



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

May 20, 2021

Board of Commissioners
Housing Authority of Island County
Coupeville, Washington

Contracted CPA Firm's Audit Report on Financial Statements

We have reviewed the audit report issued by a certified public accounting (CPA) firm on the financial statements and compliance with federal grant requirements of the Housing Authority of Island County for the fiscal year ended September 30, 2019. The Housing Authority contracted with the CPA firm for this audit and requested that we accept it in lieu of performing our own audit.

Based on this review, we have accepted this report in lieu of the audit required by RCW 43.09.260. The Office of the Washington State Auditor did not audit the accompanying financial statements or the Housing Authority of Island County's 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 Office of the Washington State Auditor website as a matter of public record.

Sincerely,

Pat McCarthy
State Auditor
Olympia, WA

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HOUSING AUTHORITY OF ISLAND COUNTY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED SEPTEMBER 30, 2019



Loveridge Hunt & Co., PLLC
CERTIFIED PUBLIC ACCOUNTANTS

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Housing Authority of Island County
Schedule of Findings and Questioned Costs
Year Ended September 30, 2019

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? X Yes No

- Significant deficiency(ies) identified that
are not considered to be material weaknesses Yes X No

Noncompliance material to financial statements Yes X No

FEDERAL AWARDS

Internal control over major programs:

- Material weakness(es) identified? Yes X No

- Significant deficiency(ies) identified that
are not considered to be material weaknesses Yes X No

Type of auditor's report issued on compliance
for major programs: Unmodified

Any audit findings disclosed that are required
to be reported in accordance with Uniform Guidance? Yes X No

Identification of major program:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
14.871	Section 8 Housing Choice Vouchers
14.872	Capital Fund Program

Housing Authority of Island County

Schedule of Findings and Questioned Costs - (Continued)

Year Ended September 30, 2019

SECTION I - SUMMARY OF AUDITOR'S RESULTS - (Continued)

Dollar threshold used to distinguish between

Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee:

 X Yes No

SECTION II - FINANCIAL STATEMENT FINDINGS

Finding:

2019-001

Perspective:

During our review of the financial records prepared by management, we performed procedures to reconcile the Schedule of Expenditures of Federal Awards ("SEFA") and HUD FDS to underlying financial records and grant agreements. We also performed procedures to reconcile cash and revenue to underlying financial records.

Criteria:

In accordance with 2 CFR Part 200 *Uniform Administrative Requirements, Cost Principles and Audit Requirements For Federal Awards*, §200.510(b), the Authority must prepare a SEFA which must include the total Federal awards expended as determined in accordance with §200.502 Basis for determining Federal awards expended. Also, the Authority must properly design, implement, and maintain effective internal controls to ensure that financial information is reliable and properly reported in conformity with U.S. generally accepted accounting principles

Condition:

The initial SEFA was understated by approximately \$168,000. This was primarily due to the incorrect recording of funds related to the Capital Fund Program. A draw of approximately \$65,000 was recorded as a reduction to revenue instead of an increase covering about \$130,000 of the understatement of the SEFA and a related understatement of cash and revenue. In addition, about \$38,000 of CFP funds were recorded as a reduction to fixed assets. The amount should have been recorded as revenue. This entry caused revenue and fixed assets to be understated by \$38,000.

Cause:

Management's internal bank reconciliation review process did not discover the error regarding the deposit and management was not reconciling Capital Fund draws during the year.

Housing Authority of Island County

Schedule of Findings and Questioned Costs - (Continued)

Year Ended September 30, 2019

SECTION II - FINANCIAL STATEMENT FINDINGS - (Continued)

Effect or potential effect:

The SEFA was understated by approximately \$168,000. Potential effects of the conditions noted could result in errors in the determination of major federal programs for compliance testing and misstatement of the audited FDS submission to HUD. Cash was understated by approximately \$130,000 and revenue was understated by approximately \$168,000.

Recommendation:

We recommend the Authority develop a process to review and verify the amounts on the FDS and SEFA to ensure accuracy and completeness of the reports. We also recommend the Authority to review their bank reconciliation process and work on ways to strengthen that control.

Views of Responsible Officials:

See Corrective Action Plan.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No findings were noted.



HOUSING AUTHORITY OF ISLAND COUNTY

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Response/Corrective Action for Audit finding FY 2019 Audit

Housing Authority of Island County

Finding - Financial Statements:

Finding 2019-001

Recommendation:

We recommend the Authority develop a process to review and verify the amounts on the FDS and SEFA to ensure accuracy and completeness of the reports. We also recommend the Authority to review their bank reconciliation process and work on ways to strengthen that control.

Material Misstatement of Capital Fund Receipts/SEFA Understatement: This was a clerical oversight that resulted in the Capital Fund showing less on the statements due to improper recording.

Action taken: We concur with the recommendation and the corrective action plan discussed below was implemented on December 1, 2019.

Corrective Action:

1. Once the clerical error was discovered, the correcting Journal entries were made.
2. We will reconcile CFP draws throughout the year as we do our monthly bank reconciliations to ensure they are recorded properly.
3. The statements and the FDS have been updated to reflect the correct amounts.

Contact Person:

Teri Anania, Executive Director of Housing Authority of Island County, 360-678-4181



Loveridge Hunt & Co., PLLC
CERTIFIED PUBLIC ACCOUNTANTS

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
Housing Authority of Island County
Coupeville, 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 of the business-type activities and the discretely presented component unit of the Housing Authority of Island County (the Authority) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 20, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the 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 Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 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 and therefore material weaknesses or significant deficiencies may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as item 2019-001 that we consider to be a material weakness.

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 - (CONTINUED)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters, 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*.

The Authority's Response to Findings

The Authority response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Authority response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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

Loveridge Hunt & Co., PLLC

Bellevue, Washington

November 20, 2020



Loveridge Hunt & Co., PLLC
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Commissioners
Housing Authority of Island County
Coupeville, Washington

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of Island County's (the Authority) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on the Authority's major federal programs for the year ended September 30, 2019. The Authority's major federal programs are 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.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major federal programs 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 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 each major federal program. However, our audit does not provide a legal determination of the Authority's compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE - (CONTINUED)

Opinion on Each Major Federal Program

In our opinion, the Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2019.

Report on Internal Control Over Compliance

Management of the 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 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 our 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 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.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE - (CONTINUED)

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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.

Loveridge Hunt & Co., PLLC

Bellevue, Washington

November 20, 2020



Loveridge Hunt & Co., PLLC
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS

Board of Commissioners
Housing Authority of Island County
Coupeville, Washington

Report on Financial Statements

We have audited the accompanying financial statements of the business-type activities and the discretely presented component unit of the Housing Authority of Island County (the Authority), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the Authority's 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.

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 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 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.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS - (CONTINUED)

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 business-type activities and the discretely presented component unit of the Authority as of September 30, 2019, 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 13 to 18 and pension schedules on page 38 to 39 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 the financial reporting for placing the basic financial statements in an appropriate operation, economic or historical context. We have applied certain limited procedures to the required supplemental 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 that collectively comprise the Authority's basic financial statements. The Schedule of Expenditures of Federal Awards on page 40 is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Awards Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) and is not a required part of the basic financial statements. The Financial Data Schedule on pages 42 to 46 and the Actual Modernization Cost Certificate on page 47 to 48 are presented for the purpose of additional analysis as required by HUD, and are also not a required part of the basic financial statements.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS - (CONTINUED)

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. Such 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 accepted in United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic 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 November 20, 2020, on our consideration of the 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's 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 Authority's internal control over financial reporting and compliance.

Loveridge Hunt & Co., PLLC

Bellevue, Washington

November 20, 2020

FINANCIAL SECTION

Housing Authority of Island County
Management Discussion and Analysis
Year Ending September 30, 2019

As management of the Housing Authority of Island County (the Authority), we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ending September 30, 2019. Bayview Greens, LLC is also presented in the financial statements. The analysis of the financial activities for Bayview Greens, LLC is for the fiscal year ending December 31, 2018. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements.

Entity Overview

The Housing Authority of Island County is a municipal corporation incorporated in the State of Washington and governed by a six-member board. Board members are appointed by the Board of Island County Commissioners. The financial performance discussed in the following analyses does not include the Bayview Greens, LLC. The Bayview Greens, LLC is owned by a separate limited liability company with the Authority acting as the managing member. This separate legal entity is not carried directly on the books of the Authority but is listed as a component unit in the Authority's financial statements.

Financial Highlights

- The assets and deferred outflows of the Authority exceeded its total liabilities and deferred inflows at the close of the most recent fiscal year by \$2,088,805 (net position). This represents an increase of \$244,175. This increase is the result of increased grant funding and increase in operating costs. At the close of the current fiscal year, the Authority expended \$2.8 million in federal grant revenues.
- The Authority's cash balance at September 30, 2019 was \$309,439 representing a decrease of \$130,719 from September 30, 2018.
- The Authority had operating revenues of \$2,937,576 and operating expenses of \$3,011,818 less the depreciation expense.

Overview of the Financial Statements

The discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements. The Authority's basic financial statements comprise three components: 1) entity-wide financial statements, 2) required supplementary financial information, and 3) notes to the financial statements.

Financial Statements

The Authority presents entity-wide financial statements. For more information on the separate federal programs of the Authority, see the list on the Schedule of Expenditures of Federal Awards (SEFA). The Authority is considered a "Special Purpose Government"; therefore the U.S. Department of Housing and Urban Development (HUD) has recommended this model be used.

In accordance with the reporting requirements of accounting principles generally accepted in the United States of America (GAAP), the statements include, "Statement of Net Position", "Statement of Revenues, Expenses and Changes in Net Position", and the "Statement of Cash Flows".

