

HOUSING AUTHORITY OF  
THE CITY OF JEFFERSON,  
MISSOURI

INDEPENDENT AUDITOR'S REPORT

For The Year Ended March 31, 2018

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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, 2018, 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, 2018, 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 7, 2018, 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 7, 2018

## **Housing Authority of the City of Jefferson, Missouri**

Management's Discussion and Analysis (MD & A)

March 31, 2018

(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, 2018. 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 decreased from \$14,307,836 to \$13,520,003 which is an overall decrease of \$787,833. Current assets decreased by \$312,817 primarily due to a decrease in accounts receivable - HUD. Capital assets decreased by \$459,740 from assets being depreciated. Non-current assets decreased by \$15,276 due primarily to a decrease in accounts receivable.

Current liabilities decreased by \$470,394 when compared to the balance at March 31, 2017. The decrease is primarily due to a decrease in Accounts Payable and Interprogram Due To. Non-current liabilities decreased by \$10,844 which is related to a decrease in long-term compensated absences.

The fiscal year ended March 31, 2018, reported a decrease in net position of \$306,596. Total expenses increased by \$1,698 during the fiscal year ended March 31, 2018. Total revenues (operating and non-operating) decreased by \$233,199 which was primarily due to a decrease in operating grants.

## **Housing Authority of the City of Jefferson, Missouri**

Management's Discussion and Analysis (MD & A)

March 31, 2018

(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, 2018.

## Housing Authority of the City of Jefferson, Missouri

Management's Discussion and Analysis (MD & A)

March 31, 2018

(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.

	<b>Net Assets</b>		
	<b>March 31,</b>		
	2018	2017	Increase (Decrease)
Current assets	\$ 6,502,227	\$ 6,815,044	\$(312,817)
Capital assets, net of depreciation	6,191,043	6,650,783	(459,740)
Other noncurrent assets	<u>826,734</u>	<u>842,008</u>	<u>(15,276)</u>
Total assets	<u>13,520,003</u>	<u>14,307,836</u>	<u>(787,833)</u>
Current liabilities	411,126	881,520	(470,394)
Noncurrent liabilities	<u>74,961</u>	<u>85,805</u>	<u>(10,844)</u>
Total liabilities	<u>486,087</u>	<u>967,326</u>	<u>(481,238)</u>
Net assets			
Invested in capital assets, net of related debt	6,191,043	6,650,783	(459,740)
Restricted	3,461,153	3,669,605	(208,452)
Unrestricted	<u>3,381,717</u>	<u>3,020,121</u>	<u>361,596</u>
Total net position	<u>\$13,033,913</u>	<u>\$13,340,509</u>	<u>\$(306,596)</u>



**Housing Authority of the City of Jefferson, Missouri**

Management's Discussion and Analysis (MD & A)

March 31, 2018

(Unaudited)

Current assets decreased as a result of a decrease in accounts receivable. Capital assets decreased as a result depreciation being recorded.

The Current liabilities decreased as the result of a decrease 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>2018</u>	<u>2017</u>	<u>Increase (Decrease)</u>
Revenue			
Tenant revenue	\$ 710,877	\$ 699,155	\$ 11,722
Federal grants and subsidies	3,467,335	3,764,674	(297,339)
Investment income	55,297	16,911	38,386
Other	286,337	283,883	2,454
Gain/Loss on sale of capital assets	<u>10,255</u>	<u>(1,323)</u>	<u>11,578</u>
Total revenue	<u>\$ 4,530,101</u>	<u>\$4,763,300</u>	<u>\$(233,199)</u>
Expenses			
Administration	\$1,226,104	\$1,215,798	\$ 10,306
Tenant services	33,428	35,178	(1,750)
Utilities	413,544	405,376	8,168
Ordinary maintenance and operations	1,110,339	1,033,966	76,373
Protective services	86,950	73,111	13,839
General expenses	172,823	143,676	29,147
Extraordinary Repair	9,936	11,524	(1,588)
Non-routine maintenance	0	0	0
Payment in Lieu of Taxes	8,946	9,293	(347)
Housing assistance payments	1,078,285	1,115,134	(36,849)
Bad Debt – Tenant Rents	24,687	28,444	(3,757)
Casualty Loss	37,716	96,792	(59,076)
Bad Debt – Other	14,910	15,450	(540)
Land Donation	0	0	0
Depreciation	<u>619,030</u>	<u>651,257</u>	<u>(32,227)</u>
Total expenses	<u>\$ 4,836,697</u>	<u>\$4,834,999</u>	<u>\$ 1,698</u>
Increase (decrease) in net position	<u>\$ (306,596)</u>	<u>\$(71,699)</u>	<u>\$(234,897)</u>

## Housing Authority of the City of Jefferson, Missouri

Management's Discussion and Analysis (MD & A)  
March 31, 2018  
(Unaudited)

In summary, the Housing Authority revenues decreased from 2017 because of a decrease in grants. The expenses had a minimal increase from 2017.

### Capital Asset and Debt Administration

#### Capital Assets:

At March 31, 2018, the Housing Authority had \$6,191,043 invested in capital assets. This amount represents a net decrease of \$459,740.

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

	<u>2018</u>	<u>2017</u>	<u>Increase (Decrease)</u>
Land	\$ 3,363,116	\$ 3,363,116	\$ 0
Land Improvements	169,009	165,809	3,200
Buildings	26,811,737	26,480,467	331,270
Furniture, Equipment & Machinery	993,351	1,023,968	(30,617)
Construction in Progress	<u>22,693</u>	<u>229,698</u>	<u>(207,005)</u>
Subtotal	\$ 31,359,907	\$ 31,263,058	\$ 96,849
Accumulated Depreciation	<u>(25,168,864)</u>	<u>(24,612,275)</u>	<u>(556,589)</u>
Net Capital Assets	<u>\$ 6,191,043</u>	<u>\$ 6,650,783</u>	<u>\$ ( 459,740)</u>

The current year major additions were:

Dwelling Structure Capital Fund Program transfer to Public Housing	\$259,453
Urban Renewal - 3 Houses	149,000
Hamilton tower – new smoking shelter	3,200
Linden Court – Public Housing – new smoking shelter	4,304
Dulle Tower – new exhaust fans	10,500
Construction in progress	<u>22,694</u>
Total Additions	\$449,151

