

PULASKI COUNTY
PUBLIC HOUSING AUTHORITY
Richland, Missouri

HUD Project No. MO207

Independent Auditors' Report
and Financial Statements with
Supplementary Information

For the Year Ended December 31, 2019

**PULASKI COUNTY
PUBLIC HOUSING AUTHORITY**
Richland, Missouri

December 31, 2019

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Management Discussion and Analysis Pulaski County Public Housing Authority

As Management of the Pulaski County Public Housing Authority we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the Authority for the year ended December 31, 2019.

FINANCIAL HIGHLIGHTS

Total Assets of the Authority decreased \$50,979 as of December 31, 2019, over the prior year.

An increase in Housing Assistance Subsidy contributed to an increase of Operating Revenue of the Authority by \$ 43,352 from the prior year.

Total Operating Expenses increased \$ 21,209 including an increase in Housing Assistance payments of \$ 36,408.

OVERVIEW

The PHA administers the Housing and Urban Development (HUD) Housing Choice Voucher Program serving a baseline of 339 households in Camden, Laclede, Miller, and Pulaski counties of rural Missouri. The purpose of this program is to assist low-income families to live in safe, decent, and affordable housing.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Authority prepares its financial statements using proprietary fund accounting. Propriety fund accounting uses full accrual basis principals. Revenues are recognized as earned and expenditures are recorded when incurred. The Authority receives funding from numerous sources. In order to properly account for the funds and restrictions on them, our accounts are maintained in accordance with the principals of fund accounting.

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority has only one fund type, namely an enterprise fund which is a proprietary fund type.

The Authority's financial statements consist of two parts - management's discussion and analysis and the basic financial statements. The basic financial statements include the Authority's financial statements and notes to the financial statements.

- The financial statements provide information about the Authority's overall financial position and results from operations. These statements, which are presented on the accrual basis, consist of the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position, and the Statement of Cash Flows.
- The financial statements also include a "Notes to Financial Statements" section that provides additional information that is essential to a full understanding of the data provided in the statements.

The statements report information about the Authority as a whole using accounting methods similar to those used in private sector companies. The Statement of Net Position includes all of the Authority's assets and liabilities. All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Net Position, regardless of when cash is received or paid.

The Authority's statements report the Authority's net position and how it changed. Net position, the difference between the Authority's assets and liabilities, is one way to measure the Authority's financial position.

The Authority's Financial Statements are presented to provide readers with a broad overview of the Authority's finances much the same way as a private sector business does. The Combining Schedules provide more detailed information about the Authority's most significant activities. These statements are divided into programs of related accounts that are used to maintain control over resources that have been segregated into specific activities, objectives or programs.

Significant Programs

The Authority has two programs that are consolidated into a single enterprise fund. The major program consists of the following:

Section 8 Housing Assistance – Vouchers – The housing choice voucher program is the federal government's major program for assisting very low-income families, the elderly, and the disabled to afford decent, safe, and sanitary housing in the private market. Housing choice vouchers are administered locally by PHAs. The PHAs receive funds from HUD to administer the voucher program. A housing subsidy is paid to the landlord directly by the PHA on behalf of the participating family. The family then pays the difference between the actual rent charged by the landlord and the amount subsidized by the program.

AN OVERVIEW OF THE AUTHORITY WIDE FINANCIAL POSITION AND OPERATIONS

The Authority's overall financial position and operations are presented below.

	FY 2018	FY 2019
Current Assets	\$ 565,980	\$ 619,166
Capital Assets, Net of Depreciation	10,162	7,955
Total Assets	<u>\$ 576,142</u>	<u>\$ 627,121</u>
Current Liabilities	\$ 13,794	\$ 20,146
Non-Current Liabilities	-	-
Deferred Inflows of Resources	-	-
Total Liabilities	<u>13,794</u>	<u>20,146</u>
Net Position		
Net Investment in Capital Assets	10,162	7,955
Restricted for Housing Assistance Payments	7,260	16,925
Unrestricted Net Assets	<u>544,926</u>	<u>582,095</u>
Total Net Position	<u>562,348</u>	<u>606,975</u>
Total Liabilities & Net Position	<u>\$ 576,142</u>	<u>\$ 627,121</u>

Assets:

Current Assets are \$ 619,166 for the year ended December 31, 2019, compared to Current Assets of \$ 565,980 for the year ended December 31, 2018, showing an increase of \$53,186. This change is mainly due to an increase in cash.