The Authority's entity-wide financial statements include:

Statement of Net Position – The Statement of Net Position reports all financial and capital resources as well as obligations of the Authority. The statement is presented in the format where assets minus liabilities equal Net Position (formerly referred to as net assets). Assets and liabilities are presented in order of

liquidity, and are classified as Current (convertible into cash within one year), and Non-current. The Statement of Net Position is designed to represent the available liquid (non-capital) assets, net of liabilities, for the entire Authority. Net Position is reported in three 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 borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted: This component of Net Position consists of restricted assets where constraints have been placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc., net of any offsetting associated liabilities.

Unrestricted: This component of Net Position consists of assets that do meet the definitions of Invested in Capital Assets, Net of Related Debt or Restricted.

Statement of Revenues, Expenses, and Changes in Net Position – This statement includes Operating Revenues, such as rental income, Operating Expenses such as administrative expenses, utilities and maintenance expenses, and depreciation; and Non-Operating Revenue and Expenses, such as grant revenue, investment income and interest expense. This statement presents information showing how the Authority's Net Position, as described above, changed during the year. The focus of the Statement of Revenues, Expenses and Changes in Net Position is the change in Net Position, which is similar to Net Income or Loss. All changes in Net Position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Statement of Cash Flows – This Statement of Cash Flows discloses net cash provided by, or used for operating activities, non-capital financing activities, capital and related financing activities, and investing activities. This statement shows where cash came from, how it was used, and the change in the cash balance during the year.

The Authority's basic financial statements also include notes to the financial statements that explain some of the information in the entity-wide financial statements and provides more data supporting the numbers in these statements.

Other Supplementary Financial Information

Effective September 1, 1998 the Department of Housing and Urban Development's Real Estate Assessment Center (REAC) established standards for the submission of "Uniform Financial Reporting Standards for HUD Housing Programs". The standards include the creation of GAAP based "Financial Data Schedules" and electronic reporting requirements. The reports are a more easily readable fund based columnar format that is inclusive of all HUD and public fund financial reports of the Authority. The reports include an "Entity Wide Balance Sheet" and an "Entity Wide Revenue and Expense Summary".

In addition to the REAC standard reporting, the Authority prepares a SEFA. This report is presented on a full accrual GAAP basis.

Notes to the Financial Statement

The "Notes to the Financial Statements" provide additional information that is essential to a full understanding of the data provided in the proprietary financial statements. They are intended to disclose all pertinent matters as prescribed under GAAP.

Authority-Wide Financial Analysis

A brief condensed comparative analysis of current and prior year net financial position and performance follows:

Statements of Net Position
As of September 30

	<u>2019</u>	<u>2018</u>
Current and other Assets	\$880,674	\$ 987,129
Capital Assets	4,647,015	4,386,492
Deferred outflows	<u>24,081</u>	<u>21,942</u>
 Total Assets and deferred outflows	 \$ <u>5,551,770</u>	 \$ <u>5,395,563</u>
Long-term debt outstanding	\$ 2,970,637	\$ 2,991,613
Other liabilities	<u>371,920</u>	<u>447,971</u>
 Total Liabilities	 \$ 3,342,557	 \$ 3,439,584
Deferred inflow	120,408	110,108
Net Position		
Net Investment in Capital Assets	\$ 1,657,266	\$ 1,394,885
Restricted	152,163	121,465
Unrestricted	<u>279,376</u>	<u>329,521</u>
 Total Net Position	 2,088,805	 1,845,871
Total liabilities and net position and deferred inflows	\$ <u>5,551,770</u>	\$ <u>5,395,563</u>
 Operating Revenues		
Net tenant rental revenue	\$ 564,717	\$ 539,848
Other Revenue	76,696	104,625
HUD Operating Subsidy	<u>2,296,163</u>	<u>2,209,916</u>
Total operating revenue	\$ 2,937,576	\$ 2,854,389
Non-operating Revenue		
Other government grants	\$ 122,946	\$ 127,390
Capital grants	419,432	64,143
Other non-operating revenue	<u>14,907</u>	<u>2,010</u>
 Total Revenue	 \$ 3,494,861	 \$ 3,047,932
Operating Expenses		
Administrative	\$ 463,974	\$ 422,946
General	10,274	16,760
Tenant Services	51,269	50,519
Housing Assistance Payments	1,910,200	1,803,524
Utilities	233,856	240,876
Maintenance and Operations	318,131	334,823
Insurance	24,114	17,064
Depreciation expense	<u>185,086</u>	<u>186,692</u>
Total Operating Expenses	\$ 3,196,904	\$ 3,073,204

Non-Operating expense		
Interest Expense	\$ 53,499	\$ 25,197
Loss on disposal of fixed assets	283	<u>858</u>
Total Expenses	\$ 3,250,686	\$ 3,096,542
Change in Net Position	244,175	(51,327)
Net Position, Beginning as previously stated	\$ 1,845,871	\$ 1,886,695
Prior Period Adjustments/Equity Transfer	<u>(1,241)</u>	<u>10,503</u>
Ending Net Position	\$ <u>2,088,805</u>	\$ <u>1,845,871</u>

Current and other assets decreased by \$103,060 in 2019 as compared to 2018. Capital assets increased by \$260,523.

Grants (State/Federal) decreased by 4% in 2019 compared to 2018, largely due to the decrease in county grant funds. Capital grant revenue increased due to the projects completed during the fiscal year.

For 2019, there was an overall excess of revenues over expenses. During 2019, the Housing Assistance revenues did not provide adequate revenue for HAP expenses in the Section 8 program. The Authority has had to rely on unrestricted funds in that program to meet its HAP obligations.

Net Position may serve over time as a useful indicator of a government's financial position. In the case of the Authority, net position totaled \$2,088,805 at the close of the most recent fiscal year. The total assets are reported at \$5,551,770 of which \$4,647,015 is capital assets, and \$880,674 is other assets. Restricted Net Position balance totaled \$152,163, and Unrestricted Net Position balance totaled \$279,376.

Nearly all of the Authority's assets (84%) reflect its investment in capital assets, (e.g. buildings, improvements, and equipment). The Authority uses these capital assets to provide housing services to low and moderate income tenants; consequently, these assets are not available for future spending.

The unrestricted Net Position of the Authority are available for future use to provide additional housing services and resources.

Management's Overall Financial Analysis

Management's analysis of the Authority's overall financial position and results of financial operations indicates an increase in Net Position of \$242,934. This increase however, included a financial accounting decrease for depreciation of \$185,086. Without depreciation and the Net Position would have shown an increase of \$428,020. With the majority of the Authority's assets invested in appreciating real property, real growth in economic value is likely well in excess of the financial accounting decrease. There are no significant restrictions, commitments or other limitations which significantly affect the availability of resources for future use.

Capital Assets

As of September 30, 2019, the Authority's investment in capital assets for its activities was \$4,647,015 (net of accumulated depreciation). There is related debt of \$2,970,637 which results in net investment in capital assets of \$1,657,266. This investment in capital assets includes buildings, construction in progress, land and equipment. During fiscal year 2019, the Authority had no capital purchases but did significant improvements to their properties. A schedule of Capital Asset activity is included in Note 4.

Long-Term Debt

The long-term debt of the Authority consists of two separate items. The majority of debt consists of loans incurred for the purpose of acquisition of real property providing low and moderate-income housing. The total loan liabilities reported by the Authority are \$2,989,569 of which \$2,970,637 is classified as non-current and \$18,932 is classified as current liabilities.

The Authority began the year with a beginning balance of \$2,991,613 beginning balance in long-term debt and made net payments on outstanding notes of \$2,044.

The Authority is in good standing with all debt obligations and foresees no imminent difficulties with meeting its scheduled payment obligations.

A "Schedule of Long-Term Debt" is included in Note 8 to the financial statements.

Economic factors that impact the authority are as follows:

- Federal funding which is at the discretion of the U. S. Department of Housing and Urban Development
- Local inflationary, trends, which can affect the costs of operating and maintaining properties.
- Inflationary increases in utility costs, supplies and other costs which affect the cost to operate our programs.
- Due to age of some properties, maintenance costs have exceeded Capital Fund revenues (Public Housing), and in other non-public housing projects, significant repairs to systems have exceeded the cash flow of the project.
- Reduction in Operations and Maintenance dollars provided by Island County Homeless Housing Funds to Operate and Maintain the Emergency Shelter units at Marjie's House.

Contacting the Authority's Financial Management

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, Housing Authority of Island County, 7 NW 6th Street, Coupeville, WA 98239.