**Housing Authority of the City of Jefferson, Missouri**

Management’s Discussion and Analysis (MD & A)

March 31, 2018

(Unaudited)

The current year major deletions were:

Completed Construction in Progress	\$ 229,699
Sold House – Community Development	84,935
Remove old appliances - Hamilton	1,010
Remove old computer equipment – Hamilton	9,364
Removed old tenant services bus – Hamilton/Public Housing	9,066
Remove value old exhaust fans – Dulle Tower	2,748
Remove old appliances – Public Housing	9,205
Remove old computer equipment – Public Housing	<u>6,276</u>
Total Deletions	\$352,303

The Housing Authority as of March 31, 2018 still has \$467,590 in Capital program funds to draw down and spend within three years, except for \$143,439 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, 2018 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 2018 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, 2018

	General Property Management Fund	Urban Renewal	Community Development Block Grant	Hamilton Towers
<b>ASSETS</b>				
Current Assets				
Cash and Cash Equivalents				
Cash - Unrestricted	\$ 604,762	\$ -	\$ 673	\$ 1,478,948
Cash - Other Restricted	1,571,822	1,515,689	-	-
Cash - Restricted for Tenant Security Deposits	-	-	-	20,670
Total Cash and Cash Equivalents	<u>2,176,584</u>	<u>1,515,689</u>	<u>673</u>	<u>1,499,618</u>
Accounts Receivable - HUD Other Projects	-	-	-	-
Accounts Receivable - Miscellaneous	625,238	-	-	3,101
Accounts Receivable - Tenants - Dwelling Rents	-	-	-	6,827
Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	(2,203)
Allowance for Doubtful Accounts - Other	(376,466)	-	-	-
Total Receivables, Net of Allowances	<u>248,772</u>	<u>-</u>	<u>-</u>	<u>7,726</u>
Prepaid Expenses and Other Assets	3,777	828	-	42,168
Inventories	-	-	-	67,628
Interprogram Due From	88,083	39,462	-	-
Total Current Assets	<u>2,517,216</u>	<u>1,555,979</u>	<u>673</u>	<u>1,617,140</u>
Capital Assets				
Construction in Progress	-	-	-	-
Land	-	384,455	162,592	582
Land Improvements, Net	-	-	-	34,112
Buildings and Equipment, Net	2,975	149,000	24,711	747,308
Total Capital Assets, Net	<u>2,975</u>	<u>533,455</u>	<u>187,303</u>	<u>782,002</u>
Noncurrent Assets				
Accounts Receivable - Miscellaneous	272,593	197,600	-	-
Accounts Receivable - Miscellaneous - Restricted	356,490	-	-	-
Deferred Charges	-	-	-	-
Total Noncurrent Assets	<u>629,083</u>	<u>197,600</u>	<u>-</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>3,149,274</u>	<u>2,287,034</u>	<u>187,976</u>	<u>2,399,142</u>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts Payable	101,659	-	-	2,546
Accrued Compensated Absences - Current Portion	3,146	524	-	5,767
Tenant Security Deposits - Restricted	-	-	-	20,670
Interprogram Due To	-	3,644	39,462	28,932
Unearned Revenues	-	-	-	3,955
Current Liabilities - Other	-	-	-	-
Total Current Liabilities	<u>104,804</u>	<u>4,168</u>	<u>39,462</u>	<u>61,870</u>
Noncurrent Liabilities				
Accrued Compensated Absences - Noncurrent	12,494	2,083	-	22,905
Total Noncurrent Liabilities	<u>12,494</u>	<u>2,083</u>	<u>-</u>	<u>22,905</u>
<b>TOTAL LIABILITIES</b>	<u>117,298</u>	<u>6,250</u>	<u>39,462</u>	<u>84,775</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	2,975	533,455	187,303	782,002
Restricted	1,928,312	1,515,689	-	-
Unrestricted	1,100,688	231,640	(38,790)	1,532,365
<b>TOTAL NET POSITION</b>	<u>\$ 3,031,975</u>	<u>\$ 2,280,784</u>	<u>\$ 148,513</u>	<u>\$ 2,314,367</u>

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, 2018

(Continued)

	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	Total
<b>ASSETS</b>				
Current Assets				
Cash and Cash Equivalents				
Cash - Unrestricted	\$ 371,153	\$ 180,349	\$ (645)	\$ 2,635,240
Cash - Other Restricted	-	72,306	-	3,159,817
Cash - Restricted for Tenant Security Deposits	66,458	-	-	87,128
Total Cash and Cash Equivalents	<u>437,611</u>	<u>252,655</u>	<u>(645)</u>	<u>5,882,185</u>
Accounts Receivable - HUD Other Projects	-	5,781	1,008	6,789
Accounts Receivable - Miscellaneous	11,138	-	-	639,477
Accounts Receivable - Tenants - Dwelling Rents	1,233	-	-	8,061
Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	(2,203)
Allowance for Doubtful Accounts - Other	-	-	-	(376,466)
Total Receivables, Net of Allowances	<u>12,371</u>	<u>5,781</u>	<u>1,008</u>	<u>275,658</u>
Prepaid Expenses and Other Assets	98,735	3,111	592	149,210
Inventories	-	-	-	67,628
Interprogram Due From	-	-	-	127,545
Total Current Assets	<u>548,717</u>	<u>261,547</u>	<u>955</u>	<u>6,502,227</u>
Capital Assets				
Construction in Progress	-	-	22,694	22,694
Land	2,815,487	-	-	3,363,116
Land Improvements, Net	-	-	-	34,112
Buildings and Equipment, Net	1,596,049	-	251,077	2,771,121
Total Capital Assets, Net	<u>4,411,536</u>	<u>-</u>	<u>273,771</u>	<u>6,191,043</u>
Noncurrent Assets				
Accounts Receivable - Miscellaneous	-	-	-	470,193
Accounts Receivable - Miscellaneous - Restricted	-	-	-	356,490
Deferred Charges	51	-	-	51
Total Noncurrent Assets	<u>51</u>	<u>-</u>	<u>-</u>	<u>826,734</u>
<b>TOTAL ASSETS</b>	<u>4,960,304</u>	<u>261,547</u>	<u>274,726</u>	<u>13,520,003</u>
<b>LIABILITIES</b>				
Current Liabilities				
Accounts Payable	5,000	-	-	109,205
Accrued Compensated Absences - Current Portion	8,388	1,049	-	18,873
Tenant Security Deposits - Restricted	66,458	-	-	87,128
Interprogram Due To	47,636	7,508	363	127,545
Unearned Revenues	8,674	-	592	13,221
Current Liabilities - Other	-	55,154	-	55,154
Total Current Liabilities	<u>136,156</u>	<u>63,711</u>	<u>955</u>	<u>411,126</u>
Noncurrent Liabilities				
Accrued Compensated Absences - Noncurrent	33,316	4,165	-	74,961
Total Noncurrent Liabilities	<u>33,316</u>	<u>4,165</u>	<u>-</u>	<u>74,961</u>
<b>TOTAL LIABILITIES</b>	<u>169,472</u>	<u>67,876</u>	<u>955</u>	<u>486,087</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	4,411,536	-	273,770	6,191,043
Restricted	-	17,152	-	3,461,153
Unrestricted	379,296	176,519	-	3,381,718
<b>TOTAL NET POSITION</b>	<u>\$ 4,790,832</u>	<u>\$ 193,671</u>	<u>\$ 273,770</u>	<u>\$ 13,033,913</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, 2018

