



## Washington State Auditor's Office

December 8, 2016

Board of Commissioners  
Sunnyside Housing Authority  
Sunnyside, Washington

### **Contracted CPA Firm's Audit Report on Financial Statements and Federal Single Audit**

We have reviewed the audit report issued by a certified public accounting (CPA) firm on the Sunnyside Housing Authority's financial statements and compliance with federal grant requirements for the fiscal year ended December 31, 2015.

Based on this review, we have accepted this report in lieu of the audit required by RCW 43.09.260. The State Auditor's Office did not audit the accompanying financial statements or the compliance with federal grant agreements and, accordingly, we do not express an opinion on those financial statements or on compliance.

This report is being published on the State Auditor's Office website as a matter of public record.

Sincerely,

TROY KELLEY  
STATE AUDITOR  
OLYMPIA, WA

**Housing Authority of  
Sunnyside, Washington**  
(Sunnyside Housing Authority)

MCAG No. 1523

**Annual Financial Report**  
For the Year Ended December 31, 2015

**For further information please contact:**

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**Annual Financial Report**

**Housing Authority of Sunnyside, Washington (Sunnyside Housing Authority)**

MCAG No. 1523


Submitted pursuant to RCW 43.09.230

to the

STATE AUDITOR'S OFFICE

FOR THE FISCAL YEAR ENDED DECEMBER 31, 2015

Certified correct this 27th day of May, 2016 to the best of my knowledge and belief:

NAME: 

TITLE: Accountant

PREPARED BY: Earlene Bassett, Accountant

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## INDEPENDENT AUDITORS' REPORT

To the Board of Commissioners  
Sunnyside, Washington

### Report of the Financial Statements

We have audited the accompanying financial statements of the Housing Authority of Sunnyside, Washington (the Housing Authority) and the discretely presented component unit of the Housing Authority, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

### Auditors' Responsibility

Our responsibility is to express opinions 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*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Housing Authority and the discretely presented component unit of the Housing Authority as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3–7 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.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information is presented for purposes of additional analysis as required by the *Consolidated Audit Guide for Audits of HUD Programs* issued by the U.S. Department of Housing and Urban Development, Office of the Inspector General, and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated August 18, 2016, 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 of 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.

*Petersen CPAs + Advisors, PLLC*

August 18, 2016

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The Housing Authority of Sunnyside, Washington's (the Housing Authority) Management's Discussion and Analysis (MD&A) is designed to:

- Assist the reader in focusing on significant financial issues;
- Provide an overview of the Housing Authority's financial activity;
- Identify changes in the Housing Authority's financial position;
- Provide information on challenges in the next and subsequent years; and
- Identify individual fund or program issues and concerns.

The financial performance discussed in the following analyses does not include the tax credit partnership. The tax credit partnership is owned by a separate limited partnership with the Housing Authority acting as the general partner. This separate legal entity is not carried directly on the books of the Housing Authority but is listed as a component unit in the Housing Authority's financial statements and is detailed in portions of the Notes to the Financial Statements. The tax credit partnership and its financial data are not included in the analysis that follows.

The MD&A is designed to focus on the current year's activities. Please read it in conjunction with the Housing Authority's financial statements.

### **Financial Statements**

These financial statements are designed to display the financial position and activity of the Housing Authority as a whole. The Housing Authority consists exclusively of enterprise funds. Enterprise funds utilize the accrual basis of accounting, and are reported in the same method as that used in private sector accounting. These statements include:

1. Statement of Net Position (Balance Sheet). This reports all financial and capital resources of the Housing Authority. They are classified as "Current" and "Non-Current." Liabilities whose maturities are greater than one year are reported in two components – the amount due within one year and the amount due in more than one year. Over time, increases or decreases in the Housing Authority's net position are one indicator of its financial health. The focus of the Statement of Net Position is designed to represent the available liquid assets, net of liabilities, for the Housing Authority. Total net position is reported in three broad categories:

Net Investment in Capital Assets – This component of net position consists of all capital assets, reduced by the outstanding balances of any bonds, mortgages, notes or other related borrowings that are attributable to the acquisition, construction or improvement of those capital assets.

Restricted Net Position – This component of net position consists of restricted assets, on which creditors, grantors, laws or regulations have placed constraints.

Unrestricted Net Position – This component of net position consists of all other net assets that don't meet the criteria for "Net Investment in Capital Assets" or "Restricted Net Position".

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2. Statement of Revenues, Expenses and Changes in Fund Net Position – This statement is similar to an income statement and includes operating revenues, such as rental income and other tenant revenue, operating expenses, such as administrative expenses, utilities, maintenance and depreciation, and non-operating revenues and expenses, which includes grant revenue, investment income and interest expense. All changes in fund net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods. The statements of revenues, expenses and changes in fund net position can be found elsewhere in this report.

The focus of the Statement of Revenues, Expenses and Changes in Fund Net Position is the "Change in Net Position". This is similar to Net Income or Loss.

3. Statement of Cash Flows – This statement shows net cash provided by, or used for, operating activities, non-capital financial activities and related financing activities and investing activities. The statement of cash flows presents the "change" in the Housing Authority's cash and cash equivalents during the most recent fiscal year. The statement of cash flows can be found elsewhere in this report.
4. Notes to the Basic Financial Statement – Provides financial statement disclosures that are an integral part of the basic financial statements. Such disclosures are essential to a comprehensive understanding of the information provided in the basic financial statements.

### **Financial Analysis of the Housing Authority**

The overall financial position of the Housing Authority has increased substantially over the previous year. The primary reason for the increase is the gain on sale recognized on the sale of land to SHA Family Housing, LLC dba Rainier Park, a discretely presented component unit in these financial statements.

The Housing Authority's net position was \$6,931,361 on December 31, 2015; this is an increase of \$463,708 over the previous year. Of this amount, \$3,214,100 was unrestricted. The largest portion of the Housing Authority's net position (\$2,980,657 - 43%) reflects its investment in capital assets (e.g., land, buildings, improvements, machinery, equipment and construction in progress.) The Housing Authority uses these capital assets to provide services to program participants; consequently, these assets are not available for future spending.

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Fund Net Position report information about the Housing Authority's activities to help determine the overall financial health of the organization. Economic conditions and new or changed government legislation would also need to be considered when analyzing the Housing Authority's activities.

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### **An Overview of the Housing Authority-Wide Financial Position and Operations**

The Housing Authority's overall financial position and operations for the past two years are summarized below based on the information included in the current and prior financial statements.

**Table 1**  
**Sunnyside Housing Authority, Net Position**

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Current and other assets	\$ 4,198,609	\$ 3,626,672
Capital assets, net	4,059,716	4,196,091
Total assets	<u>\$ 8,258,325</u>	<u>\$ 7,822,763</u>
Current and other liabilities	\$ 307,781	\$ 255,982
Long-term liabilities	1,019,183	1,092,047
Total liabilities	<u>1,326,964</u>	<u>1,348,029</u>
Net Position		
Net investment in Capital Assets	2,980,657	3,040,149
Restricted net position	736,604	737,601
Unrestricted net position	3,214,100	2,696,984
Total net position	<u>6,931,361</u>	<u>6,474,734</u>
Total liabilities and net position	<u>\$ 8,258,325</u>	<u>\$ 7,822,763</u>

#### **Total Assets**

The Housing Authority's total assets at December 31, 2015, were \$8.3 million, an increase of \$443,000 from December 31, 2014. This is primarily due to the gain on sale recognition on the sale of land to SHA Sunnyside Family Housing, LLC, a 40-unit apartment complex, which is presented as a discretely presented component unit.

#### **Total Liabilities**

The Housing Authority's total liabilities decreased by \$21,065. This decrease relates to fluctuations in the timing of current payables and payments on long-term debt.

#### **Net Position**

The Housing Authority's Net Position increased in total by approximately \$457,000 in 2015.

**Table 2**  
**Sunnyside Housing Authority, Changes in Fund Net Position**

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Operating revenues		
Rental and other	<u>\$ 1,307,181</u>	<u>\$ 1,216,809</u>
Operating expenses		
Administration	568,341	575,960
Tenant services	550	519
Utilities	233,887	226,884
Ordinary maintenance and operations	646,280	630,006
Protective services	3,483	22,079
Insurance	62,989	57,800
General expenses	30,481	41,480
Payments in lieu of taxes	4,212	4,212
Extraordinary maintenance	20,391	52,647
Depreciation	<u>308,362</u>	<u>397,365</u>
Total operating expenses	<u>1,878,976</u>	<u>2,008,952</u>
Non-operating Revenues (Expenses)		
HUD PHA Operating Grants	239,638	272,935
Other Government Grants	382,740	370,799
Investment Income	1,933	1,923
Gain (loss) on disposal of capital assets	289,696	(13,010)
Casualty Losses	-	-
Interest expense	<u>(20,750)</u>	<u>(22,746)</u>
Total Non-operating Revenues (Expenses)	<u>893,257</u>	<u>609,901</u>
Income before contributions	321,462	(182,242)
Capital Contributions		
HUD Capital Grant	<u>135,165</u>	<u>179,291</u>
Change in net position	456,627	(2,951)
Net position, beginning of year	6,467,653	6,482,062
Prior Period Adjustment	7,081	(11,458)
Net position, end of year	<u>\$ 6,931,361</u>	<u>\$ 6,467,653</u>

Major factors affecting the Statement of Revenue and Expenses and Changes in Net Assets

Rental and Other revenues increased by \$90,372, primarily due to an increase in other income.

