

HOUSING AUTHORITY OF
THE CITY OF JEFFERSON,
MISSOURI

INDEPENDENT AUDITOR'S REPORT

For The Year Ended March 31, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
of the Housing Authority of
the City of Jefferson, Missouri
Jefferson City, Missouri:

Report on the Financial Statements

We have audited the accompanying financial statements of each major enterprise fund of the Housing Authority of the City of Jefferson, Missouri (the "Housing Authority") as of and for the year ended March 31, 2017, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major enterprise fund of the Housing Authority as of March 31, 2017, and the respective changes in financial position and cash flows, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority's basic financial statements. The accompanying the Financial Data Schedule and the Schedule of Capital Fund Program Cost, as required by HUD, are presented for the purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The financial data schedule, the schedule of capital fund program cost, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate 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 generally accepted in the United States of America. In our opinion, the financial data schedule, the schedule of capital fund program cost, and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 11, 2017, on our consideration of the Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Housing Authority's internal control over financial reporting and compliance.

Graves and Associates,
CPAs, LLC

GRAVES AND ASSOCIATES, CPAs, LLC
Jefferson City, Missouri

August 11, 2017

Housing Authority of the City of Jefferson, Missouri

Management's Discussion and Analysis (MD & A)

March 31, 2017

(Unaudited)

Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in its *Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* issued June 1999.

Our discussion and analysis of the Housing Authority of the City of Jefferson, Missouri, financial performance provides an overview of the Housing Authority's financial activities for the fiscal year ended March 31, 2017. Please read the MD&A in conjunction with the Housing Authority's financial statements.

For accounting purposes, the Housing Authority is classified as an enterprise fund. Enterprise funds account for activities similar to those found in the private business sector, where the determination of net income is necessary or useful to sound financial administration. Enterprise funds are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the statement of net position. The focus of enterprise funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

Financial Highlights

The Housing Authority's total assets increased from \$13,907,432 to \$14,307,836 which is an overall increase of \$337,404. Current assets increased by \$627,480 primarily due to an increase in cash and cash equivalents. Capital assets decreased by \$334,107 from assets being depreciated. Non-current assets increased by \$44,031 due primarily to an increase in accounts receivable.

Current liabilities increased by \$416,258 when compared to the balance at March 31, 2016. The increase is primarily due to an increase in Accounts Payable and Interprogram Due To. Non-current liabilities decreased by \$7,155 which is related to a decrease in long-term compensated absences.

The fiscal year ended March 31, 2017, reported a decrease in net position of \$71,699. Total expenses decreased by \$48,581 during the fiscal year ended March 31, 2017. The decrease in expenses is primarily due to a decrease in salaries. Total revenues (operating and non-operating) increased by \$79,678 which was primarily due to an increase in operating grants.

Housing Authority of the City of Jefferson, Missouri

Management's Discussion and Analysis (MD & A)

March 31, 2017

(Unaudited)

Overview of the Financial Statements

This annual report includes this Management Discussion and Analysis report, the Basic Financial Statements and the Notes to the Financial Statements. This annual report also contains the Financial Data Schedule (FDS) as referenced in the section of Supplemental Information Required by HUD. The Housing Authority's financial statements are presented as fund level financial statements because the Housing Authority only has Enterprise funds.

The financial statements of the Housing Authority report information of the Housing Authority using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about the Housing Authority's activities. The Statement of Net Position includes all the Housing Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations to the Housing Authority's creditors (liabilities). It also provides the basis for evaluating the capital structure of the Housing Authority and assessing the liquidity and financial flexibility of the Housing Authority.

All of the current year's revenues and expenses are accounted for in the Statement of Changes in Net Position. This statement measures the success of the Housing Authority's operations over the past year and can be used to determine whether the Housing Authority has successfully recovered all its costs through its rent collection, subsidy from the federal government and other charges, profitability and credit worthiness.

The Statement of Cash Flows reports cash receipts, cash payments, and net changes in cash resulting from operation, investing, and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

The section Supplemental Information Required by HUD contains the Financial Data Schedule (FDS). HUD has established Uniform Financial Reporting Standards that require the Housing Authority to submit financial information electronically to HUD using the FDS format. This financial information has been electronically transmitted to the Real Estate Assessment Center (REAC) for the year ended March 31, 2017.

.Housing Authority of the City of Jefferson, Missouri

Management's Discussion and Analysis (MD & A)

March 31, 2017

(Unaudited)

Financial Analysis

The Housing Authority's basic financial statements are the Statement of Net Position, the Statement of Changes in Net Position and the Statement of Cash Flows. The Statement of Net Position provides a summary of the Housing Authority's assets and liabilities as of the close of business on March 31. The Statement of Changes in Net Position summarizes the revenues and sources of those revenues generated and the expenses incurred in operating the Housing Authority for the year ended March 31.

The Housing Authority accounts for its public housing activities in six related programs. The Housing Authority has low rent, housing choice voucher, and new construction programs that provide housing for qualified tenants and a capital fund program that the Housing Authority uses for improvements to its low rent property. Other activities include the development of tax credit properties, and management of tax credit, section 8 HAP and 811 programs. The Housing Authority also is the agency for the City on Urban Renewal and a small Community Development Block Grant. Our analysis below focuses on the net position and the change in net position of the Housing Authority as a whole and not the individual programs. The data is taken from the audited financial statements and the Financial Data Schedule.

Net Assets March 31,

	2017	2016	Increase (Decrease)
Current assets	\$ 6,815,057	\$ 6,187,577	\$ 627,480
Capital assets, net of depreciation	6,650,783	6,984,890	(334,107)
Other noncurrent assets	<u>841,995</u>	<u>797,964</u>	<u>44,031</u>
Total assets	<u>14,307,836</u>	<u>13,970,432</u>	<u>337,404</u>
Current liabilities	881,520	465,262	416,258
Noncurrent liabilities	<u>85,805</u>	<u>92,960</u>	<u>(7,155)</u>
Total liabilities	<u>967,326</u>	<u>558,222</u>	<u>409,103</u>
Net assets			
Invested in capital assets, net of related debt	6,650,784	6,984,891	(334,107)
Restricted	3,662,725	3,763,577	(100,852)
Unrestricted	<u>3,027,002</u>	<u>2,663,742</u>	<u>363,260</u>

Total net position	<u>\$13,340,512</u>	<u>\$13,412,210</u>	<u>\$(71,699)</u>
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Housing Authority of the City of Jefferson, Missouri

Management's Discussion and Analysis (MD & A)
 March 31, 2017
 (Unaudited)

Current assets increased as a result of an increase in cash and cash equivalents. Capital assets decreased as a result depreciation being recorded.

The Current liabilities increased as the result of an increase in Accounts Payable and Interprogram Due To. Noncurrent liabilities decreased as a result of a decrease in compensated absences.

**Changes in Net Position
 For the Year Ended March 31**

	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease)</u>
Revenue			
Tenant revenue	\$ 699,155	\$ 758,529	\$(59,374)
Federal grants and subsidies	3,764,674	3,618,127	146,547
Investment income	16,911	7,640	9,271
Other	283,883	276,227	7,656
Casualty Loss – Insurance Proceeds		3,450	(3,450)
Gain/Loss on sale of capital assets	<u>(1,323)</u>	<u>19,649</u>	<u>(20,972)</u>
Total revenue	<u>\$ 4,763,300</u>	<u>\$4,683,622</u>	<u>\$79,678</u>
Expenses			
Administration	\$1,215,798	\$1,367,021	\$(151,223)
Tenant services	35,178	35,436	(258)
Utilities	405,376	425,814	(20,438)
Ordinary maintenance and operations	1,033,966	960,401	73,565
Protective services	73,111	69,805	3,306
General expenses	143,676	118,491	25,185
Extraordinary Repair	11,524	17,266	(5,742)
Non-routine maintenance	0	9,432	(9,432)
Payment in Lieu of Taxes	9,293	8,840	453
Housing assistance payments	1,115,134	1,081,225	33,909
Bad Debt – Tenant Rents	28,444	84,848	(56,404)
Casualty Loss	96,792	0	96,792
Bad Debt – Other	15,450	15,240	210
Land Donation	0	18,186	(18,186)
Depreciation	<u>651,257</u>	<u>671,575</u>	<u>(20,318)</u>
Total expenses	<u>\$ 4,834,999</u>	<u>\$4,883,580</u>	<u>\$(48,581)</u>

Increase (decrease) in net position \$ (71,699) \$(199,958) \$ 128,259

Housing Authority of the City of Jefferson, Missouri

Management’s Discussion and Analysis (MD & A)
 March 31, 2017
 (Unaudited)

In summary, the Housing Authority revenues increased from 2016 because of an increase in grants. The expenses decreased from 2016 primarily due to a decrease in salaries and Tenant Bad Debts.

Capital Asset and Debt Administration

Capital Assets:

At March 31, 2017, the Housing Authority had \$6,650,783 invested in capital assets. This amount represents a net decrease of \$334,107.

**Capital Assets at Year-end
 (Net of Accumulated Depreciation)**

	<u>2017</u>	<u>2016</u>	<u>Increase (Decrease)</u>
Land	\$ 3,363,116	\$ 3,363,116	\$ 0
Land Improvements	165,809	165,809	0
Buildings	26,480,467	26,221,345	259,122
Furniture, Equipment & Machinery	1,023,968	1,025,380	(1,412)
Construction in Progress	<u>229,698</u>	<u>199,994</u>	<u>29,704</u>
Subtotal	\$ 31,263,058	\$ 30,975,644	\$ 287,414
Accumulated Depreciation	<u>(24,612,275)</u>	<u>(23,990,754)</u>	<u>(621,521)</u>
Net Capital Assets	<u>\$ 6,650,783</u>	<u>\$ 6,984,890</u>	<u>\$ (334,107)</u>

The current year major additions were:

Dwelling Structure Capital Fund Program transfer to Public Housing	\$241,376
Main office – Security Camera upgrade	3,719
Hamilton tower – new fire alarm	25,880
Hamilton tower & Public Housing – AS 400	12,725
Public Housing - DVR	5,069
Construction in progress	<u>229,698</u>
Total Additions	\$518,467

Housing Authority of the City of Jefferson, Missouri

Management's Discussion and Analysis (MD & A)
March 31, 2017
(Unaudited)

The current year major deletions were:

Completed Construction in Progress	\$ 199,994
Remove old fire alarm - Hamilton	8,134
Remove old appliances - Hamilton	343
Remove old appliances – Public Housing	6,060
Remove old AS400 & DVR	<u>16,522</u>
Total Deletions	\$231,053

The Housing Authority as of March 31, 2017 still has \$164,883 in Capital program funds to draw down and spend within three years, except for \$111,399 of this amount which is for replacement housing which we expect to start spending in one year and have two years to complete.

