u>\$ 1,941,852</u>

Capital assets additions were primarily due to site improvement projects.

### **Note 4 – Long Term Debt Obligations**

In 2006, the Authority assumed \$70,351 of long term debt for the purpose of installing energy conservation improvement equipment. The cost of the improvements will be recovered through subsidy from HUD.

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Retirements/ Payments</b>	<b>Ending Balance</b>	<b>Reclass</b>	<b>Current Portion</b>
<b>Financing lease</b>	\$ 32	-	(32)	\$ -	\$ -	\$ -

## **Note 5 - Risk Management**

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

SWHA secures third-party liability insurance primarily through the Housing Authority Insurance Group (HAIG), a national housing authority risk-sharing pool. The General Liability policy limit is \$5,000,000 per occurrence and has a \$1,000 deductible. Automobile Liability insurance is carried through Philadelphia Insurance Company with \$5,000,000 in total limits provided through a combination of policies, one with a \$1,000,000 combined single limit, and another that provides excess liability of \$4,000,000, for a total of \$5,000,000 in auto liability coverage.

Property insurance, including Rental Income coverage, for Public Housing is placed through the Housing Authority Risk & Retention Pool (HARRP) on a replacement cost basis. The property insurance deductible is \$25,000 per loss. The Authority also has secured Fidelity coverage through HARRP for \$100,000 per occurrence for all employees, and \$500,000 for employees with greater exposure.

An Excess Liability policy of \$15,000,000 is provided over all of the above liability coverage except the Contractors Pollution, which brings total general and auto liability coverage to a limit of \$20,000,000. This coverage is placed with Lexington Insurance Company.

Public Officials Errors and Omissions and Employment Practices Liability is provided on all properties with a \$5,000,000 aggregate limit and a 50,000 self-insured retention for employment practices and other covered claims from Ironshore Specialty Insurance Company.

No active claims are anticipated to exceed the applicable limits of insurance secured from any of the listed providers. Settled claims have not exceeded coverage purchased during the past five years.

**Housing Authority of the City of Sedro-Woolley  
Financial Data Schedule (FDS)**

**Statement of Net Position**

As of December 31, 2018

Line #	Account Description	Cedar Grove	Hillsvievw	Total Authority
		WA030000103	WA030000155	
111	Cash - unrestricted	\$ 104,155	\$ 208,246	\$ 312,401
114	Cash - tenant security deposits	3,750	5,250	9,000
100	Total cash	107,905	213,496	321,401
121	AR - PHA projects	182	312	494
122	AR - HUD other projects	25,546	15,886	41,432
126	Accounts receivable- tenants	2,817	2,550	5,367
126.1	Allowance for doubtful accounts - tenants	(917)	(552)	(1,469)
120	Total receivables, net of allowances	27,628	18,196	45,824
142	Prepaid expenses and other assets	2,460	6,486	8,946
150	Total Current Assets	137,993	238,178	376,171
161	Land	-	59,287	59,287
162	Buildings	382,968	3,208,744	3,591,712
166	Accumulated depreciation	(371,029)	(2,055,542)	(2,426,571)
167	Work in progress	133,569	63,962	197,531
168	Infrastructure	383,139	136,754	519,893
160	Total capital assets, net of depreciation	528,647	1,413,205	1,941,852
180	Total Noncurrent Assets	528,647	1,413,205	1,941,852
190	Total Assets	666,640	1,651,383	2,318,023
200	Deferred Outflows of Resources	-	-	-
290	Total Assets and Deferred Outflows of Resources	\$ 666,640	\$ 1,651,383	\$ 2,318,023
312	Accounts payable < 90 days	\$ 16,807	\$ 51,800	\$ 68,607
321	Accrued wage/payroll taxes payable	918	2,707	3,625
322	Accrued compensated absences	1,947	5,679	7,626
341	Tenant security deposits	3,750	5,250	9,000
342	Unearned revenue	1,530	2,041	3,571
345	Other current liabilities	5,134	1,999	7,133
310	Total Current Liabilities	30,086	69,476	99,562
351	Long-term debt, net of current - capital projects	-	-	-
350	Total Noncurrent Liabilities	-	-	-
300	Total Liabilities	30,086	69,476	99,562
400	Deferred Inflows of Resources	-	-	-
508.4	Net Investment in Capital Assets	528,647	1,413,205	1,941,852
511.4	Restricted Net Position	-	-	-
512.4	Unrestricted Net Position	107,907	168,702	276,609
513	Total Equity - Net Assets/Position	636,554	1,581,907	2,218,461
600	Total Liabilities, Deferred Inflows of Resources, and Equity - Net Assets/Position	\$ 666,640	\$ 1,651,383	\$ 2,318,023

Housing Authority of the City of Sedro-Woolley  
Financial Data Schedule (FDS)  
Statement of Revenues, Expenses, and Changes in Net Position  
For the 12 Month Period Ending December 31, 2018