## Capital Assets and Long-Term Debt

### CAPITAL ASSETS

The Housing Authority's investment in capital assets as of December 31, 2015 amounts to \$4,059,716 (net of accumulated depreciation). This investment in capital assets includes land, buildings, building improvements, equipment and construction in progress.

#### Capital Assets at Year-end

	December 31, 2015	December 31, 2014
Land	\$ 669,644	\$ 669,948
Construction in Progress	319,823	346,467
Total non-depreciable capital assets	989,467	1,016,415
Buildings	14,968,094	14,818,939
Furniture and Equipment	636,660	603,625
Site Improvements	1,416,059	1,416,059
	17,020,813	16,838,623
Accumulated Depreciation	(13,950,564)	(13,658,945)
Total depreciable capital assets, net	3,070,249	3,179,678
Net investment in Capital Assets	\$ 4,059,716	\$ 4,196,093

### OUTSTANDING DEBT

At the end of 2015 Sunnyside Housing Authority had \$1,079,058 in notes outstanding to the United States Department of Agriculture. Of that amount, \$73,237 is due within one year. See Note 3 for more detailed debt information.

### Economic Factors and Next Year's Budgets and Rates

The Housing Authority is primarily dependent upon HUD and USDA for the funding of operations; therefore, the Housing Authority is affected more by the federal budget than by local economic conditions.

Housing Authority of Sunnyside, Washington  
Statement of Net Position  
December 31, 2015

MCAG 1523

	Primary Government	Discretely Presented Component Unit
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash - Unrestricted	\$ 2,981,767	\$ 2,231
Accounts Receivable - Miscellaneous	70,872	9,233
Accounts Receivable - Other Government	22,431	-
Accounts Receivable, Net - Tenants - Dwelling Rents	6,238	-
Prepaid Expenses	12,477	-
Inventories, Net	27,687	-
<b>RESTRICTED ASSETS</b>		
USDA Project Reserves	736,604	-
Tenant Security Deposits	50,533	-
<b>TOTAL CURRENT ASSETS</b>	<b>3,908,609</b>	<b>11,464</b>
<b>NONCURRENT ASSETS</b>		
Receivable From Component Unit	290,000	-
<b>Capital Assets</b>		
Buildings	14,968,094	-
Furniture and Equipment	636,660	-
Site Improvements	1,416,059	-
	17,020,813	-
Less: Accumulated Depreciation	(13,950,564)	-
	3,070,249	-
Land	669,644	290,000
Construction in Progress	319,823	6,510,324
<b>Total Capital Assets</b>	<b>4,059,716</b>	<b>6,800,324</b>
<b>TOTAL NONCURRENT ASSETS</b>	<b>4,349,716</b>	<b>6,800,324</b>
<b>TOTAL ASSETS</b>	<b>\$ 8,258,325</b>	<b>\$ 6,811,788</b>

See accompanying notes to the financial statements

Housing Authority of Sunnyside, Washington  
Statement of Net Position (continued)  
December 31, 2015

MCAG 1523

	Primary Government	Discretely Presented Component Unit
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
Accounts Payable	\$ 112,441	\$ 362,459
Accrued Payroll Expenses	28,022	-
Accrued Compensated Absences	16,468	-
Accrued Interest	938	14,625
Accounts Payable to Other Government	4,211	-
Accrued Liabilities - Other	3,246	280,842
Current Portion, Long-Term Debt	73,237	-
Unearned Tenant Income	18,685	-
PAYABLES FROM RESTRICTED ASSETS		
Tenant Security Deposits	50,533	-
TOTAL CURRENT LIABILITIES	307,781	657,926
NONCURRENT LIABILITIES		
Payable to Primary Government	-	290,000
Accrued Compensated Absences	13,362	-
Long-Term Debt, net of current portion	1,005,821	4,469,889
Total NonCurrent Liabilities	1,019,183	4,759,889
TOTAL LIABILITIES	\$ 1,326,964	\$ 5,417,815
<u>NET POSITION</u>		
Net Investment in Capital Assets	\$ 2,980,657	\$ 2,040,435
Restricted Net Position	736,604	-
Unrestricted Net Position	3,214,100	(646,462)
TOTAL NET POSITION	\$ 6,931,361	\$ 1,393,973

See accompanying notes to the financial statements

Housing Authority of Sunnyside, Washington  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
December 31, 2015

MCAG 1523

	Primary Government	Discretely Presented Component Unit
	<u>                    </u>	<u>                    </u>
OPERATING REVENUES		
Net Rental Revenue	\$ 1,153,620	\$ -
Tenant Revenue - Other	18,710	-
Other Income	134,851	-
Total Operating Revenues	<u>1,307,181</u>	<u>-</u>
OPERATING EXPENSES		
Administrative Salaries	323,002	-
Auditing and Accounting Fees	14,300	-
Employee Benefits - Administration	99,051	-
Other Operating - Administration	131,988	432
Tenant Services	550	-
Water	90,948	-
Electricity	26,692	(1)
Gas	8,453	-
Sewer	107,794	-
Maintenance Labor	303,390	-
Materials & Other Maintenance Costs	125,372	-
Maintenance/Repair - Contract Costs	91,499	-
Employee Benefits Ordinary Maintenance	126,019	-
Protective Services	3,483	-
Insurance Premiums	62,989	-
Other General Expenses	25,695	-
Payments in Lieu of Taxes (PILOT)	4,212	-
Bad Debt - Tenant Rents	4,786	-
Extraordinary Maintenance	20,391	-
Depreciation Expense	308,362	-
Total Operating Expenses	<u>1,878,976</u>	<u>431</u>
OPERATING LOSS	\$ (571,795)	\$ (431)

*See accompanying notes to the financial statements*

Housing Authority of Sunnyside, Washington  
Statement of Revenues, Expenses, and Changes in Fund Net Position (continued)

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December 31, 2015

	Primary Government	Discretely Presented Component Unit
	<u>                    </u>	<u>                    </u>
NON OPERATING (EXPENSES) REVENUES		
OPERATING LOSS (brought forward)	\$ (571,795)	\$ (431)
	<u>                    </u>	<u>                    </u>
HUD PHA Operating Grants	239,638	-
Other Government Grants	382,740	-
Investment Income - Unrestricted	1,489	-
Investment Income - Restricted	444	-
Gain on Disposal of Assets	289,696	-
Interest Expense	(20,750)	-
Debt issuance Costs	-	(149,859)
Total Nonoperating (Expenses) Revenues	<u>893,257</u>	<u>(149,859)</u>
NET INCOME (LOSS) BEFORE CONTRIBUTIONS	321,462	(150,290)
CAPITAL CONTRIBUTIONS		
HUD Capital Grant	<u>135,165</u>	<u>-</u>
CHANGE IN NET POSITION	456,627	(150,290)
BEGINNING TOTAL NET POSITION, 01-01-2015	6,467,653	-
CAPITAL CONTRIBUTION	-	1,544,263
PRIOR PERIOD ADJUSTMENTS	7,081	-
ENDING TOTAL NET POSITION, 12-31-2015.	<u>\$ 6,931,361</u>	<u>\$ 1,393,973</u>

See accompanying notes to the financial statements

	Primary Government	Discretely Presented Component Unit
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Tenants	\$ 1,183,893	\$ -
Cash Paid to Suppliers and Employees	(1,505,102)	(431)
Cash Received from Other Operating Activities	118,012	-
Net cash from operating activities	<u>(203,197)</u>	<u>(431)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING</b>		
Operating Grants Received	344,110	-
Net cash from non-capital financing activities	<u>344,110</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL FINANCING</b>		
Purchase of Capital Assets	(172,291)	(5,752,064)
Principal Payments of Long-Term Debt	(76,884)	-
Proceeds From Long Term Debt	-	4,759,889
Interest Paid	(20,750)	-
Capital Grants Received	374,803	-
Capital Contribution	-	1,544,263
Proceeds (payments) from Related Party Receivable	374,994	(399,567)
Debt issuance costs	-	(149,859)
Net cash from capital financing activities	<u>479,872</u>	<u>2,662</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest Received	1,933	-
Net cash from investing activities	<u>1,933</u>	<u>-</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	622,718	2,231
<b>CASH AND CASH EQUIVALENTS, 01-01-2015</b>	<u>3,146,186</u>	<u>-</u>
<b>CASH AND CASH EQUIVALENTS, 12-31-2015</b>	<u><u>\$ 3,768,904</u></u>	<u><u>\$ 2,231</u></u>
<b>CASH AND CASH EQUIVALENTS, consist of:</b>		
Cash and cash equivalents - Unrestricted	2,981,767	2,231
Cash and cash equivalents - Restricted	736,604	-
Tenant security deposits	50,533	-
	<u><u>\$ 3,768,904</u></u>	<u><u>\$ 2,231</u></u>