	General Property Management Fund	Urban Renewal	Community Development Block Grant	Hamilton Towers
<b>OPERATING REVENUES</b>				
Net Tenant Rental Revenue	\$ -	\$ -	\$ -	\$ 295,576
Tenant Revenue - Other	-	-	-	10,082
Total Operating Revenue	-	-	-	305,658
<b>OPERATING EXPENSES</b>				
Administrative Salaries	139,579	24,104	-	158,098
Auditing Fees	900	480	-	8,450
Compensated Absences	7,154	2,607	-	(5,267)
Employee Benefit Contributions - Administrative	60,298	10,280	-	74,097
Other Operating - Administrative	12,455	64,008	7,806	156,697
Tenant Services - Salaries	-	-	-	23,817
Employee Benefit Contributions - Tenant Services	-	-	-	9,119
Tenant Services - Other	-	-	-	492
Water	-	-	66	19,438
Electricity	-	-	115	71,937
Gas	-	-	141	31,044
Other Utilities Expense	-	-	31	20,278
Ordinary Maintenance and Operations - Labor	-	-	-	72,270
Ordinary Maintenance and Operations - Materials and Other	-	-	-	52,036
Ordinary Maintenance and Operations - Contract Costs	-	71,343	-	111,648
Extraordinary Repair	-	-	-	2,666
Employee Benefit Contributions - Ordinary Maintenance	-	-	-	33,664
Protective Services - Other Contract Costs	-	-	-	55,996
Insurance Premiums	1,972	971	1,064	47,049
Other General Expenses	-	40	-	397
Bad Debt - Tenant Rents	-	-	-	14,509
Bad Debt - Other	14,910	-	-	-
Land Donation	-	-	-	-
Depreciation Expense	372	-	10,039	124,128
Total Operating Expenses	237,640	173,832	19,262	1,082,566
Net Operating Income (Loss)	(237,640)	(173,832)	(19,262)	(776,908)
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
HUD PHA Operating Grants	-	-	-	937,767
Capital Grants	-	-	-	-
Investment Income - Unrestricted	18,981	16,598	1	13,850
Other Revenue	271,846	5,200	100	129
Gain/(Loss) on Sale of Capital Assets	-	-	9,027	649
Casualty Loss	-	-	-	-
Payment in Lieu of Taxes	-	-	-	-
Housing Assistance Payments	-	-	-	-
Total Non-operating Revenues (Expenses)	290,827	21,798	9,129	952,395
Net Income (Loss) Before Transfers	53,187	(152,034)	(10,134)	175,486
Transfers In (Out)	-	-	-	-
Change in Net Position	53,187	(152,034)	(10,134)	175,486
NET POSITION, BEGINNING OF YEAR	2,978,787	2,432,818	158,647	2,138,881
NET POSITION, END OF YEAR	\$ 3,031,975	\$ 2,280,784	\$ 148,513	2,314,367

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, 2018

(Continued)

	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	Total
<b>OPERATING REVENUES</b>				
Net Tenant Rental Revenue	\$ 359,954	\$ -	\$ -	\$ 655,530
Tenant Revenue - Other	45,265	-	-	55,347
Total Operating Revenue	<u>405,219</u>	<u>-</u>	<u>-</u>	<u>710,877</u>
<b>OPERATING EXPENSES</b>				
Administrative Salaries	171,479	50,475	6,832	550,567
Auditing Fees	8,505	2,900	-	21,235
Compensated Absences	(4,961)	(1,858)	-	(2,325)
Employee Benefit Contributions - Administrative	79,155	23,598	2,542	249,969
Other Operating - Administrative	103,860	61,831	-	406,658
Tenant Services - Salaries	-	-	-	23,817
Employee Benefit Contributions - Tenant Services	-	-	-	9,119
Tenant Services - Other	-	-	-	492
Water	77,428	-	-	96,932
Electricity	84,092	-	-	156,145
Gas	37,883	-	-	69,069
Other Utilities Expense	71,089	-	-	91,398
Ordinary Maintenance and Operations - Labor	160,739	-	-	233,009
Ordinary Maintenance and Operations - Materials and Other	104,568	-	-	156,604
Ordinary Maintenance and Operations - Contract Costs	377,307	-	49,995	610,294
Extraordinary Repair	7,270	-	-	9,936
Employee Benefit Contributions - Ordinary Maintenance	76,767	-	-	110,432
Protective Services - Other Contract Costs	30,954	-	-	86,950
Insurance Premiums	116,009	1,999	-	169,063
Other General Expenses	-	3,323	-	3,760
Bad Debt - Tenant Rents	10,178	-	-	24,687
Bad Debt - Other	-	-	-	14,910
Land Donation	-	-	-	-
Depreciation Expense	480,235	-	4,256	619,030
Total Operating Expenses	<u>1,992,557</u>	<u>142,268</u>	<u>63,624</u>	<u>3,711,750</u>
Net Operating Income (Loss)	(1,587,338)	(142,268)	(63,624)	(3,000,873)
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
HUD PHA Operating Grants	1,102,903	1,204,398	173,939	3,419,007
Capital Grants	-	-	48,328	48,328
Investment Income - Unrestricted	4,054	1,813	-	55,297
Other Revenue	6,225	2,837	-	286,337
Gain/(Loss) on Sale of Capital Assets	579	-	-	10,255
Casualty Loss	(37,716)	-	-	(37,716)
Payment in Lieu of Taxes	(8,946)	-	-	(8,946)
Housing Assistance Payments	-	(1,078,285)	-	(1,078,285)
Total Non-operating Revenues (Expenses)	<u>1,067,097</u>	<u>130,763</u>	<u>222,267</u>	<u>2,694,276</u>
Net Income (Loss) Before Transfers	(520,240)	(11,505)	158,643	(306,596)
Transfers In (Out)	<u>345,890</u>	<u>-</u>	<u>(345,890)</u>	<u>-</u>
Change in Net Position	(174,351)	(11,505)	(187,247)	(306,596)
NET POSITION, BEGINNING OF YEAR	4,965,183	205,176	461,017	13,340,509
NET POSITION, END OF YEAR	<u>\$ 4,790,832</u>	<u>\$ 193,671</u>	<u>\$ 273,770</u>	<u>\$ 13,033,913</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, 2018