Line Item #	Account Description	Cedar Grove WA030000103		Hillview WA030000155		Total Authority
		14.850 Public and Indian Housing	14.872 Public Housing Capital Fund	14.850 Public and Indian Housing	14.872 Public Housing Capital	
	REVENUE:					
70300	Net tenant rental revenue	\$ 41,950	\$ -	\$ 156,476	\$ -	\$ 198,426
70400	Tenant revenue - other	1,701	-	4,060	-	5,760
70500	Total tenant revenue	43,650	-	160,535	-	204,186
70600	HUD PHA Operating Grants	117,630	35,295	186,278	39,148	378,351
70610	Capital Grants	-	128,435	-	59,555	187,990
70700	Total Fee Revenue	-	-	-	-	-
71500	Other Revenue	566	-	836	-	1,402
72000	Investment income - restricted	1,252	-	3,288	-	4,540
70000	TOTAL REVENUE	163,099	163,729	350,938	98,704	776,469
	EXPENSES:					
	Administrative					
91100	Administrative salaries	9,907	-	30,384	-	40,291
91200	Auditing fees	2,632	-	7,895	-	10,527
91300	Management fees	12,878	-	38,635	-	51,514
91310	Book-keeping Fee	-	-	-	-	-
91400	Advertising and Marketing	32	-	97	-	129
91500	Employee benefit contributions - administrative	4,099	-	12,061	-	16,160
91600	Office Expenses	498	-	1,514	-	2,012
91700	Legal expense	778	-	3,257	-	4,035
91800	Travel	397	-	1,190	-	1,587
91900	Other	13,342	-	15,784	-	29,126
91000	Total Operating - Administrative	44,564	-	110,817	-	155,381
92000	Asset Management Fee	2,400	-	7,200	-	9,600
	Tenant services					
92400	Tenant services - other	-	-	-	-	-
92500	Total Tenant Services	1,823	-	5,733	-	7,556
	Utilities					
93100	Water	12,777	-	9,554	-	22,332
93200	Electricity	2,096	-	14,893	-	16,989
93300	Gas	1,055	-	-	-	1,055
93600	Sewer	15,695	-	46,936	-	62,630
93800	Other utilities expense	10,176	-	12,738	-	22,914
93000	Total Utilities	41,799	-	84,121	-	125,920
	Ordinary maintenance & operation					
94100	Ordinary maintenance and operations - labor	14,915	-	44,929	-	59,844
94200	Ordinary maintenance and operations - material and other	7,675	35,295	25,120	39,148	107,239
94300	Ordinary maintenance and operations - contracts	10,048	-	20,763	-	30,811
94500	Employee benefit contributions - ordinary maintenance	6,054	-	17,823	-	23,877
94000	Total Maintenance	38,692	35,295	108,635	39,148	221,769
	General expenses					
96110	Property Insurance	1,500	-	2,568	-	4,068
96120	Liability Insurance	1,825	-	4,576	-	6,401
96130	Workmen's compensation	690	-	2,328	-	3,018
96100	Total Insurance Premiums	4,016	-	9,472	-	13,488
96200	Other General Expenses	-	-	-	-	-
96210	Compensated absences	(0)	-	39	-	39
96000	Total Other General Expenses	(0)	-	39	-	39
96720	Interest on notes payable (short and long term)	-	-	-	-	-
96700	Total interest expense and amortization cost	-	-	-	-	-
96900	TOTAL OPERATING EXPENSES	133,294	35,295	326,017	39,148	533,752
97000	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	29,806	-	24,921	59,555	242,717
97100	Extraordinary maintenance	-	-	-	-	-
97200	Casualty losses - non-capitalized	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	-
97350	HAP Portability-In	-	-	-	-	-
97400	Depreciation expense	27,858	-	71,029	-	98,887
90000	TOTAL EXPENSES	161,151	35,295	397,045	39,148	632,639
	OTHER FINANCING SOURCES (USES)					
10010	Operating transfers in	-	-	-	-	-
10020	Operating transfers out	-	-	-	-	-
10100	TOTAL OTHER FINANCING SOURCES	-	-	-	-	-
	EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL EXPENSES	\$ 1,948	\$ 128,435	\$ (46,107)	\$ 59,555	\$ 143,830
	MEMO ACCT INFORMATION					
11020	Required annual debt principal payments	-	-	-	-	-
11030	Beginning of year equity	506,171	-	1,568,460	-	2,074,631
11040	Prior period adjustments and error corrections	-	-	-	-	-
11170	Administrative Fee Equity	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-
11190	Unit Months Available	240	-	720	-	960
11210	Number of unit months leased	236	-	712	-	948
11270	Excess cash	94,340	-	135,047	-	229,386
11620	Building Purchases	-	128,435	-	59,555	187,990
11630	Furniture and Equipment - dwelling purchases	-	-	-	-	-

**Actual Modernization  
Cost Certificate**

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

OMB Approval No. 2577-0157 (exp. 01/31/2017)

**Capital Fund Program (CFP)**

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

Do not send this form to the above address.

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

<b>PHA Name:</b> HA COUNTY OF SEDRO-WOOLLEY	<b>Modernization Project Number:</b> WA19P030501-14
--	--

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

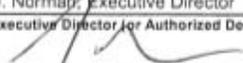
- That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:
 

A. Funds Approved	\$ 119,772.00
B. Funds Disbursed	\$ 119,772.00
C. Funds Expended (Actual Modernization Cost)	\$ 119,772.00
D. Amount to be Recaptured (A-C)	\$
E. Excess of Funds Disbursed (B-C)	\$
- That all modernization work in connection with the Modernization Grant has been completed;
- That the entire Actual Modernization Cost or liabilities therefor incurred by the PHA have been fully paid;
- 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;
- That the time in which such liens could be filed has expired; and
- That for any years in which the grantee is subject to the audit requirements of the Single Audit Act, 31 U.S.C. § 7501 et seq., as amended, the grantee has or will perform an audit in compliance with said requirements.
- Please mark one:
  - A. This grant will be included in the PHA's next fiscal year audit per the requirements of the Single Audit Act.
  - B. This grant will not be included in the PHA's next fiscal year audit per the requirements of the Single Audit Act.

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)

**Name & Title of Authorized Signatory (type or print clearly):**  
Stephen J. Normap, Executive Director

**Signature of Executive Director (or Authorized Designee):**  
X 

**Date:**  
6/12/18

**For HUD Use Only**

The Cost Certificate is approved for audit by HUD.  **APPROVED FOR AUDIT**

**Approved by HUD (Director, Office of Public Housing):**  
X 

**Date:**  
06/14/2018

The costs shown above agree with HUD verified costs (if box 7A or 7B is marked):

**Approved: (Director, Office of Public Housing)**  
X

**Date:**

**Actual Modernization  
Cost Certificate**

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

OMB Approval No. 2577-0157 (exp. 01/31/2017)

**Capital Fund Program (CFP)**

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0044 and 0157), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3000. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

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

PHA Name: HA CITY OF SEDRO-WOOLLEY	Modernization Project Number: WA19P0030501-15
---------------------------------------	--

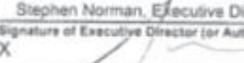
The PHA hereby certifies to the Department of Housing and Urban Development as follows:

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

A. Funds Approved	\$ 121,798.00
B. Funds Disbursed	\$ 121,798.00
C. Funds Expended (Actual Modernization Cost)	\$ 121,798.00
D. Amount to be Recaptured (A-C)	\$
E. Excess of Funds Disbursed (B-C)	\$
- That all modernization work in connection with the Modernization Grant has been completed.
- That the entire Actual Modernization Cost or liabilities therefor incurred by the PHA have been fully paid;
- 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;
- That the time in which such liens could be filed has expired; and
- That for any years in which the grantee is subject to the audit requirements of the Single Audit Act, 31 U.S.C. § 7501 et seq., as amended, the grantee has or will perform an audit in compliance with said requirements.
- Please mark one:
  - A. This grant will be included in the PHA's next fiscal year audit per the requirements of the Single Audit Act.
  - B. This grant will not be included in the PHA's next fiscal year audit per the requirements of the Single Audit Act.

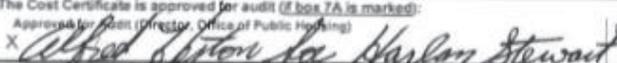
Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012, 31 U.S.C. 3729, 3802)

Name & Title of Authorized Signatory (type or print clearly):  
Stephen Norman, Executive Director

Signature of Executive Director (or Authorized Designee):  
X 

Date:  
10/20/18

For HUD Use Only

The Cost Certificate is approved for audit (if box 7A is marked):  
Approved for Audit (Director, Office of Public Housing):  
X  Date: 10/26/18

The costs shown above agree with HUD verified costs (if box 7A or 7B is marked):  
Approved: (Director, Office of Public Housing)  
X \_\_\_\_\_ Date: \_\_\_\_\_

## 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.

We work with our audit clients and citizens to achieve our vision of government that works for citizens, by helping governments work better, cost less, deliver higher value, and earn greater public trust.

In fulfilling our mission to hold state and local governments accountable for the use of public resources, we also hold ourselves accountable by continually improving our audit quality and operational efficiency and developing highly engaged and committed employees.