See accompanying notes to the financial statements



	Primary Government	Discretely Presented Component Unit
<b>RECONCILIATION OF NET LOSS TO NET CASH FROM OPERATING ACTIVITIES</b>		
Operating Loss	\$ (571,795)	\$ (431)
Adjustments to reconcile net loss to net cash from operating activities		
Depreciation and amortization	308,362	-
Bad Debts - Tenant Rents	4,786	-
(Increase) decrease in cash due to changes in assets		
Receivables, net	(5,276)	-
Prepaid Expenses	-	-
Inventories	4,907	-
Increase (decrease) in cash due to changes in liabilities		
Accounts Payable	49,177	-
Accrued Payroll Taxes	905	-
Compensated Absences	1,063	-
Accrued Liabilities - Other	(288)	-
Tenant Security Deposits	2,275	-
Unearned Income	2,758	-
Accrued Interest	(71)	-
Net adjustments	368,598	-
<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>\$ (203,197)</b>	<b>\$ (431)</b>

**Schedule of Noncash Investing and Financing Activities:**

During the year ended December 31, 2015, the Housing Authority sold land to SHA Sunnyside Family Housing, LLC that subsequently had affordable housing constructed on it. The land had a basis of \$304, and was sold for \$290,000, resulting in a gain of \$289,696. The sale was financed with a note receivable between the Housing Authority and the LLC, all of which was outstanding at year end.

During the year ended December 31, 2015, \$16,743 of fully depreciated capital assets were disposed of.

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Housing Authority of Sunnyside, Washington (the Housing Authority) conform to generally accepted accounting principles (GAAP) as applicable to proprietary funds of governments. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the most significant policies:

**A. Reporting entity**

The Housing Authority, incorporated in 1943, is a municipal corporation governed by an appointed five member board. The Housing Authority's financial statements include the financial position and results of operations of all funds that are controlled by, or departments of, the Housing Authority.

In determining how to define the reporting entity, management has considered all potential component units. The determination to include a component unit in the reporting entity was made by applying the criteria set forth in Governmental Accounting and Financial Reporting Standards and GASB Statement No 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*. These criteria include: financial accountability; appointment of a voting majority; imposition of will; financial benefit to or burden on a primary organization; financial accountability as a result of fiscal dependency; potential for dual inclusion; and organizations included in the reporting entity although the primary organization is not financially accountable.

The Housing Authority entered into a limited partnership with NEF Assignment Corporation. SHA Sunnyside Family Housing, LLC (the LLC) is a 40 unit apartment complex currently under construction, and will be funded utilizing low-income tax credits and a forgivable loan from the State of Washington Department of Commerce. Under GASB Statement No. 61, the partnership is considered a discretely presented component unit of the Housing Authority because the Housing Authority does not have the ability to control the operations of the partnership.

**B. Basis of accounting and presentation**

The accounting records of the Housing Authority are maintained and reported in accordance with methods prescribed by the State Auditor under the authority of Chapter 43.09 RCW and the Federal Department of Housing and Urban Development. The Authority must report using generally accepted accounting principles (GAAP), however, it has the option to use either the single enterprise proprietary fund or special purpose governmental fund model.

The Authority has elected to report as a single-enterprise proprietary fund and uses the accrual basis of accounting. The measurement focus is on the flow of economic resources. The proprietary fund is composed of a number of programs. These programs are designed to provide low income housing and rental assistance to elderly, disabled and low-income families and individuals.

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**B. Basis of accounting and presentation (continued)**

The Housing Authority operates 140 units with funding from United States Department of Housing and Urban Development (HUD). This funding, along with rents and other fees collected from tenants, consists of an operating subsidy along with Capital Funds awarded to the Authority from HUD.

The Housing Authority constructed and operates 121 units on scattered sites using low interest mortgage loans from the United States Department of Agriculture (USDA).

The USDA Farm Labor Housing Loans consist of the following:

<u>Sunshine Plaza</u>	24 units constructed in August, 1982
<u>Roza Park</u>	20 units constructed in April, 1984
<u>The Foothills</u>	10 units constructed in March, 1984, located in the neighboring City of Mabton
<u>Harvest Homes</u>	16 units constructed in March, 1984, located in the neighboring City of Grandview
<u>Plaza Del Sol</u>	46 units constructed in April, 1996

The USDA Rural Rental Housing Loan consists of the following:

<u>Mabton Single Family Homes</u>	5 homes purchased and rehabilitated in August, 1989, located in the City of Mabton
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The Housing Authority owns and operates a total of 24 units that are non-subsidized housing units.

Non-subsidized housing units consist of:

Rainier Court - 9 units
Rainier Development - 15 units

Proprietary funds are used to account for activities that are operated in a manner similar to private enterprise business. Under this method, revenues are recognized when earned and expenses are recognized when incurred. Capital asset purchases are capitalized and long-term liabilities are accounted for in the fund. For reporting purposes, the activities for all the Housing Authority's programs are combined, with all interfund balances and transactions eliminated.

**C. Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, the Housing Authority considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

**D. Capital Assets**

See Note 2.

**E. Restricted Assets**

In accordance with bond resolutions (and certain related agreements) separate restricted accounts are required to be established. The assets held in these accounts are restricted to meet major capital expenses of a project and other special reserve requirements. Restricted assets currently include the following:

USDA Project Reserves	<u>\$736,604</u>
-----------------------	------------------

**F. Receivables**

Accounts receivable include amounts due from tenants and other government entities. Tenant accounts receivable consist of amounts owed for rent, utilities, miscellaneous work orders and fees. Tenant accounts receivable of \$6,238 has been accrued as of December 31, 2015. Accounts receivable from other governments and miscellaneous sources has been accrued at \$383,303 on December 31, 2015.

**G. Inventories**

Inventories consist of expendable supplies held for consumption and are valued by the first-in, first-out method which approximates the market value. As of December 31, 2015, inventories were valued at \$27,687.

**H. Investments**

The Housing Authority had no investments on hand as of December 31, 2015.

**I. Operating Revenues/Expenses**

The Housing Authority reports operating revenues as defined in GASB Statement 9. Operating revenues result from fees and charges from providing services in connection with the ongoing operations of providing low income housing. Operating subsidies and grants are reported as non-operating revenues and are presented as cash flows from non-capital financing activities in the statement of cash flows. Operating expenses are those expenses that are directly incurred in the operation of providing low income housing.

J. Compensated Absences

Compensated absences are absences for which employees will be paid, such as vacation (and sick) leave. The authority records unpaid leave for compensated absences as an expense and liability when incurred. Vacation pay, which may be accumulated up to twenty days, is payable upon resignation, retirement or death. Sick leave may accumulate up to 120 days. Upon retirement or separation any unused sick leave is lost.

**NOTE 2 - CAPITAL ASSETS**

Capital asset purchases greater than \$1,000 are capitalized and recorded at cost. Capitalized purchases may also include capital leases and major repairs that increase useful lives. In addition, Sunnyside Housing Authority Resolution 99-34, adopted December 15, 1999, provides that "ranges, refrigerators, washing machines, dryers, dishwashers, and appliances of like kind will be capitalized regardless of original cost." Maintenance, repair and minor renewals are accounted for as expenditures when incurred.

The Housing Authority has acquired certain assets with funding provided by federal assistance programs. Depending on the terms of the agreements involved, the federal government could retain an equity interest in these assets. However, the Housing Authority has sufficient legal interest to accomplish the purposes for which the assets were acquired and has included such assets within the applicable accounting group or fund. The Housing Authority has no donated capital assets.

