

# HOUSING AUTHORITY OF THE CITY OF SEDRO-WOOLLEY



## VIRTUAL/ZOOM MEETING OF THE BOARD OF COMMISSIONERS

Thursday, April 15, 2021

### Zoom Meeting:

[https://zoom.us/j/91304429567?pwd=aEk4bkZBVVFVQWFQndZYTdIcTVx](https://zoom.us/j/91304429567?pwd=aEk4bkZBVVFVQWFQndZYTdIcTVxQT09)  
QT09

**Meeting ID: 913 0442 9567**

**Passcode: 754223**

**PHONE: 253-215-8782**

ZOOM-Telephonic Meeting  
Hillview Apartments  
(Community Room)  
830 Township Street, Sedro-Woolley, WA 98284

# HOUSING AUTHORITY OF THE CITY OF SEDRO-WOOLLEY



## MEETING OF THE BOARD OF COMMISSIONERS AGENDA

Thursday, April 15, 2021  
10:45 am

### VIRTUAL/ZOOM MEETING

Hillsview Apartments - 830 Township Street, Sedro-Woolley, WA 98284

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- |       |   |   |
|-------|---|---|
| I.    | Call to Order   |   |
| II.   | Roll Call   |   |
| III.  | Public Comment  |   |
| IV.   | Approval of Minutes   |   |
|       | A. February 18, 2021 Board of Commissioners' Meeting Minutes  | 1 |
| V.    | Action Items for Discussion & Approval  |   |
|       | A. Approval of Voucher Report February 1, 2021 to March 31, 2021  | 2 |
|       | B. Resolution No. 472 – Adoption of the SWHA Combined Five-Year and FY 2021 Annual Agency Plan.<br><i>This is a technicality, as it was left out of the 5 year packet for October 2020</i>  | 3 |
|       | C. Resolution No. 473 – Acknowledging Receipt of Financial Statement Audit Examinations and Attestations for the period January 1, 2019 through December 31, 2019 and Accountability Audit Examinations for the Period January 1, 2017 through December 31, 2019. | 4 |
| VI.   | Reports   |   |
|       | A. Financial Report for February 2021   | 5 |
|       | B. Housing Management Report for February/March 2021  | 6 |
| VII.  | New Business  |   |
| VIII. | Adjournment   |   |

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

Thursday, February 18, 2021

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I. Call to Order

The virtual meeting of the Board of Commissioners of the Sedro-Woolley Housing Authority was called to order by Chair Laurie Fellers at 10:45 a.m., on Thursday, February 18, 2021, via zoom.

II. Roll Call

**Present:** Commissioner Laurie Fellers (Chair), Commissioner Reta Stephenson (Vice-Chair), Commissioner Dona Cowan.

**Excused:** Commissioner Kacy Johnson and Commissioner Lee Elliott.

III. Public Comment

No public comment.

IV. Approval of Minutes

A. December 17, 2020 Board of Commissioners' Meeting Minutes

Commissioner Reta Stephenson moved for approval of the Minutes. Seconded by Commissioner Laurie Fellers; the Board unanimously approved the Minutes from December 17, 2020.

V. Action Items for Discussion & Approval

A. Approval of Voucher Report December 1, 2020 to January 31, 2021

Questions of Commissioners' were answered.

Commissioner Reta Stephenson moved for approval of the Voucher Report, seconded by Commissioner Laurie Fellers; the board unanimously approved the Voucher Report for December 1, 2020 to January 31, 2021.

B. Resolution No. 471 (Revised) – A Resolution Adopting the Annual Civil Rights Certification Required in Conjunction with the Receipt of the Federal Fiscal Year 2020 Allocation of Funds from the HUD Capital Fund Program.

The only change on this revision was that it was incorrectly written for 2021 and should have been for 2020. Also corrected with the date signed of Feb 18, 2021.

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Commissioner Reta Stephenson moved for approval of Revised Resolution No. 471, seconded by Commissioner Dona Cowan; the board unanimously approved the Revision of Resolution No. 471.

**VI. Reports**

A. Financial Report for December 2020

Tesh Assefa, Financial Reporting Manager, gave an overview for the Financial report for December 2020

Questions of Commissioners' were answered.

B. Housing Management Report for October/November 2020

Kimberly Sayavong, Senior Property Manager went over the Housing Management Report in detail.

Bill Cook, Director of Property Management gave a brief update on the COVID-19 situation and the continued (and unchanged) response.

Questions of Commissioners' were answered.

**VII. New Business**

None.

**VIII. Adjournment**

There being no further business before the Board of Commissioners, the meeting was adjourned at 11:10 a.m.

THE HOUSING AUTHORITY OF THE  
CITY OF SEDRO-WOOLLEY

\_\_\_\_\_  
LAURIE FELLERS, Chair  
Board of Commissioners

\_\_\_\_\_  
STEPHEN J. NORMAN  
Executive Director



# SEDRO-WOOLLEY HOUSING AUTHORITY

**TO:** Board of Commissioners  
**FROM:** Ai Ly, Interim Assistant Director of Finance  
**DATE:** April 1, 2021  
**RE:** Approval of Vouchers February 1, 2021 to March 31, 2021

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I, Ai Ly, 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.

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Ai Ly  
Interim Assistant Director of Finance  
April 1, 2021

## **Expenditures to Sedro-Woolley**

### Operations

Directly to Cedar Grove	14,435.81
Cedar Grove Voids	<u>(.00)</u>
Cedar Grove Total	14,435.81
Directly to Hillsview	41,119.22
Hillsview Voids	<u>(.00)</u>
Hillsview Total	<u>41,119.22</u>
<b>Total Expenditures</b>	<u><u>55,555.03</u></u>

SEDRO-WOOLLEY HOUSING AUTHORITY  
Accounts Payable Report  
2/01/2021 TO 3/31/2021

Account No.	Major Account Description	Amount	Vendor Name	Voucher Description	Date	Check Number
<b>CEDAR GROVE</b>						
170000	Work-In-Process	2,820.00	SHKS ARCHITECTS INC	CEDAR GROVE	2/26/2021	333833
170000	Work-In-Process	142.50	SHKS ARCHITECTS INC	CEDAR GROVE	3/26/2021	334242
409004	Benefits-Work Boots	71.25	WHISTLE WORKWEAR	JEFFERY SEVERSON	2/5/2021	333530
410000	Admin Supplies	0.05	CANON SOLUTIONS AMERICA INC	SN RZJ27626	3/26/2021	334295
410000	Admin Supplies	0.10	CANON SOLUTIONS AMERICA INC	SN RZJ27626	3/26/2021	334295
411100	Computer Equip-Hardware	0.02	CDW/COMPUTER CENTERS INC	COMPUTER SUPPLIES	3/12/2021	333985
411100	Computer Equip-Hardware	0.30	CDW/COMPUTER CENTERS INC	COMPUTER SUPPLIES	3/12/2021	333985
411101	Computer Equip-Software	49.76	CDW/COMPUTER CENTERS INC	COMPUTER SUPPLIES	3/12/2021	333985
411103	Computer Equip-Software Maint	7.56	DUO SECURITY LLC	DUO SOFTWARE SUBS 2/7/21-2/6/2022	2/12/2021	333676
411103	Computer Equip-Software Maint	128.41	CDW/COMPUTER CENTERS INC	COMPUTER SUPPLIES	3/5/2021	333902
411901	Equip-Other-Leased/Rented	1.14	QUADIENT LEASING USA INC	SN 30215010	3/26/2021	334311
411901	Equip-Other-Leased/Rented	0.99	CANON FINANCIAL	SN 2LP03248	3/26/2021	334279
420000	Prof Svcs-Legal	15.89	MONTGOMERY PURDUE BLANKINSHIP	LEGAL SVCS	2/19/2021	333690
420000	Prof Svcs-Legal	9.37	MONTGOMERY PURDUE BLANKINSHIP	LEGAL SVCS	3/26/2021	334193
420000	Prof Svcs-Legal	9.11	MONTGOMERY PURDUE BLANKINSHIP	LEGAL SVCS	3/26/2021	334193
420101	Prof Svcs-Auditing	471.78	STATE AUDITOR S OFFICE	AUDIT PERIOD 17-19	3/5/2021	333892
420101	Prof Svcs-Auditing	355.95	STATE AUDITOR S OFFICE	AUDIT PERIOD 17-19	3/19/2021	334096
420908	Prof Svcs-Computers	1.50	HYLAND SOFTWARE, INC	Prof Services	2/12/2021	333630
420908	Prof Svcs-Computers	0.79	AFFIRMA CONSULTING LLC	SHAREPOINT SP WORKPLACE	3/5/2021	333968
420908	Prof Svcs-Computers	(0.13)	AFFIRMA CONSULTING LLC	SHAREPOINT SP WORKPLACE	3/5/2021	333968
420908	Prof Svcs-Computers	3.50	AFFIRMA CONSULTING LLC	HELPDESK RETAINER	3/12/2021	334071
421904	Admin Contracts- Cloud Recovery Svcs	10.48	NET2VAULT LLC	MANAGED VAULTING	2/12/2021	333648
421904	Admin Contracts- Cloud Recovery Svcs	10.68	NET2VAULT LLC	MANAGED VAULTING	3/5/2021	333947
440011	Travel-Mileage Reimbursement	37.71	JUDITH ANDINO	1/5-28/21 MILEAGE	2/5/2021	333551
440011	Travel-Mileage Reimbursement	35.39	JUDITH ANDINO	2/2-25/21 MILEAGE	3/12/2021	334058
440011	Travel-Mileage Reimbursement	0.08	CINDERELLA HARRINGTON	11/24-2/23/21 MILEAGE	3/12/2021	334073
450001	Comm-Phones Lines-Service-Voice	16.88	CONSOLIDATED TECH SVCS	JANUARY 2021 CHGS	2/19/2021	333751
450001	Comm-Phones Lines-Service-Voice	16.88	CONSOLIDATED TECH SVCS	FEBRUARY 2021 CHGS	3/19/2021	334148
450002	Comm-Phones Lines-Service-Digital Voice	0.35	CENTURYLINK	1/23-2/23/21 CHGS	2/12/2021	333606
450002	Comm-Phones Lines-Service-Digital Voice	0.35	CENTURYLINK	1/23-2/23/21 CHGS	2/12/2021	333606
450002	Comm-Phones Lines-Service-Digital Voice	0.28	INTRADO LIFE & SAFETY INC	MONTHLY MAINT	3/5/2021	333952
450002	Comm-Phones Lines-Service-Digital Voice	0.35	CENTURYLINK	2/23-3/23/21 CHGS	3/12/2021	334003
450002	Comm-Phones Lines-Service-Digital Voice	0.35	CENTURYLINK	2/23-3/23/21 CHGS	3/12/2021	334003
450002	Comm-Phones Lines-Service-Digital Voice	0.28	INTRADO LIFE & SAFETY INC	MONTHLY MAINT	3/19/2021	334165
450100	Comm-Long Distance Charges	0.31	CENTURYLINK	12/12-1/11/21	2/5/2021	333566