Long Term Debt:

At March 31, 2017 the Housing Authority had \$0 of long term debt. The loan was paid off in 2013.

Economic Factors

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by the federal budget than by local economic conditions. The funding of other programs could be affected by the 2017 budget.

Contacting the Housing Authority's Financial Management

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Housing Authority's finances and to show the Housing Authority's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Cynthia Quetsch, Executive Director, at the Housing Authority of the City of Jefferson, P.O. Box 1029/1040 Myrtle Ave, Jefferson City, MO 65102, telephone number (573) 635-6163.

Housing Authority of the City of Jefferson, Missouri
Enterprise Funds
Statement of Net Position
March 31, 2017

	General Property Management Fund	Urban Renewal	Community Development Block Grant	Hamilton Towers
ASSETS				
Current Assets				
Cash and Cash Equivalents				
Cash - Unrestricted	\$ 601,764	\$ -	\$ 571	\$ 1,223,407
Cash - Other Restricted	1,502,819	1,760,348	-	-
Cash - Restricted for Tenant Security Deposits	-	-	-	20,842
Total Cash and Cash Equivalents	2,104,583	1,760,348	571	1,244,249
Accounts Receivable - HUD Other Projects	-	-	-	-
Accounts Receivable - Miscellaneous	597,496	-	-	2,484
Accounts Receivable - Tenants - Dwelling Rents	-	-	-	3,669
Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	(2,056)
Allowance for Doubtful Accounts - Other	(361,556)	-	-	-
Total Receivables, Net of Allowances	235,940	-	-	4,097
Prepaid Expenses and Other Assets	4,149	863	1,064	41,801
Inventories	-	-	-	57,634
Interprogram Due From	278,102	96,302	-	-
Total Current Assets	2,622,774	1,857,514	1,635	1,347,781
Capital Assets				
Construction in Progress	-	-	-	-
Land	-	384,455	162,592	582
Land Improvements, Net	-	-	-	38,298
Buildings and Equipment, Net	3,347	-	90,723	864,050
Total Capital Assets, Net	3,347	384,455	253,315	902,930
Noncurrent Assets				
Accounts Receivable - Miscellaneous	257,124	192,400	-	-
Accounts Receivable - Miscellaneous - Restricted	392,484	-	-	-
Total Noncurrent Assets	649,608	192,400	-	-
TOTAL ASSETS	3,275,729	2,434,369	254,950	2,250,711
LIABILITIES				
Current Liabilities				
Accounts Payable	288,458	-	-	25,880
Accrued Compensated Absences - Current Portion	914	-	-	3,654
Tenant Security Deposits - Restricted	-	-	-	20,842
Interprogram Due To	-	1,551	96,302	28,237
Unearned Revenues	-	-	-	2,931
Current Liabilities - Other	-	-	-	-
Total Current Liabilities	289,372	1,551	96,302	81,545
Noncurrent Liabilities				
Accrued Compensated Absences - Noncurrent	7,571	-	-	30,284
Total Noncurrent Liabilities	7,571	-	-	30,284
TOTAL LIABILITIES	296,943	1,551	96,302	111,829
NET POSITION				
Net Investment in Capital Assets	3,347	384,455	253,315	902,930
Restricted	1,895,303	1,760,348	-	-
Unrestricted	1,080,137	288,015	(94,668)	1,235,951
TOTAL NET POSITION	\$ 2,978,787	\$ 2,432,818	\$ 158,647	\$ 2,138,881

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

Housing Authority of the City of Jefferson, Missouri
Enterprise Funds
Statement of Net Position
March 31, 2017

				(Continued)
ASSETS	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	Total
Current Assets				
Cash and Cash Equivalents				
Cash - Unrestricted	\$ 321,928	\$ 205,305	\$ -	\$ 2,352,975
Cash - Other Restricted	-	76,036	-	3,339,203
Cash - Restricted for Tenant Security Deposits	64,756	-	-	85,598
Total Cash and Cash Equivalents	<u>386,684</u>	<u>281,341</u>	<u>-</u>	<u>5,777,776</u>
Accounts Receivable - HUD Other Projects	-	-	211,770	211,770
Accounts Receivable - Miscellaneous	3,085	-	-	603,065
Accounts Receivable - Tenants - Dwelling Rents	5,231	-	-	8,900
Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	(2,056)
Allowance for Doubtful Accounts - Other	-	-	-	(361,556)
Total Receivables, Net of Allowances	<u>8,316</u>	<u>-</u>	<u>211,770</u>	<u>460,122</u>
Prepaid Expenses and Other Assets	93,879	2,756	596	145,108
Inventories	-	-	-	57,634
Interprogram Due From	-	-	-	374,404
Total Current Assets	<u>488,879</u>	<u>284,097</u>	<u>212,365</u>	<u>6,815,044</u>
Capital Assets				
Construction in Progress	-	-	229,698	229,698
Land	2,815,487	-	-	3,363,116
Land Improvements, Net	-	-	-	38,298
Buildings and Equipment, Net	1,830,232	-	231,319	3,019,671
Total Capital Assets, Net	<u>4,645,719</u>	<u>-</u>	<u>461,017</u>	<u>6,650,783</u>
Noncurrent Assets				
Accounts Receivable - Miscellaneous	-	-	-	449,524
Accounts Receivable - Miscellaneous - Restricted	-	-	-	392,484
Total Noncurrent Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>842,008</u>
TOTAL ASSETS	<u>5,134,597</u>	<u>284,097</u>	<u>673,383</u>	<u>14,307,836</u>
LIABILITIES				
Current Liabilities				
Accounts Payable	-	-	21,139	335,477
Accrued Compensated Absences - Current Portion	5,025	761	-	10,354
Tenant Security Deposits - Restricted	64,756	-	-	85,598
Interprogram Due To	47,914	9,769	190,631	374,404
Unearned Revenues	10,078	-	596	13,605
Current Liabilities - Other	-	62,082	-	62,082
Total Current Liabilities	<u>127,773</u>	<u>72,612</u>	<u>212,365</u>	<u>881,520</u>
Noncurrent Liabilities				
Accrued Compensated Absences - Noncurrent	41,641	6,309	-	85,805
Total Noncurrent Liabilities	<u>41,641</u>	<u>6,309</u>	<u>-</u>	<u>85,805</u>
TOTAL LIABILITIES	<u>169,414</u>	<u>78,921</u>	<u>212,365</u>	<u>967,326</u>
NET POSITION				
Net Investment in Capital Assets	4,645,719	-	461,017	6,650,784
Restricted	-	13,954	-	3,669,605
Unrestricted	319,465	191,222	-	3,020,122
TOTAL NET POSITION	<u>\$ 4,965,183</u>	<u>\$ 205,176</u>	<u>\$ 461,017</u>	<u>\$ 13,340,512</u>

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

Housing Authority of the City of Jefferson, Missouri
 Enterprise Funds
 Statement of Revenues, Expenses, and Changes in Fund Net Position
 For The Year Ended March 31, 2017

	General Property Management Fund	Urban Renewal	Community Development Block Grant	Hamilton Towers
OPERATING REVENUES				
Net Tenant Rental Revenue	\$ -	\$ -	\$ -	\$ 266,742
Tenant Revenue - Other	-	-	-	10,474
Total Operating Revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>277,216</u>
OPERATING EXPENSES				
Administrative Salaries	74,545	4,456	-	200,024
Auditing Fees	876	405	-	6,480
Compensated Absences	(2,556)	(4,140)	-	(7,465)
Employee Benefit Contributions - Administrative	32,910	3,418	-	98,196
Other Operating - Administrative	11,660	55,455	741	156,489
Tenant Services - Salaries	-	-	-	23,071
Employee Benefit Contributions - Tenant Services	-	-	-	8,593
Tenant Services - Other	-	-	-	625
Water	-	-	-	20,344
Electricity	-	-	315	74,949
Gas	-	-	75	26,567
Other Utilities Expense	-	-	-	18,354
Ordinary Maintenance and Operations - Labor	-	-	-	61,993
Ordinary Maintenance and Operations - Materials and Other	-	-	-	43,450
Ordinary Maintenance and Operations - Contract Costs	-	70,716	-	146,862
Extraordinary Repair	-	-	-	1,018
Employee Benefit Contributions - Ordinary Maintenance	-	-	-	27,417
Protective Services - Other Contract Costs	-	-	-	52,573
Insurance Premiums	2,566	1,672	-	38,855
Other General Expenses	-	-	25	-
Bad Debt - Tenant Rents	-	-	-	12,803
Bad Debt - Other	15,450	-	-	-
Land Donation	-	-	-	-
Depreciation Expense	372	-	11,319	139,022
Total Operating Expenses	<u>135,822</u>	<u>131,981</u>	<u>12,475</u>	<u>1,150,219</u>
Net Operating Income (Loss)	(135,822)	(131,981)	(12,475)	(873,003)
NON-OPERATING REVENUES (EXPENSES)				
HUD PHA Operating Grants	-	-	-	945,229
Capital Grants	-	-	-	-
Investment Income - Unrestricted	5,973	5,737	-	3,469
Other Revenue	275,563	5,200	100	159
Gain/(Loss) on Sale of Capital Assets	-	-	-	-
Casualty Loss	-	-	-	-
Payment in Lieu of Taxes	-	-	-	-
Housing Assistance Payments	-	-	-	-
Total Non-operating Revenues (Expenses)	<u>281,535</u>	<u>10,937</u>	<u>100</u>	<u>948,857</u>
Net Income (Loss) Before Transfers	145,713	(121,045)	(12,375)	75,854
Transfers In (Out)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	145,713	(121,045)	(12,375)	75,854
NET POSITION, BEGINNING OF YEAR	2,833,073	2,553,863	171,022	2,063,027
NET POSITION, END OF YEAR	<u>\$ 2,978,787</u>	<u>\$ 2,432,818</u>	<u>\$ 158,647</u>	<u>2,138,881</u>