Liabilities:

Current Liabilities increased for the year ended December 31, 2019 by \$ 6,352 which is attributable to an increase in inter-agency payables at December 31, 2019.

Net Position:

The restricted portion of Net Position represents funds that are to be used for Housing Assistance Payments in the Housing Choice Program. They are not to be used for administrative expenses or any other program.

Capital Assets:

	FY 2018	FY 2019
Furniture, Equipment & Machinery - Administration	\$ 32,889	\$ 32,889
Accumulated depreciation	<u>(22,727)</u>	<u>(24,934)</u>
Total capital assets, net of accumulated depreciation	<u>\$ 10,162</u>	<u>\$ 7,955</u>

Change in Net Position:

	2018	2019	Increase (Decrease)
Operating Revenue:			
HUD PHA Housing Choice Vouchers	\$ 1,720,486	\$ 1,770,623	\$ 50,137
Fraud Recovery	9,268	4,926	(4,342)
Other Revenue	2,813	370	(2,443)
Total Operating Revenue	<u>1,732,567</u>	<u>1,775,919</u>	<u>43,352</u>
Operating Expenses:			
Administrative	192,556	181,453	(11,103)
Tenant Services	-	-	-
Utilities	6,739	4,646	(2,093)
Maintenance and Operations	-	-	-
Insurance, Taxes, and Bad Debt	8,627	5,397	(3,230)
Housing Assistance	1,517,000	1,553,408	36,408
Depreciation Expense	1,157	2,384	1,227
Bad Debt Expense - Fraud	-	-	-
Total Operating Expenses	<u>1,726,079</u>	<u>1,747,288</u>	<u>21,209</u>
Operating Income (Loss)	6,488	28,631	22,143
Nonoperating Revenue (Expense)			
Interest Income	<u>9,256</u>	<u>15,819</u>	<u>6,563</u>
Net Nonoperating Revenue (Expense)	<u>9,256</u>	<u>15,819</u>	<u>6,563</u>
Change in Net Position	15,744	44,450	28,706
Beginning Net Position	<u>546,604</u>	<u>562,348</u>	<u>15,744</u>
Ending Net Position	<u>\$ 562,348</u>	<u>\$ 606,798</u>	<u>\$ 44,450</u>

Revenues:

Operating revenue was up for 2019 for a total of \$ 43,352. The majority of this was a change in the grants received from HUD. The Authority received \$ 50,137 more in 2019 for Housing Assistance Payments and administration expense than what was received in 2018. There was also \$ 4,342 less in fraud recovery revenue and \$ 2,443 less in other revenue. Other revenue consists mainly of funds received from administrators of other housing vouchers for clients who have moved to our area, but are still recipients under their program. We then pay the rental assistance payments out of these funds.