Housing Authority of Island County

Statement of Net Position
As of September 30, 2019

	Total - HAIC	Bayview Greens, LLC as of 12/31/2018
Assets		
Current Assets		
Cash and cash equivalents	\$ 309,439	\$ 140,687
Investments - unrestricted	15,273	-
Investments - restricted (Note 1e & 3)	150,738	-
Receivables - net of allowance	17,686	2,038
Inventories - net of allowance	5,833	-
Prepaid expenses & other assets	52,921	2,980
Total Current Assets	551,890	145,705
Non current Assets		
Capital assets		
<i>Land</i>	1,070,397	-
<i>Buildings/Improvements</i>	7,333,282	5,846,003
<i>Equipment, Furniture and Machinery</i>	450,797	13,679
<i>Leasehold improvements</i>	440,763	-
<i>Accumulated Depreciation</i>	(4,648,224)	(744,203)
Developer Fee Receivable	168,823	-
Receivable - Sponsor loan to Bayview Greens	159,961	-
Total Non current Assets	4,975,799	5,115,479
Total Assets	5,527,689	5,261,184
Deferred Outflows of Resources		
Deferred outflows related to pensions	24,081	-
Liabilities		
Current Liabilities		
Accounts payable	3,000	38,511
Accrued liabilities	70,480	288
Tenant security deposits	38,750	15,580
Current portion of long-term debt	18,932	114,054
Total Current Liabilities	131,162	168,433
Non current Liabilities		
Long term debt, net of current (Note 8)	2,970,637	3,706,906
Other long term liabilities	66,739	168,823
Net Pension Liability	174,019	-
Total Non current Liabilities	3,211,395	3,875,729
Total Liabilities	3,342,557	4,044,162
Deferred Inflows of resources		
Deferred inflows related to pensions	120,408	-
Net Position		
Net Investment of Capital Assets	1,657,266	-
Restricted net position	152,163	-
Unrestricted net position	279,376	1,217,022
Total Net Position	2,088,805	1,217,022
Total Liabilities, Deferred inflows of resources and Net Position	\$ 5,551,770	\$ 5,261,184

The notes to the financial statements are an integral part of this statement

Housing Authority of Island County
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ending September 30, 2019

		Bayview Greens, LLC
	Total	as of 12/31/2018
<u>Operating Revenues</u>		
Rental income	\$ 558,048	\$ 225,787
Tenant Revenue Other	6,669	3,026
HUD Operating Revenue	2,296,163	-
Other Revenue	76,696	-
Total Operating Revenue	<u>2,937,576</u>	<u>228,813</u>
<u>Operating Expenses</u>		
Administrative	463,974	60,320
General	10,274	-
Tenant services	51,269	-
Housing assistance	1,910,200	-
Utilities	233,856	38,945
Insurance Expense	24,114	11,343
Maintenance	318,131	42,265
Depreciation	185,086	207,684
Total Operating Expense	<u>3,196,904</u>	<u>360,557</u>
Operating Income (Loss)	(259,328)	(131,744)
<u>Non operating Revenues (Expenses)</u>		
Grants (state/Federal)	122,946	-
Interest income	5,813	-
Gain (Loss) from disposition of property	(283)	-
Fraud loss recovery	9,094	-
Mortgage interest expense	(53,499)	(98,649)
Total Nonoperating Revenue(Expense)	<u>84,071</u>	<u>(98,649)</u>
Income before Contributions and Special Items	(175,257)	(230,393)
Capital Contributions		
Capital Grants	419,432	-
Change in Net Position	<u>244,175</u>	<u>(230,393)</u>
Beginning Net Position as of September 30, 2018	1,845,871	1,447,415
Prior Period Adjustment	(1,241)	-
Ending Net Position as of September 30, 2019	<u>\$ 2,088,805</u>	<u>\$ 1,217,022</u>

The notes to the financial statements are an integral part of this statement

Housing Authority of Island County
Cash Flow Statement For the Year Ending September 30, 2019

Cash flows from operating activities

Receipts from Tenants	\$ 555,596
HUD Operating Grants	2,296,163
Other Operating Receipts	75,455
Payments to Suppliers	(524,188)
Payments to Employees	(673,149)
Payments for Housing Assistance	(1,910,200)
Net cash provided (used) by operating activities	<u>(180,323)</u>

Cash flows from noncapital financing activities

Miscellaneous non capital financing activities	9,094
Grant Revenue	122,946
Net cash provided by noncapital financing activities	<u>132,040</u>

Cash flows from capital and related financing activities

Capital grants from governmental sources	419,432
Interest paid on long-term debt	(53,499)
Proceeds from refinance	450,000
Principal paid on refinanced debt	(429,239)
Principal paid on long-term debt	(22,805)
Purchase and sale of capital assets	(448,745)
Net cash provided (used) by capital & related financing activities	<u>(84,856)</u>

Cash flows from investing activities

Interest	769
Investments Restricted Net Change	(88,681)
Investments Unrestricted Net Change	90,332
Net cash provided (used) by investment activity	<u>2,420</u>

Net increase (decrease) in cash and cash equivalents	(130,719)
Balance - Beginning of Year	440,158
Balance - End of Year	<u><u>\$ 309,439</u></u>

Reconciliation of operating income to net cash provided from operating activities

Operating income	\$ (259,328)
Adjustments to cash basis:	
Accumulated depreciation	185,086
Prior period adjustment	(1,241)
Decrease in accounts receivable	(9,121)
Increase in prepaid expenses/other assets	(11,092)
Increase in accrued liabilities	(15,523)
Increase in security deposits	3,350
Decrease in non current liabilities	82,779
Decrease in net pension liability	(157,428)
Decrease in inventory	(658)
Adjustments	<u>76,152</u>
Net cash provided (used) by operating activities	<u><u>\$ (183,176)</u></u>

The notes to the financial statements are an integral part of this statement.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Housing Authority of Island County 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 (including identification of those policies which result in departures from generally accepted accounting principles):

- a) Reporting Entity The Housing Authority of Island County is a municipal corporation governed by an appointed six-member board of directors. As required by GAAP management has considered all potential component units in defining the reporting entity. These financial statements represent the activities of the Housing Authority of Island County for the stated period and date. Bayview Greens, LLC of which the Housing Authority is the managing member has a fiscal year end date of 12/31/2018 and is reported as discretely presented component unit.
- b) Basis of Accounting and Presentation The accounting records of the 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 GAAP; however it has the option to use either the single enterprise proprietary fund or the special purpose governmental fund model. The Authority has elected to report as a single enterprise proprietary fund model and uses the accrual basis of accounting. The measurement focus is on the flow of economic resources. The propriety fund is composed of a number of programs. These programs are designed to provide low income individuals with housing.
- c) Proprietary funds 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.
- d) Cash and Cash Equivalents For the purposes of the statement of cash flows, the authority considers all highly liquid investments (including restricted investments) with maturities of three months or less when purchased to be cash equivalents. Deposit accounts are secured by the Federal Deposit Insurance Corporation (FDIC) and the Washington Public Deposit Protection Commission (WPDPC). The WPDPC is a risk sharing pool of public depository banks. The Authority transfers funds to other institutions to remain within the FDIC \$250,000 insurance as the securities mature. See note 3.
- e) Capital Assets See Note 4.
- f) Restricted Assets In accordance with certain agreements and Washington State Landlord-Tenant law separate restricted accounts are required to be established. The assets held in these accounts are reserved to specified purposes, and bear debt service and other special reserve requirements. Restricted resources currently include Family Self-Sufficiency Escrow Accounts; Operating and Replacement Reserves accounts; tenant security deposits; and Housing Assistance Payment accounts.
- g) Accounts Receivable Accounts receivable consist of amounts due from grantor agencies and unpaid rents due the Authority. Uncollectible accounts occur when tenants depart. The Authority estimates its reserve for doubtful accounts based upon a three-year running average of collection losses. Individual tenant accounts are written off after six months of unsuccessful collection efforts.

- h) Inventories Inventories are valued using the first in, first out (FIFO) method which approximates the current market value. Maintenance and cleaning supplies inventory is accounted for in the public housing program account. Supplies used from this inventory for non-HUD programs are charged to the appropriate program and the HUD program is reimbursed. During the fiscal year supplies purchases are charged to the public housing program account. At the end of the year an inventory of supplies is taken and the public housing program account is adjusted as to supplies expense and inventory.
- i) Investments and Custodial Risks The funds of the Authority are invested in deposit accounts in accordance with RCW 35.82.070 (6) and HUD Financial Management Handbook 7475.1 Chapter 4. The Authority invests in savings accounts, money market accounts, and certificates of deposit at banks that are qualified depositories as designated by the Washington Public Deposit Protection Commission (WPDPC) pursuant to RCW 39.58. The WPDPC is a risk sharing pool whereby member banks that are designated as “qualified public depositories” mutually insure public deposits against loss. The Authority transfers investments between financial institutions as they mature to maintain full FDIC insurance for all Authority deposits and investments.
- j) Operating Revenues/Expenses The Authority reports operating revenues as described in GASB 9. Operating revenues result from fees and charges from providing low-income housing. Capital grants are reported as non-operating revenues and presented as cash flows from non-capital financing activities in the statement of cash flows. Operating expenses are those that are directly incurred in the operation of providing low-income housing and are reported as operating expenses.
- k) Compensated Absences Compensated absences are absences for which employees will be paid, such as vacation (and sick) leave. Since September 1, 1996, the Authority’s employees earn Paid Time Off (PTO) which can be used for either vacation or sick leave. PTO may be accrued up to 520 hours. Balances in these accounts were used to determine accrued compensated absences. HAIC began a revision to the current PTO program to a Vacation/Sick leave program. This change began 1 July 2016 and will be phased in over a 3-year period. The change eliminates PTO cash outs and requires employees to use their vacation time or lose it. The new program was fully implemented on June 30, 2019.
- l) Amounts Due To and From Other Programs, and Interfund Loans Activity between programs that represent borrowing arrangements outstanding at the end of the year are referred to as inter-program loans. All other outstanding balances between programs are reported as due to/from other programs. “Due To” and “Due From” include short-term inter-program receivables and payables. When “Due To” and “Due From” would result in a net of zero, those items are not included on the financial statements. The Authority uses the “Due To” and “Due From” for transactions from the Capital Fund to Public Housing.
- m) Pensions For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of all state sponsored pension plans and additions to/deductions from those plans’ fiduciary net position have been determined on the same basis as they are reported by the Washington State Department of Retirement Systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.
- n) Use of Estimates The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.
- o) Subsequent Events Subsequent events have been evaluated through November 20, 2020, which is the date the financial statements were available to be issued.

NOTE 2 – STEWARDSHIP COMPLIANCE AND ACCOUNTABILITY

The Authority incurred no violations of finance-related legal or contractual provisions during the reporting period.