	General Property Management Fund	Urban Renewal	Community Development Block Grant	Hamilton Towers
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Rental Income	\$ -	\$ -	\$ -	\$ 290,977
Other Income (Expenses)	197,712	53,733	(56,840)	(1,910)
Payments to Vendors	(284,116)	(149,693)	(8,160)	(723,438)
Payments to Employees	(132,425)	(21,498)	-	(259,452)
Net Cash Provided (Used) by Operating Activities	<u>(218,829)</u>	<u>(117,459)</u>	<u>(65,000)</u>	<u>(693,823)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>				
Grants Received	-	-	-	937,767
Grant Expenses	-	-	-	-
Transfers	-	-	-	-
Other Income	271,846	5,200	100	126
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>271,846</u>	<u>5,200</u>	<u>100</u>	<u>937,893</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Grants for Capital Expenditures	-	-	-	-
Capital Acquisitions	-	(149,000)	-	(3,200)
Transfer of Assets/Equity Between Funds	-	-	-	-
Proceeds from Disposal of Capital Assets	-	-	65,000	-
(Gain) Loss on Disposal of Capital Assets	-	-	-	649
Payments in Lieu of Taxes	-	-	-	-
Casualty Loss	-	-	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>(149,000)</u>	<u>65,000</u>	<u>(2,551)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Investment Income	18,981	16,598	2	13,850
Net Cash Provided (Used) by Investing Activities	<u>18,981</u>	<u>16,598</u>	<u>2</u>	<u>13,850</u>
Net Increase (Decrease) in Cash and Cash Equivalents	71,998	(244,661)	102	255,369
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	2,104,583	1,760,348	571	1,244,249
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 2,176,584</u>	<u>\$ 1,515,689</u>	<u>\$ 673</u>	<u>\$ 1,499,618</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ (237,640)	\$ (173,832)	\$ (19,262)	\$ (776,908)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	372	-	10,039	124,128
Land Donation	-	-	-	-
Change in Assets and Liabilities:				
Accounts Receivable - HUD Other Projects	-	-	-	-
Accounts Receivable - Miscellaneous	(7,217)	(5,200)	-	(617)
Accounts Receivable - Tenants - Dwelling Rents	-	-	-	(3,158)
Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	147
Allowance for Doubtful Accounts - Other	14,910	-	-	-
Prepaid Expenses and Other Assets	372	35	1,063	(367)
Inventories	-	-	-	(9,994)
Interprogram Due From/To	190,019	58,933	(56,840)	695
Accrued Compensated Absences	7,154	2,606	-	(5,266)
Accounts Payable	(186,799)	-	-	(23,334)
Other Liabilities	-	-	-	-
Tenant's Security Deposits	-	-	-	(172)
Unearned Revenue	-	-	-	1,024
Net Cash Provided (Used) by Operating Activities	<u>\$ (218,829)</u>	<u>\$ (117,459)</u>	<u>\$ (65,000)</u>	<u>\$ (693,823)</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, 2018

(Continued)