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.

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 as well as [fraud](#), state [whistleblower](#) and [citizen hotline](#) investigations.

The results of our work are widely distributed through a variety of reports, which are available on our [website](#) and through our free, electronic [subscription](#) service.

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

<b>Contact information for the State Auditor's Office</b>	
<b>Public Records requests</b>	<a href="mailto:PublicRecords@sao.wa.gov">PublicRecords@sao.wa.gov</a>
<b>Main telephone</b>	(360) 902-0370
<b>Toll-free Citizen Hotline</b>	(866) 902-3900
<b>Website</b>	<a href="http://www.sao.wa.gov">www.sao.wa.gov</a>

T  
A  
B  
  
N  
U  
M  
B  
E  
R

# SEDRO-WOOLLEY HOUSING AUTHORITY

**TO:** Board of Commissioners

**FROM:** Craig Violante, Finance Director

**DATE:** December 6, 2019

**RE:** Resolution No. **469:** 2020 Comprehensive Operating and Capital Budget

---

The King County Housing Authority (KCHA) has prepared this budget (see Exhibit A, page 5) for consideration by the Sedro-Woolley Housing Authority (SWHA) Board of Commissioners. This budget estimates the income and expenses that will be needed to support both operations and capital improvements.

## **Executive Summary**

Operating revenues of SWHA are derived from two main sources: tenant revenues and Operating Fund Subsidy received from the Department of Housing and Urban Development (HUD). Operating expenses, such as property management services, maintenance costs, utilities, insurance, etc., are paid out of these combined revenue sources.

Below is a snapshot of the 2020 operating budget, compared to 2019:

	2019	2020	
	<u>Budget</u>	<u>Budget</u>	<u>Change</u>
<b><i>Operating Revenues</i></b>			
Tenant Revenues	\$199,945	\$215,950	\$16,005
Operating Fund Subsidy	296,344	293,662	(2,682)
CFP Used for Operating Purposes	0	0	0
Other Operating Revenue	2,000	1,925	(75)
Total Operating Income	<u>498,289</u>	<u>511,537</u>	<u>13,248</u>
<b><i>Operating Expenses</i></b>			
Salaries and Benefits	(157,324)	(161,448)	(4,124)
Property and Other Admin Expenses	(291,699)	(322,866)	(31,167)
Total Operating Expenses	<u>(449,023)</u>	<u>(484,314)</u>	<u>(35,291)</u>
Net Operating Income/(Loss)	<u>\$49,266</u>	<u>\$27,223</u>	<u>(\$22,043)</u>

Capital projects at Hillsvew and Cedar Grove are funded primarily though Capital Fund Program (CFP) grants from HUD, but can also be funded with draws from reserves. At this time, the 2020 capital budget does not include any such reserve draws. Below is a summary of the 2020 Capital Budget with a comparison to the 2019 budget.

	2019 Budget	2020 Budget
<b>Sources</b>		
CFP Used for Capital Purposes	\$93,211	\$98,679
Draw from Reserves	0	0
Total Sources	93,211	98,679
<b>Uses</b>		
Unit Upgrades	(93,211)	(98,679)
Other Special Projects	0	0
Total Capital Budget	(93,211)	(98,679)
Excess/(Deficit)	\$0	\$0

### **Operating Budget Overview**

#### **Operating Income**

##### **TENANT REVENUES**

Tenant income is comprised two separate components: monthly tenant rental income and ancillary tenant income.

	2019 Budget	2020 Budget	Change
Tenant Rental Income-Hillsview	\$159,995	\$162,100	\$2,105
Tenant Rental Income-Cedar Grove	35,500	48,500	13,000
Ancillary Tenant Income	4,450	5,350	900
	\$199,945	\$215,950	\$16,005

Tenant Rental Income at Hillsview is forecast to rise 1.3%, partially, reflecting the projected rise in social security benefits. Rental income at Cedar Grove is increasing to more closely match the revenue stream from current residents.

##### **OPERATING FUND SUBSIDY**

Eligibility for the 2020 Public Housing Operating Fund Subsidy is generally based on 2019's HUD-approved levels.

SWHA HUD Operating Fund Subsidy			
	Cedar Grove	Hillsview	Total
2019 Budgeted Subsidy	\$115,818	\$185,245	\$301,063
2019 Actual Subsidy	\$130,527	\$187,711	\$318,238
<b>2020 Budgeted Subsidy</b>	<b>\$120,630</b>	<b>\$173,032</b>	<b>\$293,662</b>

Key assumptions used in the creation of the 2020 subsidy budget include:

- The portion of the Operating Subsidy formula related to tenant income is increasing at Hillsview to match actual tenant income received from 7/1/2018 to 6/30/2019. This results in lower subsidy eligibility at Hillsview in 2020.

- The 2019 prorate was budgeted at 90% while the actual prorate has been 96.33% through November, resulting in greater-than-budgeted subsidy payments from HUD during 2019. The 2020 budget once again assumes a 90% prorate which lowers the 2020 budget forecast from 2019 actual levels.

**Operating Expenses**

**EMPLOYEES**

The 2020 budget includes a total of 1.83 Full Time Equivalent (FTE) employees charged to SWHA, unchanged from 2019.

Staffing Comparisons-Full-Time Equivalents (FTEs)		
	2019 Budget	2020 Budget
Property Management & Administration	0.70	0.70
Maintenance Staff	1.00	1.00
Central Applications Center	0.13	0.13
<b>Total</b>	<b>1.83</b>	<b>1.83</b>

**EMPLOYEE BENEFITS**

A 2.2% Cost of Living Adjustment (COLA) wage increase was awarded to all employees in November 2019, and an estimated COLA of 2.5% is included to begin November 2020.

Fixed employee benefits include medical, dental and life insurance and are charged to each property based upon their number of employees. Variable benefits include FICA, Medicare, worker’s compensation and contributions for retirement to the state Public Employees Retirement System (PERS). The PERS rate rose to 12.86% in 2019 but is expected to remain unchanged throughout 2020. Medical insurance premiums are also expected to remain static in 2020.

Employee Benefits		
	2019 Budget	2020 Budget
Fixed Benefits	\$14,556	\$14,556
Variable Benefits-FICA/Medicare	7.65%	7.65%
Variable Benefits-Retirement	12.83%	12.86%

**OTHER OPERATING COSTS**

Other operating costs are forecast to increase in 2020, with maintenance contracts rising by \$8,092 or 19.3% and utilities rising by \$14,585 or 12.5%. The bulk of the increase in maintenance contracts is related to higher projected landscaping costs. The current landscaping contractor underbid the last contract, and the services received at the properties reflect this. Management has budgeted \$20,000 for the new contract, the projected amount necessary to restore services to acceptable levels. The 2020 utility projections largely reflect actual 2019 costs and are led by increases in water, sewer, and surface water management.