NOTE 3 – DEPOSITS AND INVESTMENTS

a) Deposits The Authority's deposits and certificates of deposit are covered by the FDIC or by WPDPC participation by the financial institution where applicable. The Authority transfers funds to other institutions to remain within the FDIC \$250,000 insurance as the securities mature. See also notes 1 c and h)

b) Investments As of September 30, 2019 the Authority held the following investments and deposits:

	Investments	Maturity	Amount
Bank deposit accounts	The Authority invests in savings accounts, money market accounts, and certificates of deposit at banks that are qualified depositories in accordance with RCW 35.82.070 (6) and HUD Financial Management Handbook 7475.1 Chapter 4.	N/A	\$ 309,439
Bank certificates of deposit		Various	\$ 166,011
		Total	\$ 475,450

NOTE 4 – CAPITAL ASSETS

Major expenses for capital assets, including major repairs that increase useful lives, are capitalized. Maintenance, repairs and minor renewals are accounted for as expenses when incurred.

Capital assets are defined by the authority as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets are recorded at cost.

Depreciation is computed on a straight-line method over the estimated useful lives of the assets, which are buildings 40 years and equipment 5-10 years.

The Authority made expenditures for capital assets and lease hold improvements totaling \$448,745 during the year ending September 30, 2019.

	Beginning Balance	Acquisitions	Dispositions	Ending Balance
Capital Assets not being depreciated:				
Land	\$ <u>1,070,397</u>			\$ <u>1,070,397</u>
Total Capital Assets not being depreciated	\$1,070,397			\$1,070,397
Capital Assets being depreciated:				
Buildings	\$7,336,537	\$ 17,001	\$ (20,256)	\$7,333,282
Equipment	\$431,750	\$ 19,047		\$450,797
Leasehold Improv._	<u>\$28,066</u>	<u>\$412,697</u>	<u>0</u>	<u>\$440,763</u>
Total Capital Assets being depreciated	\$7,796,353	\$ 448,745	\$(20,256)	\$8,224,842
Less Accumulated, Depreciation	<u>(\$4,480,258)</u>	<u>(185,086)</u>	<u>17,120</u>	<u>(\$4,648,224)</u>
Total capital asset NET	\$ <u>4,386,492</u>	\$ <u>263,659</u>	\$ <u>(3,136)</u>	\$ <u>4,647,015</u>

NOTE 5 – CONSTRUCTION IN PROGRESS

The Authority had no construction in progress during the period ending September 30, 2019.

NOTE 6 – SHORT TERM DEBT

The Authority did not use short term borrowing during the fiscal year ended September 30, 2019. Credit card statements are paid in full within one week of receipt. Payroll tax obligations are paid by EFTSB transfer on the date of payroll.

NOTE 7 – LEASE COMMITMENTS

The Authority has two lease commitments, one is for our postage meter with Pitney Bowes, and the other is with MacGray for the laundry equipment at the Public Housing complexes. Both are considered operating leases.

NOTE 8 – LONG TERM DEBT AND LIABILITIES

- a) Revenue Bonds The Authority issued no revenue bonds during the period.
- b) Refunding Bonds The Authority refunded no bond issues during the period.
- c) Real Estate Mortgages The Authority is obligated for long term commercial loans and loans from the Washington State Housing Trust Fund (HTF) secured by capital assets. These loans were used to acquire capital assets that provide low income housing. The loans are being repaid by revenues generated by the Authority.

Property (Lender)	Original Amount	Issue Date	Interest Rate	Term	Installments	Outstanding Amount
Islander Apts. (HTF)	\$280,000	April 1993	0%	50 years	\$6,400/year	\$153,600
Glenhaven Apts. (HTF)	\$300,000	June 2001	1%	50 years	\$7,653.82/year	\$208,713
Marjie's House (Island County)	\$100,000	February 2005	0.00%	20 years	\$5,000/year	\$30,000
Glenhaven Apts (Peoples Bank)	\$450,000	Jan 2019	5.9%	15 years-amortized over 30	2,920.66/month	\$444,187
					Total	\$836,500

Year Ending (Date)	Principal	Interest
2020	\$25,319	\$28,783
2021	\$25,973	\$28,129
2022	\$26,543	\$27,513
2023	\$27,339	\$26,863
2024	\$28,508	\$25,994
2025-2029	\$132,745	\$117,765
2030-2034	\$391,767	\$78,138
2035-2039	\$64,966	\$5,303
2040-2044	\$61,298	\$3,621
2045-2049	\$36,965	\$1,854
2050-2051	\$15,077	\$227
TOTAL	\$836,500	\$344,190

Service requirements to maturity for mortgages are as follows:

The above schedule does not reflect the recoverable grants since no principal or interest payments are due unless the Authority fails to fulfill its agreement to restrict use of the assets to low income housing only.

d. Changes in Long-Term Liabilities

	Beginning Balance 10/01/2018	Additions	Reductions	Ending Balance 09/30/2019	Due within One Year
Compensated Absences	\$61,339	0	\$ 26,618	\$34,721	\$34,721

Compensated absences are absences for which employees will be paid, such as vacation (and sick) leave. Since September 1, 1996 The Authority's employees earn Paid Time Off (PTO) which can be used for either vacation or sick leave. PTO may be accrued up to 520 hours. Balances in these accounts were used to determine accrued compensated absences. The entire balance is compensable on retirement. The Authority reports it as a current liability as employees can request a payout or take all of their PTO time within a year. Effective 1 July 2016, HAIC began phasing out the PTO program, employees earn vacation and sick leave. All previously earned PTO (prior to 1 July) the employee has the choice to take the PTO, move some to the sick leave bank or cash out the remaining PTO. Effective 30 June 2019, employees will be strictly on vacation/sick leave, and there will be no cash out of vacation days. Vacation is use or lose, but the sick leave bank can have up to 520 hours for personnel hired after 1 July 2016, and up to 720 for personnel hired prior to 1 July 2016. This enables those personnel that choose to move PTO to the sick leave bank to not be penalized. Vacation/sick leave will not be cashed out upon retirement.

e. Conduit debt

The Authority has no conduit debt.

f. Deferred Recoverable Grant Revenue

Property (Grantor)	Amount	Issue Date	Balance
Sunnyview Village (Island County)	\$575,000	August 2008	\$575,000
Glenhaven (Island County)	\$80,000	June 2008	\$80,000
Marjie's House (HTF)	\$1,498,150	February 2005	\$1,498,150
			\$2,153,150

Recoverable grants will be recognized as revenue once the eligibility requirements are met and the asset is being used for low income housing purposes.

NOTE 9 - PENSION PLAN

The following table represents the aggregate pension amounts for all plans subject to the requirements of the [GASB Statement 68, Accounting and Financial Reporting for Pensions](#) for the year 2019:

Aggregate Pension Amounts – All Plans	
Pension liabilities	\$174,019
Pension assets	\$ -
Deferred outflows of resources	\$ 24,081
Deferred inflows of resources	\$ 120,408
Pension expense/expenditures	\$ 8,090

State Sponsored Pension Plans

Substantially all the Authority's full-time and qualifying part-time employees participate in one of the following statewide retirement systems administered by the Washington State Department of Retirement Systems, under cost-sharing, multiple-employer public employee defined benefit and defined contribution retirement plans. The state Legislature establishes, and amends, laws pertaining to the creation and administration of all public retirement systems.

The Department of Retirement Systems (DRS), a department within the primary government of the State of Washington, issues a publicly available comprehensive annual financial report (CAFR) that includes financial statements and required supplementary information for each plan. The DRS CAFR may be obtained by writing to:

Department of Retirement Systems
Communications Unit
P.O. Box 48380
Olympia, WA 98540-8380

Or the DRS CAFR may be downloaded from the DRS website at www.drs.wa.gov.

Public Employees' Retirement System (PERS)

PERS members include elected officials; state employees; employees of the Supreme, Appeals and Superior Courts; employees of the legislature; employees of district and municipal courts; employees of local governments; and higher education employees not participating in higher education retirement programs. PERS is comprised of three separate pension plans for membership purposes. PERS plans 1 and 2 are defined benefit plans, and PERS plan 3 is a defined benefit plan with a defined contribution component.

PERS Plan 1 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service. The AFC is the average of the member's 24 highest consecutive service months. Members are eligible for retirement from active status at any age with at least 30 years of service, at age 55 with at least 25 years of service, or at age 60 with at least five years of service. Members retiring from active status prior to the age of 65 may receive actuarially reduced benefits. Retirement benefits are actuarially reduced to reflect the choice of a survivor benefit. Other benefits include duty and non-duty disability payments, an optional cost-of-living adjustment (COLA), and a one-time duty-related death benefit, if found eligible by the Department of Labor and Industries. PERS 1 members were vested after the completion of five years of eligible service. The plan was closed to new entrants on September 30, 1977.

Contributions

The **PERS Plan 1** member contribution rate is established by State statute at 6 percent. The employer contribution rate is developed by the Office of the State Actuary and includes an administrative expense component that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 1 employer contribution rates. The PERS Plan 1 required contribution rates (expressed as a percentage of covered payroll) for 2018 were as follows:

PERS Plan 1		
Actual Contribution Rates:	Employer	Employee*
September 2019		
PERS Plan 1	7.52%	6.00%
PERS Plan 1 UAAL	5.13%	6.00%
Administrative Fee	0.18%	
Total	12.83%	6.00%
June 2019		
PERS Plan 1	7.92%	6.00%
PERS Plan 1 UAAL	4.76%	
Administrative Fee	.18%	
Total	12.86%	6.00%

PERS Plan 2/3 provides retirement, disability and death benefits. Retirement benefits are determined as two percent of the member's average final compensation (AFC) times the member's years of service for Plan 2 and 1 percent of AFC for Plan 3. The AFC is the average of the member's 60 highest-paid consecutive service months. There is no cap on years of service credit. Members are eligible for retirement with a full benefit at 65 with at least five years of service credit. Retirement before age 65 is considered an early retirement. PERS Plan 2/3 members who have at least 20 years of service credit and are 55 years of age or older, are eligible for early retirement with a benefit that is reduced by a factor that varies according to age for each year before age 65. PERS Plan 2/3 members who have 30 or more years of service credit and are at least 55 years old can retire under one of two provisions:

- With a benefit that is reduced by three percent for each year before age 65; or
- With a benefit that has a smaller (or no) reduction (depending on age) that imposes stricter return-to-work rules.