	Low Rent Public Housing	Housing Choice Vouchers	Public Housing Capital Fund Program	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Rental Income	\$ 396,743	\$ -	\$ -	\$ 687,720
Other Income (Expenses)	(5,737)	(8,041)	20,489	199,406
Payments to Vendors	(1,169,781)	(99,075)	(73,672)	(2,507,937)
Payments to Employees	(337,180)	(52,333)	(6,832)	(809,720)
Net Cash Provided (Used) by Operating Activities	<u>(1,115,956)</u>	<u>(159,449)</u>	<u>(60,015)</u>	<u>(2,430,532)</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</b>				
Grants Received	1,102,903	1,204,398	173,939	3,419,007
Grant Expenses	-	(1,078,285)	-	(1,078,285)
Transfers	345,890	-	(345,890)	-
Other Income	6,244	2,837	-	286,353
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>1,455,036</u>	<u>128,950</u>	<u>(171,951)</u>	<u>2,627,075</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Grants for Capital Expenditures	-	-	48,328	48,328
Capital Acquisitions	(14,804)	-	(48,328)	(215,332)
Transfer of Assets/Equity Between Funds	(231,319)	-	231,319	-
Proceeds from Disposal of Capital Assets	-	-	-	65,000
(Gain) Loss on Disposal of Capital Assets	579	-	-	1,228
Payments in Lieu of Taxes	(8,946)	-	-	(8,946)
Casualty Loss	(37,716)	-	-	(37,716)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(292,207)</u>	<u>-</u>	<u>231,320</u>	<u>(147,439)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Investment Income	4,054	1,813	-	55,298
Net Cash Provided (Used) by Investing Activities	<u>4,054</u>	<u>1,813</u>	<u>-</u>	<u>55,298</u>
Net Increase (Decrease) in Cash and Cash Equivalents	50,927	(28,687)	(645)	104,403
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	386,684	281,341	-	5,777,776
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 437,611</u>	<u>\$ 252,655</u>	<u>\$ (645)</u>	<u>\$ 5,882,185</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ (1,587,338)	\$ (142,268)	\$ (63,624)	\$ (3,000,873)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation Expense	480,235	-	4,256	619,030
Land Donation	-	-	-	-
Change in Assets and Liabilities:				
Accounts Receivable - HUD Other Projects	-	(5,781)	210,761	204,980
Accounts Receivable - Miscellaneous	(8,053)	-	-	(21,087)
Accounts Receivable - Tenants - Dwelling Rents	3,998	-	-	839
Allowance for Doubtful Accounts - Dwelling Rents	-	-	-	147
Allowance for Doubtful Accounts - Other	-	-	-	14,910
Prepaid Expenses and Other Assets	(4,856)	(355)	4	(4,103)
Inventories	-	-	-	(9,994)
Interprogram Due From/To	(278)	(2,260)	(190,268)	-
Accrued Compensated Absences	(4,962)	(1,858)	-	(2,327)
Accounts Payable	5,000	-	(21,139)	(226,272)
Other Liabilities	-	(6,928)	-	(6,928)
Tenant's Security Deposits	1,702	-	-	1,530
Unearned Revenue	(1,404)	-	(4)	(384)
Net Cash Provided (Used) by Operating Activities	<u>\$ (1,115,956)</u>	<u>\$ (159,449)</u>	<u>\$ (60,015)</u>	<u>\$ (2,430,532)</u>
Noncash Investing, Capital, and Financing Activities:				
Capital Assets, net of depreciation, transferred between programs	\$ (231,319)	\$ -	\$ 231,319	\$ -
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, 2018

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, 2018

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, 2018

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.

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.

Materials Inventory

Inventories of materials are valued at the average cost.

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.

HOUSING AUTHORITY OF THE CITY OF JEFFERSON, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018

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

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.

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.

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.

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.

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	\$1,515,689

HOUSING AUTHORITY OF THE CITY OF JEFFERSON, MISSOURI  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2018

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	\$1,928,312
Housing Choice Vouchers Fund	
Funds restricted by HUD	<u>17,152</u>
Total	<u>\$3,461,153</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	\$ 87,128
Operating Deficit Escrow Accounts- Capital City Apartments, LP, Capital City Elderly, LP, Hyder Developmental Group, LP, and Linden Elderly	1,571,822
Housing Choice Vouchers	72,306
Urban Renewal	<u>1,515,689</u>
Total	<u>\$3,246,945</u>

HOUSING AUTHORITY OF THE CITY OF JEFFERSON, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018

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, 2018

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 \$166,749.

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	\$ 463,361	\$ 463,361	\$-0-
U.S. Government and Agency Securities	5,076,474	5,076,474	-0-
Total	<u>\$ 5,539,835</u>	<u>\$ 5,539,835</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, 2018

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 – 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, 2018

NOTE 6 – 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 \$767,797.

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 \$14,910, for the year ended. Unpaid current and prior management fees, totaling \$144,561, 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, 2018

NOTE 6 – 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 \$93,600, 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 \$442,270.

HOUSING AUTHORITY OF THE CITY OF JEFFERSON, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018

NOTE 6 – 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 \$17,430, as of the year ended. Current and prior management fees were paid in full as of the year ended.

A balance of \$22,196, 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 \$3,169,390.

HOUSING AUTHORITY OF THE CITY OF JEFFERSON, MISSOURI  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2018

NOTE 6 – 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 \$1,755,220.

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 \$133,762, 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, 2018

NOTE 6 – 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 \$31,620, 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 \$186,875, plus accrued interest of \$187,339, for a total of balance due of \$374,214, 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, 2018

NOTE 7 – 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 8 – 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	\$ 345,890	\$ -0-
Public Housing Capital Fund Program	-0-	345,890
Totals	<u>\$ 345,890</u>	<u>\$ 345,890</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-	\$ 47,636	\$ (47,636)
Housing Choice Vouchers Fund	-0-	7,508	(7,508)
Hamilton Towers Fund	-0-	28,932	(28,932)
Urban Renewal Fund	39,462	3,644	35,818
Community Development Block Grant Fund	-0-	39,462	(39,462)
Public Housing Capital Fund Program	-0-	363	(363)
General Property Management Fund	88,083	-0-	88,083
Totals	<u>\$ 127,545</u>	<u>\$ 127,545</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 and operating expenses.

HOUSING AUTHORITY OF THE CITY OF JEFFERSON, MISSOURI  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED MARCH 31, 2018

NOTE 9 – CAPITAL ASSETS:

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

	Beginning Balance	Additions	Disposals	Ending Balance
Capital Assets, Not Being Depreciated:				
Land	\$ 3,363,116	\$ -	\$ -	\$ 3,363,116
Construction in Progress	229,698	22,694	(229,699)	22,693
Total Capital Assets, Not Being Depreciated	<u>3,592,814</u>	<u>22,694</u>	<u>(229,699)</u>	<u>3,385,809</u>
Capital Assets, Being Depreciated:				
Land Improvements	165,809	3,200	-	169,009
Buildings and Improvements	26,480,467	418,953	(87,683)	26,811,737
Furniture, Equipment, and Machinery	1,023,968	4,304	(34,920)	993,351
Total Capital Assets, Being Depreciated	<u>27,670,244</u>	<u>426,457</u>	<u>(122,604)</u>	<u>27,974,097</u>
Less Accumulated Depreciation For:				
Land Improvements	127,509	4,320	-	131,829
Buildings and Improvements	23,535,470	608,201	(47,533)	24,096,137
Furniture, Equipment, and Machinery	949,301	6,509	(14,907)	940,902
Total Accumulated Depreciation	<u>24,612,276</u>	<u>619,029</u>	<u>(62,440)</u>	<u>25,168,864</u>
Total Capital Assets, Being Depreciated, Net	<u>3,057,968</u>	<u>(192,572)</u>	<u>(60,163)</u>	<u>2,805,232</u>
Capital Assets, Net	<u>\$ 6,650,783</u>	<u>\$ (169,878)</u>	<u>\$ (289,863)</u>	<u>\$ 6,191,043</u>

Depreciation expense for the year ended was \$619,029.