Capital assets are depreciated using the straight-line method over the useful lives of the assets as follows:

Computers	3 years
Vehicles	5 years
Equipment	7 years
Site Improvements	15 years
Buildings	30 years

**NOTE 2 - CAPITAL ASSETS (continued)**

Capital asset summary of the Housing Authority for the year ended December 31, 2015 is as follows:

	<b>1/1/2015</b>	<b>Additions</b>	<b>Disposals</b>	<b>12/31/2015</b>
Land	\$ 669,948	\$ -	\$ (304)	\$ 669,644
Construction in Progress	346,467	119,544	(146,188)	319,823
Total non-depreciable capital assets	<u>1,016,415</u>	<u>119,544</u>	<u>(146,492)</u>	<u>989,467</u>
Buildings	14,818,939	149,155	-	14,968,094
Furniture and Equipment	603,625	49,780	(16,745)	636,660
Site Improvements	1,416,059	-	-	1,416,059
	16,838,623	198,935	(16,745)	17,020,813
Accumulated Depreciation	<u>(13,658,945)</u>	<u>(308,364)</u>	<u>16,745</u>	<u>(13,950,564)</u>
Total depreciable capital assets, net	<u>3,179,678</u>	<u>(109,429)</u>	<u>-</u>	<u>3,070,249</u>
Total Capital Assets, net	<u>\$ 4,196,093</u>	<u>\$ 10,115</u>	<u>\$ (146,492)</u>	<u>\$ 4,059,716</u>

Capital asset summary of SHA Sunnyside Family Housing, LLC, for the year ended December 31, 2015, is as follows:

	<b>1/1/2015</b>	<b>Additions</b>	<b>Disposals</b>	<b>12/31/2015</b>
Land	\$ -	\$ 290,000	\$ -	\$ 290,000
Construction in Progress	433,216	6,226,967	-	6,660,183
Total non-depreciable capital assets	<u>433,216</u>	<u>6,516,967</u>	<u>-</u>	<u>6,950,183</u>
Total Capital Assets, net	<u>\$ 433,216</u>	<u>\$ 6,516,967</u>	<u>\$ -</u>	<u>\$ 6,950,183</u>

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**NOTE 3 – LONG-TERM DEBT AND LIABILITIES**

Note payable to US Department of Agriculture for \$333,660 due in monthly installments, including interest at 1%. This note was re-amortized in May 2015. The final payment is due in November, 2035. The note is collateralized by property known as Sunshine Plaza.	\$ 1,214
Note payable to US Department of Agriculture for \$86,670 due in monthly installments, including interest at 1%. The final payment is due in April, 2017. The note is collateralized by property known as Roza Park	2,721
Note payable to US Department of Agriculture for \$43,960 due in monthly installments, including interest at 1%. The final payment is due in March, 2017. The note is collateralized by property known as The Foothills.	131
Note payable to US Department of Agriculture for \$70,340 due in monthly installments, including interest at 1%. The final payment is due in March, 2017. The note is collateralized by property known as Harvest Homes.	454
Note payable to US Department of Agriculture for \$2,060,681 due in monthly installments, including interest at 1%. The final payment is due in May, 2029. The note is collateralized by property known as Plaza Del Sol.	943,437
Note payable to US Department of Agriculture for \$51,248 due in monthly installments, including interest at 1%. The final payment is due in August, 2039. The note is collateralized by property known as Mabton Single Family Homes.	21,946
Five notes payable to US Department of Agriculture for \$24,520 due in monthly installments, including interest at 9%. The final payment is due in August, 2039. The note is collateralized by property known as Mabton Single Family Homes.	109,155
	<u>\$1,079,058</u>
Long term debt payable within one year	<u>73,237</u>
Long term debt payable after one year	<u>\$1,005,821</u>

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**NOTE 3 – LONG-TERM DEBT AND LIABILITIES (continued)**

Service Requirements to maturity for mortgages:

	<u>Principal</u>
2016	\$73,237
2017	70,369
2018	70,463
2019	71,387
2020	72,341
2021 – 2025	377,215
2026 – 2030	280,012
2031 – 2035	36,085
2036 – 2039	<u>27,949</u>
	\$1,079,058
Short Term	\$73,237
Long Term	\$1,005,821

During the year ended 12-31-2015, the following changes occurred in Long Term Debt

	Balance 1/01/2015	Additions	Reductions	Balance 12/31/2015	Due Within One Year
Sunshine Plaza	\$ 4,910	\$ -	\$ 3,696	\$ 1,214	\$ 56
Roza Park	4,870	-	2,149	2,721	2,036
The Foothills	613	-	482	131	105
Harvest Home	1,353	-	899	454	363
Plaza Del Sol	1,009,256	-	65,819	943,437	66,479
Mabton Single Family Homes	<u>134,938</u>	<u>-</u>	<u>3,837</u>	<u>131,101</u>	<u>4,198</u>
Total Real Estate Mortgages	1,155,940	-	76,882	1,079,058	73,237
Compensated Absences	<u>29,930</u>	<u>-</u>	<u>100</u>	<u>29,830</u>	<u>16,468</u>
Totals	<u>\$ 1,185,870</u>	<u>\$ -</u>	<u>\$ 76,982</u>	<u>\$ 1,108,888</u>	<u>\$ 89,705</u>

**SHA Sunnyside Family Housing, LLC:**

During the year ended December 31, 2015 SHA Sunnyside Family Housing, LLC borrowed \$2,144,123 from the State of Washington Department of Commerce, \$1,927,521 of which was drawn and outstanding at year end. The note accrues interest of 1% commencing October 1, 2015, and matures September 30, 2055, with a lump sum payment due of \$3,192,307.



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**NOTE 3 – LONG-TERM DEBT AND LIABILITIES (continued)**

During the year ended December 31, 2015, SHA Sunnyside Family Housing, LLC borrowed \$4,373,682 from Wells Fargo, \$2,542,368 of which was drawn and outstanding at year end. Interest is due and payable on the 1<sup>st</sup> day of each month, at the One-Month LIBO Rae plus 2.25%, which was 2.75% at December 31, 2015. Subsequent to completion of construction and meeting investor requirements, the construction loan will be repaid with capital contributions from the Limited Partner.

**NOTE 4 – RISK MANAGEMENT**

The Housing Authority is not facing any type of risk and has no settlements that exceeded the insurance coverage traditionally insured with property and casualty insurance. We are unaware of any loss exposures that may need specialized coverage traditionally excluded in property and casualty insurance.

The Housing Authority of Sunnyside, Washington is a member of the Housing Authorities Risk Retention Pool (HARRP). Utilizing Chapter 48.62 RCW (self-insurance regulation) and Chapter 39.34 RCW (Inter-local Cooperation Act), fifty-five public housing authorities in the states of Washington, Oregon and California originally formed HARRP in March 1987.

HARRP was created for the purposes of providing a pooling mechanism for jointly purchasing insurance, jointly self-insuring, and/or jointly contracting for risk management services. HARRP is a U.S. Department of Housing and Urban Development (HUD) approved self-insurance entity for utilization by public housing authorities. HARRP currently has a total of eighty seven member/owner housing authorities in the states of Washington, Oregon, California and Nevada. Thirty-six of the eighty seven members are Washington State public housing entities.

New members are underwritten at their original membership and thereafter automatically renew on an annual basis. Members may quit upon giving notice to HARRP prior to their renewal date. Members terminating membership are not eligible to rejoin HARRP for three years. HARRP can terminate the members after giving a sixty (60) day notice prior to the renewal date. Termination does not relieve a former member from its unresolved losses incurred during membership.

General and Automobile Liability coverage is written on an occurrence basis, without member deductibles. Errors & Omissions coverage (which includes Employment Practices Liability) is written on a claims made basis, and the members are responsible for 10% of the incurred costs of the claims. Property coverage offered by HARRP is on a replacement cost basis with deductibles ranging from \$2,500 to \$25,000. (Due to special underwriting circumstances, some members may be subject to greater deductibles and E & O co-payments). Fidelity coverage is also offered, with limits of \$100,000 (with options up to \$500,000) for employee dishonesty, forgery or alteration and \$10,000 for theft with deductibles similar to the retention of Property.

**NOTE 4 – RISK MANAGEMENT (continued)**

Coverage limits for General Liability, as well as Errors & Omissions are \$2,000,000 per occurrence with no annual aggregate. Property limits are offered on an agreed amount, based on each structure's value. Limits for Automobile Liability are covered at \$2,000,000, with no aggregate. HARRP self-insures \$2 million of coverage for liability lines. For property, HARRP retains the first \$2,000,000 and purchases an additional \$45 million of excess insurance from Munich Reinsurance for a combined total of \$47,000,000. The HARRP Board of Directors determines the limits and coverage terms, at its sole discretion.

HARRP provides loss control and claim services with in-house staff and retained third party contractors.

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

The Housing Authority has opted to have the \$1,000,000 excess auto liability insurance and has chosen the \$1,000 per occurrence deductible in the property insurance option. In the past three years, the Housing Authority has not had any insurance settlements which exceed this coverage.