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

Housing Authority of the City of Jefferson, Missouri
 Enterprise Funds
 Statement of Revenues, Expenses, and Changes in Fund Net Position
 For The Year Ended March 31, 2017

	(Continued)			
	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	Total
OPERATING REVENUES				
Net Tenant Rental Revenue	\$ 357,706	\$ -	\$ -	\$ 624,448
Tenant Revenue - Other	64,233	-	-	74,707
Total Operating Revenue	<u>421,939</u>	<u>-</u>	<u>-</u>	<u>699,155</u>
OPERATING EXPENSES				
Administrative Salaries	201,002	58,896	10,116	549,038
Auditing Fees	9,939	3,200	-	20,900
Compensated Absences	6,642	170	-	(7,349)
Employee Benefit Contributions - Administrative	87,220	27,077	3,425	252,246
Other Operating - Administrative	93,952	83,911	-	402,207
Tenant Services - Salaries	-	-	-	23,071
Employee Benefit Contributions - Tenant Services	-	-	-	8,593
Tenant Services - Other	1,645	-	-	2,270
Water	85,769	-	-	106,113
Electricity	81,606	-	-	156,869
Gas	28,463	-	-	55,106
Other Utilities Expense	68,934	-	-	87,288
Ordinary Maintenance and Operations - Labor	152,319	-	-	214,313
Ordinary Maintenance and Operations - Materials and Other	95,983	-	-	139,433
Ordinary Maintenance and Operations - Contract Costs	302,659	-	67,137	587,373
Extraordinary Repair	10,506	-	-	11,524
Employee Benefit Contributions - Ordinary Maintenance	65,430	-	-	92,847
Protective Services - Other Contract Costs	20,538	-	-	73,111
Insurance Premiums	97,148	1,465	-	141,705
Other General Expenses	-	1,946	-	1,971
Bad Debt - Tenant Rents	15,641	-	-	28,444
Bad Debt - Other	-	-	-	15,450
Land Donation	-	-	-	-
Depreciation Expense	490,487	-	10,057	651,257
Total Operating Expenses	<u>1,915,884</u>	<u>176,664</u>	<u>90,735</u>	<u>3,613,779</u>
Net Operating Income (Loss)	(1,493,945)	(176,664)	(90,735)	(2,914,624)
NON-OPERATING REVENUES (EXPENSES)				
HUD PHA Operating Grants	1,065,060	1,290,732	192,572	3,493,593
Capital Grants	-	-	271,081	271,081
Investment Income - Unrestricted	1,334	399	-	16,911
Other Revenue	1,920	941	-	283,883
Gain/(Loss) on Sale of Capital Assets	(1,323)	-	-	(1,323)
Casualty Loss	(96,792)	-	-	(96,792)
Payment in Lieu of Taxes	(9,293)	-	-	(9,293)
Housing Assistance Payments	-	(1,115,134)	-	(1,115,134)
Total Non-operating Revenues (Expenses)	<u>960,905</u>	<u>176,939</u>	<u>463,653</u>	<u>2,842,926</u>
Net Income (Loss) Before Transfers	(533,040)	275	372,918	(71,698)
Transfers In (Out)	<u>351,845</u>	<u>-</u>	<u>(351,845)</u>	<u>-</u>
Change in Net Position	(181,195)	275	21,074	(71,698)
NET POSITION, BEGINNING OF YEAR	5,146,378	204,902	439,944	13,412,210
NET POSITION, END OF YEAR	<u>\$ 4,965,183</u>	<u>\$ 205,176</u>	<u>\$ 461,017</u>	<u>\$ 13,340,512</u>

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

Housing Authority of the City of Jefferson, Missouri
Enterprise Funds
Statement of Cash Flows
For The Year Ended March 31, 2017

	General Property Management Fund	Urban Renewal	Community Development Block Grant	Hamilton Towers
CASH FLOWS FROM OPERATING ACTIVITIES:				
Rental Income	\$ -	\$ -	\$ -	\$ 263,368
Other Income (Expenses)	(201,488)	(6,344)	2,219	2,732
Payments to Vendors	139,322	(125,604)	(2,219)	(691,494)
Payments to Employees	(77,101)	(8,597)	-	(292,553)
Net Cash Provided (Used) by Operating Activities	<u>(139,268)</u>	<u>(140,544)</u>	<u>-</u>	<u>(717,947)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Grants Received	-	-	-	945,229
Grant Expenses	-	-	-	-
Transfers	-	-	-	-
Other Income	275,563	5,200	100	159
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>275,563</u>	<u>5,200</u>	<u>100</u>	<u>945,388</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Grants for Capital Expenditures	-	-	-	-
Capital Acquisitions	(3,719)	-	-	(32,242)
Transfer of Assets/Equity Between Funds	-	-	-	-
Payments in Lieu of Taxes	-	-	-	-
Casualty Loss	-	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(3,719)</u>	<u>-</u>	<u>-</u>	<u>(32,242)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment Income	5,973	5,737	-	3,469
Net Cash Provided (Used) by Investing Activities	<u>5,973</u>	<u>5,737</u>	<u>-</u>	<u>3,469</u>
Net Increase (Decrease) in Cash and Cash Equivalents	138,549	(129,608)	100	198,667
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>1,966,035</u>	<u>1,889,956</u>	<u>471</u>	<u>1,045,582</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,104,583</u>	<u>\$ 1,760,348</u>	<u>\$ 571</u>	<u>\$ 1,244,249</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (135,822)	\$ (131,981)	\$ (12,475)	\$ (873,003)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	372	-	11,319	139,022
Change in Assets and Liabilities:				
Accounts Receivable - HUD Other Projects	-	-	-	-
Accounts Receivable - Miscellaneous	(10,185)	(5,200)	-	-
Accounts Receivable - Tenants - Dwelling Rents	-	-	-	2,215
Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	24
Allowance for Doubtful Accounts - Other	15,450	-	-	-
Prepaid Expenses and Other Assets	2,519	1,922	(1,064)	(7,508)
Inventories	-	-	-	3,439
Interprogram Due From/To	(206,753)	(1,144)	2,219	(579)
Accrued Compensated Absences	(2,556)	(4,141)	-	(7,464)
Accounts Payable	197,708	-	-	25,880
Other Liabilities	-	-	-	-
Tenant's Security Deposits	-	-	-	(1,045)
Unearned Revenue	-	-	-	1,071
Net Cash Provided (Used) by Operating Activities	<u>\$ (139,268)</u>	<u>\$ (140,544)</u>	<u>\$ -</u>	<u>\$ (717,947)</u>
Noncash Investing, Capital, and Financing Activities:				
Capital Assets, net of depreciation, transferred between programs	\$ -	\$ -	\$ -	\$ -
Land Donation	-	-	-	-

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

Housing Authority of the City of Jefferson, Missouri
Enterprise Funds
Statement of Cash Flows
For The Year Ended March 31, 2017

(Continued)

	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Rental Income	\$ 406,361	\$ -	\$ -	\$ 669,729
Other Income (Expenses)	13,037	14,495	35,399	(139,949)
Payments to Vendors	(1,075,151)	(103,696)	(105,962)	(1,964,805)
Payments to Employees	(346,679)	(58,727)	(10,116)	(793,773)
Net Cash Provided (Used) by Operating Activities	(1,002,431)	(147,928)	(80,678)	(2,228,797)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:				
Grants Received	1,065,060	1,290,732	192,572	3,493,593
Grant Expenses	-	(1,115,134)	-	(1,115,134)
Transfers	351,845	-	(351,845)	-
Other Income	1,920	941	-	283,883
Net Cash Provided (Used) by Non-Capital Financing Activities	1,418,825	176,539	(159,272)	2,662,343
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Grants for Capital Expenditures	-	-	271,081	271,081
Capital Acquisitions	(11,431)	-	(271,080)	(318,473)
Transfer of Assets/Equity Between Funds	(239,950)	-	239,950	-
Payments in Lieu of Taxes	(9,293)	-	-	(9,293)
Casualty Loss	(96,792)	-	-	(96,792)
Net Cash Provided (Used) by Capital and Related Financing Activities	(357,467)	-	239,950	(153,478)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment Income	1,334	399	-	16,911
Net Cash Provided (Used) by Investing Activities	1,334	399	-	16,911
Net Increase (Decrease) in Cash and Cash Equivalents	60,261	29,011	-	296,978
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	326,424	252,331	-	5,480,799
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 386,684</u>	<u>\$ 281,341</u>	<u>\$ -</u>	<u>\$ 5,777,776</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	\$ (1,493,945)	\$ (176,664)	\$ (90,735)	\$ (2,914,624)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	490,487	-	10,057	651,257
Change in Assets and Liabilities:				
Accounts Receivable - HUD Other Projects	240	5,750	(153,054)	(147,064)
Accounts Receivable - Miscellaneous	927	-	-	(14,458)
Accounts Receivable - Tenants - Dwelling Rents	(1,614)	-	-	601
Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	24
Allowance for Doubtful Accounts - Other	-	-	-	15,450
Prepaid Expenses and Other Assets	(18,717)	(641)	(66)	(23,555)
Inventories	-	-	-	3,439
Interprogram Due From/To	9,125	8,745	188,387	-
Accrued Compensated Absences	6,643	169	-	(7,350)
Accounts Payable	-	-	(35,335)	188,254
Other Liabilities	-	14,713	-	14,713
Tenant's Security Deposits	63	-	-	(982)
Unearned Revenue	4,359	-	66	5,496
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,002,431)</u>	<u>\$ (147,928)</u>	<u>\$ (80,678)</u>	<u>\$ (2,228,797)</u>
Noncash Investing, Capital, and Financing Activities:				
Capital Assets, net of depreciation, transferred between programs	\$ -	\$ -	\$ -	\$ -
Land Donation	-	-	-	-

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

HOUSING AUTHORITY OF THE CITY OF JEFFERSON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

NOTE 1 – GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING POLICIES:

General Information

The Housing Authority of the City of Jefferson, Missouri (the “Housing Authority”) was established by the City Council of the City of Jefferson (the “City”) in 1957, pursuant to the laws of the State of Missouri, to transact business and to have powers as defined therein. An independent Board of Commissioners (the “Board”), appointed for terms of four years by the Mayor of the City of Jefferson, is responsible for all activities of the Housing Authority. The offices of the Housing Authority are separate from those of the City, and employees are not included in or entitled to benefit programs of the City. Separate accounting records are maintained, and debts incurred by the Housing Authority are not obligations of the City.