NOTE 10 - EVALUATION OF SUBSEQUENT EVENTS:

The Housing Authority has evaluated subsequent events through August 7, 2018, the date which the financial statements were available to be issued.

On December 14, 2017, the Housing Authority was awarded \$750,000, from the Federal Home Loan Bank of Des Moines for renovation of Dulle Tower. Renovations began in July 2018. As of the date of this report, no funds have been drawn down. The reimbursement request has been submitted.

On June 1, 2017, Hyder Development Group, LP refinanced the loan from MHDC, as discussed in Note 6, with Gersham Investment Corp. in the amount of \$3,206,400; interest rate of 4.05%; with a maturity date of July 1, 2038.



**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: 03/31/2018

	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	\$370,508		\$180,349	\$1,478,948	\$604,803	\$2,634,608	\$2,634,608
112 Cash - Restricted - Modernization and Development							
113 Cash - Other Restricted			\$17,152		\$3,087,511	\$3,104,663	\$3,104,663
114 Cash - Tenant Security Deposits	\$66,458			\$20,670		\$87,128	\$87,128
115 Cash - Restricted for Payment of Current Liabilities			\$55,154			\$55,154	\$55,154
100 Total Cash	\$436,966	\$0	\$252,655	\$1,499,618	\$3,692,314	\$5,881,553	\$5,881,553
121 Accounts Receivable - PHA Projects							
122 Accounts Receivable - HUD Other Projects	\$1,008	\$5,781				\$6,789	\$6,789
124 Accounts Receivable - Other Government							
125 Accounts Receivable - Miscellaneous				\$3,102	\$625,238	\$628,340	\$628,340
126 Accounts Receivable - Tenants	\$1,233			\$6,827		\$8,060	\$8,060
126.1 Allowance for Doubtful Accounts - Tenants	\$0			-\$2,203		-\$2,203	-\$2,203
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0		\$0	-\$376,466	-\$376,466	-\$376,466
127 Notes, Loans, & Mortgages Receivable - Current	\$11,138					\$11,138	\$11,138
128 Fraud Recovery							
128.1 Allowance for Doubtful Accounts - Fraud	\$0					\$0	\$0
129 Accrued Interest Receivable	\$0					\$0	\$0
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$13,379	\$5,781	\$0	\$7,726	\$248,772	\$275,658	\$275,658
131 Investments - Unrestricted							
132 Investments - Restricted							
135 Investments - Restricted for Payment of Current Liability							
142 Prepaid Expenses and Other Assets	\$99,326		\$3,111	\$42,168	\$4,603	\$149,208	\$149,208
143 Inventories				\$67,629		\$67,629	\$67,629
143.1 Allowance for Obsolete Inventories				\$0		\$0	\$0
144 Inter Program Due From					\$123,902	\$123,902	\$123,902
145 Assets Held for Sale							
150 Total Current Assets	\$549,671	\$5,781	\$255,766	\$1,617,141	\$4,069,591	\$6,497,950	\$6,497,950
161 Land	\$2,815,487			\$582	\$547,047	\$3,363,116	\$3,363,116
162 Buildings	\$21,703,140			\$4,930,218	\$347,209	\$26,980,567	\$26,980,567
163 Furniture, Equipment & Machinery - Dwellings	\$195,638			\$327,273		\$522,911	\$522,911

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2018

	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
164 Furniture, Equipment & Machinery - Administration	\$394,678		\$2,900	\$63,187	\$5,739	\$466,504	\$466,504
165 Leasehold Improvements							
166 Accumulated Depreciation	-\$20,446,329		-\$2,900	-\$4,539,259	-\$176,261	-\$25,164,749	-\$25,164,749
167 Construction in Progress	\$22,694					\$22,694	\$22,694
168 Infrastructure							
160 Total Capital Assets, Net of Accumulated Depreciation	\$4,685,308	\$0	\$0	\$782,001	\$723,734	\$6,191,043	\$6,191,043
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	\$51				\$827,314	\$827,365	\$827,365
176 Investments in Joint Ventures							
180 Total Non-Current Assets	\$4,685,359	\$0	\$0	\$782,001	\$1,551,048	\$7,018,408	\$7,018,408
200 Deferred Outflow of Resources							
290 Total Assets and Deferred Outflow of Resources	\$5,235,030	\$5,781	\$255,766	\$2,399,142	\$5,620,639	\$13,516,358	\$13,516,358
311 Bank Overdraft							
312 Accounts Payable <= 90 Days	\$5,000			\$2,546	\$101,658	\$109,204	\$109,204
313 Accounts Payable >90 Days Past Due							
321 Accrued Wage/Payroll Taxes Payable							
322 Accrued Compensated Absences - Current Portion	\$8,388		\$1,048	\$5,767	\$3,668	\$18,871	\$18,871
324 Accrued Contingency Liability							
325 Accrued Interest Payable							
331 Accounts Payable - HUD PHA Programs	\$0					\$0	\$0
332 Account Payable - PHA Projects							
333 Accounts Payable - Other Government							
341 Tenant Security Deposits	\$66,458			\$20,670		\$87,128	\$87,128
342 Unearned Revenue	\$9,266			\$3,955		\$13,221	\$13,221
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue							
344 Current Portion of Long-term Debt - Operating Borrowings							
345 Other Current Liabilities			\$55,154			\$55,154	\$55,154