### **Capital Improvements Budget**

Planned capital improvements for 2020 are limited to three unit upgrades, one at Cedar Grove and two at Hillsvieview. The actual mix of properties to receive the upgrades will depend upon unit availability. Capital Fund Program (CFP) grants will fund these upgrades, and it is estimated that there will be approximately \$340,000 of unspent CFP funds to roll into 2020, plus an estimated 2020 allocation of an additional \$200,000. Since inception of the unit upgrade program, 32 out of SWHA's 80 units have been upgraded, 25 at Hillsvieview and 7 at Cedar Grove.

### **Cash Reserves**

Cash reserves are forecast to be approximately \$402,000 at the end of 2020. Minimum HUD-required cash reserves are equal to six months of operating expenses. Using the HUD-prescribed formula, this equates to a balance of \$246,000.

### **Summary**

The Sedro-Woolley Housing Authority continues to have sufficient revenue to meet its ongoing obligations and maintain a reserve level of greater than six months of operating expenses.

**SEDRO-WOOLLEY HOUSING AUTHORITY  
2020 Budget**

**EXHIBIT A**

	Cedar Grove	Hillsview	2020 Proposed Combined
<b><i>Beginning Balance, Unrestricted Cash</i></b>	<b>\$149,009</b>	<b>\$191,581</b>	<b>\$340,590</b>
<b><i>Revenues</i></b>			
Tenant Revenue	49,550	166,400	215,950
Operating Fund Subsidy from HUD	120,630	173,032	293,662
Other Operating Revenue	325	1,600	1,925
<b>Total Operating Revenues</b>	<b>170,505</b>	<b>341,032</b>	<b>511,537</b>
<b><i>Expenses</i></b>			
Salaries & Benefits	(40,929)	(120,518)	(161,448)
Routine Maintenance, Utilities, Taxes & Insurance	(72,015)	(133,873)	(205,889)
Other Social Service Support Expenses & HAP	(2,150)	(5,800)	(7,950)
Administrative Support Expenses	(26,661)	(82,366)	(109,028)
<b>Total Operating Expenses</b>	<b>(141,756)</b>	<b>(342,558)</b>	<b>(484,314)</b>
<b>Operating Net Income</b>	<b>28,749</b>	<b>(1,526)</b>	<b>27,223</b>
Non-operating Revenue	44,551	60,845	105,396
Non-operating Expenses	0	0	0
<b>Net Income</b>	<b>73,300</b>	<b>59,319</b>	<b>132,619</b>
<b><i>Other Sources/(Uses) of Cash</i></b>			
Capital Projects and Acquisitions	(42,006)	(56,673)	(98,679)
Changes in Receivables	10,976	32,929	43,906
<b>Total Other Sources/(Uses) of Cash</b>	<b>(31,030)</b>	<b>(23,744)</b>	<b>(54,773)</b>
<b>Net Change in Unrestricted Cash</b>	<b>42,270</b>	<b>35,575</b>	<b>77,846</b>
<b><i>Ending Balance, Unrestricted Cash</i></b>	<b>\$191,279</b>	<b>\$227,157</b>	<b>\$418,436</b>

**THE HOUSING AUTHORITY OF THE CITY OF SEDRO-WOOLLEY**

**RESOLUTION NO. 469**

**AUTHORIZING APPROVAL OF THE COMPREHENSIVE OPERATING  
BUDGET FOR FISCAL YEAR BEGINNING JANUARY 1, 2020**

---

**WHEREAS**, the Executive Director has submitted a Comprehensive Operating Budget for the Calendar Year beginning January 1, 2020 (Calendar Year 2020); and

**WHEREAS**, the Board of Commissioners has determined that the proposed expenditures are necessary for the efficient and economical operations of the Housing Authority for the purpose of serving low-income families; and

**WHEREAS**, the budget indicates sources of funding adequate to cover all proposed expenditures; and

**WHEREAS**, all proposed rental charges and expenditures will be consistent with provisions of the Washington State Housing Authority law (RCW 35.82) and the Annual Contributions Contract (where applicable); and

**WHEREAS**, the Authority hereby certifies that no employee of the Housing Authority is serving in a variety of positions which will exceed 100% of his/her time. This certification includes the proration of an employee's time between the various programs administered by the Housing Authority of the City of Sedro-Woolley; and

**WHEREAS**, the Authority certifies that a drug-free workplace is provided to employees as required by the Drug-Free Workplace Act of 1988; and

**WHEREAS**, the Authority certifies that no Federally appropriated funds will be paid on behalf of the Housing Authority to any persons for influencing or attempting to influence an officer or employee of any agency, a member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any

Federal loan, the entering into of any cooperative agreement and the extension, continuation, renewal, amendment or modification of any Federal contract, grant, loan or cooperative agreement; and,

**NOW THEREFORE, BE IT RESOLVED, BY THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF SEDRO-WOOLLEY, THAT:**

**Section 1:** Operating expenditures of \$484,314 and capital expenditures of \$98,679 are hereby authorized for the Calendar Year beginning January 1, 2020.

**Section 2:** Full property budgets as found in Exhibit A are incorporated into this resolution and hereby adopted.

**ADOPTED AT A REGULAR MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF SEDRO-WOOLLEY THE 19<sup>TH</sup> DAY OF DECEMBER 2019.**

**THE HOUSING AUTHORITY OF  
THE CITY OF SEDRO-WOOLLEY**

---

**LAURIE FELLERS, Chair**  
Board of Commissioners

---

**STEPHEN J. NORMAN**  
Secretary-Treasurer

**SEDRO-WOOLLEY HOUSING AUTHORITY**  
**2020 Budget**

**EXHIBIT A**

	Cedar Grove	Hillsview	2020 Proposed Combined
<b><i>Beginning Balance, Unrestricted Cash</i></b>	<b>\$149,009</b>	<b>\$191,581</b>	<b>\$340,590</b>
<b><i>Revenues</i></b>			
Tenant Revenue	49,550	166,400	215,950
Operating Fund Subsidy from HUD	120,630	173,032	293,662
Other Operating Revenue	325	1,600	1,925
<b>Total Operating Revenues</b>	<b>170,505</b>	<b>341,032</b>	<b>511,537</b>
<b><i>Expenses</i></b>			
Salaries & Benefits	(40,929)	(120,518)	(161,448)
Routine Maintenance, Utilities, Taxes & Insurance	(72,015)	(133,873)	(205,889)
Other Social Service Support Expenses & HAP	(2,150)	(5,800)	(7,950)
Administrative Support Expenses	(26,661)	(82,366)	(109,028)
<b>Total Operating Expenses</b>	<b>(141,756)</b>	<b>(342,558)</b>	<b>(484,314)</b>
<b>Operating Net Income</b>	<b>28,749</b>	<b>(1,526)</b>	<b>27,223</b>
Non-operating Revenue	44,551	60,845	105,396
Non-operating Expenses	0	0	0
<b>Net Income</b>	<b>73,300</b>	<b>59,319</b>	<b>132,619</b>
<b><i>Other Sources/(Uses) of Cash</i></b>			
Capital Projects and Acquisitions	(42,006)	(56,673)	(98,679)
Changes in Receivables	10,976	32,929	43,906
<b>Total Other Sources/(Uses) of Cash</b>	<b>(31,030)</b>	<b>(23,744)</b>	<b>(54,773)</b>
<b>Net Change in Unrestricted Cash</b>	<b>42,270</b>	<b>35,575</b>	<b>77,846</b>
<b><i>Ending Balance, Unrestricted Cash</i></b>	<b>\$191,279</b>	<b>\$227,157</b>	<b>\$418,436</b>