Programs for which federal funding were received by the Housing Authority include contracts with the U.S. Department of Housing and Urban Development (“HUD”). The Housing Authority has also received funds for various programs and administers Community Development Block Grant funds.

Reporting Entity

The Housing Authority is a related organization of the City since the mayor of the City appoints a voting majority of the Housing Authority’s governing board. The City is not financially accountable for the Housing Authority and it cannot impose its will on the Housing Authority and there is no potential for the Housing Authority to provide financial benefit to, or impose burdens on, the City. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the City.

HOUSING AUTHORITY OF THE CITY OF JEFFERSON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

NOTE 1 – GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING
POLICIES: (Continued)

Basis of Accounting

The accounts of the Housing Authority are organized on the basis of funds, each of which is considered to be a separate accounting entity. The transactions of each fund are summarized by providing a separate set of self-balancing accounts, which include its assets, liabilities, net position, revenues, and expenses. The Housing Authority has one category of funds which is described below:

Enterprise Funds

The Enterprise Funds are used for activities which are financed and operated in a manner similar to private business enterprise where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. These funds include the General Property Management Fund, Community Development Block Grant, Urban Renewal, Hamilton Towers, Low Rent Public Housing, Housing Choice Vouchers, and the Capital Fund Program.

Hamilton Towers and Housing Choice Vouchers Funds account for tenant-based HUD programs. Low Rent Public Housing accounts for project-based HUD programs. The Capital Fund Program accounts for grant money from HUD to be used for improvements to the low rent properties. The Housing Authority acts as the Land Clearance for Redevelopment Authority. These activities are accounted for in the Urban Renewal Fund. The Community Development Block Grant Fund accounts for grant monies from the Missouri Department of Economic Development. The General Property Management Fund accounts for all other activities not reflected in the funds described above, such as managing section 202 and tax credit projects.

The financial statements are prepared on the accrual basis of accounting using the economic resources measurement focus. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. The Housing Authority applies all applicable Governmental Accounting Standards Board (“GASB”) pronouncements.

Enterprise funds distinguish operating revenues and expenses from non-operating revenues and expenses. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund’s principal ongoing operations. The principal operating revenues of the Housing Authority’s funds are rent and maintenance charges to residents and administration fees earned. Operating expenses for enterprise funds include the administrative costs of providing the service. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

HOUSING AUTHORITY OF THE CITY OF JEFFERSON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

NOTE 1 – GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING
POLICIES: (Continued)

Accounts Receivable

Receivables include, but are not necessarily limited to, amounts due from tenants. It is the practice of the Housing Authority to write-off uncollectible receivables only upon approval of the Board after exhausting all efforts to collect the amounts due. The allowance for doubtful accounts was estimated by management based on amounts estimated to be uncollectible.

Capital Assets

Capital assets costing \$1,000 or more with an estimated useful life of one year or more are recorded at cost or estimated historical cost. Contributions of capital assets received from federal, state, or local sources are recorded at fair market value at the time received. Additions, improvements, and expenses that significantly extend the useful life of an asset are capitalized. Depreciation has been provided over the estimated useful lives using the straight-line method, beginning when the asset is placed in service. Interest has not been capitalized during the construction period on capital assets in the Enterprise Funds. The estimated useful lives are as follows:

Building	20 to 40 years
Furniture, Equipment, and Machinery	3 to 10 years
Building Improvements	15 to 40 years

Construction in Progress is recorded at cost and consists of federal projects funded by HUD. The projects are accounted for as Construction in Progress until completed and placed in service. No depreciation is provided on Construction in Progress until construction is complete and the asset is placed in service.

Costs incurred for maintenance and repairs are charged to expense.

Materials Inventory

Inventories of materials are valued at the average cost.

Unearned Revenues

The Housing Authority reports unearned revenues on its Statement of Net Position. Unearned revenues arise when resources are received by the Housing Authority before it has a legal claim to them, such as when rent is received in advance. In subsequent periods, when the Housing Authority has a legal claim to the resources, the liability for unearned revenue is removed from the Statement of Net Position and the revenue is recognized.

HOUSING AUTHORITY OF THE CITY OF JEFFERSON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

NOTE 1 – GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING
POLICIES: (Continued)

Cash and Cash Equivalents

The Housing Authority's cash and cash equivalents are considered to be cash on hand, demand deposits, amounts invested in overnight repurchase agreements, and investments with a maturity date of three months or less from the date of purchase.

Interprogram Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for services rendered. These receivables and payables are classified as interprogram due from or interprogram due to on the Statement of Net Position.

Use of Estimates

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

Compensated Absences

The Housing Authority's policy allows employees to accumulate unused sick leave up to 130 days and vacation up to 45 days. Upon termination, up to 20% of accumulated sick leave and any accumulated vacation will be paid to the employee. Sick leave in excess of the 20% maximum is not paid upon termination, but will be paid only upon illness while employed by the Housing Authority.

Nature and Purpose of Restricted Net Position

Restricted net position is created to satisfy legal covenants that require a portion of net position be segregated. Specific restrictions of net position as of the year ended are summarized below:

Urban Renewal	
Funds restricted for land clearance for redevelopment activities	\$1,760,348

HOUSING AUTHORITY OF THE CITY OF JEFFERSON, MISSOURI
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2017

NOTE 1 – GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING
 POLICIES: (Continued)

Nature and Purpose of Restricted Net Position (Continued)

General Fund	
Operating escrow cash accounts for Capital City Apartments, LP, Capital City Elderly, LP, And Hyder Development Group LP, and Linden Elderly	\$1,895,303
Housing Choice Vouchers Fund	
Funds restricted by HUD	<u>13,954</u>
	<u>\$3,669,605</u>

Nature and Purpose of Restricted Cash and Investments

Cash and investment balances are restricted to satisfy legal covenants that require balances to be segregated. Specific restrictions on cash and investment balances as of the year ended were as follows:

Tenant Security Deposits	\$ 85,598
Operating Deficit Escrow Accounts- Capital City Apartments LP, Capital City Elderly, LP, Hyder Developmental Group, LP, and Linden Elderly	1,502,819
Housing Choice Vouchers	76,036
Urban Renewal	<u>1,760,348</u>
	<u>\$3,424,801</u>

HOUSING AUTHORITY OF THE CITY OF JEFFERSON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

NOTE 1 – GENERAL INFORMATION AND SIGNIFICANT ACCOUNTING
POLICIES: (Continued)

Net Position

Net position comprises the various net earnings from operating revenues and expenses, non-operating revenues and expenses, capital contributions, and special items. Net position is classified in the following three components:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation and 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. If there are significant unspent related debt proceeds as of the year ended, then the portion of the debt attributable to the unspent proceeds are not included in the calculation of Net Investment in Capital Assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted – This component of net position consists of constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This component of net position consists of net position that does not meet the definition of “restricted” or Net Investment in Capital Assets.

It is the Housing Authority’s policy to first use restricted net position prior to the use of unrestricted net position when an expense is incurred for purposes which both restricted and unrestricted net position is available.

NOTE 2 – LAND CLEARANCE FOR REDEVELOPMENT AUTHORITY FUND:

The Housing Authority has administered an Urban Renewal Project with substantial funding provided by HUD. In August of 1982, the Housing Authority and HUD entered into a closeout agreement. This agreement requires that all proceeds from the sale or lease of property purchased with project funds are to be treated as program income of the project. The agreement specifies the program income to be used for the following, listed in order of priority:

- 1) To fund historic preservation measures as identified in a memorandum of agreement with the Advisory Council and the Historic Preservation.
- 2) To complete previously HUD-approved Title 1 project improvements, property management and property disposal.
- 3) Any program income remaining after satisfying the above shall be available to be used for Community Development Block Grant activities.

HOUSING AUTHORITY OF THE CITY OF JEFFERSON, MISSOURI
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2017

NOTE 3 – PENSION PLAN:

The Housing Authority Retirement Plan (“HARP”) is a defined contribution pension plan established by the Housing Authority to provide benefits at retirement to employees of the Housing Authority. Plan members are not required to contribute to the HARP. Eligibility is based on completion of six months of service and attainment of age 18. The Housing Authority is required to contribute 15 percent of annual covered payroll for eligible employees. HARP provisions and contribution requirements are established and may be amended by the Jefferson City Housing Authority Commission. The total pension expense for the year ended was \$107,350.

NOTE 4 – DEPOSITS AND INVESTMENTS:

The Housing Authority’s investments as of the year ended consisted of the following, which are included in cash and cash equivalents:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity Less Than One Year</u>	<u>Maturity 1- 5 Years</u>
Repurchase Agreements	\$ 214,235	\$ 214,235	\$-0-
U.S. Government and Agency Securities	5,214,644	5,214,644	-0-
Total	<u>\$ 5,428,879</u>	<u>\$ 5,428,879</u>	<u>\$-0-</u>

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the organization will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the Housing Authority investments are held by the investment’s counterparty, not in the name of the Housing Authority.

In the case of deposits, this is the risk that in the event of a bank failure, the Housing Authority’s deposits may not be returned to the Housing Authority. All bank balances and certificates of deposit as of the balance sheet date are entirely insured or collateralized with securities held by the Housing Authority or by its agent in the Housing Authority’s name.