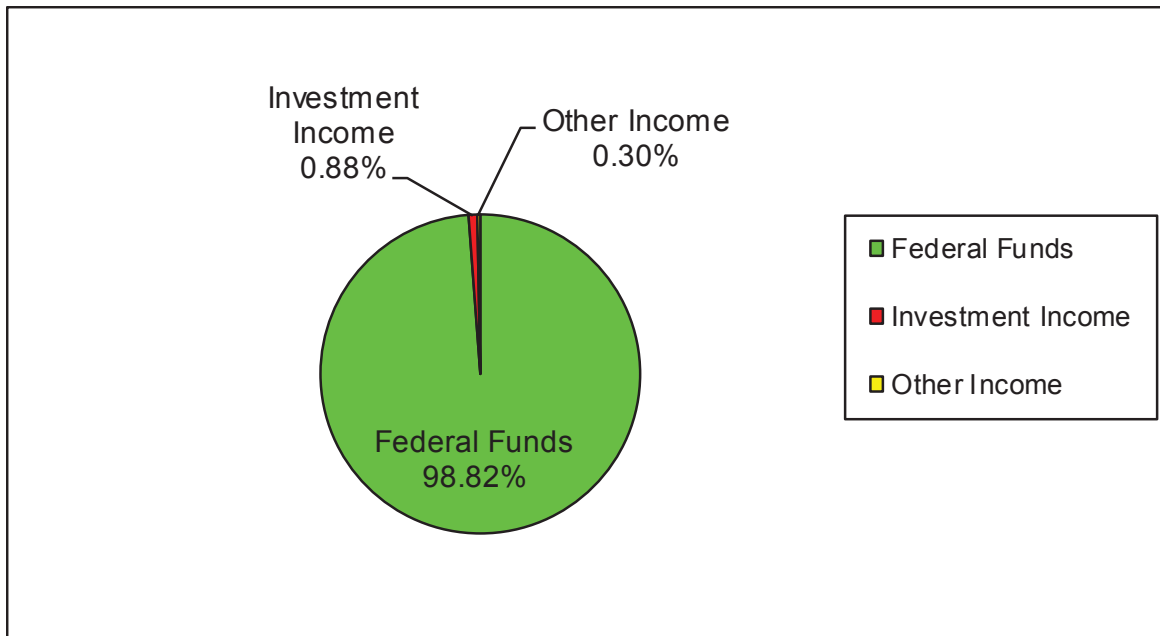
Expenses:

Expenses increased over the previous year by \$ 21,209. This included an increase in housing assistance payments of \$ 36,408. The remaining expenses decreased by \$ 15,199 over the prior year.

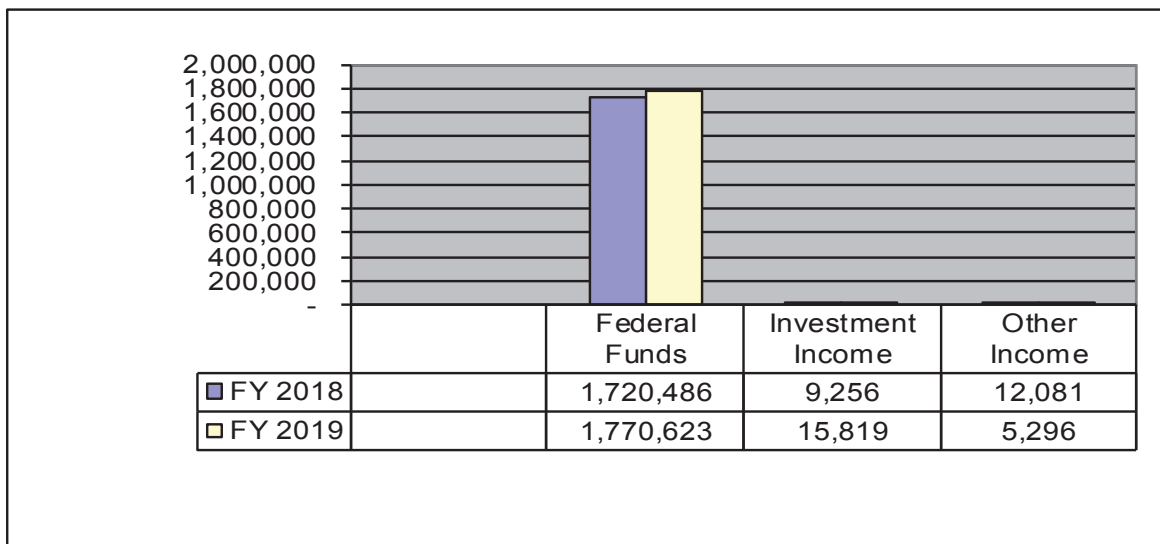
SIGNIFICANT CHANGES IN INDIVIDUAL PROGRAMS

No significant changes have taken place in the Housing Choice Voucher Program in the last year.

Revenue Sources 2019



Housing Authority Revenue



POTENTIAL IMPACTS ON FINANCIAL POSITION

The Authority receives approximately 98.82% of its funding from Federal sources. These funds are always at the discretion of the President and Congress. When looking at our overall revenue picture, Federal funding increased from FY 2018 to FY 2019. Federal funds are expected to remain constant in FY 2020.