**NOTE 5 – CONTINGENCIES AND LITIGATION**

The Housing Authority participates in federally assisted programs. These programs are subject to audit by the grantors or their representatives. Such audits could result in disallowed requests for expenditure reimbursement to grantor agencies, under the terms of the grants. Management believes that such disallowances, if any, are immaterial.

**NOTE 6 – DEFINED CONTRIBUTION PLAN**

All Housing Authority full-time employees participate in the Housing Authority's Defined Contribution Retirement Plan. The plan is a noncontributory employee retirement plan established by authority of the Employee Retirement Income Security Act of 1974, established January 1, 1982 and last amended March 24, 2010.

Housing Authority employees are eligible to receive a contribution of 6.5% of gross wages after three months of employment. Employees are 100% vested after five years of employment.

As of December 31, 2015 there were 22 participants in the Defined Contribution Plan, 13 active employees and 9 former employees. The covered payroll for employees in the plan was \$622,744 on December 31, 2015, resulting in contributions of \$40,631.

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**NOTE 6 – DEFINED CONTRIBUTION PLAN (continued)**

The Defined Contribution Plan uses the accrual basis of accounting. Investments are directed by individual plan participants, and holdings are reported at fair value, based on quoted market prices.

The plan is not subject to ERISA reporting requirements, and separate financial statements have not been prepared for the plan. The plan is administered by Billings and Company, Inc. Employees are entitled to 100% of the value of their account after five years employment or upon separation. Including earnings, the Net Position available for benefits at December 31, 2015, were \$ 652,576.

**NOTE 7 – PRIOR PERIOD ADJUSTMENTS**

Prior period adjustments were made in the following programs: HUD \$9,437; Rural Rental Housing Loans (\$253); Farm Labor Housing Loans and grants (\$1,749) and State/Local (\$354) for a net sum of \$7,081.

**NOTE 8 - DEPOSITS AND INVESTMENTS**

The Sunnyside Housing Authority's deposits are entirely covered by federal depository Insurance (FDIC).

**NOTE 9 – HEALTH AND WELFARE**

The Sunnyside Housing Authority is a member of the Association of Washington Cities Employee Benefit Trust Health Care Program (AWC Trust HCP). Chapter 48.62 RCW provides that two or more local government entities may, by Inter-local agreement under Chapter 39.34 RCW, form together or join a pool or organization for the joint purchasing of insurance, and/or joint self-insurance, to the same extent that they may individually purchase insurance, or self-insure.

An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Inter-local Cooperation Act. The AWC Trust HCP was formed on January 1, 2014 when participating cities, towns, and non-city entities of the AWC Employee Benefit Trust in the State of Washington joined together by signing an Inter-local Governmental Agreement to jointly self-insure certain health benefit plans and programs for participating employees, their covered dependents and other beneficiaries through a designated account within the Trust.

As of December 31, 2015, 261 cities/towns/non-city entities participate in the AWC Trust HCP.

The AWC Trust HCP allows members to establish a program of joint insurance and provides health and welfare services to all participating members. The AWC Trust HCP pools claims without regard to individual member experience. The pool is actuarially rated each year with the assumption of projected claims run-out for all current members.

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**NOTE 9 – HEALTH AND WELFARE (continued)**

The AWC Trust HCP includes medical insurance through Group Health, Regence BlueShield and Asuris Northwest Health, dental insurance through Delta Dental of Washington, and vision insurance through Vision Service Plan. Eligible members are cities and towns within the state of Washington. Non-City Entities (public agency, public corporation, intergovernmental agency, or political subdivision within the state of Washington) are eligible to apply for coverage into the AWC Trust HCP, submitting application to the Board of Trustees for review as required in the Trust Agreement.

Participating employers pay monthly premiums to the AWC Trust HCP. The AWC Trust HCP is responsible for payment of all covered claims. The AWC Trust HCP purchases stop loss insurance for Regence/Asuris plans at an Individual Stop Loss (ISL) of \$1.5 million through Life Map, and Group Health ISL at \$750,000 through Sun Life. The aggregate policy is for 200% of expected medical claims.

Participating employers contract to remain in the AWC HCP for a minimum of three years. Participating employers with over 250 employees must provide written notice of termination of all coverage a minimum of 12 months in advance of the termination date, and participating employers with fewer than 250 employees must provide written notice of termination of all coverage a minimum of 6 months in advance of termination date. When all coverage is being terminated, termination will only occur on December 31. Participating employers terminating a group or line of coverage must notify the HCP a minimum of 60 days prior to termination. A participating employer's termination will not obligate that member to past debts, or further contributions to the HCP. Similarly, the terminating member forfeits all rights and interest to the HCP Account.

The operations of the Health Care Program are managed by the Board of Trustees or its delegates. The Board of Trustees is comprised of four regionally elected officials from Trust member cities or towns, the Employee Benefit Advisory Committee Chair and Vice Chair, and two appointed individuals from the AWC Board of Directors, who are from Trust member cities or towns. The Trustees or its appointed delegates review and analyze Health Care Program related matters and make operational decisions regarding premium contributions, reserves, plan options and benefits in compliance with Chapter 48.62 RCW. The Board of Trustees has decision authority consistent with the Trust Agreement, Health Care Program policies, Chapter 48.62 RCW and Chapter 200-110-WAC.

The accounting records of the Trust HCP are maintained in accordance with methods prescribed by the State Auditor's office under the authority of Chapter 43.09 RCW. The Trust HCP also follows applicable accounting standards established by the Governmental Accounting Standards Board ("GASB"). Year-end financial reporting is done on an accrual basis and submitted to the Office of the State Auditor as required by Chapter 200-110 WAC. The audit report for the AWC Trust HCP is available from the Washington State Auditor's office.

**Note 10 – Subsequent Events**

On April 30, 2016, construction of the SHA Sunnyside Family Housing, LLC, low income housing tax credit housing complex was completed and the units were being occupied by their first tenants.

**Note 11 – Related Party Transactions**

In July of 2014, SHA Sunnyside Family Housing, LLC signed a credit reservation and carryover allocation contract with the Washington State Housing Finance Commission for the reservation and award of \$738,477 of credit awarded under Section 42 of the Internal Revenue Code. This award is expected to provide approximately \$6.7 million dollars of equity contributions from the LLC's limited partner.

*Property management fee* – The Housing Authority owns a 0.01% interest in SHA Sunnyside Family Housing, LLC (the LLC), which was formed in April of 2014. The Housing Authority is the Managing Member, which provides for a maximum management fee of 8% of the annual gross effective income. The Housing Authority has contracted with an unrelated party to manage the property. For the period ended December 31, 2015 \$-0- was recorded as a management fee expense.

*Asset management fee* – SHA Sunnyside Family Housing, LLC pays an annual asset management fee to the Limited Partner in the amount of \$4,000 per annum, increased by 3% per annum. For the period ended December 31, 2015, \$-0- was recorded as management fee expense, as the buildings had not yet been placed in service.

*Development agreement* – SHA Sunnyside Family Housing, LLC entered into a Development Agreement with the Housing Authority and an unrelated party for services in connection with the development and construction of the project. In consideration for such services, \$471,250 is payable to SHA, of which \$253,750 is paid to an unrelated party contracted to perform development services for the LLC. At December 31, 2015, \$332,249 of the developer fee is outstanding. Payment of the remaining balance is contingent upon meeting requirements in the developer fee agreement, and available cash flows.

## **SINGLE AUDIT SECTION**

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*

Board of Commissioners  
Sunnyside Housing Authority  
Sunnyside, Washington

We have audited, in accordance with the 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 and the discretely presented component unit of the Housing Authority of Sunnyside, Washington (the Housing Authority) for the year ended December 31, 2015, 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 August 18, 2016.

**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 entity'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 its 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Petersen CPAs + Advisors, PLLC

August 18, 2016



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YAKIMA, WA 98902

509 575 1040 P

509 457 2145 F

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON  
INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY UNIFORM GUIDANCE

Board of Commissioners  
Sunnyside Housing Authority  
Sunnyside, Washington

**Report on Compliance for the Major Federal Program**

We have audited Housing Authority of Sunnyside, Washington's (the Housing Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Housing Authority's major federal program for the year ended December 31, 2016. The Housing Authority's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for the Housing Authority's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Housing Authority's compliance.

***Opinion on the Major Federal Program***

In our opinion, the Housing Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the major federal program for the year ended December 31, 2015.

## Report on Internal Control over Compliance

Management of the Housing Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Housing Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Petersen CPAs + Advisors, PLLC

August 18, 2016

**I. Summary of Auditor's Results***Financial Statements*

Type of auditor's report issued

*Unmodified*

Internal control over financial reporting

Material weakness(es) identified?