Investment Interest Rate Risk – The Housing Authority has no formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Investment Credit Risk – The Housing Authority has no investment policy that limits its investment choices other than the limitation of state law as follows:

Missouri Statutes and legal opinions authorize the Housing Authority to invest in certain types of investments including, but not limited to, collateralized public deposit (certificates of deposit), U.S. Treasury and federal agency securities, and repurchase agreements.

HOUSING AUTHORITY OF THE CITY OF JEFFERSON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

NOTE 4 – DEPOSITS AND INVESTMENTS: (Continued)

Investment Credit Risk (Continued)

Collateral is required for demand deposits and certificates of deposit. The market value of the collateral must equal at least 100% of deposits not covered by Federal Deposit Insurance Corporation (“FDIC”). Securities underlying a repurchase agreement must have a market value of at least 100% of the cost of the repurchase agreement. Obligations pledged to secure deposits are delivered to the bank’s joint-custody account at the Federal Reserve Bank.

Concentration of Investment Credit Risk – The Housing Authority places no limit on the amount it may invest in any one issuer. As of the year ended, all of the Housing Authority’s investments were held at one financial institution.

NOTE 5 – CONCENTRATION OF CREDIT RISK:

The Housing Authority’s low-income housing program leases apartment units to low-income tenants at various locations throughout the City. As of the year ended, accounts receivable included \$8,900 due from tenants, net of the allowance for uncollectable accounts of \$2,056.

NOTE 6 – RISK MANAGEMENT:

The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; natural disasters. The Housing Authority’s insurance protection for general liability and employee benefit liability is provided by Missouri Housing Authority’s Property Casualty Inc. (“MHAPCI”), of which the Housing Authority is a participation member. No significant reduction in insurance coverage occurred during the year ended and settled claims have not exceeded the coverage provided by the public entity risk pool or the commercial insurance in any of the past three years.

MHAPCI is structured such that member premiums are based on an actuarial review that will provide adequate reserves to allow MHAPCI to meet its expected financial obligations. MHAPCI has the authority to assess its members’ additional premiums should reserves and annual premiums be insufficient to meet MHAPCI’s obligations.

HOUSING AUTHORITY OF THE CITY OF JEFFERSON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

NOTE 7 – COMMITMENTS AND CONTINGENCIES:

Litigation

The Housing Authority is a party to a number of lawsuits arising principally in the normal course of operations. In the opinion of the administration, the outcome of these lawsuits will not have a material adverse effect on the accompanying combined financial statements and accordingly, no provision for losses has been recorded.

Land Clearance for Redevelopment Authority

The Housing Authority functions as the Land Clearance Redevelopment Authority (“LCRA”) for several entities.

Capital City Apartments Limited Partnership:

During the year ended March 31, 2000, the LCRA entered into a 99-year lease agreement with Capital City Apartments Limited Partnership (“CCALP”). The CCALP project (the “Project”) was primarily financed by the sale of Federal and State Law Income Tax Credits.

During the year ended March 31, 2001, the LCRA entered into a Capital Advance Program with the Missouri Housing Development Commission (“MHDC”) as the co-maker on a deed of trust note. The remaining co-maker is CCALP. The original debt of \$1,240,000 was used by CCALP to finance construction costs. The debt is recorded on the books of CCALP. The LCRA does not anticipate any financial obligation as a result of entering into this agreement. The balance due on the note as of the year ended was \$797,582.

The apartment project is managed by the Housing Authority, an affiliate of the general partner, who is entitled to receive a fee not to exceed \$30 per occupied unit per month. This fee amounted to \$15,450, for the year ended. Unpaid current and prior management fees, totaling \$129,651, are included in accounts receivable as of the year ended.

HOUSING AUTHORITY OF THE CITY OF JEFFERSON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

NOTE 7 – COMMITMENTS AND CONTINGENCIES: (Continued)

Land Clearance for Redevelopment Authority (Continued)

Capital City Apartments Limited Partnership: (Continued)

The Housing Authority earned a development fee totaling \$555,000, as consideration for services rendered to the CCALP during the construction phase. Of this amount, \$472,093, has been received by the Housing Authority, and \$82,907, is included in accounts receivable as of the year ended.

A balance of \$103,068, is also due from CCALP as of the year ended, relating to amounts advanced to the CCALP for payroll and operating expenses.

The Housing Authority provided construction and permanent financing to CCALP in the amount of \$104,000. As of the year ended, the principal plus accrued interest totaling \$88,400, remained outstanding.

The CCALP has entered into an incentive partnership management fee agreement with the Housing Authority for services in managing the business of the CCALP. In consideration for such services, the CCALP shall pay the fee solely from net cash flow, as defined in the partnership agreement, and such fee shall not be cumulative. No such fee was paid or accrued by CCALP as of the year ended.

The CCALP agreement provides for various guarantees and obligations of the general partner and certain affiliated entities.

Capital City Elderly Limited Partnership:

During the year ended March 31, 2002, the LCRA entered into a 99-year lease agreement with Capital City Elderly Limited Partnership (“CCELP”) to assist in the development of the improvements within the Urban Renewal Area and thereby reduce the likelihood of recurrence of blight within the Urban Renewal Area.

The LCRA is providing assistance to CCELP with respect to the financing of a multi-unit, low-income apartment complex for the elderly (“the Redevelopment Project”) by guaranteeing a construction/permanent loan in an amount not to exceed seven hundred ten thousand dollars (\$710,000) from the MHDC (the “Loan”) with a 0% interest rate and a forty (40)-year term. The proceeds of the loan were used by the CCELP to purchase materials necessary for the construction of improvements. The debt is recorded on the books of CCELP. The LCRA does not anticipate any financial obligation as a result of entering into this agreement. The balance due on the note as of the year ended was \$460,020.

HOUSING AUTHORITY OF THE CITY OF JEFFERSON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

NOTE 7 – COMMITMENTS AND CONTINGENCIES: (Continued)

Land Clearance for Redevelopment Authority (Continued)

Capital City Elderly Limited Partnership: (Continued)

Upon funding of the Loan, CCELP granted MHDC a first deed of trust of its leasehold interest in the premises securing CCELP's obligations under the Loan.

The purpose of rent payments under this Lease, which the parties believe constitute fair market rent for the premises over the term of the Lease, is to compensate the LCRA for its Guaranty of the Loan obtained by CCELP and to compensate the LCRA for the long-term use of the premises, all in order to assist the financing of the Redevelopment Project.

The remainder of the financing for the Redevelopment Project was funded by the sale of Federal and State Low Income Tax Credits.

The Redevelopment Project is managed by the Housing Authority, an affiliate of the general partner. Under this agreement, the Housing Authority is to receive a fee of \$30 per occupied unit per month. This fee amounted to \$17,850, as of the year ended. Current and prior management fees were paid in full as of the year ended.

A balance of \$25,201, is also due from CCELP, as of the year ended, relating to amounts advanced to the CCELP for payroll and operating expenses.

Hyder Development Group L.P.:

During the year ended March 31, 2004, the LCRA entered into a deed of trust and security agreement with Ulysses M. Clayborn (the "Trustee") to convey real estate and related improvements to the Hyder Development Group L.P. ("HYDER"). The conveyance of the real estate was made in trust as additional security for a loan from MHDC to HYDER for \$3,825,000.

In the agreements, the LCRA also covenants that it is obligated to pay the \$3,825,000 note to MHDC at all times, that they will not permit the use of any of the premises for any purpose other than the use for which it was intended at the time the deed of trust was executed, that the MHDC regulatory agreement executed by HYDER and the MHDC is incorporated in and made a part of the deed of trust, and that legal title to all rents, profits and income from the real estate is assigned to the MHDC for the purpose of discharging the debt.

The debt is recorded on the books of HYDER. The LCRA does not anticipate any financial obligation as a result of entering into this agreement. The balance due on the note as of the year ended was \$3,226,353.

HOUSING AUTHORITY OF THE CITY OF JEFFERSON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

NOTE 7 – COMMITMENTS AND CONTINGENCIES: (Continued)

Land Clearance for Redevelopment Authority (Continued)

Hyder Development Group L.P.: (Continued)

The remainder of the financing for the Redevelopment Project was funded by the sale of Federal and State Low Income Tax Credits.

HYDER was formed to acquire an interest in real property owned by the LCRA and to rehabilitate and operate a two-building, 116-unit occupancy apartment complex for the elderly.

The apartment project is managed by the Housing Authority, an affiliate of the general partner. Under this agreement, the Housing Authority is to receive a fee of \$33 per occupied unit per month. Management fees totaled \$49,068 for the year, and were all paid in full as of the year ended.

Linden Elderly Housing Development Group L.P.:

During the year ended March 31, 2007, the LCRA entered into a deed of trust and security agreement to convey the real estate and related improvements to the Linden Elderly Housing Development Group L.P. (the "LEHDGLP"). The conveyance of the real estate was made in trust as additional security for two loans from MHDC to LEHDGLP in the sum of \$4,400,000. In the agreement, the LCRA also covenants that it is obligated to pay the \$4,400,000 note at all times, that they will not permit the use of any of the premises for any purpose other than the use for which it was intended at the time the deed of trust was executed, that the MHDC regulatory agreement executed by the LEHDGLP and the MHDC is incorporated within, and made a part of, the deed of trust, and that legal title to all rents, profits, and income from the real estate is assigned to MHDC for the purpose of discharging the debt.

The debt is recorded on the books of LEHDGLP. The LCRA does not anticipate any financial obligation as a result of entering into this agreement. The balance due on the note as of the year ended was \$1,774,468.

Permanent financing was also provided by the Housing Authority, an affiliate of the general partner, under a nonrecourse loan commitment of \$200,000. The note is secured by a third leasehold deed of trust and security agreement and bears interest at 4.86%, compounding annually. Accrued interest amounted to \$118,293 as of the year ended, and has been added to the note balance.

The remainder of the financing for the Redevelopment Project was funded by the sale of Federal and State Low Income Tax Credits.