PERS Plan 2/3 members hired on or after May 1, 2013 have the option to retire early by accepting a reduction of five percent for each year of retirement before age 65. This option is available only to those who are age 55 or older and have at least 30 years of service credit. PERS Plan 2/3 retirement benefits are also actuarially reduced to reflect the choice of a survivor benefit. Other PERS Plan 2/3 benefits include duty and non-duty disability payments, a cost-of-living allowance (based on the CPI), capped at three percent annually and a one-time duty related death benefit, if found eligible by the Department of Labor and Industries. PERS 2 members are vested after completing five years of eligible service. Plan 3 members are vested in the defined benefit portion of their plan after ten years of service; or after five years of service if 12 months of that service are earned after age 44.

PERS Plan 3 defined contribution benefits are totally dependent on employee contributions and investment earnings on those contributions. PERS Plan 3 members choose their contribution rate upon joining membership and have a chance to change rates upon changing employers. As established by statute, Plan 3 required defined contribution rates are set at a minimum of 5 percent and escalate to 15 percent with a choice of six options. Employers do not contribute to the defined contribution benefits. PERS Plan 3 members are immediately vested in the defined contribution portion of their plan.

Contributions

The **PERS Plan 2/3** employer and employee contribution rates are developed by the Office of the State Actuary to fully fund Plan 2 and the defined benefit portion of Plan 3. The Plan 2/3 employer rates include a component to address the PERS Plan 1 UAAL and an administrative expense that is currently set at 0.18 percent. Each biennium, the state Pension Funding Council adopts Plan 2 employer and employee contribution rates and Plan 3 contribution rates. The PERS Plan 2/3 required contribution rates (expressed as a percentage of covered payroll) for 2019 were as follows:

PERS Plan 2/3		
Actual Contribution Rates:	Employer 2/3	Employee 2*
January – June 2019		
PERS Plan 2/3	7.52%	7.41%
PERS Plan 1 UAAL	5.13%	

Administrative Fee	0.18%	
Employee PERS Plan 3		varies
Total	12.83%	7.41%
July- December 2019		
PERS Plan 2/3	7.92%	7.90%
PERS Plan 1 UAAL	4.76%	
Administrative Fee	.18%	
Total	12.86%	7.90%

The Authority's actual PERS plan contributions were \$23,288 to PERS Plan 1 and \$39,677 to PERS Plan 2/3 for the year ended September 30, 2019.

Actuarial Assumptions

The total pension liability (TPL) for each of the DRS plans was determined using the most recent actuarial valuation completed in 2018 with a valuation date of June 30, 2017. The actuarial assumptions used in the valuation were based on the results of the Office of the State Actuary's (OSA) *2007-2012 Experience Study* and the 2017 Economic Experience Study.

Additional assumptions for subsequent events and law changes are current as of the 2017 actuarial valuation report. The TPL was calculated as of the valuation date and rolled forward to the measurement date of June 30, 2018. Plan liabilities were rolled forward from June 30, 2017, to June 30, 2018, reflecting each plan's normal cost (using the entry-age cost method), assumed interest and actual benefit payments.

- **Inflation:** 2.75% total economic inflation; 3.5% salary inflation
- **Salary increases:** In addition to the base 3.5% salary inflation assumption, salaries are also expected to grow by promotions and longevity.
- **Investment rate of return:** 7.4%

Mortality rates were based on the RP-2000 report's Combined Healthy Table and Combined Disabled Table, published by the Society of Actuaries. The OSA applied offsets to the base table and recognized future improvements in mortality by projecting the mortality rates using 100 percent Scale BB. Mortality rates are applied on a generational basis; meaning, each member is assumed to receive additional mortality improvements in each future year throughout his or her lifetime.

There were changes in methods and assumptions since the last valuation.

- OSA updated modeling to reflect providing benefit payments to the date of the initial retirement eligibility for terminated vested members who delay application for retirement benefits.
- OSA updated COLA programming to reflect legislation signed during the 2018 legislative session that provides PERS and TRS Plan 1 annuitants who are not receiving a basic minimum, alternate

minimum, or temporary disability benefit with a one-time permanent 1.5% increase to their monthly retirement benefit, not to exceed a maximum of \$62.50 per month.

Discount Rate

The discount rate used to measure the total pension liability for all DRS plans was 7.4 percent.

To determine that rate, an asset sufficiency test included an assumed 7.5 percent long-term discount rate to determine funding liabilities for calculating future contribution rate requirements. Consistent with the long-term expected rate of return, a 7.4 percent future investment rate of return on invested assets was assumed for the test. Contributions from plan members and employers are assumed to continue being made at contractually required rates (including PERS 2/3 employers, whose rates include a component for the PERS 1 plan liabilities). Based on these assumptions, the pension plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return of 7.4 percent was used to determine the total liability.

Long-Term Expected Rate of Return

The long-term expected rate of return on the DRS pension plan investments of 7.4 percent was determined using a building-block-method. The Washington State Investment Board (WSIB) used a best estimate of expected future rates of return (expected returns, net of pension plan investment expense, including inflation) to develop each major asset class. Those expected returns make up one component of WSIB's capital market assumptions. The WSIB uses the capital market assumptions and their target asset allocation to simulate future investment returns at various future times. The long-term expected rate of return of 7.4 percent approximately equals the median of the simulated investment returns over a 50-year time horizon.

Estimated Rates of Return by Asset Class

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019, are summarized in the table below. The inflation component used to create the table is 2.2 percent and represents the WSIB's most recent long-term estimate of broad economic inflation.

Asset Class	Target Allocation	% Long-Term Expected Real Rate of Return Arithmetic
Fixed Income	20%	2.20%
Tangible Assets	7%	5.10%
Real Estate	18%	5.80%
Global Equity	32%	6.30%
Private Equity	23%	9.30%
	100%	

Sensitivity of the Net Pension Liability/(Asset)

The table below presents the Authority's proportionate share of the net pension liability calculated using the discount rate of 7.4 percent, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.4 percent) or 1-percentage point higher (8.4 percent) than the current rate.

	1% Decrease (6.4%)	Current Discount Rate (7.4%)	1% Increase (8.4%)
PERS 1	\$164,357	\$131,242	\$102,511
PERS 2/3	328,089	42,777	(191,339)

Pension Plan Fiduciary Net Position

Detailed information about the State's pension plans' fiduciary net position is available in the separately issued DRS financial report.

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the Authority reported a total pension liability of \$174,022 for its proportionate share of the net pension liabilities as follows:

	Liability (or Asset)
PERS 1	\$131,242
PERS 2/3	42,777

At June 30, the Authority's proportionate share of the collective net pension liabilities was as follows:

	Proportionate Share 6/30/18	Proportionate Share 6/30/19	Change in Proportion
PERS 1	%.003484	%.003413	%.000071
PERS 2/3	.004494	.004404	.000090

Employer contribution transmittals received and processed by the DRS for the fiscal year ended June 30 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported by the DRS in the *Schedules of Employer and Nonemployer Allocations*.

The collective net pension liability (asset) was measured as of June 30, 2018, and the actuarial valuation date on which the total pension liability (asset) is based was as of June 30, 2017, with update procedures used to roll forward the total pension liability to the measurement date.

Pension Expense

For the year ended September 30, 2019, the Authority recognized pension expense as follows:

	Pension Expense
PERS 1	\$3,277
PERS 2/3	4,814
TOTAL	8,091

Deferred Outflows of Resources and Deferred Inflows of Resources

At September 30, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Plan Name PERS 1	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$
Net difference between projected and actual investment earnings on pension plan investments	\$	\$ 8,768
Changes of assumptions	\$	\$
Changes in proportion and differences between contributions and proportionate share of contributions	\$	\$
Contributions subsequent to the measurement date	\$ 6,119	\$
TOTAL	\$ 6119	\$ 8,768

Plan Name PERS 2/3	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$12,256	\$ 9,197
Net difference between projected and actual investment earnings on pension plan investments	\$	\$62,267
Changes of assumptions	\$ 1,095	\$17,948
Changes in proportion and differences between contributions and proportionate share of contributions	\$ (4,381)	\$22,227
Contributions subsequent to the measurement date	\$ 8,992	\$
TOTAL	\$17,962	\$111,640

Deferred outflows of resources related to pensions resulting from the Authority's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended September 30, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended September 30:	Plan Name PERS 1	Plan Name PERS 2/3
2020	\$(1,936)	\$(16,217)
2021	\$ (4,585)	\$(29,402)
2022	\$(1,636)	\$ (11,618)
2023	(\$611)	\$(5,030)
Total	\$(8,768)	\$(62,267)

NOTE 10 – ACCOUNTING AND REPORTING CHANGES

There were no accounting or reporting changes for the current fiscal year.

NOTE 11 – PRIOR PERIOD ADJUSTMENTS

The Authority has recorded a prior period adjustment of \$(1,242). This is due to prior period adjustments.

NOTE 12 – MATERIAL RELATED PARTY TRANSACTIONS

The Authority has a material related party relationship with Island County Government in that the Board of Commissioners of Island County appoints the Housing Authority Board of Commissioners. The Housing Authority is also in receipt of a recoverable grant for the purchase of the land for the development of Sunny View Village. Other transactions for transitional and emergency housing are also conducted with the Human Services Department of Island County Government.

The Housing Authority has a material related party relationship with Bayview Greens, LLC for the development of Sunny View Village. See Note 14 for further discussion of Bayview Greens, LLC.