COMPARISON OF BUDGETED RESULTS TO ACTUAL

	Actual FY 2019	Budgeted FY 2019	Dif. Amount	Dif. Percent
HUD Operating Grants	\$ 1,770,623	\$ 1,770,623	\$ -	0.0%
Other Revenue	21,115	-	21,115	
Total Revenue	<u>1,791,738</u>	<u>1,770,623</u>	<u>21,115</u>	1.2%
Administrative	181,453	191,458	10,005	-5.2%
Maintenance	-	-	-	
Other	10,043	6,400	(3,643)	56.9%
Total Operating Expenses	<u>191,496</u>	<u>197,858</u>	<u>(6,362)</u>	-3.2%
Housing Assistance Payments	1,553,408	1,546,187	(7,221)	0.5%
Other	2,384	40	(2,344)	5860.0%
Total Expenses	<u>1,747,288</u>	<u>1,744,085</u>	<u>3,203</u>	0.2%
Excess (Deficiency) of Total Revenue over (Under) Total Expenses	<u>\$ 44,450</u>	<u>\$ 26,538</u>	<u>\$ (17,912)</u>	

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's accountability for all those interested. If you have additional questions regarding financial information, you can contact our office in writing at the following address:

The Pulaski County Public Housing Authority
Attn: Finance Manager
P.O. BOX 69
Richland, Missouri 65556

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Pulaski County Public Housing Authority
Richland, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of Pulaski County Public Housing Authority, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Pulaski County Public Housing Authority, as of December 31, 2019, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on Pulaski County Public Housing Authority's basic financial statements. The financial data schedule is presented for the purpose of additional analysis and is not required as 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* (Uniform Guidance), and is also not a required part of the basic financial statements.

The financial data schedule and schedule of expenditures of federal awards are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial data schedule and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2020 on our consideration of Pulaski County Public 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Pulaski County Public Housing Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Pulaski County Public Housing Authority's internal control over financial reporting and compliance.



JARRED, GILMORE & PHILLIPS, PA

June 29, 2020
Chanute, Kansas

PULASKI COUNTY PUBLIC HOUSING AUTHORITY

Richland, Missouri

HUD Project No. MO207

STATEMENT OF NET POSITION

December 31, 2019

ASSETS

CURRENT ASSETS

Cash - Unrestricted	\$	600,887
Cash - Restricted		16,925
Total Cash		<u>617,812</u>

Accounts Receivable		85,827
Less: Allowance for Doubtful Accounts		(84,473)
Net Accounts Receivable		<u>1,354</u>

Total Current Assets		<u>619,166</u>
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NONCURRENT ASSETS

Capital Assets

Furniture and Equipment - Administration		32,889
Less: Accumulated Depreciation		(24,934)
Net Capital Assets		<u>7,955</u>

TOTAL ASSETS	\$	<u>627,121</u>
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LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Accounts Payable	\$	-
Accrued Compensated Absences		4,984
Refundable Grant Advance		15,162
		<u>20,146</u>

Total Current Liabilities		<u>20,146</u>
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NET POSITION

Net Investment in Capital Assets		7,955
Unrestricted		582,095
Restricted For:		
Housing Choice Vouchers		<u>16,925</u>

TOTAL NET POSITION		<u>606,975</u>
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DEFERRED INFLOW OF RESOURCES		<u>-</u>
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TOTAL LIABILITIES AND NET POSITION	\$	<u>627,121</u>
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The accompanying notes are an integral part of these financial statements.

PULASKI COUNTY PUBLIC HOUSING AUTHORITY
Richland, Missouri
HUD Project No. MO207

STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
For the Year Ended December 31, 2019

OPERATING REVENUE	
Other Operating Revenue	
HUD PHA Housing Choice Vouchers	\$ 1,770,623
Fraud Recovery	4,926
Other Revenue	370
	1,775,919
OPERATING EXPENSES	
Administrative	181,042
Utilities	6,655
Insurance	3,432
Other General Expense	1,965
Housing Assistance Payments	1,551,810
Depreciation Expense	2,207
	1,747,111
Total Operating Expenses	1,747,111
OPERATING INCOME	28,808
NONOPERATING REVENUE (EXPENSE)	
Interest Income	15,819
	15,819
CHANGE IN NET POSITION	44,627
TOTAL NET POSITION - BEGINNING	562,348
TOTAL NET POSITION - ENDING	\$ 606,975