HOUSING AUTHORITY OF THE CITY OF JEFFERSON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

NOTE 7 – COMMITMENTS AND CONTINGENCIES: (Continued)

Land Clearance for Redevelopment Authority (Continued)

Linden Elderly Housing Development Group L.P.: (Continued)

The LEHDGLP was formed to acquire an interest in real property owned by the LCRA and to rehabilitate and operate a 3-building, 91 unit occupancy apartment complex for the elderly and handicapped.

The Housing Authority, an affiliate of the general partner, manages the apartment project. Under this agreement, the Housing Authority is to receive a fee of \$30 per occupied unit per month. Management fees totaled \$31,800, for the year, with no balance outstanding as of the year ended.

The Housing Authority earned a fee totaling \$675,500, (less penalties, if any, for not meeting occupancy requirements) as consideration for services rendered to the LEHDGLP during the construction phase. Unpaid balances accrue interest at 10% per annum. The Housing Authority received a total of \$434,573, of the fee, leaving an outstanding balance of \$240,927, plus accrued interest of \$168,651, for a total of balance due of \$409,578, included in accounts receivable as of the year ended.

The Housing Authority had also advanced \$11,113, to the LEHDGLP to reimburse the State Tax Credit Limited Partner for the tax credit downward adjustment, \$52,533, for construction costs, and \$40,000 for principal payments on the mortgage loan. These balances are also included in accounts receivable at year end, leaving a total combined balance of \$103,646.

Grant Funds

In the normal course of operations, the Housing Authority receives grant funds from various federal agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any liability for reimbursement arising as the result of audits of grant funds is not believed to be material.

Administrative Services Contracts

The Housing Authority performs administrative services for four housing projects for the elderly and one housing project for the physically challenged and low and moderate income by separate organizations. It also has assumed, with the approval of the separate organizations, control over the operating and tenant security deposit cash accounts. These services are provided for Capital City Apartments, Capital City Elderly, Hyder Apartments, Alpha Homes, and Linden Elderly.

HOUSING AUTHORITY OF THE CITY OF JEFFERSON, MISSOURI
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED MARCH 31, 2017

NOTE 8 – CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS:

The Housing Authority’s operations are concentrated in the multifamily real estate market. In addition, the Housing Authority operates in a heavily regulated environment. The operations of the Housing Authority are subject to the administrative directives, rules, and regulations of the federal, state, and local regulatory agencies, including, but not limited to, HUD. Such changes may occur with little notice or inadequate funding to pay for the related cost, including the additional administrative burden, to comply with a change.

NOTE 9 – OPERATING TRANSFERS, CAPITAL TRANSFERS, AND INTERPROGRAM BALANCES:

Transfers for the year ended were as follows:

	Transfers From Other Funds	Transfers To Other Funds
Low Rent Public Housing Fund	\$ 351,845	\$ -0-
Public Housing Capital Fund Program	-0-	351,845
Totals	<u>\$ 351,845</u>	<u>\$ 351,845</u>

Capital transfers are used for projects completed throughout the year and transferred from the Public Housing Capital Fund Program to the Low Rent Public Housing Fund.

Interprogram balances as of the year ended consisted of the following:

	Due From Other Funds	Due To Other Funds	Net Due From (Due To)
Low Rent Public Housing Fund	\$ -0-	\$ 47,914	\$ (47,914)
Housing Choice Vouchers Fund	-0-	9,769	(9,769)
Hamilton Towers Fund	-0-	28,237	(28,237)
Urban Renewal Fund	96,302	1,551	94,751
Community Development Block Grant Fund	-0-	96,302	(96,302)
Public Housing Capital Fund Program	-0-	190,631	(190,631)
General Property Management Fund	278,102	-0-	278,102
	<u>\$ 374,404</u>	<u>\$ 374,404</u>	<u>\$ -0-</u>

Interprogram due to and due from are used to track administrative costs paid for by the General Property Management Fund. The balance owed to the Urban Renewal Fund was a loan to Community Development Block Grant Fund for the purchase of additional buildings.

HOUSING AUTHORITY OF THE CITY OF JEFFERSON, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

NOTE 10 – CAPITAL ASSETS:

Capital assets and accumulated depreciation by each major class are as follows as of the year ended:

	Reclassified Beginning Balance	Additions	Disposals	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 3,363,116	\$ -	\$ -	\$ 3,363,116
Construction in Progress	199,994	229,698	(199,994)	229,698
Total Capital Assets, Not Being Depreciated	3,563,111	229,698	(199,994)	3,592,814
Capital Assets, Being Depreciated:				
Land Improvements	165,809	-	-	165,809
Buildings and Improvements	26,221,345	267,256	(8,134)	26,480,467
Furniture, Equipment, and Machinery	1,025,380	21,513	(22,925)	1,023,968
Total Capital Assets, Being Depreciated	27,412,533	288,769	(31,059)	27,670,243
Less Accumulated Depreciation For:				
Land Improvements	123,323	4,186	-	127,509
Buildings and Improvements	22,941,691	623,172	(29,393)	23,535,470
Furniture, Equipment, and Machinery	925,744	23,900	(343)	949,301
Total Accumulated Depreciation	23,990,754	651,257	(29,736)	24,612,275
Total Capital Assets, Being Depreciated, Net	3,421,779	(362,488)	(1,323)	3,057,968
Capital Assets, Net	<u>\$ 6,984,890</u>	<u>\$ (132,790)</u>	<u>\$ (201,317)</u>	<u>\$ 6,650,783</u>

Depreciation expense for the year ended was \$651,257.

NOTE 11 - EVALUATION OF SUBSEQUENT EVENTS:

The Housing Authority has evaluated subsequent events through August 11, 2017, the date which the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

OTHER INFORMATION

Housing Authority of the City of Jefferson (MO009)
JEFFERSON CITY, MO
Entity Wide Balance Sheet Summary

Submission Type: Audited Single Audit

Fiscal Year End: 03/31/2017

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	14.182 N/C S/R Section 8 Programs	1 Business Activities	Subtotal	Total
111 Cash - Unrestricted	\$321,928		\$205,306	\$1,223,407	\$602,335	\$2,352,976	\$2,352,976
112 Cash - Restricted - Modernization and Development							
113 Cash - Other Restricted			\$13,954		\$3,263,167	\$3,277,121	\$3,277,121
114 Cash - Tenant Security Deposits	\$64,756			\$20,842		\$85,598	\$85,598
115 Cash - Restricted for Payment of Current Liabilities			\$62,082			\$62,082	\$62,082
100 Total Cash	\$386,684	\$0	\$281,342	\$1,244,249	\$3,865,502	\$5,777,777	\$5,777,777
121 Accounts Receivable - PHA Projects							
122 Accounts Receivable - HUD Other Projects	\$211,770					\$211,770	\$211,770
124 Accounts Receivable - Other Government							
125 Accounts Receivable - Miscellaneous				\$2,484	\$597,495	\$599,979	\$599,979
126 Accounts Receivable - Tenants	\$5,230			\$3,669		\$8,899	\$8,899
126.1 Allowance for Doubtful Accounts - Tenants	\$0			-\$2,056		-\$2,056	-\$2,056
126.2 Allowance for Doubtful Accounts - Other	\$0			\$0	-\$361,556	-\$361,556	-\$361,556
127 Notes, Loans, & Mortgages Receivable - Current	\$3,085					\$3,085	\$3,085
128 Fraud Recovery							
128.1 Allowance for Doubtful Accounts - Fraud							
129 Accrued Interest Receivable	\$0					\$0	\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$220,085	\$0	\$0	\$4,097	\$235,939	\$460,121	\$460,121
131 Investments - Unrestricted							
132 Investments - Restricted							
135 Investments - Restricted for Payment of Current Liability							
142 Prepaid Expenses and Other Assets	\$94,475		\$2,756	\$41,801	\$6,078	\$145,110	\$145,110
143 Inventories				\$57,634		\$57,634	\$57,634
143.1 Allowance for Obsolete Inventories				\$0		\$0	\$0
144 Inter Program Due From					\$276,551	\$276,551	\$276,551
145 Assets Held for Sale							
150 Total Current Assets	\$701,244	\$0	\$284,098	\$1,347,781	\$4,384,070	\$6,717,193	\$6,717,193
161 Land	\$2,815,487			\$582	\$547,047	\$3,363,116	\$3,363,116
162 Buildings	\$21,440,055			\$4,930,218	\$283,143	\$26,653,416	\$26,653,416
163 Furniture, Equipment & Machinery - Dwellings	\$204,843			\$328,283		\$533,126	\$533,126
164 Furniture, Equipment & Machinery - Administration	\$401,183		\$2,900	\$73,884	\$5,739	\$483,706	\$483,706
165 Leasehold Improvements							

Housing Authority of the City of Jefferson (MO009)
JEFFERSON CITY, MO
Entity Wide Balance Sheet Summary

Submission Type: Audited Single Audit

Fiscal Year End: 03/31/2017

166 Accumulated Depreciation	\$-19,984,530			\$-2,900	\$-4,430,038	-\$194,812	-\$24,612,280	-\$24,612,280
167 Construction in Progress	\$229,698						\$229,698	\$229,698
168 Infrastructure								
160 Total Capital Assets, Net of Accumulated Depreciation	\$5,106,736	\$0		\$0	\$902,929	\$641,117	\$6,650,782	\$6,650,782
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						\$842,009	\$842,009	\$842,009
176 Investments in Joint Ventures								
180 Total Non-Current Assets	\$5,106,736	\$0		\$0	\$902,929	\$1,483,126	\$7,492,791	\$7,492,791
200 Deferred Outflow of Resources								
290 Total Assets and Deferred Outflow of Resources	\$5,807,980	\$0		\$284,098	\$2,250,710	\$5,867,196	\$14,209,984	\$14,209,984
311 Bank Overdraft								
312 Accounts Payable <= 90 Days	\$21,139				\$25,880	\$288,458	\$335,477	\$335,477
313 Accounts Payable >90 Days Past Due								
321 Accrued Wage/Payroll Taxes Payable								
322 Accrued Compensated Absences - Current Portion	\$5,024			\$762	\$3,655	\$914	\$10,355	\$10,355
324 Accrued Contingency Liability								
325 Accrued Interest Payable								
331 Accounts Payable - HUD PHA Programs	\$596						\$596	\$596
332 Account Payable - PHA Projects								
333 Accounts Payable - Other Government								
341 Tenant Security Deposits	\$64,756				\$20,842		\$85,598	\$85,598
342 Unearned Revenue	\$10,078				\$2,931		\$13,009	\$13,009
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue								
344 Current Portion of Long-term Debt - Operating Borrowings								
345 Other Current Liabilities				\$62,082			\$62,082	\$62,082
346 Accrued Liabilities - Other								
347 Inter Program - Due To	\$238,545			\$9,769	\$28,237		\$276,551	\$276,551
348 Loan Liability - Current								
310 Total Current Liabilities	\$340,138	\$0		\$72,613	\$81,545	\$289,372	\$783,668	\$783,668
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue								
352 Long-term Debt, Net of Current - Operating Borrowings								