SEDRO-WOOLLEY HOUSING AUTHORITY  
Accounts Payable Report  
2/01/2021 TO 3/31/2021

Account No.	Major Account Description	Amount	Vendor Name	Voucher Description	Date	Check Number
450100	Comm-Long Distance Charges	0.26	CENTURYLINK	1/25-2/25/21 CHGS	2/12/2021	333606
450100	Comm-Long Distance Charges	0.44	CENTURYLINK	MONTHLY CHARGES	3/5/2021	333970
450100	Comm-Long Distance Charges	0.26	CENTURYLINK	2/25-3/25/21 CHGS	3/19/2021	334125
491000	Admin Exp-Criminal/Background Checks	7.36	NATIONAL CREDIT REPORTING	CREDIT CHECK	2/12/2021	333601
491000	Admin Exp-Criminal/Background Checks	9.03	WASHINGTON STATE PATROL	BACKGROUND CHECK DEC 2020	2/12/2021	333589
491000	Admin Exp-Criminal/Background Checks	5.48	WASHINGTON STATE PATROL	BACKGROUND CHECK NOV 2020	2/12/2021	333589
491000	Admin Exp-Criminal/Background Checks	11.46	WASHINGTON STATE PATROL	BACKGROUND CHECK JAN 2021	2/12/2021	333589
491000	Admin Exp-Criminal/Background Checks	5.39	WASHINGTON STATE PATROL	BACKGROUND CHECK OCT 2020	2/12/2021	333589
491000	Admin Exp-Criminal/Background Checks	8.57	NATIONAL CREDIT REPORTING	CREDIT CHECK	3/12/2021	333999
491000	Admin Exp-Criminal/Background Checks	7.53	WASHINGTON STATE PATROL	BACKGROUND CHECK	3/12/2021	333988
493000	Other Admin Exp-Postage	4.58	MAIL ADVERTISING BUREAU INC	LEASE CHANGE LETTER	2/5/2021	333487
493000	Other Admin Exp-Postage	0.44	MAIL ADVERTISING BUREAU INC	LEASE CHANGES	2/5/2021	333487
493000	Other Admin Exp-Postage	1.08	MAIL ADVERTISING BUREAU INC	TENANT CONTRACT LETTER	2/12/2021	333579
493000	Other Admin Exp-Postage	10.33	MAIL ADVERTISING BUREAU INC	MARCH STATEMENTS	3/19/2021	334099
493000	Other Admin Exp-Postage	0.29	QUADIENT FINANCE USA INC	POSTAGE	3/26/2021	334312
493000	Other Admin Exp-Postage	5.36	QUADIENT FINANCE USA INC	POSTAGE	3/26/2021	334312
493100	Other Admin Exp-Mail Handling	7.56	MAIL ADVERTISING BUREAU INC	LEASE CHANGE LETTER	2/5/2021	333487
493100	Other Admin Exp-Mail Handling	0.64	MAIL ADVERTISING BUREAU INC	LEASE CHANGES	2/5/2021	333487
493100	Other Admin Exp-Mail Handling	3.32	MAIL ADVERTISING BUREAU INC	TENANT CONTRACT LETTER	2/12/2021	333579
493100	Other Admin Exp-Mail Handling	2.62	MAIL ADVERTISING BUREAU INC	MARCH STATEMENTS	3/19/2021	334099
520104	Social Service Contracts-Interpretation	1.84	LANGUAGE LINE SERVICES, INC	INTERPRETATION	3/5/2021	333897
520104	Social Service Contracts-Interpretation	3.59	LANGUAGE LINE SERVICES, INC	INTERPRETATION	3/26/2021	334200
620012	Occup Exp-Maint Contracts-Pest Control	23.96	STOP BUGGING ME PEST CONTROL	PEST CONTROL	2/26/2021	333866
620012	Occup Exp-Maint Contracts-Pest Control	23.96	STOP BUGGING ME PEST CONTROL	PEST CONTROL	2/26/2021	333866
620012	Occup Exp-Maint Contracts-Pest Control	23.96	STOP BUGGING ME PEST CONTROL	PEST CONTROL	3/19/2021	334160
620012	Occup Exp-Maint Contracts-Pest Control	23.96	STOP BUGGING ME PEST CONTROL	PEST CONTROL	3/19/2021	334160
620013	Occup Exp-Yard/Garden/Landscaping	270.00	SKAGIT LANDSCAPING LLC	LANDSCAPING MAINT	2/19/2021	333780
620013	Occup Exp-Yard/Garden/Landscaping	567.50	SKAGIT LANDSCAPING LLC	LANDSCAPING MAINT	2/19/2021	333780
660000	Occup Exp-Utilities-Water	99.32	PUBLIC UTILITY DISTRICT #1	WATER	3/12/2021	334017
660000	Occup Exp-Utilities-Water	128.53	PUBLIC UTILITY DISTRICT #1	WATER	3/12/2021	334017
660000	Occup Exp-Utilities-Water	116.84	PUBLIC UTILITY DISTRICT #1	WATER	3/12/2021	334017
660000	Occup Exp-Utilities-Water	227.89	PUBLIC UTILITY DISTRICT #1	WATER	3/12/2021	334017
660000	Occup Exp-Utilities-Water	122.69	PUBLIC UTILITY DISTRICT #1	WATER	3/12/2021	334017
660000	Occup Exp-Utilities-Water	93.47	PUBLIC UTILITY DISTRICT #1	WATER	3/12/2021	334017
660000	Occup Exp-Utilities-Water	163.60	PUBLIC UTILITY DISTRICT #1	WATER	3/12/2021	334017
660000	Occup Exp-Utilities-Water	134.38	PUBLIC UTILITY DISTRICT #1	WATER	3/12/2021	334017

SEDRO-WOOLLEY HOUSING AUTHORITY  
Accounts Payable Report  
2/01/2021 TO 3/31/2021

Account No.	Major Account Description	Amount	Vendor Name	Voucher Description	Date	Check Number
660000	Occup Exp-Utilities-Water	111.00	PUBLIC UTILITY DISTRICT #1	WATER	3/12/2021	334017
660000	Occup Exp-Utilities-Water	169.45	PUBLIC UTILITY DISTRICT #1	WATER	3/12/2021	334017
660000	Occup Exp-Utilities-Water	86.73	PUBLIC UTILITY DISTRICT #1	WATER	3/19/2021	334142
660000	Occup Exp-Utilities-Water	123.65	PUBLIC UTILITY DISTRICT #1	WATER	3/19/2021	334142
660000	Occup Exp-Utilities-Water	153.10	PUBLIC UTILITY DISTRICT #1	WATER	3/19/2021	334142
660000	Occup Exp-Utilities-Water	71.78	PUBLIC UTILITY DISTRICT #1	WATER	3/19/2021	334142
660000	Occup Exp-Utilities-Water	200.23	PUBLIC UTILITY DISTRICT #1	WATER	3/19/2021	334142
660000	Occup Exp-Utilities-Water	135.43	PUBLIC UTILITY DISTRICT #1	WATER	3/19/2021	334142
660000	Occup Exp-Utilities-Water	164.88	PUBLIC UTILITY DISTRICT #1	WATER	3/19/2021	334142
660000	Occup Exp-Utilities-Water	153.10	PUBLIC UTILITY DISTRICT #1	WATER	3/19/2021	334142
660000	Occup Exp-Utilities-Water	117.76	PUBLIC UTILITY DISTRICT #1	WATER	3/19/2021	334142
660000	Occup Exp-Utilities-Water	141.32	PUBLIC UTILITY DISTRICT #1	WATER	3/19/2021	334142
660000	Occup Exp-Utilities-Water	71.78	PUBLIC UTILITY DISTRICT #1	WATER	3/19/2021	334142
660100	Occup Exp-Utilities-Sewer	501.83	CITY OF SEDRO WOOLLEY	SEWER	2/19/2021	333749
660100	Occup Exp-Utilities-Sewer	295.26	CITY OF SEDRO WOOLLEY	SEWER	2/19/2021	333749
660100	Occup Exp-Utilities-Sewer	747.16	CITY OF SEDRO WOOLLEY	SEWER	2/19/2021	333749
660100	Occup Exp-Utilities-Sewer	434.79	CITY OF SEDRO WOOLLEY	SEWER	3/12/2021	334022
660100	Occup Exp-Utilities-Sewer	735.23	CITY OF SEDRO WOOLLEY	SEWER	3/12/2021	334022
660100	Occup Exp-Utilities-Sewer	289.93	CITY OF SEDRO WOOLLEY	SEWER	3/12/2021	334022
660200	Occup Exp-Utilities-Electricity	32.28	PUGET SOUND ENERGY-BOT-01H	ELECTRIC	3/5/2021	333932
660200	Occup Exp-Utilities-Electricity	97.35	PUGET SOUND ENERGY-BOT-01H	ELECTRIC	3/5/2021	333932
660200	Occup Exp-Utilities-Electricity	50.00	PUGET SOUND ENERGY-BOT-01H	ELECTRIC	3/5/2021	333932
660300	Occup Exp-Utilities-Natural Gas	166.60	CASCADE NATURAL GAS CO	GAS	2/19/2021	333740
660300	Occup Exp-Utilities-Natural Gas	97.50	CASCADE NATURAL GAS CO	GAS	3/26/2021	334249
660300	Occup Exp-Utilities-Natural Gas	185.45	CASCADE NATURAL GAS CO	GAS	3/26/2021	334249
660301	Occup Exp-Utilities-Natural Gas-Closing Bill	102.34	CASCADE NATURAL GAS CO	GAS	2/19/2021	333740
660500	Occup Exp-Utilities-Surface Water Mgmt	41.33	CITY OF SEDRO WOOLLEY	STORM	2/19/2021	333749
660500	Occup Exp-Utilities-Surface Water Mgmt	26.48	CITY OF SEDRO WOOLLEY	STORM	2/19/2021	333749
660500	Occup Exp-Utilities-Surface Water Mgmt	67.00	CITY OF SEDRO WOOLLEY	STORM	2/19/2021	333749
660500	Occup Exp-Utilities-Surface Water Mgmt	39.43	CITY OF SEDRO WOOLLEY	STORM	3/12/2021	334022
660500	Occup Exp-Utilities-Surface Water Mgmt	66.78	CITY OF SEDRO WOOLLEY	STORM	3/12/2021	334022
660500	Occup Exp-Utilities-Surface Water Mgmt	26.29	CITY OF SEDRO WOOLLEY	STORM	3/12/2021	334022
660700	Occup Exp-Utilities-Garbage	619.87	CITY OF SEDRO WOOLLEY	GARBAGE	2/19/2021	333749
660700	Occup Exp-Utilities-Garbage	425.41	CITY OF SEDRO WOOLLEY	GARBAGE	2/19/2021	333749
660700	Occup Exp-Utilities-Garbage	185.38	CITY OF SEDRO WOOLLEY	GARBAGE	2/19/2021	333749
660700	Occup Exp-Utilities-Garbage	284.19	CITY OF SEDRO WOOLLEY	GARBAGE	3/12/2021	334022