T  
A  
B

N  
U  
M  
B  
E  
R

6



# SEDRO-WOOLLEY HOUSING AUTHORITY

## INTEROFFICE MEMORANDUM

**TO:** The Board of Commissioners  
**FROM:** Windy Epps, Assistant Director of Finance  
**DATE:** December 12, 2019  
**RE:** October 2019 Financial Report

Attached for your review is the unaudited year-to-date financial report as of October 31, 2019. This report shows year-to-date actual results, budgets, and variances expressed in both dollars and percentages. The report, in cash format, details operating revenues and expenses, net non-operating revenue or expense, and changes in assets and liabilities. Reports in this format will reconcile the year-to-date changes in cash and both the beginning and ending cash balances are displayed.

### EXECUTIVE SUMMARY

Year-to-date operating revenues are 5.8% over budget and operating expenses are on target with a variance of 0.60% over budget.

Operating Revenue	Favorable (Unfavorable) \$ Variance % Variance			Operating Expenses	Favorable (Unfavorable) \$ Variance % Variance		
Tenant Revenue	\$13,090	7.8%	●	Salaries and Benefits	\$5,400	4.2%	●
Federal Operating Support	10,332	4.2%	●	Administrative Expenses	(10,949)	-12.7%	●
Other Revenue	836	11.1%	●	Maintenance Expenses, Utilities, Taxes	2,953	2.0%	●
				Other Programmatic Expenses	423	6.4%	●
<b>Total Operating Revenue</b>	<b>\$24,258</b>	<b>5.8%</b>	●	<b>Total Operating Expenses</b>	<b>-\$2,173</b>	<b>-0.6%</b>	●

- Green are positive variances
- Yellow are negative variances of less than 5%
- Red are negative variances greater than 5%

- Green are positive variances
- Yellow are negative variances of less than 5%
- Red are negative variances greater than 5%

### OPERATING REVENUE AND EXPENSE

Year-to-date operating revenues are exceeding budget expectations at \$445,518. The \$24,258 increase is attributable to better than expected operating fund subsidy (Subsidy). The budget assumed 90% proration, while the interim prorate through August was 97.2%. Additionally, Cedar Grove has continued to receive greater than anticipated tenant revenues. This positive revenue variance is slightly offset by different assumptions in the Subsidy budget than the actual request for Hillview.

Year-to-date operating expenses in the amount of \$368,953 are very close to target at 100.6% of budgeted expenses. The \$2,173 negative variance is primary due to an increase in the HUD management fee rate for the Seattle area, which went up from the \$53.66 PUM that was used in the budget to \$57.86 PUM effective January 1, 2019.

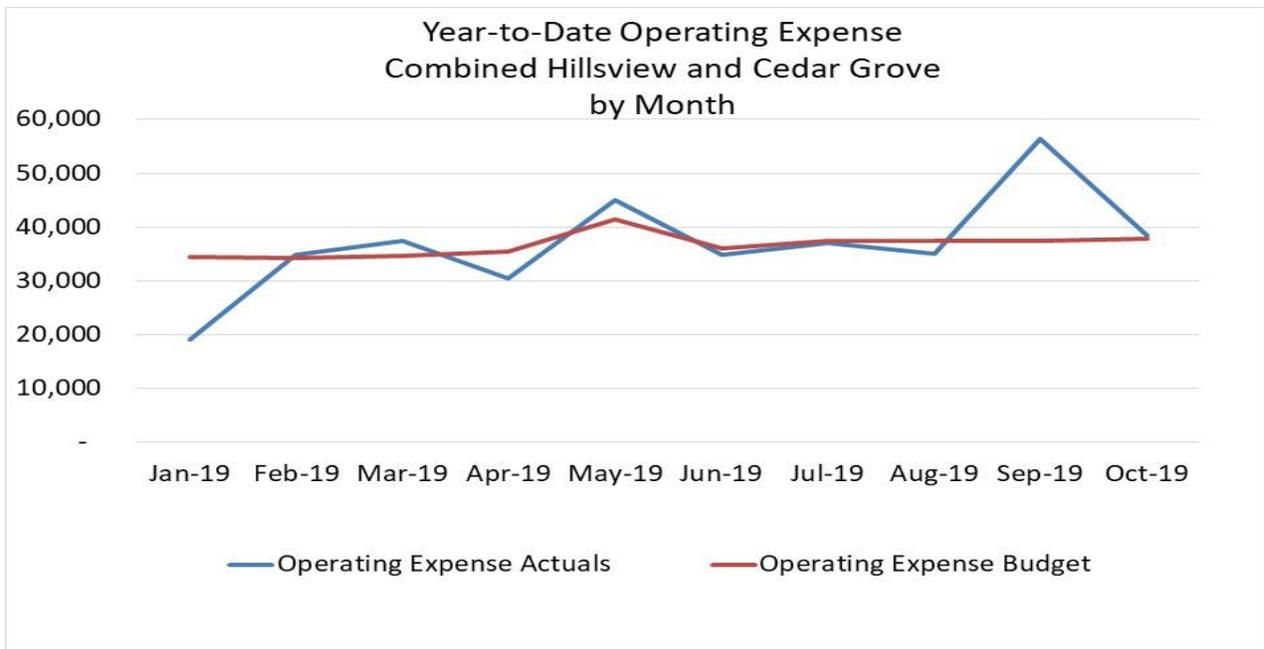
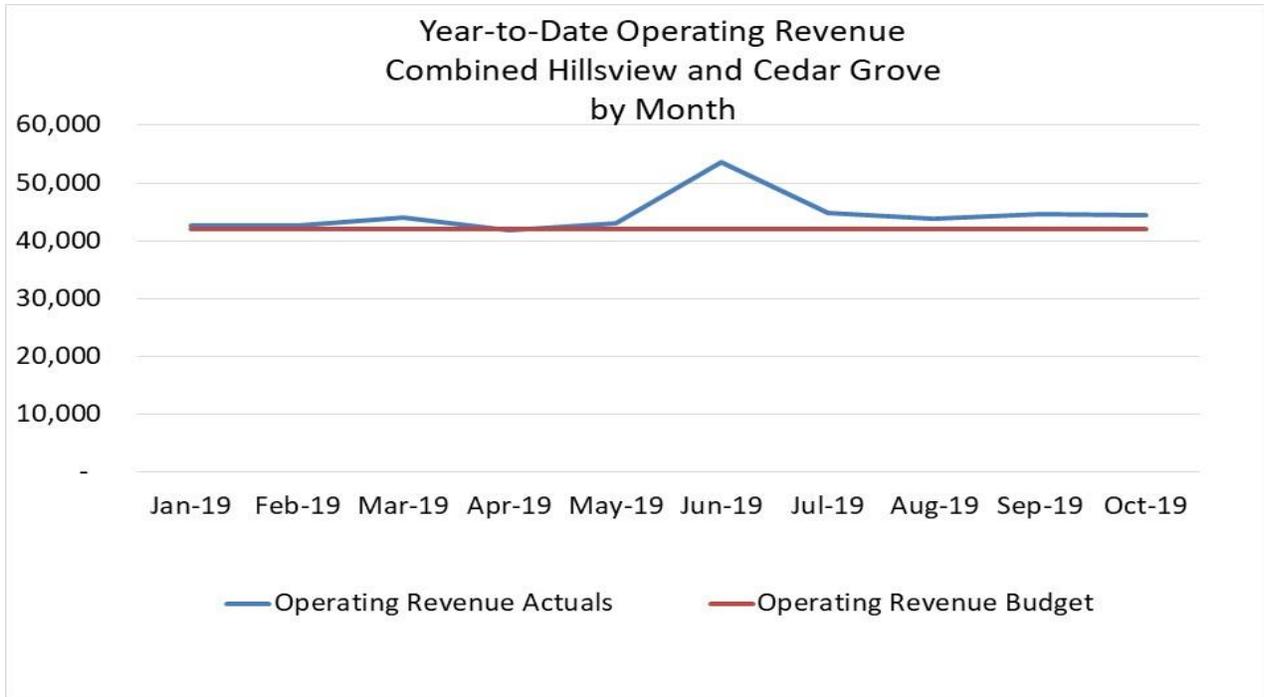
### NON OPERATING REVENUE AND EXPENSE