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

Submission Type: Audited/Single Audit

Fiscal Year End: 03/31/2018

	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
346 Accrued Liabilities - Other							
347 Inter Program - Due To	\$47,999	\$5,781	\$1,728	\$28,932	\$39,462	\$123,902	\$123,902
348 Loan Liability - Current							
310 Total Current Liabilities	\$137,111	\$5,781	\$57,930	\$61,870	\$144,788	\$407,480	\$407,480
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue							
352 Long-term Debt, Net of Current - Operating Borrowings							
353 Non-current Liabilities - Other							
354 Accrued Compensated Absences - Non Current	\$33,316		\$4,165	\$22,905	\$14,577	\$74,963	\$74,963
355 Loan Liability - Non Current							
356 FASB 5 Liabilities							
357 Accrued Pension and OPEB Liabilities							
350 Total Non-Current Liabilities	\$33,316	\$0	\$4,165	\$22,905	\$14,577	\$74,963	\$74,963
300 Total Liabilities	\$170,427	\$5,781	\$62,095	\$84,775	\$159,365	\$482,443	\$482,443
400 Deferred Inflow of Resources							
508.4 Net Investment in Capital Assets	\$4,685,308			\$782,001	\$723,734	\$6,191,043	\$6,191,043
511.4 Restricted Net Position			\$17,152		\$3,444,632	\$3,461,784	\$3,461,784
512.4 Unrestricted Net Position	\$379,295	\$0	\$176,519	\$1,532,366	\$1,292,908	\$3,381,088	\$3,381,088
513 Total Equity - Net Assets / Position	\$5,064,603	\$0	\$193,671	\$2,314,367	\$5,461,274	\$13,033,915	\$13,033,915
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$5,235,030	\$5,781	\$255,766	\$2,399,142	\$5,620,639	\$13,516,358	\$13,516,358

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: 03/31/2018

	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
70300 Net Tenant Rental Revenue	\$359,954			\$295,576		\$655,530	\$655,530
70400 Tenant Revenue - Other	\$45,265			\$10,082		\$55,347	\$55,347
70500 Total Tenant Revenue	\$405,219	\$0	\$0	\$305,658	\$0	\$710,877	\$710,877
70600 HUD PHA Operating Grants	\$1,276,842	\$17,342	\$1,187,056	\$937,767		\$3,419,007	\$3,419,007
70610 Capital Grants	\$48,328					\$48,328	\$48,328
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	\$4,054		\$1,812	\$13,850	\$74,929	\$94,645	\$94,645
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	\$6,225		\$7,528	\$129	\$237,789	\$251,671	\$251,671
71600 Gain or Loss on Sale of Capital Assets	\$578			\$649	\$9,027	\$10,254	\$10,254
72000 Investment Income - Restricted							
70000 Total Revenue	\$1,741,246	\$17,342	\$1,196,396	\$1,258,053	\$321,745	\$4,534,782	\$4,534,782
91100 Administrative Salaries	\$178,310		\$50,475	\$158,098	\$163,683	\$550,566	\$550,566
91200 Auditing Fees	\$8,505		\$2,900	\$8,450	\$1,380	\$21,235	\$21,235
91300 Management Fee				\$98,032		\$98,032	\$98,032
91310 Book-keeping Fee							
91400 Advertising and Marketing	\$158					\$158	\$158
91500 Employee Benefit contributions - Administrative	\$81,697		\$23,598	\$74,097	\$70,578	\$249,970	\$249,970
91600 Office Expenses	\$48,047		\$5,949	\$31,409	\$24,547	\$109,952	\$109,952
91700 Legal Expense	\$15,306		\$716	\$6,705	\$39,889	\$62,616	\$62,616
91800 Travel	\$5,299		\$2,827	\$1,415	\$44	\$9,585	\$9,585

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: 03/31/2018

91810 Allocated Overhead							
91900 Other	\$35,050	\$17,342	\$34,997	\$19,136	\$12,119	\$118,644	\$118,644
91000 Total Operating - Administrative	\$372,372	\$17,342	\$121,462	\$397,342	\$312,240	\$1,220,758	\$1,220,758
92000 Asset Management Fee							
92100 Tenant Services - Salaries				\$23,817		\$23,817	\$23,817
92200 Relocation Costs							
92300 Employee Benefit Contributions - Tenant Services				\$9,119		\$9,119	\$9,119
92400 Tenant Services - Other				\$493		\$493	\$493
92500 Total Tenant Services	\$0	\$0	\$0	\$33,429	\$0	\$33,429	\$33,429
93100 Water	\$77,428			\$19,438	\$66	\$96,932	\$96,932
93200 Electricity	\$84,092			\$71,937	\$115	\$156,144	\$156,144
93300 Gas	\$37,883			\$31,045	\$141	\$69,069	\$69,069
93400 Fuel							
93500 Labor							
93600 Sewer	\$71,089			\$20,278	\$31	\$91,398	\$91,398
93700 Employee Benefit Contributions - Utilities							
93800 Other Utilities Expense							
93000 Total Utilities	\$270,492	\$0	\$0	\$142,698	\$353	\$413,543	\$413,543
94100 Ordinary Maintenance and Operations - Labor	\$160,739			\$72,270		\$233,009	\$233,009
94200 Ordinary Maintenance and Operations - Materials and Other	\$104,568			\$54,702		\$159,270	\$159,270
94300 Ordinary Maintenance and Operations Contracts	\$427,302			\$111,650	\$71,343	\$610,295	\$610,295
94500 Employee Benefit Contributions - Ordinary Maintenance	\$76,768			\$33,664		\$110,432	\$110,432
94000 Total Maintenance	\$769,377	\$0	\$0	\$272,286	\$71,343	\$1,113,006	\$1,113,006
95100 Protective Services - Labor							
95200 Protective Services - Other Contract Costs	\$30,954			\$55,996		\$86,950	\$86,950
95300 Protective Services - Other							
95500 Employee Benefit Contributions - Protective Services							
95000 Total Protective Services	\$30,954	\$0	\$0	\$55,996	\$0	\$86,950	\$86,950
96110 Property Insurance	\$109,414		\$843	\$41,252	\$252	\$151,761	\$151,761
96120 Liability Insurance	\$171		\$23		\$1,444	\$1,638	\$1,638
96130 Workmen's Compensation	\$5,987		\$1,032	\$5,797	\$2,350	\$15,166	\$15,166