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

PULASKI COUNTY PUBLIC HOUSING AUTHORITY
Richland, Missouri
HUD Project No. MO207

STATEMENT OF CASH FLOWS
For the Year Ended December 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES:	
Receipts from Grants	\$ 1,777,064
Receipts from Others	5,296
Payments to Employees	(128,501)
Payments to Landlords and Tenants	(1,517,000)
Payments to Suppliers and Vendors	<u>(97,640)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>39,219</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Payments for Purchase of Capital Assets	-
Cash Received from Interest	<u>15,819</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>15,819</u>
NET INCREASE (DECREASE) IN CASH	55,038
CASH - BEGINNING OF YEAR	<u>562,774</u>
CASH - END OF YEAR	<u><u>\$ 617,812</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating Income	\$ 28,808
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation Expense	2,207
Change in assets and liabilities:	
(Increase) Decrease in Accounts Receivable	1,852
(Decrease) Increase Accounts Payable	-
(Decrease) Increase in Accrued Compensated Absences	1,763
(Decrease) Increase in Unearned Revenue	4,589
(Decrease) Increase in Deferred Inflows	<u>-</u>
Total Adjustments	<u>10,411</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u><u>\$ 39,219</u></u>

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

**PULASKI COUNTY
PUBLIC HOUSING AUTHORITY**
Richland, Missouri
HUD Project No. MO207

Notes to Financial Statements
December 31, 2019

1. NATURE OF ORGANIZATION

Organization and Purpose

Pulaski County Public Housing Authority (“the Authority”) is a component unit of Pulaski County, Missouri, as administered by Missouri Ozarks Community Action, Inc. (MOCA), and is a public housing authority providing housing assistance and utility assistance to individuals in accordance with the rules and regulations prescribed by the Department of Housing and Urban Development and other Federal agencies.

The Authority is governed by a Board of Commissioners consisting of county officials from each of the counties served by the HUD voucher program, personal representatives of the low-income population for those counties, and other interested citizens of those communities. Pulaski County, Missouri is the signatory commission to the HUD contracts.

MOCA serves as the administrative entity for Pulaski County Public Housing Authority. As such, all funds are held by MOCA, and financial transactions are processed through its administrative offices.

These financial statements include only the funds of the HUD Project No. MO207.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

In evaluating how to define the government for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in Government Accounting Standards Board Codifications. The reporting entity is defined as the primary government and those component units for which the primary government is financially accountable. Financial accountability is defined as appointment of a voting majority of the components unit’s board, and either a) the ability to impose the primary government’s will, or b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government. There were no component units.

Basis of Accounting

The Authority’s financial statements are presented on the full accrual basis in accordance with accounting principles generally accepted in the United States of America. The Authority applies all Governmental Accounting Standards Board (GASB) pronouncements.

All activities of the Authority are accounted for within a single proprietary (enterprise) fund. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management a control, accountability, or other purposes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority are grants provided by federal agencies. Operating expenses for proprietary funds include the cost of housing assistance payments and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The accounting and financial reporting treatment applied to the Authority is determined by its measurement focus. The transactions of the Authority are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations are included on the balance sheet. Net Position (i.e., total assets net of total liabilities) are segregated into invested in capital assets, net of related debt and unrestricted components.

Cash and Cash Equivalents

For the statement of cash flows, all unrestricted investment instruments are cash equivalents.

Allowance for Doubtful Accounts

The allowance for doubtful accounts is based upon management's evaluation of the collectability of outstanding grant receivables and other receivables at the end of the year.