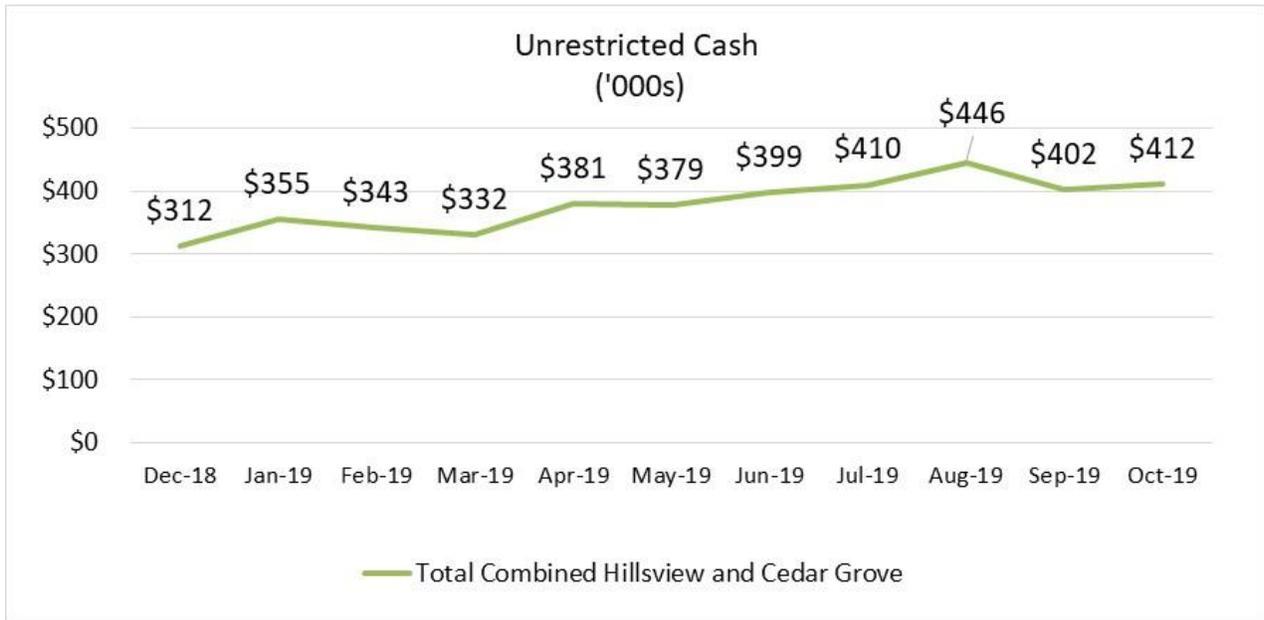
Year-to-date non operating revenues and expenses are under budget by \$30,003 and \$37,136, respectively, due to fewer unit upgrades completed than planned. The budget assumed we would upgrade three units during 2019, which was spread evenly throughout the year. As of the end of October only one

unit upgrade has been completed due to the availability of units. It is anticipated that two additional updates will be completed by the end of the year, one each at Cedar Grove and Hillsvie.

**CHANGE IN UNRESTRICTED CASH**

Unrestricted cash in the amount of \$412,233 has increased by \$99,831 since the beginning of the year primarily due to greater operating revenues than expenses and a decrease in grant receivables carried over from the prior year.





**Sedro-Woolley Housing Authority**  
**Statements of Financial Position**  
**As of October 31, 2019**

	<u>Cedar Grove</u>	<u>Hillsview</u>	<u>Combined</u>
<b>Assets</b>			
Cash-Unrestricted	\$165,525	\$246,708	\$412,233
Cash-Restricted	3,750	5,250	9,000
Accounts Receivable	753	618	1,371
Other Short-term Assets	127	908	1,035
Capital Assets	<u>505,432</u>	<u>1,354,016</u>	<u>1,859,448</u>
Total Assets	<u><u>\$675,587</u></u>	<u><u>\$1,607,500</u></u>	<u><u>\$2,283,087</u></u>
<b>Liabilities and Equity</b>			
Short-term Liabilities	<u>\$16,748</u>	<u>\$46,583</u>	<u>\$63,331</u>
Total Liabilities	16,748	46,583	63,331
Equity	658,839	1,560,916	2,219,755
Total Liabilities and Equity	<u><u>\$675,587</u></u>	<u><u>\$1,607,499</u></u>	<u><u>\$2,283,086</u></u>

Sedro-Woolley Housing Authority  
Cash Reconciliation Report  
Through October 31, 2019