One Housing Authority board member is also the Vice President and Manager at the bank which the Authority does business.

NOTE 13 – RISK MANAGEMENT

The Housing Authority of Island County 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 Island County is a member of Housing Authorities Risk Retention Pool (HARRP). Utilizing Chapter 190.080 ORS and 48.62 RCW (self-insurance regulations) and chapter 39.34 (Interlocal 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 purpose 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 has a total of eighty-three/owner housing authorities in the states of Washington, Oregon, California and Nevada. Thirty-four of the eighty-three members are Washington 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 and 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. (Due to special underwriting circumstances, some members may be subject to greater deductibles and E & O co-payments). Coverage limits for General Liability, Automobile Liability, as well as Errors and Omissions, are \$2,000,000 per occurrence with a \$2,000,000 aggregate.

The Property coverage offered by HARRP is on a replacement cost basis, with deductibles ranging from \$2,500 to \$25,000. Our Property coverages include Equipment Breakdown, as well as Fidelity coverage with limits of \$100,000 (with options up to \$1,000,000) for employee dishonesty, forgery or alteration and \$50,000 for theft, with a \$1,000 deductible.

HARRP self-insures coverage for liability lines. HARRP self-insures the first \$2,000,000 for property, then purchases \$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.

NOTE 14 – BAYVIEW GREENS LLC AND COMMITMENT

Bayview Greens, LLC, has a calendar fiscal year end and as of 12/31/18. Bayview Greens, (Sunny View Village) was completed and placed in service June 2015. Bayview Greens, LLC was initially formed November 21, 2007, the formation was amended December 13, 2011 to withdraw a former member and add a new managing member. The Housing Authority of Island County owns 0.01% of the LLC, and the investor, NDC Corporate Equity Fund XI, L.P. owns 99.99% of the project.

There are several funding streams for Sunny View Village listed as follows:

Island County Low Income Housing Surcharge Fund and the Homeless Housing fund each provided funding streams to acquire the land on which to build Sunny View Village. The LIHSF recoverable grant in the amount of \$225,000 is for 40 years at 0% interest. The Homeless Housing Fund recoverable grant is in the amount of \$350,000 for 40 years at 0% interest. Neither grant will be required to be repaid as long as the property is continually used for the intended purpose of serving low income working families.

Sunny View Village is a 4% Low Income Tax Credit/Bond project. There are funds passed through the State of Washington Department of Commerce in the amount of \$2,500,000. These funds are broken down as \$700,000 from the Washington State Housing Trust Fund, and \$1,800,000 in federal HOME dollars. The note matures in 40 years and accrues interest at 1%. No payments are required until maturity.

The Washington State Housing Finance Commission provided bonds in the amount of \$3,068,000. There are two bonds 2014A which is the Term note, of \$1,205,000 and 2014B which is the Construction loan of \$1,863,000. Both bonds are funded through Heritage Bank.

Capital Contributions from the investor total \$2,162,238. The construction financing was converted to a mortgage in June of 2016. The final contribution from the investor provided a payoff of the 2014B bond of \$1,863,000.

The Housing Authority has a sponsor loan of \$159,983 including accrued interest to the project. The outstanding balance accrues at 3.27 percent compounded annually. Payments of principal and interest are to be paid annually commencing on April 15, 2016 and each year thereafter until paid in full. Payments are subject to net cash flow. The note is secured by a leasehold deed of trust and matures on June 30, 2055.

The Authority earned a developer fee of \$168,823 during the development phase of Bayview Greens, LLC. The fee is to be paid from cash flow from operations as defined in the Bayview Greens, LLC operating agreement.

The Authority and Bayview Greens, LLC have executed a land lease agreements, which commenced on June 4, 2014. Bayview Greens is leasing the land for use as a low-income housing project pursuant to Section 42 of the Internal Revenue Code. The lease expires on June 3, 2089. Pursuant to the lease agreement, the tenant (Bayview Greens, LLC) shall pay the landlord (the Authority) a base rent of \$1 per year which commenced on January 1, 2015.

The Authority entered into an Operating Deficit Guaranty with Bayview Greens, LLC. During the Operating Deficit Guaranty Period the Authority is obligated to provide funds to Bayview Greens, LLC in an amount up to the Operating Deficits, as set forth in the Operating Agreement. In the event the Investor Member of Bayview Greens, LLC has approved use of the Operating Reserve to pay any deficits, the Authority agrees to immediately refund the Operating Reserve up to the amount of such deficits to maintain the balance required by the operating agreement. Repayment of any letters of credit or other borrowings arranged by the Authority in furtherance of their obligations under the operating agreement shall be the sole obligation of the Authority. Any operating deficit loans shall be interest free and are repayable in accordance with provisions in the Operating Agreement.

NOTE 15 – SUBSEQUENT EVENTS

With the onset of COVID-19, the Housing Authority was not negatively impacted financially.

Housing Authority of Island County
Schedules of Required Supplementary Information

SCHEDULE OF THE HOUSING AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
For the year ended June 30, 2018
Last 10 Fiscal Years*

*Until a full 10 year trend is compiled, information is presented only for those years for which information is available.

<u>PERS # 1</u>	2019	2018	2017	2016	2015	2014	2013
Housing Authority's proportion of the net pension liability (asset)	0.003413%	0.003484%	0.003452%	0.004044%	0.003769%	0.390900%	0.004289%
Housing Authority's proportionate share of the net pension liability (asset)	131,242	155,597	163,800	217,182	197,514	196,918	250,617
Housing Authority's covered-employee payroll	508,886	503,597	478,774	463,330	438,006	444,395	485,868
Housing Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	25.79%	30.90%	34.21%	46.87%	45.09%	44.31%	51.58%
Plan fiduciary net position as a percentage of the total pension liability	67.12%	63.22%	61.24%	57.03%	59.10%	61.19%	

<u>PERS # 2/3</u>	2019	2018	2017	2016	2015	2014	2013
Housing Authority's proportion of the net pension liability (asset)	0.004404%	0.004494%	0.004441%	0.005176%	0.004869%	0.005033%	0.005712%
Housing Authority's proportionate share of the net pension liability (asset)	42,778	76,731	154,304	260,608	173,972	101,735	243,903
Housing Authority's covered-employee payroll	508,886	503,597	478,774	463,330	438,006	444,395	485,868
Housing Authority's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	8.41%	15.24%	32.23%	56.25%	39.72%	22.89%	50.20%
Plan fiduciary net position as a percentage of the total pension liability	97.77%	95.77%	90.97%	85.82%	89.20%	93.29%	

Housing Authority of Island County
Schedules of Required Supplementary Information

SCHEDULE OF THE HOUSING AUTHORITY CONTRIBUTIONS
Pension Plans
Last 10 Fiscal Years*

PERS # 1	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	24,476	23,296	20,767	22,931	17,324	17,302	11,124
Contributions in relation to the contractually required contribution	(24,476)	(23,296)	(20,767)	(22,931)	(17,324)	(17,302)	(11,124)
Contribution deficiency (excess)	-	-	-	-	-	-	-
Housing Authority's covered-employee payroll	508,886	503,597	478,774	463,330	438,006	444,395	485,868
Contributions as a percentage of covered-employment	4.81%	4.63%	4.34%	4.95%	3.96%	3.89%	2.29%

PERS # 2/3	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	35,969	34,645	27,124	29,879	21,668	21,261	22,166
Contributions in relation to the contractually required contribution	(35,969)	(34,645)	(27,124)	(29,879)	(21,668)	(21,261)	(22,166)
Contribution deficiency (excess)	-	-	-	-	-	-	-
Housing Authority's covered-employee payroll	508,886	503,597	478,774	463,330	438,006	444,395	485,868
Contributions as a percentage of covered-employment	7.07%	6.88%	5.67%	6.45%	4.95%	4.78%	4.56%

Notes to Required Supplementary Information
for the Year Ended June 30, 2019

Changes of benefit terms: There were no changes in the benefit terms for the Pension Plans.

Changes of assumptions: There were no changes in the assumptions for the Pension Plans.

HOUSING AUTHORITY OF ISLAND COUNTY
Schedule of Expenditures of Federal Awards
For the Fiscal Year Ended September 30, 2019

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA No.	Current Year Awards
Dept of Housing and Urban Development (HUD)- Direct Programs		
Section 8 Housing Choice Vouchers (Housing Voucher Cluster)	14.871	\$ 1,917,105
PIH Family Self- Sufficiency Program	14.896	51,269
Public Housing Capital Fund	14.872	451,673
Public and Indian Housing	14.850	<u>295,548</u>
Total Direct Programs		2,715,595
Indirect Programs		
Federal Grantor/Pass-Through Grantor/Pass-Through ID #, HUD/Department of Commerce		
Shelter Plus Care - WA0074L0T011710 and WA0074L0T011811	14.238	38,857
HOME Investment Partnerships Program - 19-42401-106	14.239	<u>70,302</u>
Total Program		<u>109,159</u>
Total HUD Financial Assistance		<u><u>\$ 2,824,754</u></u>
TOTAL FEDERAL EXPENDITURES		<u><u>\$ 2,824,754</u></u>

There were no awards passed through to subrecipients.

The notes to the SEFA are an integral part of this statement.

Housing Authority of Island County

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1 -Basis of Accounting

This schedule is prepared on the same basis of accounting as the Housing Authority of Island County's financial statements. The Housing Authority of Island County uses the accrual basis of accounting.

Note 2 - Summary of Significant Accounting Policies

Expenditures are recognized following cost principals contained in the OMB Circular - A87 and Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Authority has not elected to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.

Note 3- Program Costs

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the Housing Authority of Island County's portion, are more than shown.

Note 4- Use of Revenues

This schedule reflects the use of revenues rather than actual expenditures for Section 8 and Public Housing (HUD programs), other programs are actual expenditures.