SEDRO-WOOLLEY HOUSING AUTHORITY  
Accounts Payable Report  
2/01/2021 TO 3/31/2021

Account No.	Major Account Description	Amount	Vendor Name	Voucher Description	Date	Check Number
660700	Occup Exp-Utilities-Garbage	689.12	CITY OF SEDRO WOOLLEY	GARBAGE	3/12/2021	334022
660700	Occup Exp-Utilities-Garbage	190.90	CITY OF SEDRO WOOLLEY	GARBAGE	3/12/2021	334022
	SUBTOTAL CEDAR GROVE	14,435.81				
	CEDAR GROVE VOIDS	0				
	<b>TOTAL CEDAR GROVE</b>	<b>14,435.81</b>				
<b>HILLSVIEW</b>						
Account	Account(T)	Amount	Vendor(T)	Voucher Description	Pay Date	Check No
409004	Benefits-Work Boots	213.73	WHISTLE WORKWEAR	JEFFERY SEVERSON	2/5/2021	333530
410000	Admin Supplies	204.52	COMPLETE OFFICE	OFFICE SUPPLIES	2/5/2021	333514
410000	Admin Supplies	0.16	CANON SOLUTIONS AMERICA INC	SN RZJ27626	3/26/2021	334295
410000	Admin Supplies	0.29	CANON SOLUTIONS AMERICA INC	SN RZJ27626	3/26/2021	334295
411100	Computer Equip-Hardware	0.06	CDW/COMPUTER CENTERS INC	COMPUTER SUPPLIES	3/12/2021	333985
411100	Computer Equip-Hardware	0.93	CDW/COMPUTER CENTERS INC	COMPUTER SUPPLIES	3/12/2021	333985
411101	Computer Equip-Software	156.40	CDW/COMPUTER CENTERS INC	COMPUTER SUPPLIES	3/12/2021	333985
411103	Computer Equip-Software Maint	23.76	DUO SECURITY LLC	DUO SOFTWARE SUBS 2/7/21-2/6/2022	2/12/2021	333676
411103	Computer Equip-Software Maint	403.57	CDW/COMPUTER CENTERS INC	COMPUTER SUPPLIES	3/5/2021	333902
411901	Equip-Other-Leased/Rented	2.99	CANON FINANCIAL	SN 2LP03248	3/26/2021	334279
411901	Equip-Other-Leased/Rented	3.43	QUADIENT LEASING USA INC	SN 30215010	3/26/2021	334311
420000	ProfSvcs-Legal	47.91	MONTGOMERY PURDUE BLANKINSHIP	LEGAL SVCS	2/19/2021	333690
420000	ProfSvcs-Legal	28.27	MONTGOMERY PURDUE BLANKINSHIP	LEGAL SVCS	3/26/2021	334193
420000	ProfSvcs-Legal	27.47	MONTGOMERY PURDUE BLANKINSHIP	LEGAL SVCS	3/26/2021	334193
420101	ProfSvcs-Auditing	1,415.32	STATE AUDITOR S OFFICE	AUDIT PERIOD 17-19	3/5/2021	333892
420101	ProfSvcs-Auditing	1,067.85	STATE AUDITOR S OFFICE	AUDIT PERIOD 17-19	3/19/2021	334096
420908	ProfSvcs-Computers	4.72	HYLAND SOFTWARE, INC	Prof Services	2/12/2021	333630
420908	ProfSvcs-Computers	2.49	AFFIRMA CONSULTING LLC	SHAREPOINT SP WORKPLACE	3/5/2021	333968
420908	ProfSvcs-Computers	(0.41)	AFFIRMA CONSULTING LLC	SHAREPOINT SP WORKPLACE	3/5/2021	333968
420908	ProfSvcs-Computers	11.00	AFFIRMA CONSULTING LLC	HELPDESK RETAINER	3/12/2021	334071
421904	Admin Contracts- Cloud Recovery Svcs	32.95	NET2VAULT LLC	MANAGED VAULTING	2/12/2021	333648
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440011	Travel-Mileage Reimbursement	106.13	JUDITH ANDINO	2/2-25/21 MILEAGE	3/12/2021	334058
440011	Travel-Mileage Reimbursement	0.25	CINDERELLA HARRINGTON	11/24-2/23/21 MILEAGE	3/12/2021	334073
450001	Comm-Phones Lines-Service-Voice	50.63	CONSOLIDATED TECH SVCS	JANUARY 2021 CHGS	2/19/2021	333751
450001	Comm-Phones Lines-Service-Voice	50.63	CONSOLIDATED TECH SVCS	FEBRUARY 2021 CHGS	3/19/2021	334148

SEDRO-WOOLLEY HOUSING AUTHORITY  
Accounts Payable Report  
2/01/2021 TO 3/31/2021

Account No.	Major Account Description	Amount	Vendor Name	Voucher Description	Date	Check Number
450002	Comm-Phones Lines-Service-Digital Voice	1.11	CENTURYLINK	1/23-2/23/21 CHGS	2/12/2021	333606
450002	Comm-Phones Lines-Service-Digital Voice	1.11	CENTURYLINK	1/23-2/23/21 CHGS	2/12/2021	333606
450002	Comm-Phones Lines-Service-Digital Voice	0.88	INTRADO LIFE & SAFETY INC	MONTHLY MAINT	3/5/2021	333952
450002	Comm-Phones Lines-Service-Digital Voice	1.11	CENTURYLINK	2/23-3/23/21 CHGS	3/12/2021	334003
450002	Comm-Phones Lines-Service-Digital Voice	1.11	CENTURYLINK	2/23-3/23/21 CHGS	3/12/2021	334003
450002	Comm-Phones Lines-Service-Digital Voice	0.88	INTRADO LIFE & SAFETY INC	MONTHLY MAINT	3/19/2021	334165
450003	Comm-Phones Lines-Security	101.25	CONS TECHNOLOGY SERVICES	JANUARY 2021 CHGS	2/19/2021	333751
450003	Comm-Phones Lines-Security	101.25	CONS TECHNOLOGY SERVICES	FEBRUARY 2021 CHGS	3/19/2021	334148
450100	Comm-Long Distance Charges	0.99	CENTURYLINK	12/12-1/11/21	2/5/2021	333566
450100	Comm-Long Distance Charges	5.95	LINGO	MONTLY CHGS	2/5/2021	333523
450100	Comm-Long Distance Charges	0.82	CENTURYLINK	1/25-2/25/21 CHGS	2/12/2021	333606
450100	Comm-Long Distance Charges	1.38	CENTURYLINK	MONTHLY CHARGES	3/5/2021	333970
450100	Comm-Long Distance Charges	0.82	CENTURYLINK	2/25-3/25/21 CHGS	3/19/2021	334125
491000	Admin Exp-Criminal/Background Checks	22.07	NATIONAL CREDIT REPORTING	CREDIT CHECK	2/12/2021	333601
491000	Admin Exp-Criminal/Background Checks	27.25	WASHINGTON STATE PATROL	BACKGROUND CHECK DEC 2020	2/12/2021	333589
491000	Admin Exp-Criminal/Background Checks	16.54	WASHINGTON STATE PATROL	BACKGROUND CHECK NOV 2020	2/12/2021	333589
491000	Admin Exp-Criminal/Background Checks	34.60	WASHINGTON STATE PATROL	BACKGROUND CHECK JAN 2021	2/12/2021	333589
491000	Admin Exp-Criminal/Background Checks	16.26	WASHINGTON STATE PATROL	BACKGROUND CHECK OCT 2020	2/12/2021	333589
491000	Admin Exp-Criminal/Background Checks	33.00	WASHINGTON STATE PATROL	BACKGROUND CHECKS	2/19/2021	333712
491000	Admin Exp-Criminal/Background Checks	25.87	NATIONAL CREDIT REPORTING	CREDIT CHECK	3/12/2021	333999
491000	Admin Exp-Criminal/Background Checks	66.00	WASHINGTON STATE PATROL	BACKGROUND CHECK	3/12/2021	333988
491000	Admin Exp-Criminal/Background Checks	22.74	WASHINGTON STATE PATROL	BACKGROUND CHECK	3/12/2021	333988
493000	Other Admin Exp-Postage	13.81	MAIL ADVERTISING BUREAU INC	LEASE CHANGE LETTER	2/5/2021	333487
493000	Other Admin Exp-Postage	1.32	MAIL ADVERTISING BUREAU INC	LEASE CHANGES	2/5/2021	333487
493000	Other Admin Exp-Postage	3.24	MAIL ADVERTISING BUREAU INC	TENANT CONTRACT LETTER	2/12/2021	333579
493000	Other Admin Exp-Postage	30.98	MAIL ADVERTISING BUREAU INC	MARCH STATEMENTS	3/19/2021	334099
493000	Other Admin Exp-Postage	0.86	QUADIENT FINANCE USA INC	POSTAGE	3/26/2021	334312
493000	Other Admin Exp-Postage	16.18	QUADIENT FINANCE USA INC	POSTAGE	3/26/2021	334312
493100	Other Admin Exp-Mail Handling	22.81	MAIL ADVERTISING BUREAU INC	LEASE CHANGE LETTER	2/5/2021	333487
493100	Other Admin Exp-Mail Handling	1.94	MAIL ADVERTISING BUREAU INC	LEASE CHANGES	2/5/2021	333487
493100	Other Admin Exp-Mail Handling	9.95	MAIL ADVERTISING BUREAU INC	TENANT CONTRACT LETTER	2/12/2021	333579
493100	Other Admin Exp-Mail Handling	7.87	MAIL ADVERTISING BUREAU INC	MARCH STATEMENTS	3/19/2021	334099
520104	Social Service Contracts-Interpretation	5.57	LANGUAGE LINE SERVICES, INC	INTERPRETATION	3/5/2021	333897
520104	Social Service Contracts-Interpretation	10.84	LANGUAGE LINE SERVICES, INC	INTERPRETATION	3/26/2021	334200
610004	Occup Exp-Materials-Cabinetry	500.50	INTERMOUNTAIN LOCK & SECURITY	SECURITY SUPPLIES	3/26/2021	334303
610017	Occup Exp-Materials-Janitorial	109.31	COMPLETE OFFICE	OFFICE SUPPLIES	3/5/2021	333928

SEDRO-WOOLLEY HOUSING AUTHORITY  
Accounts Payable Report  
2/01/2021 TO 3/31/2021