	Combined			
	Actual	Budget	Favorable (Unfavorable) \$ Variance	Favorable (Unfavorable) % Variance
<b>BEGINNING UNRESTRICTED/PROGRAM CASH</b>	<b>\$312,401</b>			
<i>Rental Revenue and Subsidy</i>				
Tenant Revenue	\$179,860	\$166,770	\$13,090	7.8%
Federal Operating Support	257,282	246,950	10,332	4.2%
<i>Total Rental Revenue and Federal Support</i>	<u>437,142</u>	<u>413,720</u>	<u>23,422</u>	<u>5.7%</u>
<i>Other Operating Revenue</i>				
Other Revenue	8,376	7,540	836	11.1%
<i>Total Other Operating Revenue</i>	<u>8,376</u>	<u>7,540</u>	<u>836</u>	<u>11.1%</u>
<i>Total Operating Revenue</i>	<u>445,518</u>	<u>421,260</u>	<u>24,258</u>	<u>5.8%</u>
<i>Operating Expenses</i>				
Salaries and Benefits	(121,682)	(127,082)	5,400	4.2%
Administrative Expenses	(96,841)	(85,892)	(10,949)	-12.7%
Maintenance Expenses, Utilities, Taxes	(144,285)	(147,238)	2,953	2.0%
Other Programmatic Expenses	(6,145)	(6,568)	423	6.4%
<i>Total Operating Expenses</i>	<u>(368,953)</u>	<u>(366,780)</u>	<u>(2,173)</u>	<u>-0.6%</u>
<i>Net Operating Income</i>	<u>76,565</u>	<u>54,480</u>	<u>22,085</u>	<u>40.5%</u>
<i>Non Operating Income/(Expense)</i>				
Other Non-operating Income/(Expense)	47,727	77,730	(30,003)	-38.6%
<i>Total Non Operating Income/(Expense)</i>	<u>47,727</u>	<u>77,730</u>	<u>(30,003)</u>	<u>-38.6%</u>
<i>Capital Activity</i>				
Capital Project Expenditures	(40,594)	(77,730)	37,136	47.8%
<i>Total Change in Capital Assets, net of Direct Funding and Debt</i>	<u>(40,594)</u>	<u>(77,730)</u>	<u>37,136</u>	<u>47.8%</u>
<i>Change in Other Assets/Liabilities</i>				
Change in Designated/Restricted Cash	0	-	0	n/a
Change in Short-term Assets	52,364	-	52,364	n/a
Change in Other Assets	0	-	0	n/a
Change in Short-term Liabilities	(36,231)	-	(36,231)	n/a
<i>Change in Other Assets/Liabilities</i>	<u>16,133</u>	<u>-</u>	<u>16,133</u>	<u>n/a</u>
<i>Change in Unrestricted/Program Cash</i>	<u>99,831</u>	<u>\$54,480</u>	<u>\$45,351</u>	<u>83.2%</u>
<b>ENDING UNRESTRICTED/PROGRAM CASH</b>	<b><u>\$412,233</u></b>			
<i>BEGINNING DESIGNATED/RESTRICTED CASH</i>				
Change in Replacement Reserves	-	-	-	n/a
Change in Debt Service Reserves	-	-	-	n/a
Change in Other Reserves	0	-	0	n/a
<i>Change in Designated/Restricted Cash</i>	<u>-</u>	<u>\$0</u>	<u>\$0</u>	<u>n/a</u>
<b>ENDING DESIGNATED/RESTRICTED CASH</b>	<b><u>\$9,000</u></b>			

Sedro-Woolley Housing Authority  
Cash Reconciliation Report  
Through October 31, 2019

	Hillsview			
	Actual	Budget	Favorable (Unfavorable) \$ Variance	Favorable (Unfavorable) % Variance
<b>BEGINNING UNRESTRICTED/PROGRAM CASH</b>	<b>\$208,246</b>			
<i>Rental Revenue and Subsidy</i>				
Tenant Revenue	\$139,584	\$136,490	\$3,094	2.3%
Federal Operating Support	151,619	151,420	199	0.1% (1)
<i>Total Rental Revenue and Federal Support</i>	291,203	287,910	3,293	1.1%
<i>Other Operating Revenue</i>				
Federal Support for HCV Program	0	0	0	n/a
Other Revenue	5,591	4,810	781	16.2%
<i>Total Other Operating Revenue</i>	5,591	4,810	781	16.2%
<b>Total Operating Revenue</b>	<b>296,794</b>	<b>292,720</b>	<b>4,074</b>	<b>1.4%</b>
<i>Operating Expenses</i>				
Salaries and Benefits	(90,390)	(94,850)	4,460	4.7%
Administrative Expenses	(74,220)	(64,563)	(9,657)	-15.0% (2)
Maintenance Expenses, Utilities, Taxes	(91,361)	(96,796)	5,435	5.6%
Management Fees Charged to Properties and Programs	0	0	0	n/a
HCV Housing Assistance Payments to Landlords	0	0	0	n/a
Other Programmatic Expenses	(4,624)	(4,778)	154	3.2%
Other Expenses	0	0	0	n/a
Transfers Out for Operating Purposes	0	0	0	n/a
<i>Total Operating Expenses</i>	(260,594)	(260,987)	393	0.2%
<b>Net Operating Income</b>	<b>36,200</b>	<b>31,733</b>	<b>4,467</b>	<b>14.1%</b>
<i>Non Operating Income/(Expense)</i>				
Interest Income from Loans	0	0	0	n/a
Interest Expense	0	0	0	n/a
Other Non-operating Income/(Expense)	4,078	45,430	(41,352)	-91.0% (3)
<i>Total Non Operating Income/(Expense)</i>	4,078	45,430	(41,352)	-91.0%
<i>Capital Activity</i>				
Capital Project Funding, Excluding Debt Issuance	0	0	0	n/a
Capital Project Expenditures	(2,078)	(45,430)	43,352	95.4% (3)
Grant Revenue-Capital	0	0	0	n/a
<i>Total Change in Capital Assets, net of Direct Funding and Debt</i>	(2,078)	(45,430)	43,352	95.4%
<i>Change in Other Assets/Liabilities</i>				
Change in Designated/Restricted Cash	0	0	0	n/a
Change in Short-term Assets	23,156	-	23,156	n/a (4)
Change in Long-term Receivables	0	0	0	n/a
Change in Other Assets	0	-	0	n/a
Change in Short-term Liabilities	(22,894)	-	(22,894)	n/a (5)
Change in Long-term Debt	0	0	0	n/a
Change in Other Liabilities	0	0	0	n/a
Change in Equity	0	0	0	n/a
<i>Change in Other Assets/Liabilities</i>	262	-	262	n/a
<b>Change in Unrestricted/Program Cash</b>	<b>38,462</b>	<b>\$31,733</b>	<b>\$6,729</b>	<b>21.2%</b>
<b>ENDING UNRESTRICTED/PROGRAM CASH</b>	<b>\$246,708</b>			

<b>BEGINNING DESIGNATED/RESTRICTED CASH</b>	<b>\$5,250</b>			
Change in Replacement Reserves	-	-	-	n/a
Change in Debt Service Reserves	-	-	-	n/a
Change in Other Reserves	-	-	-	n/a
<b>Change in Designated/Restricted Cash</b>	<b>-</b>	<b>\$0</b>	<b>\$0</b>	<b>n/a</b>
<b>ENDING DESIGNATED/RESTRICTED CASH</b>	<b>\$5,250</b>			

- Operating subsidy exceeded target due to higher than anticipated interim prorate. The budget assumed 90 percent while the actual interim prorate was 97.2 percent. This positive revenue variance is offset by different assumptions in the subsidy budget than the actual request.
- Legal expense was higher than budgeted due to an eviction. Also, due to rate increase by HUD effective January 1, 2019, property management fees came in higher than anticipated in the budget.
- Two unit upgrades were budgeted evenly throughout the year. As of the end of October, no unit upgrades have been performed, resulting in lower than budgeted capital project expenditures and draw from the CFP grant. Unit upgrades depend on availability.
- The change in short-term assets is mainly due to a decrease in grant receivables carried over from the previous year.
- The change in short-term liabilities is due to a decrease in accounts payable.