HA Of Island County (WA024)
COUPEVILLE, WA
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2019

	Project Total	14,898 PH Family Self-Sufficiency Program	14,871 Housing Choice Vouchers	6.1 Component Unit - Discreetly Presented	14,238 Shelter Plus Care	14,238 HOME Investment Partnerships Program	2 State/Local	1 Business Activities	Subtotal	Total
111 Cash - Unrestricted	\$192,450		\$23,683	\$1,383	\$602	\$419	\$13,949	\$11,422	\$203,908	\$203,908
112 Cash - Restricted - Modernization and Development										
113 Cash - Other Restricted			\$66,739	\$123,724			\$10,081		\$190,463	\$190,463
114 Cash - Tenant Security Deposits	\$30,094			\$15,580					\$55,755	\$55,755
115 Cash - Restricted for Payment of Current Liabilities										
100 Total Cash	\$182,544	\$0	\$90,422	\$140,687	\$602	\$419	\$24,030	\$11,422	\$450,126	\$450,126
121 Accounts Receivable - PHA Projects										
122 Accounts Receivable - HUD Other Projects										
124 Accounts Receivable - Other Government										
125 Accounts Receivable - Miscellaneous				\$2,038			\$331,784		\$331,784	\$331,784
126 Accounts Receivable - Tenants	\$3,674			\$0			\$2,233		\$7,945	\$7,945
128.1 Allowance for Doubtful Accounts - Tenants										
126.2 Allowance for Doubtful Accounts - Other	-\$1,116						-\$909	\$0	-\$2,025	-\$2,025
127 Notes, Loans, & Mortgages Receivable - Current							\$0		\$0	\$0
128.1 Allowance for Doubtful Accounts - Fraud			\$10,804						\$10,804	\$10,804
129 Accrued Interest Receivable			\$0						\$0	\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$2,558	\$0	\$10,804	\$2,038	\$0	\$0	\$333,108	\$0	\$348,508	\$348,508
131 Investments - Unrestricted										
132 Investments - Restricted			\$74,822				\$15,273		\$15,273	\$15,273
135 Investments - Restricted for Payment of Current Liability							\$75,916		\$150,738	\$150,738
142 Prepaid Expenses and Other Assets	\$41,830		\$3,676	\$2,980		\$28	\$7,387		\$55,901	\$55,901
143 Inventories	\$5,633								\$5,633	\$5,633
143.1 Allowance for Obsolete Inventories									\$0	\$0
144 Inter Program Due From	\$0									
145 Assets Held for Sale										
150 Total Current Assets	\$232,765	\$0	\$179,724	\$145,705	\$602	\$447	\$465,714	\$11,422	\$1,026,379	\$1,026,379
161 Land	\$47,825								\$1,070,397	\$1,070,397
162 Buildings	\$4,574,716			\$5,846,003			\$1,022,572		\$13,179,285	\$13,179,285
163 Furniture, Equipment & Machinery - Dwellings	\$203,332						\$2,759,566		\$296,741	\$296,741
164 Furniture, Equipment & Machinery - Administration	\$95,045		\$21,724				\$93,409		\$150,661	\$150,661
165 Leasehold Improvements	\$440,763						\$33,892		\$440,763	\$440,763
166 Accumulated Depreciation	-\$3,303,583		-\$217,730	-\$744,203			-\$1,322,911		-\$5,392,427	-\$5,392,427
167 Construction in Progress										
168 Infrastructure										
160 Total Capital Assets, Net of Accumulated Depreciation	\$2,058,098	\$0	-\$6	\$5,101,800	\$0	\$0	\$2,985,528	\$0	\$9,745,420	\$9,745,420
171 Notes, Loans and Mortgages Receivable - Non-Current										
172 Notes, Loans, & Mortgages Receivable - Non-Current - Past Due										
173 Grants Receivable - Non-Current										
174 Other Assets				\$13,679			\$3,395		\$17,074	\$17,074
176 Investments in Joint Ventures										
180 Total Non-Current Assets	\$2,058,098	\$0	-\$6	\$5,115,479	\$0	\$0	\$2,988,923	\$0	\$9,762,494	\$9,762,494
200 Deferred Outflow of Resources	\$12,660		\$7,461				\$3,960		\$24,081	\$24,081
200 Total Assets and Deferred Outflow of Resources	\$2,303,523	\$0	\$187,179	\$5,261,184	\$602	\$447	\$3,045,597	\$11,422	\$10,812,954	\$10,812,954

HA Of Island County (WA024)
COUPEVILLE, WA
Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End: 09/30/2019

	Project Total	14,896 PH Family Self-Sufficiency Program	14,871 Housing Choice Vouchers	6,1 Component Unit - Discreetly Presented	14,238 Shelter Plus Care	14,239 HOME Investment Partnerships Program	2 State/Local	1 Business Activities	Subtotal	Total
311 Bank Overdraft										
312 Accounts Payable <= 90 Days										
313 Accounts Payable >90 Days Past Due										
321 Accrued Wage/Payroll Taxes Payable										
322 Accrued Compensated Absences - Current Portion	\$18,375		\$10,878			\$352	\$5,027		\$34,632	\$34,632
324 Accrued Contingency Liability										
325 Accrued Interest Payable				\$114,054					\$114,054	\$114,054
331 Accounts Payable - HUD PHA Programs										
332 Account Payable - PHA Projects										
333 Accounts Payable - Other Government				\$38,511		\$3,000			\$41,511	\$41,511
341 Tenant Security Deposits	\$29,250			\$15,590			\$9,500		\$54,330	\$54,330
342 Unearned Revenue				\$288			\$3,017		\$3,305	\$3,305
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue							\$18,932		\$18,932	\$18,932
344 Current Portion of Long-term Debt - Operating Borrowings										
345 Other Current Liabilities	\$12,854		\$19,877						\$32,831	\$32,831
346 Accrued Liabilities - Other										
347 Inter Program - Due To										
348 Loan Liability - Current										
310 Total Current Liabilities	\$60,579	\$0	\$30,755	\$168,433	\$0	\$3,352	\$36,476	\$0	\$299,595	\$299,595
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue				\$3,706,906			\$2,970,637		\$6,677,543	\$6,677,543
352 Long-term Debt, Net of Current - Operating Borrowings										
353 Non-current Liabilities - Other			\$66,739	\$168,823					\$235,562	\$235,562
354 Accrued Compensated Absences - Non Current										
355 Loan Liability - Non Current										
356 FASB 5 Liabilities										
357 Accrued Pension and OPEB Liabilities	\$97,702		\$51,512				\$24,805		\$174,019	\$174,019
350 Total Non-Current Liabilities	\$97,702	\$0	\$118,251	\$3,875,729	\$0	\$0	\$2,995,442	\$0	\$7,087,124	\$7,087,124
300 Total Liabilities	\$158,281	\$0	\$149,006	\$4,044,162	\$0	\$3,352	\$3,031,918	\$0	\$7,386,719	\$7,386,719
400 Deferred Inflow of Resources	\$62,252		\$38,572				\$19,584		\$120,408	\$120,408
508.4 Net Investment in Capital Assets	\$2,058,098		-\$1				-\$400,831		\$1,657,266	\$1,657,266
511.4 Restricted Net Position	\$844		\$74,822				\$76,497		\$152,163	\$152,163
512.4 Unrestricted Net Position	\$24,048	\$0	-\$75,220	\$1,217,022	\$602	-\$2,905	\$321,429	\$11,422	\$1,496,398	\$1,496,398
513 Total Equity - Net Assets / Position	\$2,082,990	\$0	-\$399	\$1,217,022	\$602	-\$2,905	-\$2,905	\$11,422	\$3,305,827	\$3,305,827
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$2,303,523	\$0	\$187,179	\$5,261,184	\$602	\$447	\$3,045,597	\$11,422	\$10,812,954	\$10,812,954