\_\_\_\_\_ yes        X   noSignificant deficiency(ies) identified that are  
not considered to be material weakness(es)?\_\_\_\_\_ yes        X   none reportedNoncompliance material to financial  
statements noted\_\_\_\_\_ yes        X   no*Federal Awards*

Internal control over major programs:

Material weakness(es) identified?

\_\_\_\_\_ yes        X   noSignificant deficiency(ies) identified that are  
not considered to be material weakness(es)?\_\_\_\_\_ yes        X   none reportedType of auditors' report issued on compliance  
for major program*Unmodified*Any audit findings disclosed that are required  
to be reported in accordance with  
*Uniform Guidance*?\_\_\_\_\_ yes        X   no

Identification of major programs:

CFDA  
Number(s)  
 10.405

Name of Federal Program or Cluster  
 Farm Labor Housing Loans and Grants

Dollar threshold used to distinguish between  
type A and type B programs:\$ 750,000

Auditee qualified as low-risk auditee?

  X   yes      \_\_\_\_\_ no

MCAG 1523

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**FINDINGS – FINANCIAL STATEMENT AUDIT**

**Current Year Findings**

No matters were reported

**FINDINGS – FEDERAL AWARDS AND QUESTIONED COSTS**

**Current Year Finding**

No matters were reported

Housing Authority of Sunnyside, Washington  
Schedule of Expenditures of Federal Awards  
For the year ended December 31, 2015

Federal Agency Name/Federal Program Name	CFDA Number	Other Award Number	Expenditures	Footnote Reference
<b>U.S. Department of Agriculture, Rural Housing Service - Direct Awards</b>				
Farm Labor Housing Loans/Grants - Sunshine Plaza	10.405	56-39-59845033201-0	\$1,214	1,2,4
Farm Labor Housing Loans/Grants - Roza Park	10.405	56-39-59845033202-1	\$2,721	1,2,4
Farm Labor Housing Loan/Grants - Foothills	10.405	56-39-59845033203-2	\$131	1,2,4
Farm Labor Housing Loans/Grants - Harvest Homes	10.405	56-39-59845033204-9	\$454	1,2,4
Farm Labor Housing Loans/Grants- Plaza Del Sol	10.405	56-39-59845033206-8	\$943,437	1,2,4
		Total CFDA 10.405	\$947,957	
Rural Rental Housing Loans - Subsidy Credit Mabton	10.415	56-39-59845033205-6	\$11,202	1,2
Rural Rental Housing Loans - Mabton Single Family Homes	10.415	56-39-59845033205-6	\$131,101	1,2,4
		Total CFDA 10.415	\$142,303	
<b>TOTAL U.S. DEPARTMENT OF AGRICULTURE</b>			<b>\$1,090,260</b>	
<b>U.S. Department of Housing and Urban Development - Direct Awards</b>				
Public and Indian Housing	14.850	WA035-000101	\$230,406	1,2
		Total CFDA 14.850	\$230,406	
Public Housing Capital Fund	14.872	WA19P035501-11	1,851	1,2
Public Housing Capital Fund	14.872	WA19P035501-12	5,737	1,2
Public Housing Capital Fund	14.872	WA19P035501-13	100,639	1,2
Public Housing Capital Fund	14.872	WA19P035501-14	2,015	1,2
Public Housing Capital Fund	14.872	WA19P035501-15	34,155	1,2
		Total CFDA 14.872	144,397	
<b>TOTAL U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			<b>\$374,803</b>	
<b>TOTAL FEDERAL AWARDS EXPENDED</b>			<b>\$1,465,063</b>	

**NOTE 1 – BASIS OF ACCOUNTING**

The Schedule of Expenditures of Federal Awards is prepared on the same basis of accounting as the Housing Authority of Sunnyside, Washington (the Housing Authority) financial statements. The Housing Authority uses the accrual basis of accounting. The Housing Authority's accounting records are maintained in accordance with the methods prescribed by the State Auditor under the authority of Washington State law, Chapter 43.09 RCW. The Housing Authority uses the revenue and expenditure classifications contained in the Financial and Accounting Handbooks prescribed by the Department of Housing and Urban Development (HUD).

**NOTE 2 – PROGRAM COSTS**

The amounts shown as current year expenditures represent only the federal grant portion of the program costs for FY 2015. Entire program costs, including the Housing Authority's portion, may be more than shown.

**NOTE 3 – PROGRAM INCOME**

Not applicable.

**NOTE 4 – FEDERAL LOANS**

The Housing Authority has federal loans totaling \$1,079,058 as of December 31, 2015. The loans are reported on the Housing Authority's Schedule of Long-Term Debt included in Note 3 of the Notes to the Financial Statements.

**NOTE 5 – INDIRECT COST RATE**

The Housing Authority has elected not to use the 10% de minimis indirect cost rate.

**NOTE 6 – NONCASH AWARDS**

Not applicable.

**NOTE 7 – OTHER**

Not applicable.

Has your government engaged labor relations consultants? \_\_\_\_ Yes **X** No

## **HUD REQUIRED SCHEDULES**



Housing Authority of Sunnyside, Washington (WA035)  
**SUNNYSIDE, WA**  
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2015

	Project Total	10.415 Rural Rental Housing Loans	6.1 Component Unit - Discretely Presented	10.405 Farm Labor Housing Loans and Grants	2 State/Local	Subtotal	ELIM	Total
111 Cash - Unrestricted	\$382,798		\$2,231	\$381,811	\$2,213,401	\$2,980,241		\$2,980,241
112 Cash - Restricted - Modernization and Development	\$0					\$0		\$0
113 Cash - Other Restricted	\$0	\$16,146		\$720,458		\$736,604		\$736,604
114 Cash - Tenant Security Deposits	\$27,228	\$600		\$15,206	\$7,499	\$50,533		\$50,533
115 Cash - Restricted for Payment of Current Liabilities	\$0					\$0		\$0
100 Total Cash	\$410,026	\$20,503	\$2,231	\$1,117,475	\$2,220,900	\$3,771,135		\$3,771,135
121 Accounts Receivable - PHA Projects	\$0					\$0		\$0
122 Accounts Receivable - HUD Other Projects								
124 Accounts Receivable - Other Government	\$0	\$1,757		\$20,674		\$22,431		\$22,431
125 Accounts Receivable - Miscellaneous	\$61,640		\$9,233		\$299,232	\$370,105	-\$290,000	\$80,105
126 Accounts Receivable - Tenants	\$1,848	\$50	\$0	\$3,407	\$99	\$5,404		\$5,404
126.1 Allowance for Doubtful Accounts -Tenants	-\$394	\$0	\$0	-\$1,628	\$0	-\$2,022		-\$2,022
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0	\$0	\$0	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current	\$2,229			\$627		\$2,856		\$2,856
128 Fraud Recovery	\$0					\$0		\$0
128.1 Allowance for Doubtful Accounts - Fraud	\$0					\$0		\$0
129 Accrued Interest Receivable	\$0					\$0		\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$65,323	\$1,807	\$9,233	\$23,080	\$299,331	\$398,774	-\$290,000	\$108,774
131 Investments - Unrestricted	\$0					\$0		\$0
132 Investments - Restricted	\$0					\$0		\$0
135 Investments - Restricted for Payment of Current Liability	\$0					\$0		\$0
142 Prepaid Expenses and Other Assets	\$6,414	\$253		\$4,789	\$1,021	\$12,477		\$12,477
143 Inventories	\$14,124	\$405		\$11,344	\$3,270	\$29,143		\$29,143
143.1 Allowance for Obsolete Inventories	-\$706	-\$20		-\$567	-\$163	-\$1,456		-\$1,456
144 Inter Program Due From	\$0					\$0		\$0
145 Assets Held for Sale	\$0					\$0		\$0
150 Total Current Assets	\$495,181	\$22,948	\$11,464	\$1,156,121	\$2,524,359	\$4,210,073	-\$290,000	\$3,920,073

Housing Authority of Sunnyside, Washington (WA035)  
Financial Data Schedules  
December 31, 2015