Housing Authority of the City of Jefferson (MO009)
JEFFERSON CITY, MO
Entity Wide Balance Sheet Summary

Submission Type: Audited Single Audit

Fiscal Year End: 03/31/2017

353 Non-current Liabilities - Other							
354 Accrued Compensated Absences - Non Current	\$41,641		\$6,309	\$30,284	\$7,571	\$85,805	\$85,805
355 Loan Liability - Non Current							
356 FASB 5 Liabilities							
357 Accrued Pension and OPEB Liabilities							
350 Total Non-Current Liabilities	\$41,641	\$0	\$6,309	\$30,284	\$7,571	\$85,805	\$85,805
300 Total Liabilities	\$381,779	\$0	\$78,922	\$111,829	\$296,943	\$869,473	\$869,473
400 Deferred Inflow of Resources							
508.4 Net Investment in Capital Assets	\$5,106,736			\$902,929	\$641,117	\$6,650,782	\$6,650,782
511.4 Restricted Net Position			\$13,954		\$3,655,652	\$3,669,606	\$3,669,606
512.4 Unrestricted Net Position	\$319,465	\$0	\$191,222	\$1,235,952	\$1,273,484	\$3,020,123	\$3,020,123
513 Total Equity - Net Assets / Position	\$5,426,201	\$0	\$205,176	\$2,138,881	\$5,570,253	\$13,340,511	\$13,340,511
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$5,807,980	\$0	\$284,098	\$2,250,710	\$5,867,196	\$14,209,984	\$14,209,984

Housing Authority of the City of Jefferson (MO009)
JEFFERSON CITY, MO
Entity Wide Revenue and Expense Summary

Submission Type: Audited Single Audit

	Project Total	14.896 PIH Family Self-Sufficiency Program	14.871 Housing Choice Vouchers	14.182 N/C S/R Section 8 Programs	1 Business Activities	Fiscal Year End: '03/31/2017	
						Subtotal	Total
70300 Net Tenant Rental Revenue	\$357,706			\$266,742		\$624,448	\$624,448
70400 Tenant Revenue - Other	\$64,233			\$10,474		\$74,707	\$74,707
70500 Total Tenant Revenue	\$421,939	\$0	\$0	\$277,216	\$0	\$699,155	\$699,155
70600 HUD PHA Operating Grants	\$1,257,632	\$51,750	\$1,238,982	\$945,229		\$3,493,593	\$3,493,593
70610 Capital Grants	\$271,081					\$271,081	\$271,081
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							
71100 Investment Income - Unrestricted	\$1,334		\$399	\$3,469	\$55,755	\$60,957	\$60,957
71200 Mortgage Interest Income							
71300 Proceeds from Disposition of Assets Held for Sale							
71310 Cost of Sale of Assets							
71400 Fraud Recovery							
71500 Other Revenue	\$1,920		\$6,600	\$159	\$236,817	\$245,496	\$245,496
71600 Gain or Loss on Sale of Capital Assets	-\$1,323					-\$1,323	-\$1,323
72000 Investment Income - Restricted							
70000 Total Revenue	\$1,952,583	\$51,750	\$1,245,981	\$1,226,073	\$292,572	\$4,768,959	\$4,768,959
91100 Administrative Salaries	\$211,118		\$58,896	\$200,024	\$79,000	\$549,038	\$549,038
91200 Auditing Fees	\$9,939		\$3,200	\$6,480	\$1,281	\$20,900	\$20,900
91300 Management Fee				\$96,680		\$96,680	\$96,680
91310 Book-keeping Fee							
91400 Advertising and Marketing	\$661					\$661	\$661
91500 Employee Benefit contributions - Administrative	\$90,645		\$27,077	\$98,196	\$36,285	\$252,203	\$252,203
91600 Office Expenses	\$44,950		\$6,552	\$28,246	\$11,790	\$91,538	\$91,538
91700 Legal Expense	\$22,370		\$1,625	\$6,047	\$30,440	\$60,482	\$60,482
91800 Travel	\$9,809		\$959	\$10	\$4	\$10,782	\$10,782
91810 Allocated Overhead							

Housing Authority of the City of Jefferson (MO009)
JEFFERSON CITY, MO
Entity Wide Revenue and Expense Summary

Submission Type: Audited Single Audit

							Fiscal Year End: 03/31/2017	
91900 Other	\$16,162	\$51,750	\$23,025	\$25,506	\$25,622	\$42,065	\$42,065	\$42,065
91000 Total Operating - Administrative	\$405,654	\$51,750	\$121,334	\$461,189	\$184,422	\$1,224,349	\$1,224,349	\$1,224,349
92000 Asset Management Fee								
92100 Tenant Services - Salaries				\$23,071		\$23,071	\$23,071	\$23,071
92200 Relocation Costs								
92300 Employee Benefit Contributions - Tenant Services				\$8,593		\$8,593	\$8,593	\$8,593
92400 Tenant Services - Other	\$1,645			\$625		\$2,270	\$2,270	\$2,270
92500 Total Tenant Services	\$1,645	\$0	\$0	\$32,289	\$0	\$33,934	\$33,934	\$33,934
93100 Water	\$85,769			\$20,344		\$106,113	\$106,113	\$106,113
93200 Electricity	\$81,606			\$74,949	\$315	\$156,870	\$156,870	\$156,870
93300 Gas	\$28,463			\$26,567	\$75	\$55,105	\$55,105	\$55,105
93400 Fuel								
93500 Labor								
93600 Sewer	\$68,934			\$17,452		\$86,386	\$86,386	\$86,386
93700 Employee Benefit Contributions - Utilities								
93800 Other Utilities Expense				\$902		\$902	\$902	\$902
93000 Total Utilities	\$264,772	\$0	\$0	\$140,214	\$390	\$405,376	\$405,376	\$405,376
94100 Ordinary Maintenance and Operations - Labor	\$152,319			\$61,993		\$214,312	\$214,312	\$214,312
94200 Ordinary Maintenance and Operations - Materials and Other	\$95,983			\$44,468		\$140,451	\$140,451	\$140,451
94300 Ordinary Maintenance and Operations Contracts	\$369,796			\$146,862	\$70,741	\$587,399	\$587,399	\$587,399
94500 Employee Benefit Contributions - Ordinary Maintenance	\$65,430			\$27,417		\$92,847	\$92,847	\$92,847
94000 Total Maintenance	\$683,528	\$0	\$0	\$280,740	\$70,741	\$1,035,009	\$1,035,009	\$1,035,009
95100 Protective Services - Labor								
95200 Protective Services - Other Contract Costs	\$20,539			\$52,573		\$73,112	\$73,112	\$73,112
95300 Protective Services - Other								
95500 Employee Benefit Contributions - Protective Services								
95000 Total Protective Services	\$20,539	\$0	\$0	\$52,573	\$0	\$73,112	\$73,112	\$73,112
96110 Property Insurance	\$91,017		\$711	\$33,398	\$1,483	\$126,609	\$126,609	\$126,609
96120 Liability Insurance					\$306	\$306	\$306	\$306
96130 Workmen's Compensation	\$5,650		\$753	\$5,085	\$2,492	\$13,980	\$13,980	\$13,980
96140 All Other Insurance	\$481		\$1,946	\$372		\$2,799	\$2,799	\$2,799
96100 Total insurance Premiums	\$97,148	\$0	\$3,410	\$38,855	\$4,281	\$143,694	\$143,694	\$143,694

Housing Authority of the City of Jefferson (MO009)
JEFFERSON CITY, MO
Entity Wide Revenue and Expense Summary

Submission Type: Audited Single Audit

							Fiscal Year End: 03/31/2017	
96200 Other General Expenses								
96210 Compensated Absences	\$6,642		\$170	-\$7,465	-\$6,697	-\$7,350	-\$7,350	
96300 Payments in Lieu of Taxes	\$9,293					\$9,293	\$9,293	
96400 Bad debt - Tenant Rents	\$15,641			\$12,803		\$28,444	\$28,444	
96500 Bad debt - Mortgages								
96600 Bad debt - Other					\$15,450	\$15,450	\$15,450	
96800 Severance Expense								
96000 Total Other General Expenses	\$31,576	\$0	\$170	\$5,338	\$8,753	\$45,837	\$45,837	
96710 Interest of Mortgage (or Bonds) Payable								
96720 Interest on Notes Payable (Short and Long Term)								
96730 Amortization of Bond Issue Costs								
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
96900 Total Operating Expenses	\$1,504,862	\$51,750	\$124,914	\$1,011,198	\$268,587	\$2,961,311	\$2,961,311	
97000 Excess of Operating Revenue over Operating Expenses	\$447,721	\$0	\$1,121,067	\$214,875	\$23,985	\$1,807,648	\$1,807,648	
97100 Extraordinary Maintenance	\$10,506					\$10,506	\$10,506	
97200 Casualty Losses - Non-capitalized	\$96,792					\$96,792	\$96,792	
97300 Housing Assistance Payments			\$1,115,134			\$1,115,134	\$1,115,134	
97350 HAP Portability-In			\$5,659			\$5,659	\$5,659	
97400 Depreciation Expense	\$500,544			\$139,021	\$11,691	\$651,256	\$651,256	
97500 Fraud Losses								
97600 Capital Outlays - Governmental Funds								
97700 Debt Principal Payment - Governmental Funds								
97800 Dwelling Units Rent Expense								
90000 Total Expenses	\$2,112,704	\$51,750	\$1,245,707	\$1,150,219	\$280,278	\$4,840,658	\$4,840,658	
10010 Operating Transfer In	\$351,845					\$351,845	\$351,845	
10020 Operating transfer Out	-\$351,845					-\$351,845	-\$351,845	
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								