Account No.	Major Account Description	Amount	Vendor Name	Voucher Description	Date	Check Number
620006	Occup Exp-Maint Contracts-Floor Covering	1,936.92	SIGNATURE INTERIORS & DESIGN	CARPET	3/19/2021	334131
620006	Occup Exp-Maint Contracts-Floor Covering	2,121.53	SIGNATURE INTERIORS & DESIGN	CARPET	3/26/2021	334236
620007	Occup Exp-Maint Contracts-Elevator	576.00	ELTEC SYSTEMS LLC	Q1 INSTALLMENT	2/12/2021	333658
620011	Occup Exp-Maint Contracts-Fire/Safety	811.00	SMITH FIRE SYSTEMS INC	SVC CALL	2/26/2021	333882
620012	Occup Exp-Maint Contracts-Pest Control	53.91	STOP BUGGING ME PEST CONTROL	PEST CONTROL	2/26/2021	333866
620012	Occup Exp-Maint Contracts-Pest Control	53.91	STOP BUGGING ME PEST CONTROL	PEST CONTROL	3/19/2021	334160
620013	Occup Exp-Yard/Garden/Landscaping	810.00	SKAGIT LANDSCAPING LLC	LANDSCAPING MAINT	2/19/2021	333780
620013	Occup Exp-Yard/Garden/Landscaping	1,702.50	SKAGIT LANDSCAPING LLC	LANDSCAPING MAINT	2/19/2021	333780
620017	Occup Exp-Maint Contracts-Cleaning	65.00	PROFESSIONAL CARPET CLEANERS	CARPET CLEANING	3/5/2021	333959
620018	Occup Exp-Maint Contracts-Building Security	13,894.93	COMMERCIAL ENTRY SYSTEMS INC	CAMERA ADDITION	3/5/2021	333907
660000	Occup Exp-Utilities-Water	912.70	PUBLIC UTILITY DISTRICT #1	WATER	3/12/2021	334017
660100	Occup Exp-Utilities-Sewer	4,322.83	CITY OF SEDRO WOOLLEY	SEWER	2/19/2021	333749
660100	Occup Exp-Utilities-Sewer	4,266.74	CITY OF SEDRO WOOLLEY	SEWER	3/12/2021	334022
660200	Occup Exp-Utilities-Electricity	1,128.79	PUGET SOUND ENERGY-BOT-01H	ELECTRIC	3/5/2021	333932
660201	Occup Exp-Utilities-Electricity-Closing Bill	9.34	PUGET SOUND ENERGY-BOT-01H	ELECTRIC	3/5/2021	333932
660201	Occup Exp-Utilities-Electricity-Closing Bill	21.22	PUGET SOUND ENERGY-BOT-01H	ELECTRIC	3/5/2021	333932
660201	Occup Exp-Utilities-Electricity-Closing Bill	53.67	PUGET SOUND ENERGY-BOT-01H	ELECTRIC	3/12/2021	334014
660201	Occup Exp-Utilities-Electricity-Closing Bill	28.14	PUGET SOUND ENERGY-BOT-01H	ELECTRIC	3/26/2021	334253
660201	Occup Exp-Utilities-Electricity-Closing Bill	33.23	PUGET SOUND ENERGY-BOT-01H	ELECTRIC	3/26/2021	334253
660500	Occup Exp-Utilities-Surface Water Mgmt	387.64	CITY OF SEDRO WOOLLEY	STORM	2/19/2021	333749
660500	Occup Exp-Utilities-Surface Water Mgmt	385.95	CITY OF SEDRO WOOLLEY	STORM	3/12/2021	334022
660700	Occup Exp-Utilities-Garbage	1,135.57	CITY OF SEDRO WOOLLEY	GARBAGE	2/19/2021	333749
660700	Occup Exp-Utilities-Garbage	1,187.83	CITY OF SEDRO WOOLLEY	GARBAGE	3/12/2021	334022
	SUBTOTAL HILLSVIEW	41,119.22				
	VOIDS	0				
	<b>TOTAL HILLSVIEW</b>	<b>41,119.22</b>				
<b>TOTAL SEDRO WOOLLEY</b>		<b>55,555.03</b>				

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

**RESOLUTION NO. 472**

**ADOPTION OF THE SWHA COMBINED FIVE-YEAR AND FY 2021 ANNUAL  
AGENCY PLAN**

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**WHEREAS**, in accordance with the Quality Housing and Work Responsibility Act of 1998 (QHWRA) the Sedro-Woolley Housing Authority has developed its Five-Year Plan for fiscal years 2021-2025 and fiscal year 2021 Annual Plan (effective January 1, 2021 through December 31, 2021); and

**WHEREAS**, as required by Federal regulations, the Plan was developed to incorporate information regarding such areas as local housing needs and Housing Authority Goals and Objectives as well as information regarding various Housing Authority policies such as: (1) Tenant Selection and Assignment, (2) Occupancy and Eligibility standards, (3) Modernization and Capital Fund expenditures, and (4) the Financial Resources of the Agency, etc.; and

**WHEREAS**, the Housing Authority has made multiple unsuccessful attempts to establish a Resident Advisory Board and has met with very low resident interest; and

**WHEREAS**, the Housing Authority Board of Commissioners scheduled and properly advertised a Public Hearing in order to receive additional public comment on the Plans; and

**WHEREAS**, on December 17, 2021 the Housing Authority Board of Commissioners presided over the Public Hearing for the purpose of receiving public input and comment, and

**WHEREAS**, the Housing Authority has reviewed and considered all such resident and public comment received and has included in the Agency Plan a listing of the comments as well as the Housing Authority's response to those comments, and

**WHEREAS**, the Housing Authority's Board of Commissioners have reviewed the attached HUD required "PHA Certification of Compliance with the PHA Plans and Related Regulations, dated 4/2008," and

**WHEREAS**, the Housing Authority's Board of Commissioners have reviewed the attached HUD required "Civil Rights Certification, dated 1/2009."

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

**SECTION 1.** Formally adopts the Housing Authority’s Five-Year and Annual Agency Plan for transmission to the Department of Housing and Urban Development (HUD) for their final review and approval.

**SECTION 2.** Authorizes the execution of the attached “PHA Certification of Compliance with the PHA Plans and Related Regulations, dated 4/2008” as required by the Department of Housing and Urban Development.

**SECTION 3.** Authorizes the execution of the attached “Civil Rights Certification, dated 1/2009” as required by the Department of Housing and Urban Development.

**ADOPTED AT A MEETING OF THE BOARD OF COMMISSIONERS OF THE HOUSING AUTHORITY OF THE CITY OF SEDRO-WOOLLEY THIS 15<sup>th</sup> DAY OF OCTOBER 2020.**

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

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**LAURIE FELLERS, Chair**  
Board of Commissioners

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**STEPHEN J. NORMAN**  
Secretary-Treasurer

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**SEDRO-WOOLLEY HOUSING AUTHORITY**

Date: April 7, 2021

To: Board of Commissioners

From: Windy Epps, Interim Director of Finance

Subject: **Resolution No. 473:** Acceptance of State Auditor’s Office Financial Statement Audit Report and Attestation Report for the period January 1, 2019 through December 31, 2019, and the Accountability Audit Report for the period January 1, 2017 through December 31, 2019

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The Washington State Auditor’s Office (SAO) issued Financial Statement Audit Report No. 1027397 on December 10, 2020, Attestation Report No. 1028055 on April 1, 2021, and Accountability Audit Report No. 1028079 on April 5, 2021. The Financial Statement Audit Report and the Attestation Report are for the period January 1, 2019 through December 31, 2019, and the Accountability Audit Report, which is performed every three years, is for the period from January 1, 2017 through December 31, 2019. A copy of each report is enclosed with this Board packet.

The Financial Statement Audit Report covers the Authority’s financial statements and related disclosures. A federal “Single Audit” was not required this year. The Attestation Report details the results of performing certain agreed-upon procedures, and the Accountability Audit Report reports on the Authority’s compliance with State laws and regulations and its own policies and procedures.

There were no negative findings in the Financial Statement Report or the Accountability 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.

The auditors also expressed that the results of the performance of the agreed-upon procedures indicate that electronically submitted information and hardcopy documents agree.

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

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

**RESOLUTION NO. 473**

**ACKNOWLEDGING RECEIPT OF FINANCIAL STATEMENT AUDIT EXAMINATIONS AND ATTESTATIONS FOR THE PERIOD JANUARY 1, 2019 THROUGH DECEMBER 31, 2019 AND ACCOUNTABILITY AUDIT EXAMINATIONS FOR THE PERIOD JANUARY 1, 2017 THROUGH DECEMBER 31, 2019**

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**WHEREAS**, the State of Washington, Office of the State Auditor, Division of Audit Services, has conducted fiscal and accountability audits of the Housing Authority of the City of Sedro-Woolley for the period January 1, 2019 through December 31, 2019, 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, as follows:**

Receipt of the official examination, Financial Statements Audit Report No. 1027397 and Attestation Report No. 1028055 for the period January 1, 2019 through December 31, 2019, and Accountability Audit Report No. 1028079 for the period January 1, 2017 through December 31, 2019 of the Housing Authority of the City of Sedro-Woolley 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 AT AN OPEN PUBLIC MEETING THIS 15<sup>th</sup> DAY OF APRIL 2021.**

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

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**Laurie Fellers, Chair**  
Board of Commissioners

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**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, 2019 through December 31, 2019**

**Published December 10, 2020**

**Report No. 1027397**





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

December 10, 2020

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,

Pat McCarthy  
State Auditor  
Olympia, WA

***Americans with Disabilities***

*In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at [webmaster@sao.wa.gov](mailto:webmaster@sao.wa.gov).*

## 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.....	7
Financial Section.....	11
About the State Auditor's Office.....	30

**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, 2017 through December 31, 2019**

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, 2019, 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 November 30, 2020.

As discussed in Note 6 to the financial statements, in February 2020, a state of emergency was declared which could have a negative financial effect on the Housing Authority.

**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.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive, flowing style.

Pat McCarthy  
State Auditor  
Olympia, WA

November 30, 2020

# INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

## **Housing Authority of the City of Sedro-Woolley January 1, 2019 through December 31, 2019**

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, 2019, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed on page 11.

#### **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, 2019, 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.

## **Matters of Emphasis**

As discussed in Note 6 to the financial statements, in February 2020, a state of emergency was declared which could have a negative financial effect on the Housing Authority. Our opinion is not modified with respect to this matter.

## **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 basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary and Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Housing Authority's basic financial statements as a whole. 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 November 30, 2020 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.

A handwritten signature in black ink that reads "Pat McCarthy". The signature is written in a cursive style with a large, stylized initial "P".