Capital Assets

The Authority capitalizes all costs in excess of \$500 for property and equipment at cost. If items are donated, they are recorded at fair value at the date of donation. Renewals and betterments are capitalized as additions to the appropriate asset accounts, while maintenance and repairs which do not improve or extend the life of the respective assets are charged to expense as incurred. Donated assets are recorded at fair value at date of donation. Capital assets are depreciated using the straight-line method over the useful lives of the assets. Depreciation is provided on the straight-line method over the estimated useful lives of the respective classes of property. Estimated useful lives are as follows:

Buildings	15 to 45 Years
Furniture and Equipment	3 to 10 Years
Leasehold Improvements	15 Years

When properties are disposed of, the related cost and accumulated depreciation are removed from the account and profit or loss upon disposal is reflected in operations.

Unearned Revenue

Unearned revenue consists of amounts received HUD in advance of meeting eligibility requirements other than timing. The funding from HUD for administrative fees is based on the number of vouchers leased, which is not a timing requirement but an eligibility requirement as defined by HUD accounting briefs.

Federal Income Tax Status

The Authority is a governmental organization which is subsidized by the Federal Government. The Authority is exempt from Federal and State income tax.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position

The Authority's net position is classified as follows:

Net Investment in capital assets consists of capital assets, including restricted capital assets, reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct, or improve those assets. If there are significant unspent proceeds from capital related debt at year-end, this component does not include the portion of the debt attributable to those proceeds. Instead, that debt is placed in the net assets component that includes the unspent proceeds.

Restricted- reports the component of net position with limits on their use that are externally imposed by creditors, grantors, contributors, or the laws and regulations of other governments.

Unrestricted- reports the component of net position whose use is not restricted by donors, even though their use may be limited in other respects, such as by contract or by board designation. Changes in net position arising from exchange transactions are included, as well as resources derived from gifts and contributions. These resources are used at the discretion of the governing board to meet current expenses for any purpose.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the Agency's policy is to first apply the expense towards restricted resources, and then towards unrestricted resources.

Regulations of U.S. Department of Housing and Urban Development (HUD)

The public housing complex is a subsidized project and is subject to HUD regulations.

Accounting 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 at 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.

3. DEPOSITS AND INVESTMENTS

Custodial Credit Risk – deposits. Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it.

At year-end the carrying amount of the Authority's deposits, including certificates of deposit, was \$617,812. The administrative entity (Missouri Ozarks Community Action, Inc.) has obtained securities pledged above FDIC coverage. The bank balance was held by one bank, resulting in a concentration of credit risk. The pledged securities are held under a tri-party custodial agreement signed by all three parties: MOCA, the pledging bank, and the independent third-party bank holding the pledged securities.

4. RECEIVABLES, NET

Receivables at December 31, 2019, consist of amounts due under the following:

Accounts Receivable:	
Fraud receivables	\$ 85,827
Less: Allowance for doubtful accounts	<u>(84,473)</u>
Total Receivables	<u>\$ 1,354</u>

5. CHANGES IN CAPITAL ASSETS

The following is a summary of the changes in capital assets for the year ended December 31, 2019:

	<u>12/31/18</u>	<u>Additions</u>	<u>Retirements</u>	<u>12/31/19</u>
Furniture & Equipment	\$ 32,889	\$ --	\$ --	\$ 32,889
Total Capital Assets	<u>32,889</u>	<u>--</u>	<u>--</u>	<u>32,889</u>
Accumulated Depreciation	<u>(22,727)</u>	<u>\$ (2,207)</u>	<u>\$ --</u>	<u>(24,934)</u>
Net Capital Assets	<u>\$ 10,162</u>			<u>\$ 7,955</u>

6. CURRENT VULNERABILITY DUE TO CERTAIN CONCENTRATIONS

The Authority receives virtually all of its revenues through a contract with the Department of Housing and Urban Development. In addition, the Authority operates in a heavily regulated environment. The operations of the Authority are subject to the administrative directives, rules and regulations of federal, state, and local regulatory agencies, including, but not limited to, HUD. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by 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.

7. COMPENSATED ABSENCES

Vacation Pay

All regular, full-time and part-time employees are eligible for vacation benefits based upon the employee's anniversary date. Vacation time is accrued or earned based upon the employee's length of service and on the time actually worked. No employee may carry an accrued balance of leave of more than 10 days (80 hours) from December 31 to January 1. All accrued leave in excess of 10 days will be reduced on January 1 of each year. Vacation time is earned on a graduated scale ranging from 2 to 3 hours per week based on years of service from one year to five years and over.