	Project Total	10.415 Rural Rental Housing Loans	6.1 Component Unit - Discretely Presented	10.405 Farm Labor Housing Loans and Grants	2 State/Local	Subtotal	ELIM	Total
161 Land	\$113,302	\$11,255	\$290,000	\$484,198	\$60,889	\$959,644		\$959,644
162 Buildings	\$7,341,672	\$182,916		\$6,467,640	\$975,866	\$14,968,094		\$14,968,094
163 Furniture, Equipment & Machinery - Dwellings	\$111,323	\$4,376		\$129,879	\$44,070	\$289,648		\$289,648
164 Furniture, Equipment & Machinery - Administration	\$74,892			\$2,812	\$269,308	\$347,012		\$347,012
165 Leasehold Improvements	\$1,109,596			\$278,016	\$28,446	\$1,416,058		\$1,416,058
166 Accumulated Depreciation	-\$7,269,137	-\$164,903		-\$5,340,775	-\$1,175,749	-\$13,950,564		-\$13,950,564
167 Construction in Progress	\$319,823		\$6,510,324			\$6,830,147		\$6,830,147
168 Infrastructure	\$0					\$0		\$0
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,801,471	\$33,644	\$6,800,324	\$2,021,770	\$202,830	\$10,860,039		\$10,860,039
171 Notes, Loans and Mortgages Receivable - Non-Current								
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due								
173 Grants Receivable - Non Current	\$0					\$0		\$0
174 Other Assets								
176 Investments in Joint Ventures								
180 Total Non-Current Assets	\$1,801,471	\$33,644	\$6,800,324	\$2,021,770	\$202,830	\$10,860,039		\$10,860,039
200 Deferred Outflow of Resources	\$0					\$0		\$0
290 Total Assets and Deferred Outflow of Resources	\$2,296,652	\$56,592	\$6,811,788	\$3,177,891	\$2,727,189	\$15,070,112	-\$290,000	\$14,780,112
311 Bank Overdraft	\$0					\$0		\$0
312 Accounts Payable <= 90 Days	\$74,505	\$1,012	\$362,459	\$22,174	\$14,749	\$474,899		\$474,899
313 Accounts Payable >90 Days Past Due	\$0		\$0			\$0		\$0
321 Accrued Wage/Payroll Taxes Payable	\$21,711	\$221		\$6,090		\$28,022		\$28,022
322 Accrued Compensated Absences - Current Portion	\$8,066	\$336		\$7,080	\$986	\$16,468		\$16,468
324 Accrued Contingency Liability	\$0					\$0		\$0
325 Accrued Interest Payable	\$0	\$148	\$14,625	\$790		\$15,563		\$15,563
331 Accounts Payable - HUD PHA Programs								
332 Account Payable - PHA Projects	\$0					\$0		\$0
333 Accounts Payable - Other Government	\$0	\$490		\$953	\$2,768	\$4,211		\$4,211

Housing Authority of Sunnyside, Washington (WA035)  
Financial Data Schedules  
December 31, 2015

	Project Total	10.415 Rural Rental Housing Loans	6.1 Component Unit - Discretely Presented	10.405 Farm Labor Housing Loans and Grants	2 State/Local	Subtotal	ELIM	Total
341 Tenant Security Deposits	\$27,228	\$600		\$15,206	\$7,499	\$50,533		\$50,533
342 Unearned Revenue	\$10,682	\$16		\$6,009	\$1,978	\$18,685		\$18,685
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue		\$4,198		\$69,039		\$73,237		\$73,237
344 Current Portion of Long-term Debt - Operating Borrowings	\$0					\$0		\$0
345 Other Current Liabilities	\$2,133		\$280,842		\$1,113	\$284,088		\$284,088
346 Accrued Liabilities - Other	\$0					\$0		\$0
347 Inter Program - Due To	\$0					\$0		\$0
348 Loan Liability - Current								
310 Total Current Liabilities	\$144,325	\$7,021	\$657,926	\$127,341	\$29,093	\$965,706		\$965,706
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		\$126,903	\$4,469,889	\$878,918		\$5,475,710		\$5,475,710
352 Long-term Debt, Net of Current - Operating Borrowings	\$0					\$0		\$0
353 Non-current Liabilities - Other	\$0					\$0		\$0
354 Accrued Compensated Absences - Non Current	\$7,035	\$252		\$5,428	\$647	\$13,362		\$13,362
355 Loan Liability - Non Current			\$290,000				-\$290,000	\$0
356 FASB 5 Liabilities	\$0					\$0		\$0
357 Accrued Pension and OPEB Liabilities								
350 Total Non-Current Liabilities	\$7,035	\$127,155	\$4,759,889	\$884,346	\$647	\$5,779,072	-\$290,000	\$5,489,072
300 Total Liabilities	\$151,360	\$134,176	\$5,417,815	\$1,011,687	\$29,740	\$6,744,778	-\$290,000	\$6,454,778
400 Deferred Inflow of Resources	\$0					\$0		\$0
508.4 Net Investment in Capital Assets	\$1,801,471	-\$97,457	\$2,040,435	\$1,073,813	\$202,830	\$5,021,092		\$5,021,092
511.4 Restricted Net Position	\$0	\$16,146		\$720,458		\$736,604		\$736,604
512.4 Unrestricted Net Position	\$343,821	\$3,727	-\$646,462	\$371,933	\$2,494,619	\$2,567,638		\$2,567,638
513 Total Equity - Net Assets / Position	\$2,145,292	-\$77,584	\$1,393,973	\$2,166,204	\$2,697,449	\$8,325,334		\$8,325,334
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$2,296,652	\$56,592	\$6,811,788	\$3,177,891	\$2,727,189	\$15,070,112	-\$290,000	\$14,780,112

Housing Authority of Sunnyside, Washington (WA035)  
**SUNNYSIDE, WA**  
 Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 12/31/2015

	Project Total	10.415 Rural Rental Housing Loans	6.1 Component Unit - Discretely Presented	10.405 Farm Labor Housing Loans and Grants	2 State/Local	Subtotal	ELIM	Total
70300 Net Tenant Rental Revenue	\$497,985	\$11,981		\$540,183	\$103,471	\$1,153,620		\$1,153,620
70400 Tenant Revenue - Other	\$10,401	\$89		\$7,554	\$666	\$18,710		\$18,710
70500 Total Tenant Revenue	\$508,386	\$12,070	\$0	\$547,737	\$104,137	\$1,172,330	\$0	\$1,172,330
70600 HUD PHA Operating Grants	\$239,638					\$239,638		\$239,638
70610 Capital Grants	\$135,165					\$135,165		\$135,165
70710 Management Fee								
70720 Asset Management Fee								
70730 Book Keeping Fee								
70740 Front Line Service Fee								
70750 Other Fees								
70700 Total Fee Revenue						\$0	\$0	\$0
70800 Other Government Grants	\$0	\$32,088		\$350,652		\$382,740		\$382,740
71100 Investment Income - Unrestricted	\$327	\$13		\$24	\$1,125	\$1,489		\$1,489
71200 Mortgage Interest Income	\$0					\$0		\$0
71300 Proceeds from Disposition of Assets Held for Sale	\$0					\$0		\$0
71310 Cost of Sale of Assets	\$0					\$0		\$0
71400 Fraud Recovery	\$0					\$0		\$0
71500 Other Revenue	\$5,833	\$654	\$20	\$7,672	\$2,127,551	\$2,141,730	-\$2,006,859	\$134,871
71600 Gain or Loss on Sale of Capital Assets	\$0				\$289,696	\$289,696		\$289,696
72000 Investment Income - Restricted	\$0	\$7		\$437		\$444		\$444
70000 Total Revenue	\$889,349	\$44,832	\$20	\$906,522	\$2,522,509	\$4,363,232	-\$2,006,859	\$2,356,373
91100 Administrative Salaries	\$176,243	\$5,699		\$129,697	\$9,185	\$320,824		\$320,824
91200 Auditing Fees	\$7,470	\$266		\$6,136	\$428	\$14,300		\$14,300
91300 Management Fee								
91310 Book-keeping Fee	\$0					\$0		\$0

Housing Authority of Sunnyside, Washington (WA035)  
Financial Data Schedules  
December 31, 2015