Sedro-Woolley Housing Authority  
Cash Reconciliation Report  
Through October 31, 2019

	Cedar Grove			
	Actual	Budget	Favorable (Unfavorable) \$ Variance	Favorable (Unfavorable) % Variance
<b>BEGINNING UNRESTRICTED/PROGRAM CASH</b>	<b>\$104,155</b>			
<i>Rental Revenue and Subsidy</i>				
Tenant Revenue	\$40,276	\$30,280	\$9,996	33.0% (1)
Federal Operating Support	105,664	95,530	10,134	10.6% (2)
<i>Total Rental Revenue and Federal Support</i>	<u>145,940</u>	<u>125,810</u>	<u>20,130</u>	<u>16.0%</u>
<i>Other Operating Revenue</i>				
Other Revenue	2,785	2,730	55	2.0%
<i>Total Other Operating Revenue</i>	<u>2,785</u>	<u>2,730</u>	<u>55</u>	<u>2.0%</u>
<b>Total Operating Revenue</b>	<b>148,724</b>	<b>128,540</b>	<b>20,184</b>	<b>15.7%</b>
<i>Operating Expenses</i>				
Salaries and Benefits	(31,292)	(32,232)	940	2.9%
Administrative Expenses	(22,621)	(21,329)	(1,292)	-6.1%
Maintenance Expenses, Utilities, Taxes	(52,924)	(50,442)	(2,482)	-4.9%
Other Programmatic Expenses	(1,521)	(1,790)	269	15.0%
<i>Total Operating Expenses</i>	<u>(108,358)</u>	<u>(105,793)</u>	<u>(2,565)</u>	<u>-2.4%</u>
<b>Net Operating Income</b>	<b>40,366</b>	<b>22,747</b>	<b>17,619</b>	<b>77.5%</b>
<i>Non Operating Income/(Expense)</i>				
Other Non-operating Income/(Expense)	43,649	32,300	11,349	35.1% (3)
<i>Total Non Operating Income/(Expense)</i>	<u>43,649</u>	<u>32,300</u>	<u>11,349</u>	<u>35.1%</u>
<i>Capital Activity</i>				
Capital Project Expenditures	(38,515)	(32,300)	(6,215)	-19.2% (3)
<i>Total Change in Capital Assets, net of Direct Funding and Debt</i>	<u>(38,515)</u>	<u>(32,300)</u>	<u>(6,215)</u>	<u>-19.2%</u>
<i>Change in Other Assets/Liabilities</i>				
Change in Designated/Restricted Cash	0	-	0	n/a
Change in Short-term Assets	29,208	-	29,208	n/a (4)
Change in Other Assets	0	-	0	n/a
Change in Short-term Liabilities	(13,338)	-	(13,338)	n/a (5)
<i>Change in Other Assets/Liabilities</i>	<u>15,870</u>	<u>-</u>	<u>15,870</u>	<u>n/a</u>
<b>Change in Unrestricted/Program Cash</b>	<b>61,370</b>	<b>\$22,747</b>	<b>\$38,623</b>	<b>169.8%</b>
<b>ENDING UNRESTRICTED/PROGRAM CASH</b>	<b><u>\$165,525</u></b>			

<b>BEGINNING DESIGNATED/RESTRICTED CASH</b>	<b>\$3,750</b>			
Change in Replacement Reserves	-	-	-	n/a
Change in Debt Service Reserves	-	-	-	n/a
Change in Other Reserves	0	-	0	n/a
<b>Change in Designated/Restricted Cash</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>n/a</b>
<b>ENDING DESIGNATED/RESTRICTED CASH</b>	<b><u>\$3,750</u></b>			

- 1) Dwelling rents are higher than expected. Families are aging and not receiving dependent deductions toward rent. Two oversized families were recently transferred to their correct unit size, lowering the energy assistance supplement applied towards their rent.
- 2) Operating subsidy exceeded target due to higher than anticipated interim prorata. The budget assumed 90 percent while the actual interim prorata was 97.2 percent.
- 3) One unit upgrade was budgeted at the property evenly throughout the year. This unit upgrade was completed in March, resulting in higher than budgeted capital project expenditures and, as a result, higher than budgeted draw from the CFP grant. Also, due to payment of prior period unit upgrade project retainage. Unbudgeted.
- 4) The change in short-term assets is mainly due to a decrease in grant receivables carried over from the previous year.
- 5) The change in short-term liabilities is due to a decrease in accounts payable.

T  
A  
B

N  
U  
M  
B  
E  
R

7

SEDRO-WOOLLEY HOUSING AUTHORITY  
Housing Management Report

**October and November 2019**

**Vacancy Report**

	Vacates	Housings	Completed Upgrades
Hillsview	0	0	0
Cedar Grove	0	0	0

**Average Unit Turnover Rates**

The 2019 Unit Turnover Rate (UTO) is 12.75 days.

- Cedar Grove
  - The vacant 4-bedroom unit is currently being upgraded and will be housed in December.
  - A 3-bedroom unit vacant in November and will be housed at the beginning of December. This was a site turn and additional time was needed for the abatement of bathroom repairs.
- Hillsview
  - There were two vacates at the end of November – one will be upgraded.

**Current Applications of Wait List as of December 2, 2019**

Hillsview	Applicants Claiming Preference	Elderly/Disabled Claiming Preference	Non-Preference Applicants	Total
1 Bedroom	141	124	25	143

Cedar Grove	Preference	Non-Preference	Total
2 Bedrooms	54	6	60
3 Bedrooms	37	3	40
4 Bedrooms	1	0	1
Total	81	6	87

Preference Definitions:

1. Rent burden – person is paying more than 50% of income in rent
2. Family lives in substandard housing - homeless or condition of unit substandard
3. Involuntary displacement – disaster, government action, housing owner action, domestic violence, etc.

**Work Orders**

	Routine	Inspection	Emergency	Vacate	RA	Total
Hillsview	70	10	1	0	0	81
Cedar Grove I	23	1	0	0	0	24
Cedar Grove II	18	2	0	0	0	20
Cedar Grove III	16	1	0	0	0	17
<b>Total</b>	<b>127</b>	<b>14</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>142</b>

# SEDRO-WOOLLEY HOUSING AUTHORITY

## Housing Management Report

### **Resident Functions**

Community Action assisted Hillsview residents with energy assistance applications in October.

### **Staffing**

There are no staff vacancies.

### **Previous Meeting Concerns**

- The contract retentions charges for Hillsview were for the sidewalk repairs.

### **Resident Issues**

- Hillsview
  - A 10 Day Warning notice was served for violation of a stipulation agreement.
  - 30 Day Notice to Terminate Tenancy update: The resident submitted a Reasonable Accommodation request to receive additional time to secure an appointment with their provider to be compliant with the resident services request and maintain their housing.