7. COMPENSATED ABSENCES (Continued)

Sick Leave

All regular, full-time and part-time employees earn paid sick leave annually. Sick leave is earned at a rate of 2 hours per week. Employees may accumulate up to a maximum of 30 days (240 hours). Sick leave accrual in excess of 30 days will be bought back by the Authority at 1 hour of pay for every 2 hours of sick leave in excess of 240 hours after January 1 of each year. Unused time earned for sick leave is lost if the employee is terminated for any reason.

The Authority determines a liability for compensated absences when the following conditions are met:

1. The Authority's obligation relating to employees' rights to receive compensation for future absences is attributable to employee services already rendered.
2. The obligation relates to the rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated and is material to the financial statements.

In accordance with the above criteria, a liability for accrued vacation has been accrued in these financial statements. However, the Authority has not accrued the liability for sick pay which has been earned, but not taken by Authority employees, as the amounts cannot be reasonably.

8. RESTRICTED CASH

In accordance with HUD regulations, an amount equal to Housing Assistance Payments (HAP) equity in the Housing Choice Voucher program is considered to be restricted cash and amounts received but recorded as deferred inflows for future HAP payments. This amount may not be used for any purpose other than HAP payments.

At December 31, 2019, the amounts restricted for HAP was:	
Housing Choice Voucher Program	\$ 16,925

9. CONTINGENCIES

The Authority is subject to possible examination by Federal and State authorities who determine compliance with terms, conditions, laws and regulations governing other grants given to the Authority in the current and prior years.

10. RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors and omissions; injuries to employees; employees' health and life; and natural disasters. The Authority manages these risks through the purchase of various insurance policies.

11. AFFILIATED ORGANIZATIONS

As discussed in Note 1, the Authority is administered by Missouri Ozarks Community Action, Inc. (MOCA). The Authority would be considered an affiliated organization of MOCA and is included as such in their financial statements.

12. SUBSEQUENT EVENTS

The Authority evaluated events and transactions occurring subsequent to year-end, and there were no subsequent events requiring recognition in the financial statements. Additionally, there were no nonrecognized subsequent events requiring disclosure.

SUPPLEMENTARY INFORMATION

Pulaski County Housing Authority (MO207)
Richland, MO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End:

12/31/2019

	14.871 Housing Choice Vouchers	Subtotal	Total
111 Cash - Unrestricted	\$600,710	\$600,710	\$600,710
112 Cash - Restricted - Modernization and Development	\$0	\$0	\$0
113 Cash - Other Restricted	\$16,925	\$16,925	\$16,925
114 Cash - Tenant Security Deposits			
115 Cash - Restricted for Payment of Current Liabilities			
100 Total Cash	\$617,635	\$617,635	\$617,635
121 Accounts Receivable - PHA Projects			
122 Accounts Receivable - HUD Other Projects			
124 Accounts Receivable - Other Government			
125 Accounts Receivable - Miscellaneous			
126 Accounts Receivable - Tenants			
126.1 Allowance for Doubtful Accounts -Tenants			
126.2 Allowance for Doubtful Accounts - Other			
127 Notes, Loans, & Mortgages Receivable - Current			
128 Fraud Recovery	\$85,827	\$85,827	\$85,827
128.1 Allowance for Doubtful Accounts - Fraud	-\$84,473	-\$84,473	-\$84,473
129 Accrued Interest Receivable			
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$1,354	\$1,354	\$1,354
131 Investments - Unrestricted			
132 Investments - Restricted	\$0	\$0	\$0
135 Investments - Restricted for Payment of Current Liability			
142 Prepaid Expenses and Other Assets			
143 Inventories			
143.1 Allowance for Obsolete Inventories			
144 Inter Program Due From			
145 Assets Held for Sale			
150 Total Current Assets	\$618,989	\$618,989	\$618,989
161 Land			
162 Buildings			
163 Furniture, Equipment & Machinery - Dwellings			
164 Furniture, Equipment & Machinery - Administration	\$32,889	\$32,889	\$32,889
165 Leasehold Improvements			
166 Accumulated Depreciation	-\$24,934	-\$24,934	-\$24,934
167 Construction in Progress			
168 Infrastructure			
160 Total Capital Assets, Net of Accumulated Depreciation	\$7,955	\$7,955	\$7,955
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			
176 Investments in Joint Ventures			
180 Total Non-Current Assets	\$7,955	\$7,955	\$7,955
200 Deferred Outflow of Resources			