HA Of Island County (WA024)
COUPEVILLE, WA

Entity Wide Revenue and Expense Summary

Fiscal Year End: 09/30/2019

Submission Type: Audited/Single Audit

	Project Total	14.886 PH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	6.1 Component Unit - Discreetly Presented	14.238 Shelter Plus Care	14.238 HOME Investment Partnerships Program	2 State/Local	1 Business Activities	Subtotal	Total
70300 Net Tenant Rental Revenue	\$304,342			\$225,787			\$253,706		\$783,835	\$783,835
70400 Tenant Revenue - Other	\$3,910			\$3,026			\$2,759		\$9,695	\$9,695
70500 Total Tenant Revenue	\$308,252	\$0	\$0	\$228,813	\$0	\$0	\$256,465	\$0	\$793,530	\$793,530
70600 HUD PHA Operating Grants	\$327,789	\$51,269	\$1,917,105						\$2,296,163	\$2,296,163
70610 Capital Grants	\$419,432								\$419,432	\$419,432
70710 Management Fee										
70720 Asset Management Fee										
70730 Book Keeping Fee										
70740 Front Line Service Fee										
70750 Other Fees										
70700 Total Fee Revenue										
70800 Other Government Grants					\$38,857	\$70,302	\$13,787		\$122,946	\$122,946
71100 Investment Income - Unrestricted							\$5,576		\$5,576	\$5,576
71200 Mortgage Interest Income										
71300 Proceeds from Disposition of Assets Held for Sale										
71310 Cost of Sale of Assets										
71400 Fraud Recovery			\$9,095						\$9,095	\$9,095
71500 Other Revenue	\$6,407		\$55,254				\$13,671	\$1,364	\$76,686	\$76,686
71600 Gain or Loss on Sale of Capital Assets	\$-283								\$-283	\$-283
72000 Investment Income - Restricted			\$237				\$0		\$237	\$237
72000 Total Revenue	\$1,061,597	\$51,269	\$1,981,691	\$228,813	\$38,857	\$70,302	\$289,499	\$1,364	\$3,723,392	\$3,723,392
91100 Administrative Salaries	\$90,475		\$126,144	\$47,762	\$1,241	\$5,923	\$63,576		\$335,521	\$335,521
91200 Auditing Fees	\$14,852		\$15,646				\$6,796		\$37,294	\$37,294
91300 Management Fee				\$12,558					\$12,558	\$12,558
91310 Book-keeping Fee										
91400 Advertising and Marketing										
91500 Employee Benefit contributions - Administrative	\$20,227		\$26,822		\$390	\$1,822	\$21,945		\$71,206	\$71,206
91600 Office Expenses	\$29,291		\$11,561			\$84	\$19,434		\$60,370	\$60,370
91700 Legal Expense										
91800 Travel	\$11,139		\$96				\$417		\$1,652	\$1,652
91810 Allocated Overhead										
91900 Other	\$437		\$4,873				\$383		\$5,693	\$5,693
91000 Total Operating - Administrative	\$156,421	\$0	\$185,142	\$60,320	\$1,631	\$7,829	\$112,851	\$0	\$524,294	\$524,294
92000 Asset Management Fee										
92100 Tenant Services - Salaries		\$51,269							\$51,269	\$51,269
92200 Relocation Costs										
92300 Employee Benefit Contributions - Tenant Services										
92400 Tenant Services - Other	\$0	\$51,269	\$0	\$0	\$0	\$0	\$0	\$0	\$51,269	\$51,269
92500 Total Tenant Services										
93100 Water	\$42,591						\$13,670		\$56,261	\$56,261
93200 Electricity	\$16,477						\$18,053		\$34,530	\$34,530
93300 Gas	\$1,244						\$4,077		\$5,321	\$5,321
93400 Fuel	\$4,586						\$248		\$4,834	\$4,834
93500 Labor										
93600 Sewer	\$81,370						\$21,579		\$103,249	\$103,249

HA Of Island County (WA024)
COUPEVILLE, WA

Entity Wide Revenue and Expense Summary

Fiscal Year End: 09/30/2019

Submission Type: Audited/Single Audit

	Project Total	14,886 PH Family Self-Sufficiency Program	14,871 Housing Choice Vouchers	6,1 Component Unit - Discreetly Presented	14,238 Shelter Plus Care	14,238 HOME Investment Partnerships Program	2 State/Local	1 Business Activities	Subtotal	Total
93700 Employee Benefit Contributions - Utilities										
93800 Other Utilities Expense	\$21,226			\$38,945			\$8,435		\$68,606	\$68,606
93900 Total Utilities	\$167,494	\$0	\$0	\$38,945	\$0	\$0	\$66,962	\$0	\$272,801	\$272,801
94100 Ordinary Maintenance and Operations - Labor	\$140,422						\$29,436		\$169,858	\$169,858
94200 Ordinary Maintenance and Operations - Materials and Other	\$37,092						\$12,887		\$49,979	\$49,979
94300 Ordinary Maintenance and Operations Contracts	\$35,371			\$42,265			\$25,070		\$102,706	\$102,706
94500 Employee Benefit Contributions - Ordinary Maintenance	\$30,334						\$7,519		\$37,853	\$37,853
94900 Total Maintenance	\$243,219	\$0	\$0	\$42,265	\$0	\$0	\$74,912	\$0	\$360,396	\$360,396
95100 Protective Services - Labor										
95200 Protective Services - Other Contract Costs										
95300 Protective Services - Other										
95500 Employee Benefit Contributions - Protective Services										
95900 Total Protective Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
96110 Property Insurance										
96120 Liability Insurance										
96130 Workmen's Compensation										
96140 All Other Insurance	\$16,108		\$2,028	\$11,343		\$25	\$5,953		\$35,457	\$35,457
96100 Total Insurance Premiums	\$16,108	\$0	\$2,028	\$11,343	\$0	\$25	\$5,953	\$0	\$35,457	\$35,457
96200 Other General Expenses	\$20,413						\$17,554		\$37,967	\$37,967
96210 Compensated Absences	-\$21,794		-\$7,331			-\$216	\$1,451		-\$27,890	-\$27,890
96300 Payments in Lieu of Taxes	\$197								\$197	\$197
96400 Bad debt - Tenant Rents										
96500 Bad debt - Mortgages										
96600 Bad debt - Other										
96800 Severance Expense										
96900 Total Other General Expenses	-\$1,184	\$0	-\$7,331	\$0	\$0	-\$216	\$19,005	\$0	\$10,274	\$10,274
96710 Interest of Mortgage (or Bonds) Payable							\$53,499		\$53,499	\$53,499
96720 Interest on Notes Payable (Short and Long Term)				\$97,443			\$97,443		\$97,443	\$97,443
96730 Amortization of Bond Issue Costs				\$1,206			\$1,206		\$1,206	\$1,206
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$98,649	\$0	\$0	\$53,499	\$0	\$152,148	\$152,148
96900 Total Operating Expenses	\$582,058	\$51,269	\$179,839	\$251,522	\$1,631	\$7,638	\$332,682	\$0	\$1,406,639	\$1,406,639
97000 Excess of Operating Revenue over Operating Expenses	\$479,539	\$0	\$1,801,852	-\$22,709	\$37,226	\$62,664	-\$43,183	\$1,364	\$2,316,753	\$2,316,753
97100 Extraordinary Maintenance										
97200 Casualty Losses - Non-capitalized										
97300 Housing Assistance Payments			\$1,758,838		\$36,624	\$62,353			\$1,857,815	\$1,857,815
97350 LAP Portability-In			\$52,395						\$52,395	\$52,395
97400 Depreciation Expense	\$115,585			\$207,684			\$69,501		\$392,770	\$392,770
97500 Fraud Losses										
97600 Capital Outlays - Governmental Funds										
97700 Debt Principal Payment - Governmental Funds										
97800 Dwelling Units Rent Expense										
99000 Total Expenses	\$697,643	\$51,269	\$1,991,062	\$459,206	\$38,255	\$69,991	\$402,183	\$0	\$3,709,609	\$3,709,609

HA Of Island County (WA024)
COUPEVILLE, WA

Entity Wide Revenue and Expense Summary

Fiscal Year End: 09/30/2019

Submission Type: Audited/Single Audit

Submission Type: Audited/Single Audit	Project Total	14,896 PH Family Self-Sufficiency Program	14,871 Housing Choice Vouchers	6.1 Component Unit - Discreetly Presented	14,238 Shelter Plus Care	14,239 HOME Investment Partnerships Program	2 State/Local	1 Business Activities	Subtotal	Total
10010 Operating Transfer In										
10020 Operating transfer Out										
10030 Operating Transfers from/to Primary Government										
10040 Operating Transfers from/to Component Unit										
10050 Proceeds from Notes, Loans and Bonds										
10060 Proceeds from Property Sales										
10070 Extraordinary Items, Net Gain/Loss										
10080 Special Items (Net Gain/Loss)										
10091 Inter Project Excess Cash Transfer In										
10092 Inter Project Excess Cash Transfer Out										
10093 Transfers between Program and Project - In										
10094 Transfers between Project and Program - Out										
10100 Total Other Financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Resources Over (Under) Total Expenditures	\$363,954	\$0	-\$9,371	\$230,393	\$602	\$311	-\$12,864	\$1,364	\$13,793	\$13,793
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$20,309	\$0	\$0	\$18,932	\$0	\$39,241	\$39,241
11030 Beginning Equity	\$1,719,034	\$0	\$8,974	\$1,447,415	\$0	\$3,216	\$111,021	\$10,058	\$3,293,286	\$3,293,286
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$2	\$2	-\$2			\$0	-\$1,242		-\$1,242	-\$1,242
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			-\$5,139						-\$5,139	-\$5,139
11180 Housing Assistance Payments Equity			\$4,740						\$4,740	\$4,740
11190 Unit Months Available	1277		3708	300	96	84	432		5897	5897
11210 Number of Unit Months Leased	1268		2633	288	81	84	408		4762	4762
11270 Excess Cash	\$76,061								\$76,061	\$76,061
11610 Land Purchases	\$0								\$0	\$0
11620 Building Purchases	\$0								\$0	\$0
11630 Furniture & Equipment - Dwelling Purchases	\$0								\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0								\$0	\$0
11650 Leasehold Improvements Purchases	\$436,111								\$436,111	\$436,111
11660 Infrastructure Purchases	\$0								\$0	\$0
13510 CFFP Debt Service Payments	\$0								\$0	\$0
13901 Replacement Housing Factor Funds	\$0								\$0	\$0

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:

Housing Authority of Island County

Modernization Project Number:

WA01P02450117

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	\$ 137,241
B. Funds Disbursed	\$ 137,241
C. Funds Expended (Actual Modernization Cost)	\$ 137,241
D. Amount to be Recaptured (A-C)	\$
E. Excess of Funds Disbursed (B-C)	\$

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

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

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

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

6. 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):

Terilyn G Anania, Executive Director

Signature of Executive Director (or Authorized Designee):

X

Date:

09/09/2019

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:

09/09/2019

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

Approved: (Director, Office of Public Housing)

X

Date:

form HUD-53001 (10/96)

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)

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PHA Name:

Housing Authority of Island County

Modernization Project Number:

WA01E02450118

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	\$ 215,698
B. Funds Disbursed	\$ 153,772
C. Funds Expended (Actual Modernization Cost)	\$ 153,772
D. Amount to be Recaptured (A-C)	\$ 61,296
E. Excess of Funds Disbursed (B-C)	\$

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

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

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

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

6. 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):

Terilyn G Anania, Executive Director

Signature of Executive Director (or Authorized Designee):

X

Date:

09/09/2019

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:

09/10/2019

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

Approved: (Director, Office of Public Housing)

X

Date:

form HUD-53001 (10/96)