Pat McCarthy

State Auditor

Olympia, WA

November 30, 2020

## FINANCIAL SECTION

### **Housing Authority of the City of Sedro-Woolley January 1, 2017 through December 31, 2019**

#### **REQUIRED SUPPLEMENTARY INFORMATION**

Management's Discussion and Analysis – 2019

#### **BASIC FINANCIAL STATEMENTS**

Statement of Net Position – 2019

Statement of Revenues, Expenses and Changes in Net Position – 2019

Statement of Cash Flows – 2019

Notes to Financial Statements – 2019

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

Financial Data Schedule – 2019

Actual Modernization Cost Certificate, form HUD-53001 WA19P030501-13 – 2019

Actual Modernization Cost Certificate, form HUD-53001 WA19P030501-16 – 2019

# **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, 2019. 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.

### **2019 Financial Highlights**

- Total assets of the Authority exceeded total liabilities at December 31, 2019 by \$2,209,569.
- Total revenues (operating and non-operating) for 2019 were \$663,175. Total expenses (operating and non-operating) were \$672,067. The change in net position was a decrease of \$8,892.

## 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 2019 and 2018. 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>2019</b>	<b>2018</b>
Current and other assets	\$ 485,457	\$ 376,171
Capital assets	1,842,953	1,941,852
Total Assets	2,328,410	2,318,023
<b>Liabilities:</b>		
Current and other liabilities	118,841	99,562
Long-term debt, net of current	-	-
Total Liabilities	118,841	99,562
<b>Net Position:</b>		
Net investment in capital assets	1,842,953	1,941,852
Unrestricted	366,616	276,609
Total Net Position	\$ 2,209,569	\$ 2,218,461

Current and other assets, excluding capital assets, for the year ended December 31, 2019 total \$485,457 and are comprised of \$388,238 in cash and cash equivalents and \$91,290 in accounts receivables, and \$5,929 in other assets. Cash and cash equivalents increased by \$66,837 from 2018.

Capital assets for the year ended December 31, 2019 are \$1.8 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 \$118,841 at December 31, 2019, an increase of \$19,279 from 2018.

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, 2019, the Authority's current ratio was 4.08:1, an increase from the previous year's current ratio of 3.78:1. This means that for every dollar in current liabilities there is \$4.08 in current assets.

Total net position decreased by \$8,892 during 2019. Net investment in capital assets decreased by \$98,899, primarily due to depreciation, while unrestricted net position increased by \$90,007. Unrestricted net position increased by 33% primarily due to increases in cash and cash equivalents and receivables.

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

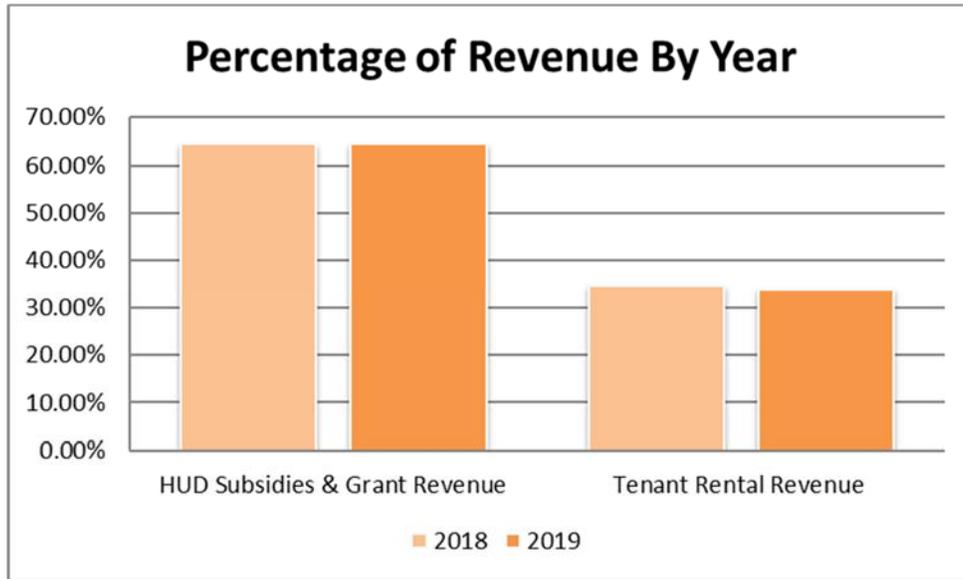
The purpose of the Statement of Revenues, Expenses and Changes in Net Position is to present the revenues earned by the Authority (both operating and non-operating) and the expenses incurred (operating and non-operating), and any other revenues, expenses, gains and losses received or spent by SWHA. Table A-2 represents the Authority's *Condensed Statement of Revenues, Expenses, and Changes in Net Position* for 2019 and 2018.

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

	<u>2019</u>	<u>2018</u>
Operating Revenues	\$ 218,050	\$ 205,562
Net nonoperating revenues	<u>438,244</u>	<u>382,917</u>
Total Revenues	656,294	588,479
Operating expenses	672,067	632,639
Nonoperating expenses	<u>-</u>	<u>-</u>
Total Expenses	672,067	632,639
Excess or deficiency before contributions	(15,773)	(44,160)
Capital grant contributions	<u>6,881</u>	<u>187,990</u>
Change in Net Position	(8,892)	143,830
Beginning Net Position	<u>2,218,461</u>	<u>2,074,631</u>
Ending Net Position	<u>\$ 2,209,569</u>	<u>\$ 2,218,461</u>

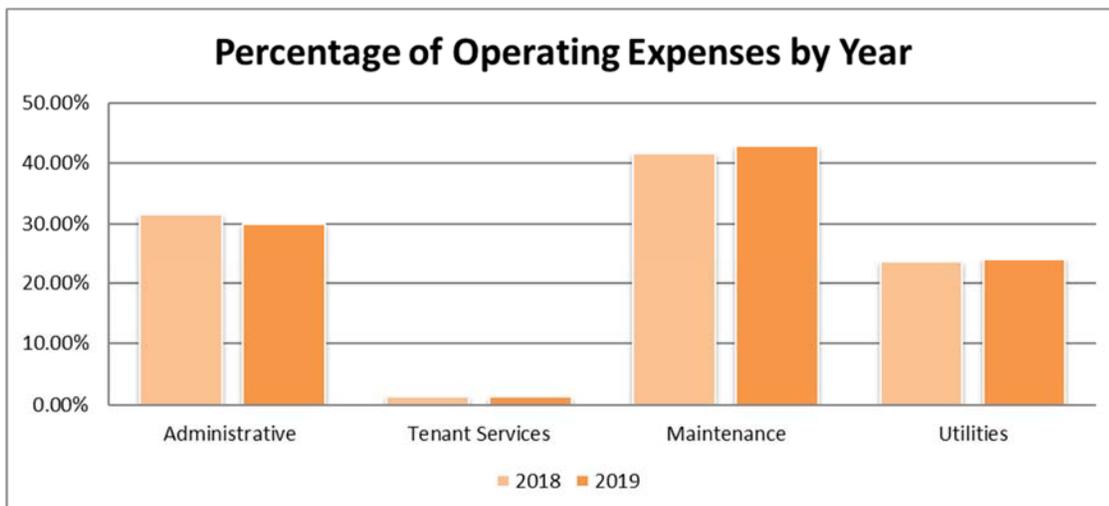
Revenues are classified as operating or non-operating. Table A-3 shows the sources of operating revenues for 2018 and 2019.

**Table A-3, Sources of Revenues for 2018 and 2019**



Operating expenses are amounts paid for providing housing to the Authority's tenants and administering the various programs. Total operating expenses (excluding depreciation), for 2019 were \$573,167. 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 2018 and 2019**



## Capital Assets

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

**Table A-5, Capital Assets for 2019 and 2018**

	<u>2019</u>	<u>2018</u>
Land	\$ 59,287	\$ 59,287
Buildings and Improvements	4,306,856	4,111,605
Construction-in-progress	2,281	197,531
	<u>4,368,424</u>	<u>4,368,423</u>
Total accumulated depreciation	<u>(2,525,471)</u>	<u>(2,426,571)</u>
Net Capital Assets	<u>\$ 1,842,953</u>	<u>\$ 1,941,852</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, 2019

**ASSETS:**

***Current Assets***

Cash and cash equivalents	379,163
Restricted cash and cash equivalents	9,075
Receivables, net	91,290
Other current assets	5,929
	<hr/>
Total Current Assets	485,457

***Noncurrent Assets***

Land, Buildings, and Equipment, net	
Nondepreciable	61,568
Depreciable	1,781,385
	<hr/>
Total Noncurrent Assets	1,842,953
	<hr/>
Total Assets	2,328,410

**LIABILITIES:**

***Current Liabilities***

Accounts payable	90,683
Accrued compensated absences	9,557
Tenant security deposits	9,075
Prepaid tenant rent	5,298
Contract retentions	-
Other Current Liabilities	4,228
	<hr/>
Total Current Liabilities	118,841

***Noncurrent Liabilities***

Long term debt, net of current	-
	<hr/>
Total Noncurrent Liabilities	-
	<hr/>
Total Liabilities	118,841

**NET POSITION:**

Net investment in capital assets	1,842,953
Restricted	-
Unrestricted	366,616
	<hr/>
Total Net Position	\$ 2,209,569

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, 2019

<b>Operating Revenues</b>	
Tenant revenue	\$ 216,252
Other revenue	1,798
Total Operating Revenues	<u>218,050</u>
<b>Operating Expenses</b>	
Administrative	171,781
Tenant services	7,397
Maintenance	245,694
Utilities	138,107
Depreciation	98,900
Other expenses	10,188
Total Operating Expenses	<u>672,067</u>
Operating Gain (Loss)	(454,017)
<b>Nonoperating Revenues (Expenses)</b>	
HUD subsidies and grant revenue	411,230
Investment income	8,463
Gain (loss) on disposal of assets	18,551
Total Nonoperating Revenues (Expenses)	<u>438,244</u>
INCOME (LOSS) before contributions	(15,773)
Capital grant contributions	<u>6,881</u>
CHANGE IN NET POSITION	(8,892)
Beginning Net Position	2,218,461
Ending Net Position	<u>\$ 2,209,569</u>

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, 2019

<b>Cash Flows from Operating Activities:</b>	
Receipts from tenants	\$ 172,431
Payments to employees	(106,545)
Payments to suppliers of goods and services	(438,995)
Other payments	1,798
Net cash provided by (used in) operating activities	<u>(371,311)</u>
<b>Cash Flows from Noncapital Financing Activities:</b>	
Receipts from HUD	<u>312,803</u>
Net cash provided by noncapital financing activities	<u>312,803</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Capital grant contributions	106,013
Purchases of capital assets	-
Other receipts (payments)	<u>18,551</u>
Net cash provided by capital and related financing activities	<u>124,564</u>
<b>Cash Flows from Investing Activities:</b>	
Investment income	8,463
Other receipts (payments)	<u>(7,133)</u>
Net cash provided (used in) by investing activities	<u>1,330</u>
Net increase (decrease) in cash and cash equivalents	67,386
Cash and cash equivalents -- beginning of the year	<u>345,610</u>
Cash and cash equivalents -- end of the year	<u>\$ 388,238</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>	
Operating income (loss)	(454,017)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	98,900
Change in assets and liabilities:	
Receivables	(45,623)
Inventories and other	3,018
Accounts payable	22,075
Other current liabilities	4,336
Net cash provided by (used in) operating activities	<u>\$ (371,311)</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, 2019 include \$9,075 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, 2019 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, 2019, 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, 2019 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	374,163	9,075	383,238
Washington State Investment Pool		-	-
Total Cash And Cash Equivalents	<u>\$ 379,163</u>	<u>\$ 9,075</u>	<u>\$ 388,238</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	197,531		(195,250)	2,281
Total Nondepreciable	<u>256,818</u>	<u>-</u>	<u>(195,250)</u>	<u>61,568</u>
<b>Depreciable:</b>				
Buildings and Improvements	4,111,605	195,250		4,306,855
Total Depreciable	<u>4,111,605</u>	<u>195,250</u>	<u>-</u>	<u>4,306,855</u>
<b>Total Capital Assets:</b>	4,368,423	195,250	(195,250)	4,368,423
Less: Accumulated depreciation	(2,426,571)	(98,899)	-	(2,525,470)
	<u>\$ 1,941,852</u>	<u>\$ 96,351</u>	<u>\$ (195,250)</u>	<u>\$ 1,842,953</u>

Capital assets additions were primarily due to site improvement projects.