Housing Authority of the City of Jefferson (MO009)
JEFFERSON CITY, MO
Entity Wide Revenue and Expense Summary

Submission Type: Audited Single Audit

							Fiscal Year End: '03/31/2017
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
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$160,121	\$0	\$274	\$75,854	\$12,294	-\$71,699	-\$71,699
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11030 Beginning Equity	\$5,586,322	\$0	\$204,902	\$2,063,027	\$5,557,959	\$13,412,210	\$13,412,210
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0					\$0	\$0
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			\$191,221			\$191,221	\$191,221
11180 Housing Assistance Payments Equity			\$13,955			\$13,955	\$13,955
11190 Unit Months Available	3828		2397	1440		7665	7665
11210 Number of Unit Months Leased	3707		2397	1419		7523	7523
11270 Excess Cash	\$147,949					\$147,949	\$147,949
11610 Land Purchases	\$0					\$0	\$0
11620 Building Purchases	\$271,081					\$271,081	\$271,081
11630 Furniture & Equipment - Dwelling Purchases	\$0					\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0					\$0	\$0
11650 Leasehold Improvements Purchases	\$0					\$0	\$0
11660 Infrastructure Purchases	\$0					\$0	\$0
13510 CFFP Debt Service Payments	\$0					\$0	\$0
13901 Replacement Housing Factor Funds	\$0					\$0	\$0

Housing Authority of the City of Jefferson, Missouri
 Capital Fund Program Costs
 For the Year Ended March 31, 2017

Capital Fund Grant Number	<u>MO36P00950115</u>	<u>MO36P00950116</u>		
Funds Approved	\$ 431,416.00	\$ 447,582.00		
Funds Expended -3/31/2016	(382,998.86)	(394,097.54)		
Funds Expended -3/31/2017	(48,417.14)			
Excess of Funds Approved	<u>\$ -</u>	<u>\$ 53,484.46</u>		
Capital Fund Grant Number	<u>MO36R009502-13</u>	<u>MO36R009502-14</u>	<u>MO36R009502-15</u>	<u>MO36R009502-16</u>
Funds Approved	\$ 20,143.00	\$ 29,646.00	\$ 30,293.00	\$ 31,317.00
Funds Expended				
Excess of Funds Approved	<u>\$ 20,143.00</u>	<u>\$ 29,646.00</u>	<u>\$ 30,293.00</u>	<u>\$ 31,317.00</u>

FEDERAL COMPLIANCE
SECTION

Housing Authority of the City of Jefferson, Missouri
Schedule of Expenditures of Federal Awards
For the Year Ended March 31, 2017

<i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i>	<i>Federal CFDA Number</i>	<i>Federal Expenditures(\$)</i>
Department of Housing and Urban Development Direct Programs		
Section 8 Housing Choice Vouchers	14.871	\$ 1,238,982
Section 8 New Construction and Substantial Rehabilitation	14.182	945,229
Public Housing Capital Fund	14.872	463,653
Public and Indian Housing	14.850	1,065,060
Family Self-Sufficiency Program (ROSS)	14.896	51,750
<i>Total Department of Housing and Urban Development</i>		<i>3,764,674</i>
<i>Total Expenditures of Federal Awards</i>		<i>\$ 3,764,674</i>

Notes to the Schedule of Expenditures of Federal Awards

Basis of Presentation:

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of the Housing Authority under programs of the federal government for the year ended. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Because the Schedule presents only a selected portion of the operations of the Housing Authority, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Housing Authority.

Summary of Significant Accounting Policies:

Expenditures reported on the Schedule are reported on the basis of accounting generally accepted in the United States of America (U.S. GAAP). Such expenditures are recognized following the costs principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Housing Authority has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.



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

To the Board of Commissioners
of the Housing Authority of
the City of Jefferson, Missouri
Jefferson City, Missouri:

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 each major enterprise fund of the Housing Authority of the City of Jefferson, Missouri (the "Housing Authority"), as of and for the year ended March 31, 2017, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements, and have issued our report thereon dated August 11, 2017.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Graves and Associates,
CPAs, LLC

GRAVES AND ASSOCIATES, CPAs, LLC
Jefferson City, Missouri

August 11, 2017



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

To the Board of Commissioners
of the Housing Authority of
the City of Jefferson, Missouri
Jefferson City, Missouri:

Report on Compliance for Each Major Federal Program

We have audited the Housing Authority of the City of Jefferson, Missouri's (the "Housing Authority") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Housing Authority's major federal programs for the year ended March 31, 2017. The Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings 2 CFR Section 200.515.

Management's Responsibility

Management is responsible for compliance with the 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 Housing 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 Housing Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Housing Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2017.

Report on Internal Control Over Compliance

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

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

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

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

Graves and Associates,
CPAs, LLC

GRAVES AND ASSOCIATES, CPAs, LLC
Jefferson City, Missouri

August 11, 2017

HOUSING AUTHORITY OF THE CITY OF JEFFERSON, MISSOURI
SCHEDULE OF FINDINGS 2 CFR SECTION 200.515
FOR THE YEAR ENDED MARCH 31, 2017

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements:

Type of Financial Statement Opinion: Unmodified

Internal Control Over Financial Reporting (GAGAS):

- Material weakness(es) reported? No
- Significant deficiencies reported? No
- Noncompliance material to financial statements noted (GAGAS)? No

Federal Awards:

Internal Control Over Major Programs:

- Material weakness(es) reported? No
- Significant deficiencies reported? No

Type of Opinion On Compliance For Major Programs: Unmodified

Are there any reportable findings under 2 CFR Section 200.516(a)? No

HOUSING AUTHORITY OF THE CITY OF JEFFERSON, MISSOURI
SCHEDULE OF FINDINGS 2 CFR SECTION 200.515
FOR THE YEAR ENDED MARCH 31, 2017

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

Identification of Major Programs:

<u>CFDA Number (s)</u>	<u>Name of Federal Program or Cluster</u>
14.850	Public and Indian Housing
Dollar Threshold: Type A/B Programs	Type A: \$750,000 Type B: All Others
Low Risk Auditee under 2CFR Section 200.520?	Yes

SECTION II - FINANCIAL STATEMENTS FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

HOUSING AUTHORITY OF THE CITY OF JEFFERSON, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED MARCH 31, 2017

SECTION IV – PRIOR YEAR FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION V – PRIOR YEAR FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.



INDEPENDENT ACCOUNTANT’S REPORT ON
APPLYING AGREED-UPON PROCEDURE

To the Board of Commissioners
of the Housing Authority of
the City of Jefferson, Missouri
Jefferson City, Missouri:

We have performed the procedure described in the second paragraph of this report, which was agreed to by the Housing Authority of the City of Jefferson, Missouri (the “Housing Authority”) and the U.S. Department of Housing and Urban Development, Public Indian Housing – Real Estate Assessment Center (PIH-REAC), solely to assist them in determining whether the electronic submission of certain information agrees with the related hard copy documents included within the Uniform Guidance reporting package. The Housing Authority is responsible for the accuracy and completeness of the electronic submission. This agreed upon procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standard applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedure described below either for the purpose for which this report has been requested or for any other purpose.

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

We were engaged to perform an audit in accordance with the Uniform Guidance for the Housing Authority as of and for the year ended March 31, 2017, and have issued our reports thereon dated August 11, 2017. The information in the “Hard Copy Documents” column was included within the scope, or was a by-product of that audit. Further, our opinion on the fair presentation of the Housing Authority’s Financial Data Schedule (“FDS”) dated August 11, 2017, was expressed in relation to the basic financial statement of the Housing Authority taken as a whole.

A copy of the reporting package required by the Uniform Guidance, which includes the auditor's reports, is available in its entirety from the Housing Authority. We have not performed any additional auditing procedures since the date of the aforementioned audit reports. Further, we take no responsibility for the security of the information transmitted electronically to the U.S. Department of Housing and Urban Development, PIH-REAC.

This report is intended solely for the information and use of the Housing Authority and the U.S. Department of Housing and Urban Development, PIH-REAC, and is not intended to be and should not be used by anyone other than these specified parties.

Graves and Associates,
CPAs, LLC

GRAVES AND ASSOCIATES, CPAs, LLC
Jefferson City, Missouri

August 11, 2017

HOUSING AUTHORITY OF THE CITY OF JEFFERSON, MISSOURI
ATTACHMENT TO INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-
UPON PROCEDURE
FOR THE YEAR ENDED MARCH 31, 2017

<u>UFRS Rule Information</u>	<u>Hard Copy Document(s)</u>	<u>Findings</u>
Balance Sheet and Revenue and Expense (data line items 111 to 13901)	Financial Data Schedule, all CFDA's, If applicable	Agrees
Footnotes (data element G5000-010)	Footnotes to audited basic financial statements	Agrees
Type of Opinion on FDS (data element G3100-040)	Auditor's supplemental report on FDS	Agrees
Audit findings narrative (data element G5200-010)	Schedule of Findings and Questioned Costs	Agrees
General information (data element series G2000, G2100, G2200, G9000, G9100)	OMB Data Collection Form	Agrees
Financial statement report information (data element G3000-010 to G3000-050)	Schedule of Findings and Questioned Costs, Part 1 and OMB Data Collection Form	Agrees
Federal program report information (data element G4000-020 to G4000-040)	Schedule of Findings and Questioned Costs, Part 1 and OMB Data Collection Form	Agrees
Type of Compliance Requirement (G4200-020 and G4000-030)	OMB Data Collection Form	Agrees
Basic financial statements and auditor reports required to be submitted electronically	Basic financial statements (inclusive of auditor reports)	Agrees