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: 03/31/2018

96140 All Other Insurance	\$437		\$101			\$538	\$538
96100 Total insurance Premiums	\$116,009	\$0	\$1,999	\$47,049	\$4,046	\$169,103	\$169,103
96200 Other General Expenses			\$3,323	\$397	\$7,660	\$11,380	\$11,380
96210 Compensated Absences	-\$4,961		-\$1,858	-\$5,267	\$9,761	-\$2,325	-\$2,325
96300 Payments in Lieu of Taxes	\$8,946					\$8,946	\$8,946
96400 Bad debt - Tenant Rents	\$10,178			\$14,509		\$24,687	\$24,687
96500 Bad debt - Mortgages							
96600 Bad debt - Other					\$14,910	\$14,910	\$14,910
96800 Severance Expense							
96000 Total Other General Expenses	\$14,163	\$0	\$1,465	\$9,639	\$32,331	\$57,598	\$57,598
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	\$1,573,367	\$17,342	\$124,926	\$958,439	\$420,313	\$3,094,387	\$3,094,387
97000 Excess of Operating Revenue over Operating Expenses	\$167,879	\$0	\$1,071,470	\$299,614	-\$98,568	\$1,440,395	\$1,440,395
97100 Extraordinary Maintenance	\$7,270					\$7,270	\$7,270
97200 Casualty Losses - Non-capitalized	\$37,716					\$37,716	\$37,716
97300 Housing Assistance Payments			\$1,078,285			\$1,078,285	\$1,078,285
97350 HAP Portability-In			\$4,690			\$4,690	\$4,690
97400 Depreciation Expense	\$484,491			\$124,128	\$10,411	\$619,030	\$619,030
97500 Fraud Losses							
97600 Capital Outlays - Governmental Funds							
97700 Debt Principal Payment - Governmental Funds							
97800 Dwelling Units Rent Expense							
90000 Total Expenses	\$2,102,844	\$17,342	\$1,207,901	\$1,082,567	\$430,724	\$4,841,378	\$4,841,378
10010 Operating Transfer In	\$345,889					\$345,889	\$345,889
10020 Operating transfer Out	-\$345,889					-\$345,889	-\$345,889
10030 Operating Transfers from/to Primary Government							
10040 Operating Transfers from/to Component Unit							



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: 03/31/2018

10050	Proceeds from Notes, Loans and Bonds							
10060	Proceeds from Property Sales							
10070	Extraordinary Items, Net Gain/Loss							
10080	Special Items (Net Gain/Loss)							
10091	Inter Project Excess Cash Transfer In							
10092	Inter Project Excess Cash Transfer Out							
10093	Transfers between Program and Project - In							
10094	Transfers between Project and Program - Out							
10100	Total Other financing Sources (Uses)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
10000	Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$361,598	\$0	-\$11,505	\$175,486	-\$108,979	-\$306,596	-\$306,596
11020	Required Annual Debt Principal Payments	\$0	\$0	\$0	\$0	\$0	\$0	\$0
11030	Beginning Equity	\$5,426,201	\$0	\$205,176	\$2,138,881	\$5,570,253	\$13,340,511	\$13,340,511
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			\$176,519			\$176,519	\$176,519
11180	Housing Assistance Payments Equity			\$17,152			\$17,152	\$17,152
11190	Unit Months Available	3704		2307	1423		7434	7434
11210	Number of Unit Months Leased	2569		2307	1415		6291	6291
11270	Excess Cash	\$187,068					\$187,068	\$187,068
11610	Land Purchases	\$0					\$0	\$0
11620	Building Purchases	\$48,238					\$48,238	\$48,238
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 Funds Program Costs  
 For the Year Ended March 31, 2018

<b>Capital Fund Grant Number</b>	<b><u>MO36P00950116</u></b>	<b><u>MO36P00950117</u></b>	<b><u>MO36E00950115</u></b>		
Funds Approved	\$ 447,582.00	\$ 458,281.00	\$ 34,653.00		
Funds Expended -3/31/2017	(394,097.54)				
Funds Expended -3/31/2018	<u>(53,484.46)</u>	<u>(168,782.54)</u>			
Excess of Funds Approved	<u>\$ -</u>	<u>\$ 289,498.46</u>	<u>\$ 34,653.00</u>		
<b>Capital Fund Grant Number</b>	<b><u>MO36R009502-13</u></b>	<b><u>MO36R009502-14</u></b>	<b><u>MO36R009502-15</u></b>	<b><u>MO36R009502-16</u></b>	<b><u>MO36R009502-17</u></b>
Funds Approved	\$ 20,143.00	\$ 29,646.00	\$ 30,293.00	\$ 31,317.00	\$ 32,040.00
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>	<u>\$ 32,040.00</u>

FEDERAL COMPLIANCE  
SECTION

Housing Authority of the City of Jefferson, Missouri  
Schedule of Expenditures of Federal Awards  
For the Year Ended March 31, 2018

<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	\$ 1,187,056
Section 8 New Construction and Substantial Rehabilitation	14.182	937,767
Public Housing Capital Fund	14.872	222,267
Public and Indian Housing	14.850	1,102,903
Family Self-Sufficiency Program (ROSS)	14.896	17,342
<i>Total Department of Housing and Urban Development</i>		3,467,335
<i>Total Expenditures of Federal Awards</i>		\$ 3,467,335

There were no subrecipients.

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



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, 2018, and the related notes to the financial statements, which collectively comprise the Housing Authority’s basic financial statements, and have issued our report thereon dated August 7, 2018.

*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 7, 2018



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, 2018. 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, 2018.

#### *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 7, 2018

HOUSING AUTHORITY OF THE CITY OF JEFFERSON, MISSOURI  
SCHEDULE OF FINDINGS 2 CFR SECTION 200.515  
FOR THE YEAR ENDED MARCH 31, 2018

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, 2018

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>
14.871	Section 8 Housing Choice Vouchers
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, 2018

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, 2018, and have issued our reports thereon dated August 7, 2018. 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 7, 2018, was expressed in relation to the basic financial statements 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 7, 2018

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, 2018

<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 2 CFR Section 200.515	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 2 CFR Section 200.515, Part 1 and OMB Data Collection Form	Agrees
Federal program report information (data element G4000-020 to G4000-040)	Schedule of Findings 2 CFR Section 200.515, 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