## **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. SWHA 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.

The Housing Authority has secured Fidelity coverage through the Housing Authorities Risk & Retention Pool (HARRP) with a \$2,000,000 limit and \$100,000 per occurrence for all employees. Public Officials Errors & Omissions and Employment Practices liability coverage 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 Chubb.

An excess liability policy of \$10,000,000 is provided over all of the above liability coverages except the Contractor's Pollution and Public Officials Errors & Omissions, which brings total general and auto liability coverage to a limit of \$15,000,000. This coverage is placed with Lexington Insurance Company.

Property insurance, including rental income coverage, for Public Housing and Bond properties is placed through HARRP on a replacement cost basis. The property insurance deductible is \$25,000 per loss.

Affordable Housing Risk Pool (AHRP) provides property insurance for the Tax Credit buildings and their contents values on a replacement cost basis subject to a \$5,000 deductible.

SWHA insures cyber liability through NAS Insurance Services with a \$1,000,000 per claim policy limit.

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.

## **Note 6 –Subsequent Events**

In February 2020, the Governor of the state of Washington declared a state of emergency in response to the spread of a deadly new strain of coronavirus (COVID-19). In the weeks following the declaration, precautionary measures to slow the spread of the virus have been ordered. These measures include closing schools, colleges and universities, canceling public events, prohibiting public and private gatherings, and requiring people to stay home unless they are leaving for an essential function. The potential financial and operational impact related to COVID-19 on the Authority will depend on the duration and spread of the outbreak, as well as the impact on tenants, employees, and vendors, all of which are uncertain at this time.

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

**Statement of Net Position**

As of December 31, 2019

<b>Line #</b>	<b>Account Description</b>	<b>Cedar Grove WA030000103</b>	<b>Hillsview WA030000155</b>	<b>Total Authority</b>
111	Cash - unrestricted	\$ 144,199	\$ 234,965	\$ 379,164
114	Cash - tenant security deposits	3,800	5,275	9,075
100	Total cash	<u>147,999</u>	<u>240,240</u>	<u>388,239</u>
121	AR - PHA projects	1,042	-	1,042
122	AR - HUD other projects	21,743	18,984	40,727
124	Accounts receivable - other government	-	-	-
125	Accounts receivable - miscellaneous	10,340	33,566	43,906
126	Accounts receivable- tenants	1,499	4,621	6,120
126.1	Allowance for doubtful accounts - tenants	(206)	(299)	(505)
126.2	Allowance for doubtful accounts - other	-	-	-
127	Notes and mortgages receivable- current	-	-	-
128	Fraud recovery	-	-	-
128.1	Allowance for doubtful accounts - fraud	-	-	-
129	Accrued interest receivable	-	-	-
120	Total receivables, net of allowances	<u>34,418</u>	<u>56,872</u>	<u>91,290</u>
142	Prepaid expenses and other assets	1,872	4,056	5,928
150	Total Current Assets	<u>184,289</u>	<u>301,168</u>	<u>485,457</u>
161	Land	-	59,287	59,287
162	Buildings	516,537	3,270,426	3,786,963
166	Accumulated depreciation	(398,897)	(2,126,574)	(2,525,471)
167	Work in progress	-	2,281	2,281
168	Infrastructure	383,139	136,754	519,893
160	Total capital assets, net of depreciation	<u>500,779</u>	<u>1,342,174</u>	<u>1,842,953</u>
180	Total Noncurrent Assets	<u>500,779</u>	<u>1,342,174</u>	<u>1,842,953</u>
190	Total Assets	<u>685,068</u>	<u>1,643,342</u>	<u>2,328,410</u>
200	Deferred Outflows of Resources	-	-	-
290	Total Assets and Deferred Outflows of Resources	<u>\$ 685,068</u>	<u>\$ 1,643,342</u>	<u>\$ 2,328,410</u>
312	Accounts payable < 90 days	\$ 23,839	\$ 66,844	\$ 90,683
321	Accrued wage/payroll taxes payable	1,082	3,146	4,228
322	Accrued compensated absences	2,435	7,122	9,557
341	Tenant security deposits	3,800	5,275	9,075
342	Unearned revenue	2,593	2,705	5,298
345	Other current liabilities	-	-	-
310	Total Current Liabilities	<u>33,749</u>	<u>85,092</u>	<u>118,841</u>
351	Long-term debt, net of current - capital projects	-	-	-
350	Total Noncurrent Liabilities	-	-	-
300	Total Liabilities	<u>33,749</u>	<u>85,092</u>	<u>118,841</u>
400	Deferred Inflows of Resources	-	-	-
508.4	Net Investment in Capital Assets	500,779	1,342,174	1,842,953
511.4	Restricted Net Position	-	-	-
512.4	Unrestricted Net Position	150,540	216,076	366,616
513	Total Equity - Net Assets/Position	<u>651,319</u>	<u>1,558,250</u>	<u>2,209,569</u>
600	Total Liabilities, Deferred Inflows of Resources, and Equity - Net Assets/Position	<u>\$ 685,068</u>	<u>\$ 1,643,342</u>	<u>\$ 2,328,410</u>

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, 2019

Line Item #	Account Description	Cedar Grove WA030000103		Hillsview 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	
<b>REVENUE:</b>						
70300	Net tenant rental revenue	\$ 46,189	\$ -	\$ 161,360	\$ -	\$ 207,549
70400	Tenant revenue - other	1,892	-	6,811	-	8,703
70500	Total tenant revenue	48,081	-	168,170	-	216,252
70600	HUD PHA Operating Grants	128,167	77,818	183,931	21,314	411,230
70610	Capital Grants	-	5,134	-	1,747	6,881
70700	Total Fee Revenue	-	-	-	-	-
71500	Other Revenue	4,742	-	15,608	-	20,350
72000	Investment income - restricted	3,059	-	5,405	-	8,463
70000	TOTAL REVENUE	184,049	82,952	373,114	23,061	663,176
<b>EXPENSES:</b>						
<i>Administrative</i>						
91100	Administrative salaries	11,589	-	32,688	-	44,277
91200	Auditing fees	2,473	-	7,420	-	9,894
91300	Management fees	13,886	-	41,659	-	55,546
91310	Book-keeping Fee	-	-	-	-	-
91400	Advertising and Marketing	54	-	163	-	218
91500	Employee benefit contributions - administrative	4,346	-	12,199	-	16,544
91600	Office Expenses	745	-	2,411	-	3,156
91700	Legal expense	77	-	4,709	-	4,786
91800	Travel	660	-	1,979	-	2,638
91900	Other	4,383	-	16,636	-	21,019
91000	Total Operating - Administrative	38,214	-	119,865	-	158,078
92000	Asset Management Fee	2,400	-	7,200	-	9,600
<i>Tenant services</i>						
92400	Tenant services - other	1,826	-	5,570	-	7,397
92500	Total Tenant Services	1,826	-	5,570	-	7,397
<i>Utilities</i>						
93100	Water	16,807	-	10,528	-	27,335
93200	Electricity	2,138	-	14,084	-	16,222
93300	Gas	1,583	-	-	-	1,583
93600	Sewer	16,729	-	50,045	-	66,774
93800	Other utilities expense	12,229	-	13,965	-	26,193
93000	Total Utilities	49,486	-	88,621	-	138,107
<i>Ordinary maintenance &amp; operation</i>						
94100	Ordinary maintenance and operations - labor	16,332	-	48,118	-	64,450
94200	Ordinary maintenance and operations - material and other	10,117	77,818	7,826	21,314	117,074
94300	Ordinary maintenance and operations - contracts	17,491	-	21,961	-	39,452
94500	Employee benefit contributions - ordinary maintenance	6,052	-	17,759	-	23,811
94000	Total Maintenance	49,992	77,818	95,663	21,314	244,787
<i>General expenses</i>						
96110	Property Insurance	1,727	-	2,953	-	4,679
96120	Liability Insurance	1,639	-	3,870	-	5,509
96130	Workmen's compensation	779	-	2,300	-	3,080
96100	Total Insurance Premiums	4,145	-	9,123	-	13,268
96200	Other General Expenses	-	-	-	-	-
96210	Compensated absences	488	-	1,443	-	1,931
96000	Total Other General Expenses	488	-	1,443	-	1,931
96720	Interest on notes payable (short and long term)	-	-	-	-	-
96700	Total interest expense and amortization cost	-	-	-	-	-
96900	TOTAL OPERATING EXPENSES	146,552	77,818	327,486	21,314	573,168
97000	EXCESS OPERATING REVENUE OVER OPERATING EXPENSES	37,498	-	45,629	1,747	90,008
97100	Extraordinary maintenance	-	-	-	-	-
97200	Casualty losses - non-capitalized	-	-	-	-	-
97300	Housing assistance payments	-	-	-	-	-
97350	HAP Portability-In	-	-	-	-	-
97400	Depreciation expense	27,867	-	71,033	-	98,900
90000	TOTAL EXPENSES	174,418	77,818	398,518	21,314	672,069
<b>OTHER FINANCING SOURCES (USES)</b>						
10010	Operating transfers in	-	-	-	-	-
10020	Operating transfers out	-	-	-	-	-
10100	TOTAL OTHER FINANCING SOURCES	-	-	-	-	-
EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER) TOTAL		\$ 9,631	\$ 5,134	\$ (25,404)	\$ 1,747	\$ (8,892)
<b>MEMO ACCT INFORMATION</b>						
11020	Required annual debt principal payments	-	-	-	-	-
11030	Beginning of year equity	636,554	-	1,581,907	-	2,218,461
11040	Prior period adjustments and error corrections	-	-	-	-	-
11170	Administrative Fee Equity	-	-	-	-	-
11180	Housing Assistance Fee Equity	-	-	-	-	-
11190	Unit Months Available	237	-	719	-	956
11210	Number of unit months leased	233	-	717	-	950
11270	Excess cash	136,456	-	184,730	-	321,185
11620	Building Purchases	-	5,134	-	1,747	6,881
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. 20410-3900. 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.