	Project Total	10.415 Rural Rental Housing Loans	6.1 Component Unit - Discretely Presented	10.405 Farm Labor Housing Loans and Grants	2 State/Local	Subtotal	ELIM	Total
91400 Advertising and Marketing	\$543	\$115		\$565	\$31	\$1,254		\$1,254
91500 Employee Benefit contributions - Administrative	\$53,939	\$1,782		\$40,499	\$2,831	\$99,051		\$99,051
91600 Office Expenses	\$27,107	\$1,052		\$22,117	\$2,228	\$52,504	-\$36,518	\$15,986
91700 Legal Expense	\$6,140	\$409		\$4,293	\$4,071	\$14,913		\$14,913
91800 Travel	\$1,309	\$58		\$526	\$45	\$1,938		\$1,938
91810 Allocated Overhead	\$0					\$0		\$0
91900 Other	\$14,138	\$445	\$432	\$18,560	\$1,992,275	\$2,025,850	-\$1,927,521	\$98,329
91000 Total Operating - Administrative	\$286,889	\$9,826	\$432	\$222,393	\$2,011,094	\$2,530,634	-\$1,964,039	\$566,595
92000 Asset Management Fee	\$0					\$0		\$0
92100 Tenant Services - Salaries	\$0					\$0		\$0
92200 Relocation Costs	\$0					\$0		\$0
92300 Employee Benefit Contributions - Tenant Services	\$0					\$0		\$0
92400 Tenant Services - Other	\$550					\$550		\$550
92500 Total Tenant Services	\$550	\$0	\$0	\$0	\$0	\$550	\$0	\$550
93100 Water	\$32,713	\$3,883		\$46,973	\$10,650	\$94,219	-\$3,271	\$90,948
93200 Electricity	\$7,839	\$352	-\$1	\$12,105	\$6,396	\$26,691		\$26,691
93300 Gas	\$3,703			\$2,011	\$2,739	\$8,453		\$8,453
93400 Fuel	\$0					\$0		\$0
93500 Labor	\$0					\$0		\$0
93600 Sewer	\$32,651	\$3,785		\$60,645	\$10,713	\$107,794		\$107,794
93700 Employee Benefit Contributions - Utilities	\$0					\$0		\$0
93800 Other Utilities Expense	\$0					\$0		\$0
93000 Total Utilities	\$76,906	\$8,020	-\$1	\$121,734	\$30,498	\$237,157	-\$3,271	\$233,886
94100 Ordinary Maintenance and Operations - Labor	\$134,302	\$11,697		\$137,963	\$20,543	\$304,505		\$304,505
94200 Ordinary Maintenance and Operations - Materials and Other	\$55,598	\$4,346		\$57,390	\$8,038	\$125,372		\$125,372
94300 Ordinary Maintenance and Operations Contracts	\$49,787	\$3,140		\$64,626	\$13,495	\$131,048	-\$39,549	\$91,499
94500 Employee Benefit Contributions - Ordinary Maintenance	\$58,629	\$4,424		\$54,639	\$8,327	\$126,019		\$126,019
94000 Total Maintenance	\$298,316	\$23,607	\$0	\$314,618	\$50,403	\$686,944	-\$39,549	\$647,395

Housing Authority of Sunnyside, Washington (WA035)  
Financial Data Schedules  
December 31, 2015

	Project Total	10.415 Rural Rental Housing Loans	6.1 Component Unit - Discretely Presented	10.405 Farm Labor Housing Loans and Grants	2 State/Local	Subtotal	ELIM	Total
95100 Protective Services - Labor	\$0					\$0		\$0
95200 Protective Services - Other Contract Costs	\$2,894	\$22		\$499	\$68	\$3,483		\$3,483
95300 Protective Services - Other	\$0					\$0		\$0
95500 Employee Benefit Contributions - Protective Services	\$0					\$0		\$0
95000 Total Protective Services	\$2,894	\$22	\$0	\$499	\$68	\$3,483	\$0	\$3,483
96110 Property Insurance	\$13,291	\$770		\$13,216	\$2,804	\$30,081		\$30,081
96120 Liability Insurance	\$6,556	\$230		\$5,409	\$3,483	\$15,678		\$15,678
96130 Workmen's Compensation	\$7,770	\$173		\$6,715	\$1,240	\$15,898		\$15,898
96140 All Other Insurance	-\$143	\$79		\$1,160	\$236	\$1,332		\$1,332
96100 Total insurance Premiums	\$27,474	\$1,252	\$0	\$26,500	\$7,763	\$62,989	\$0	\$62,989
96200 Other General Expenses	\$14,076		\$149,859	\$8,942	\$2,677	\$175,554		\$175,554
96210 Compensated Absences	-\$591	\$69		\$1,296	\$289	\$1,063		\$1,063
96300 Payments in Lieu of Taxes	\$0	\$490		\$954	\$2,768	\$4,212		\$4,212
96400 Bad debt - Tenant Rents	\$1,119			\$3,186	\$481	\$4,786		\$4,786
96500 Bad debt - Mortgages	\$0					\$0		\$0
96600 Bad debt - Other	\$0					\$0		\$0
96800 Severance Expense	\$0					\$0		\$0
96000 Total Other General Expenses	\$14,604	\$559	\$149,859	\$14,378	\$6,215	\$185,615	\$0	\$185,615
96710 Interest of Mortgage (or Bonds) Payable	\$0	\$11,979				\$11,979		\$11,979
96720 Interest on Notes Payable (Short and Long Term)				\$8,771		\$8,771		\$8,771
96730 Amortization of Bond Issue Costs	\$0					\$0		\$0
96700 Total Interest Expense and Amortization Cost	\$0	\$11,979	\$0	\$8,771	\$0	\$20,750	\$0	\$20,750
96900 Total Operating Expenses	\$707,633	\$55,265	\$150,290	\$708,893	\$2,106,041	\$3,728,122	-\$2,006,859	\$1,721,263
97000 Excess of Operating Revenue over Operating Expenses	\$181,716	-\$10,433	-\$150,270	\$197,629	\$416,468	\$635,110	\$0	\$635,110

Housing Authority of Sunnyside, Washington (WA035)  
Financial Data Schedules  
December 31, 2015

	Project Total	10.415 Rural Rental Housing Loans	6.1 Component Unit - Discretely Presented	10.405 Farm Labor Housing Loans and Grants	2 State/Local	Subtotal	ELIM	Total
97100 Extraordinary Maintenance	\$12,492			\$7,899		\$20,391		\$20,391
97200 Casualty Losses - Non-capitalized	\$0					\$0		\$0
97300 Housing Assistance Payments	\$0					\$0		\$0
97350 HAP Portability-In	\$0					\$0		\$0
97400 Depreciation Expense	\$125,547	\$5,412		\$142,077	\$35,326	\$308,362		\$308,362
97500 Fraud Losses	\$0					\$0		\$0
97600 Capital Outlays - Governmental Funds								
97700 Debt Principal Payment - Governmental Funds								
97800 Dwelling Units Rent Expense	\$0					\$0		\$0
90000 Total Expenses	\$845,672	\$60,677	\$150,290	\$858,869	\$2,141,367	\$4,056,875	-\$2,006,859	\$2,050,016
10010 Operating Transfer In	\$9,232					\$9,232	-\$2,006,859	-\$1,997,627
10020 Operating transfer Out	-\$9,232					-\$9,232	\$2,006,859	\$1,997,627
10030 Operating Transfers from/to Primary Government	\$0					\$0		\$0
10040 Operating Transfers from/to Component Unit	\$0					\$0		\$0
10050 Proceeds from Notes, Loans and Bonds								
10060 Proceeds from Property Sales								
10070 Extraordinary Items, Net Gain/Loss	\$0					\$0		\$0
10080 Special Items (Net Gain/Loss)	\$0					\$0		\$0
10091 Inter Project Excess Cash Transfer In	\$0					\$0		\$0
10092 Inter Project Excess Cash Transfer Out	\$0					\$0		\$0
10093 Transfers between Program and Project - In	\$0					\$0		\$0
10094 Transfers between Project and Program - Out	\$0					\$0		\$0
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$43,677	-\$15,845	-\$150,270	\$47,653	\$381,142	\$306,357	\$0	\$306,357
11020 Required Annual Debt Principal Payments	\$0	\$3,837	\$0	\$65,818	\$0	\$69,655		\$69,655
11030 Beginning Equity	\$2,092,178	-\$61,486	\$0	\$2,120,300	\$2,316,661	\$6,467,653		\$6,467,653
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$9,437	-\$253	\$1,544,243	-\$1,749	-\$354	\$1,551,324		\$1,551,324

Housing Authority of Sunnyside, Washington (WA035)  
Financial Data Schedules  
December 31, 2015

	Project Total	10.415 Rural Rental Housing Loans	6.1 Component Unit - Discretely Presented	10.405 Farm Labor Housing Loans and Grants	2 State/Local	Subtotal	ELIM	Total
11050 Changes in Compensated Absence Balance								
11060 Changes in Contingent Liability Balance								
11070 Changes in Unrecognized Pension Transition Liability								
11080 Changes in Special Term/Severance Benefits Liability								
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents								
11100 Changes in Allowance for Doubtful Accounts - Other								
11170 Administrative Fee Equity								
11180 Housing Assistance Payments Equity								
11190 Unit Months Available	1680	60		1392	288	3420		3420
11210 Number of Unit Months Leased	1635	53		1276	275	3239		3239
11270 Excess Cash	\$272,055					\$272,055		\$272,055
11610 Land Purchases	\$0					\$0		\$0
11620 Building Purchases	\$0					\$0		\$0
11630 Furniture & Equipment - Dwelling Purchases	\$10,416					\$10,416		\$10,416
11640 Furniture & Equipment - Administrative Purchases	\$0					\$0		\$0
11650 Leasehold Improvements Purchases	\$101,307					\$101,307		\$101,307
11660 Infrastructure Purchases	\$23,442					\$23,442		\$23,442
13510 CFFP Debt Service Payments	\$0					\$0		\$0
13901 Replacement Housing Factor Funds	\$0					\$0		\$0