PHA Name:	Modernization Project Number:
HA COUNTY OF SEDRO-WOOLLEY	WA19P030501-13

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

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

A. Funds Approved	\$ 106,774.00
B. Funds Disbursed	\$ 106,774.00
C. Funds Expended (Actual Modernization Cost)	\$ 106,774.00
D. Amount to be Recaptured (A-C)	\$ 0.00
E. Excess of Funds Disbursed (B-C)	\$ 0.00

- 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.

7. 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.

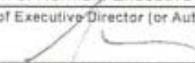
I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

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. Normandy Executive Director

Signature of Executive Director (or Authorized Designee):

X 

Date:

11-22-17

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:

11-28-2017

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. 03/31/2020)

**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 Public Housing Authority (PHA) 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-WOLLEY	Modernization Project Number: WA19P030501-16
--------------------------------------	---

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

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

A. Funds Approved	\$ 125,891.00
B. Funds Disbursed	\$ 125,891.00
C. Funds Expended (Actual Modernization Cost)	\$ 125,891.00
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.

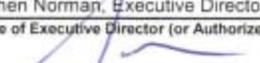
7. Please mark one:

- 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 Norman, Executive Director

Signature of Executive Director (or Authorized Designee):  
X 

Date:  
12/20/19

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:

The Cost Certificate will be submitted to HUD for audit (if box 7A or 7B is marked):  
Approved: HARLAN STEWART, Director, Office of Public Housing

Digitally signed by HARLAN STEWART  
DN: cn = HARLAN STEWART, o = U.S. Government OU = Department of Housing and Urban Development, Office of Administration  
Date: 2019.02.12 07:51:36 -0800

Date:  
02/12/2019

## 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>	(564) 999-0950
<b>Toll-free Citizen Hotline</b>	(866) 902-3900
<b>Website</b>	<a href="http://www.sao.wa.gov">www.sao.wa.gov</a>



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

April 1, 2021

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

**Report on Agreed-Upon Procedures**

Please find attached our report on the results of performing certain agreed-upon procedures as specified in our report.

We are issuing this report for the information and use of the parties specified in our report, and it is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.

Sincerely,

Pat McCarthy  
State Auditor  
Olympia, WA

***Americans with Disabilities***

*In accordance with the Americans with Disabilities Act, we will make this document available in alternative formats. For more information, please contact our Office at (564) 999-0950, TDD Relay at (800) 833-6388, or email our webmaster at [webmaster@sao.wa.gov](mailto:webmaster@sao.wa.gov).*

# INDEPENDENT ACCOUNTANT’S REPORT

Stephen Norman  
Housing Authority of the City of Sedro-Woolley  
600 Andover Park W.  
Tukwila, WA 98188

To the Board of Commissioners and Management of the Housing Authority of the City of Sedro-Woolley:

We have performed the procedures enumerated below, which were agreed to by the management of the Housing Authority of the City of Sedro-Woolley and the U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), solely to assist them in determining whether the electronic submission of certain information agrees with the related hard copy documents for the fiscal year ended December 31, 2019. These procedures were performed in accordance with the requirements of *The Uniform Financial Reporting Standards for Public Housing Authorities* (UFRS) published by the U.S. Department of Housing and Urban Development and Title 24 *U.S. Code of Federal Regulations* (CFR), Subpart H, *Uniform Financial Reporting Standards*.

The Housing Authority’s management is responsible for its electronic data submission. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

## Procedure Results

We compared the electronic submission of the items listed in the chart below in the “UFRS Rule Information” column with the corresponding printed documents listed in the chart below in the “Hard Copy Documents” column. The results of the performance of our agreed-upon procedures indicate agreement or non-agreement of electronically submitted information and hard copy documents, as shown in the chart below.

<b><u>Procedures</u></b>	<b><u>UFRS Rule Information</u></b>	<b><u>Hard Copy Documents</u></b>	<b><u>Results</u></b>
1	Balance Sheet and Revenue and Expense (data line items 111 to 13901)	Financial Data Schedules, all CFDA’s, if applicable	Agrees

<b><u>Procedures</u></b>	<b><u>UFRS Rule Information</u></b>	<b><u>Hard Copy Documents</u></b>	<b><u>Results</u></b>
2	Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	Agrees
3	Type of opinion on Financial Data Schedules (data element G3100-040)	Auditor’s supplemental report on Financial Data Schedules	Agrees
4	Audit findings narrative (data element G5200-010)	Schedule of Findings and Questioned Costs	Agrees
5	General information (data element series G2000, G2100, G2200, G9000, G9100)	Office of Management and Budget (OMB) Data Collection Form	Agrees
6	Financial statement report information (data element G3000-010 to G3000-050)	Schedule of Findings and Questioned Costs, Part 1 and OMB Data Collection Form	Agrees
7	Federal program report information (data element G4000-020 to G4000-040)	Schedule of Findings and Questioned Costs, Part 1 and OMB Data Collection Form	Agrees
8	Type of Compliance Requirement (data element G4200-020 and G4000-030)	OMB Data Collection Form	Agrees
9	Basic financial statements and auditor reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	Agrees

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants, and the standards applicable to attestation engagements contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the electronic submission of the items listed in the “UFRS Rule Information” column in the chart above. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

## Related Reports

We have performed an audit in accordance with Title 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) for the Housing Authority as of and for the year ended December 31, 2019, and have issued our reports thereon dated November 30, 2020. The information in the “Hard Copy Documents” column was included within the scope, or was a by-product, of that audit. Further, we expressed our opinion on the Authority’s Financial Data Schedule dated March 29, 2021, in relation to the Housing Authority’s basic financial statements as a whole.

A copy of the reporting package required by the Uniform Guidance, which includes the auditor’s reports, is available on our website, <http://portal.sao.wa.gov/ReportSearch>. We have not performed any additional auditing procedures since the date of the aforementioned audit reports.

## Restriction on Use

This report is intended for the information and use of the Board of Commissioners and management of the Housing Authority of the City of Sedro-Woolley and the U.S. Department of Housing and Urban Development, REAC, and is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited.

Sincerely,



Pat McCarthy  
State Auditor  
Olympia, WA

March 29, 2021

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**Sedro-Woolley Housing Authority**  
**Statements of Financial Position**  
**As of February 28,2021**

	<u>Cedar Grove</u>	<u>Hillsview</u>	<u>Combined</u>
<b>Assets</b>			
Cash-Unrestricted	\$140,233	\$186,384	\$326,617
Cash-Restricted	3,700	5,450	9,150
Accounts Receivable	20,454	27,147	47,601
Other Short-term Assets	6,145	14,116	20,261
Capital Assets	<u>508,382</u>	<u>1,257,504</u>	<u>1,765,886</u>
Total Assets	<u><u>\$678,914</u></u>	<u><u>\$1,490,601</u></u>	<u><u>\$2,169,515</u></u>
<b>Liabilities and Equity</b>			
Short-term Liabilities	<u>\$10,002</u>	<u>\$23,486</u>	<u>\$33,488</u>
Total Liabilities	10,002	23,486	33,488
Equity	668,912	1,467,115	2,136,027
Total Liabilities and Equity	<u><u>\$678,914</u></u>	<u><u>\$1,490,601</u></u>	<u><u>\$2,169,515</u></u>

Sedro-Woolley Housing Authority  
Cash Reconciliation Report  
Through February 28, 2021

	Combined			
	Actual	Budget	Favorable (Unfavorable) \$ Variance	Favorable (Unfavorable) % Variance
<b>BEGINNING UNRESTRICTED/PROGRAM CASH</b>	<b>\$405,664</b>			
<i>Rental Revenue and Subsidy</i>				
Tenant Revenue	\$34,804	\$35,324	(\$520)	-1.5%
Federal Operating Support	53,062	52,761	301	0.6%
<i>Total Rental Revenue and Federal Support</i>	<u>87,866</u>	<u>88,085</u>	<u>(219)</u>	<u>-0.2%</u>
<i>Other Operating Revenue</i>				
Other Revenue	555	528	27	5.1%
<i>Total Other Operating Revenue</i>	<u>555</u>	<u>528</u>	<u>27</u>	<u>5.1%</u>
<i>Total Operating Revenue</i>	<u>88,421</u>	<u>88,613</u>	<u>(192)</u>	<u>-0.2%</u>
<i>Operating Expenses</i>				
Salaries and Benefits	(37,151)	(28,744)	(8,407)	-29.2% (1)
Administrative Expenses	(16,639)	(20,982)	4,343	20.7%
Maintenance Expenses and Utilities	(38,418)	(36,918)	(1,500)	-4.1%
Other Programmatic Expenses	(6)	(75)	69	92.0%
<i>Total Operating Expenses</i>	<u>(92,214)</u>	<u>(86,719)</u>	<u>(5,495)</u>	<u>-6.3%</u>
<i>Net Operating Income</i>	<u>(3,793)</u>	<u>1,894</u>	<u>(5,687)</u>	<u>-300.3%</u>
<i>Non Operating Income/(Expense)</i>				
Other Non-operating Income/(Expense)	-	16,447	(16,447)	-100.0% (2)
<i>Total Non Operating Income/(Expense)</i>	<u>-</u>	<u>16,447</u>	<u>(16,447)</u>	<u>-100.0%</u>
<i>Capital Activity</i>				
Capital Project Expenditures	(3,807)	(24,471)	20,664	84.4% (2)
<i>Total Change in Capital Assets, net of Direct Funding and Debt</i>	<u>(3,807)</u>	<u>(16,447)</u>	<u>12,640</u>	<u>76.9%</u>
<i>Change in Other Assets/Liabilities</i>				
Change in Designated/Restricted Cash	-	-	0	n/a
Change in Short-term Assets	27,176	-	27,176	n/a (3)
Change in Short-term Liabilities	(98,624)	-	(98,624)	n/a (4)
<i>Change in Other Assets/Liabilities</i>	<u>(71,448)</u>	<u>-</u>	<u>(71,448)</u>	<u>n/a</u>
<i>Change in Unrestricted/Program Cash</i>	<u>(79,048)</u>	<u>1,894</u>	<u>(\$80,942)</u>	<u>-4272.7%</u>
<b>ENDING UNRESTRICTED/PROGRAM CASH</b>	<b><u>\$326,617</u></b>			
<b>BEGINNING DESIGNATED/RESTRICTED CASH</b>				
	<b>\$9,150</b>			
Change in Replacement Reserves	-	-	-	n/a
Change in Debt Service Reserves	-	-	-	n/a
Change in Other Reserves	-	-	-	n/a
<i>Change in Designated/Restricted Cash</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>n/a</u>
<b>ENDING DESIGNATED/RESTRICTED CASH</b>	<b><u>\$9,150</u></b>			

- Salaries and benefits are higher than budgeted due to COVID-related cleaning and disinfecting activities.
- Three unit upgrades were budgeted evenly throughout the year but projects have yet to start, resulting in less than budgeted draw from the capital fund grant. In addition, envelope and roof project at Cedar Grove was budgeted over the whole year, but not slated to start until August.
- The change in short-term assets is due to decreases in grant receivables, tenant receivables and prepaid insurance.
- The change in short-term liabilities is due to a decrease in accounts payable.

Sedro-Woolley Housing Authority  
Cash Reconciliation Report  
Through February 28,2021

	Hillsview			
	Actual	Budget	Favorable (Unfavorable) \$ Variance	Favorable (Unfavorable) % Variance
<b>BEGINNING UNRESTRICTED/PROGRAM CASH</b>	<b>\$254,568</b>			
<i>Rental Revenue and Subsidy</i>				
Tenant Revenue	\$29,430	\$28,865	\$566	2.0%
Federal Operating Support	32,478	30,986	1,492	4.8%
<i>Total Rental Revenue and Federal Support</i>	<u>61,908</u>	<u>59,851</u>	<u>2,058</u>	<u>3.4%</u>
<i>Other Operating Revenue</i>				
Other Revenue	525	402	123	30.5%
<i>Total Other Operating Revenue</i>	<u>525</u>	<u>402</u>	<u>123</u>	<u>30.5%</u>
<i>Total Operating Revenue</i>	<u>62,433</u>	<u>60,253</u>	<u>2,181</u>	<u>3.6%</u>
<i>Operating Expenses</i>				
Salaries and Benefits	(27,592)	(21,462)	(6,129)	-28.6% (1)
Administrative Expenses	(12,634)	(15,901)	3,267	20.5%
Maintenance Expenses, Utilities, Taxes	(32,116)	(23,718)	(8,398)	-35.4% (2)
Other Programmatic Expenses	(4)	(67)	63	93.7%
<i>Total Operating Expenses</i>	<u>(72,346)</u>	<u>(61,148)</u>	<u>(11,197)</u>	<u>-18.3%</u>
<i>Net Operating Income</i>	<u>(9,912)</u>	<u>(896)</u>	<u>(9,017)</u>	<u>-1006.8%</u>
<i>Non Operating Income/(Expense)</i>				
Other Non-operating Income/(Expense)	-	7,001	(7,001)	-100.0% (3)
<i>Total Non Operating Income/(Expense)</i>	<u>-</u>	<u>7,001</u>	<u>(7,001)</u>	<u>-100.0%</u>
<i>Capital Activity</i>				
Capital Project Expenditures	-	(9,446)	9,446	100.0% (3)
<i>Total Change in Capital Assets, net of Direct Funding and Debt</i>	<u>-</u>	<u>(9,446)</u>	<u>9,446</u>	<u>100.0%</u>
<i>Change in Other Assets/Liabilities</i>				
Change in Short-term Assets	7,811	-	7,811	n/a (4)
Change in Short-term Liabilities	(66,083)	-	(66,083)	n/a (5)
<i>Change in Other Assets/Liabilities</i>	<u>(58,272)</u>	<u>-</u>	<u>(58,272)</u>	<u>n/a</u>
<i>Change in Unrestricted/Program Cash</i>	<u>(68,184)</u>	<u>(\$3,340)</u>	<u>(\$64,844)</u>	<u>-1941.4%</u>
<b>ENDING UNRESTRICTED/PROGRAM CASH</b>	<b><u>\$186,384</u></b>			

<b>BEGINNING DESIGNATED/RESTRICTED CASH</b>	<b>\$5,450</b>			
Change in Replacement Reserves	-	-	-	n/a
Change in Debt Service Reserves	-	-	-	n/a
Change in Other Reserves	-	-	-	n/a
<i>Change in Designated/Restricted Cash</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>n/a</u>
<b>ENDING DESIGNATED/RESTRICTED CASH</b>	<b><u>\$5,450</u></b>			

- Salaries and benefits are higher than budgeted due to COVID-related cleaning and disinfecting activities.
- Unbudgeted camera expense. Previously approved in 2020, but due to the high number of camera installs at the agency, this was delayed until this year when funding and contract renewal was approved.
- Two unit upgrades were budgeted evenly throughout the year but projects have yet to start, resulting in less than budgeted draw from the capital fund grant. Unit upgrades depend on availability.
- The change in short-term assets is due to decreases in prepaid insurance and tenant receivables.
- The change in short-term liabilities is due to a decrease in accounts payable.

Sedro-Woolley Housing Authority  
Cash Reconciliation Report  
Through February 28, 2021

Cedar Grove

	Actual	Budget	Favorable (Unfavorable) \$ Variance	Favorable (Unfavorable) % Variance	
<b>BEGINNING UNRESTRICTED/PROGRAM CASH</b>	<b>\$151,095</b>				
<i>Rental Revenue and Subsidy</i>					
Tenant Revenue	\$5,374	\$6,459	(\$1,085)	-16.8%	
Federal Operating Support	20,584	21,775	(1,191)	-5.5%	
<i>Total Rental Revenue and Federal Support</i>	<u>25,958</u>	<u>28,235</u>	<u>(2,277)</u>	<u>-8.1%</u>	
<i>Other Operating Revenue</i>					
Other Revenue	30	126	(96)	-75.9%	
<i>Total Other Operating Revenue</i>	<u>30</u>	<u>126</u>	<u>(96)</u>	<u>-75.9%</u>	
<i>Total Operating Revenue</i>	<u>25,988</u>	<u>28,361</u>	<u>(2,372)</u>	<u>-8.4%</u>	
<i>Operating Expenses</i>					
Salaries and Benefits	(9,559)	(7,282)	(2,277)	-31.3%	
Administrative Expenses	(4,005)	(5,081)	1,076	21.2%	
Maintenance Expenses, Utilities, Taxes	(6,302)	(13,200)	6,898	52.3%	(1)
Other Programmatic Expenses	(1)	(8)	7	83.1%	
<i>Total Operating Expenses</i>	<u>(19,867)</u>	<u>(25,571)</u>	<u>5,704</u>	<u>22.3%</u>	
<i>Net Operating Income</i>	<u>6,121</u>	<u>2,790</u>	<u>3,331</u>	<u>119.4%</u>	
<i>Non Operating Income/(Expense)</i>					
Other Non-operating Income/(Expense)	-	9,446	(9,446)	-100.0%	(2)
<i>Total Non Operating Income/(Expense)</i>	<u>-</u>	<u>9,446</u>	<u>(9,446)</u>	<u>-100.0%</u>	
<i>Capital Activity</i>					
Capital Project Expenditures	(3,807)	(15,025)	11,219	74.7%	(2)
<i>Total Change in Capital Assets, net of Direct Funding and Debt</i>	<u>(3,807)</u>	<u>(7,001)</u>	<u>3,194</u>	<u>45.6%</u>	
<i>Change in Other Assets/Liabilities</i>					
Change in Short-term Assets	19,365	-	19,365	n/a	(3)
Change in Short-term Liabilities	(32,541)	-	(32,541)	n/a	(4)
<i>Change in Other Assets/Liabilities</i>	<u>(13,176)</u>	<u>-</u>	<u>(13,176)</u>	<u>n/a</u>	
<i>Change in Unrestricted/Program Cash</i>	<u>(10,862)</u>	<u>\$5,234</u>	<u>(\$16,096)</u>	<u>-307.5%</u>	
<b>ENDING UNRESTRICTED/PROGRAM CASH</b>	<b><u>\$140,233</u></b>				
<b>BEGINNING DESIGNATED/RESTRICTED CASH</b>					
Change in Replacement Reserves	-	-	-	n/a	
Change in Debt Service Reserves	-	-	-	n/a	
Change in Other Reserves	-	-	-	n/a	
<b>ENDING DESIGNATED/RESTRICTED CASH</b>	<b><u>\$3,700</u></b>				

- 1) Timing of invoicing; only one month of sewer service has been billed and none for water yet. Also, seasonal and periodic contracts are low as is typical early in the year.
- 2) One unit upgrade was budgeted evenly throughout the year but the project has yet to start, resulting in less than budgeted draw from the capital fund grant. In addition, envelope and roof project at the site was budgeted over the whole year, but not slated to start until August.
- 3) The change in short-term assets is due to a decrease in grant receivables and tenant receivables.
- 4) The change in short-term liabilities is due to a decrease in accounts payable.

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# SEDRO-WOOLLEY HOUSING AUTHORITY

## Housing Management Report

### February and March 2021

#### Vacancy Report

	Vacates	Housings	Completed Upgrades
Hillsview	1	4	0
Cedar Grove	1	0	0

#### Average Unit Turnover Rates

Current Unit Turnover Rate (UTO) is 14 days.

- Hillsview
  - One resident moved out to avoid eviction and three residents passed away.
  - One unit vacated at the end of March and will be upgraded.
  - There is an increase in unit turn over due to the delay of housing an approved applicant.
- Cedar Grove
  - A 4 bedroom unit vacated at the end of March and will be housed by a Cedar Grove transfer in the first half of April. Subsequently, this vacancy will be upgraded and completed in June.

#### Current Applications of Wait List as of March 31, 2021

Hillsview	Applicants Claiming Preference	Elderly/Disabled Claiming Preference	Non-Preference Applicants	Total
1 Bedroom	118	91	35	153

Cedar Grove	Preference	Non-Preference	Total
2 Bedrooms	95	16	111
3 Bedrooms	65	3	68
4 Bedrooms	3	0	3
Total	163	19	182

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	12	0	11	4	0	27
Cedar Grove I	9	0	0	0	0	9
Cedar Grove II	9	0	0	0	0	9
Cedar Grove III	9	0	1	0	0	10
<b>Total</b>	<b>39</b>	<b>0</b>	<b>12</b>	<b>4</b>	<b>0</b>	<b>55</b>

# SEDRO-WOOLLEY HOUSING AUTHORITY

## Housing Management Report

### **Resident Functions**

Skagit County Public Health hosted a vaccination clinic for the Hillsvie residents at the property.

### **Staffing**

There are no staff vacancies.

### **Previous Meeting Concerns**

- None.

### **Resident Issues**

- None.