Pulaski County Housing Authority (MO207)
Richland, MO

Entity Wide Balance Sheet Summary

Submission Type: Audited/Single Audit

Fiscal Year End:

12/31/2019

	14.871 Housing Choice Vouchers	Subtotal	Total
290 Total Assets and Deferred Outflow of Resources	\$626,944	\$626,944	\$626,944
311 Bank Overdraft			
312 Accounts Payable <= 90 Days			
313 Accounts Payable >90 Days Past Due			
321 Accrued Wage/Payroll Taxes Payable			
322 Accrued Compensated Absences - Current Portion	\$4,984	\$4,984	\$4,984
324 Accrued Contingency Liability			
325 Accrued Interest Payable			
331 Accounts Payable - HUD PHA Programs	\$15,162	\$15,162	\$15,162
332 Account Payable - PHA Projects			
333 Accounts Payable - Other Government			
341 Tenant Security Deposits			
342 Unearned Revenue			
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue			
344 Current Portion of Long-term Debt - Operating Borrowings			
345 Other Current Liabilities			
346 Accrued Liabilities - Other			
347 Inter Program - Due To			
348 Loan Liability - Current			
310 Total Current Liabilities	\$20,146	\$20,146	\$20,146
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			
355 Loan Liability - Non Current			
356 FASB 5 Liabilities			
357 Accrued Pension and OPEB Liabilities			
350 Total Non-Current Liabilities	\$0	\$0	\$0
300 Total Liabilities	\$20,146	\$20,146	\$20,146
400 Deferred Inflow of Resources			
508.4 Net Investment in Capital Assets	\$0	\$0	\$0
511.4 Restricted Net Position	\$16,925	\$16,925	\$16,925
512.4 Unrestricted Net Position	\$589,873	\$589,873	\$589,873
513 Total Equity - Net Assets / Position	\$606,798	\$606,798	\$606,798
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$626,944	\$626,944	\$626,944

Pulaski County Housing Authority (MO207)
Richland, MO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End:

12/31/2019

	14.871 Housing Choice Vouchers	Subtotal	Total
70300 Net Tenant Rental Revenue			
70400 Tenant Revenue - Other			
70500 Total Tenant Revenue	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$1,770,623	\$1,770,623	\$1,770,623
70610 Capital Grants			
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	\$15,819	\$15,819	\$15,819
71200 Mortgage Interest Income			
71300 Proceeds from Disposition of Assets Held for Sale			
71310 Cost of Sale of Assets			
71400 Fraud Recovery	\$4,925	\$4,925	\$4,925
71500 Other Revenue	\$371	\$371	\$371
71600 Gain or Loss on Sale of Capital Assets			
72000 Investment Income - Restricted			
70000 Total Revenue	\$1,791,738	\$1,791,738	\$1,791,738
91100 Administrative Salaries	\$104,282	\$104,282	\$104,282
91200 Auditing Fees	\$5,200	\$5,200	\$5,200
91300 Management Fee			
91310 Book-keeping Fee			
91400 Advertising and Marketing			
91500 Employee Benefit contributions - Administrative	\$29,007	\$29,007	\$29,007
91600 Office Expenses	\$22,539	\$22,539	\$22,539
91700 Legal Expense			
91800 Travel	\$524	\$524	\$524
91810 Allocated Overhead	\$18,029	\$18,029	\$18,029
91900 Other	\$1,872	\$1,872	\$1,872
91000 Total Operating - Administrative	\$181,453	\$181,453	\$181,453
92000 Asset Management Fee			
92100 Tenant Services - Salaries			
92200 Relocation Costs			
92300 Employee Benefit Contributions - Tenant Services			
92400 Tenant Services - Other			
92500 Total Tenant Services	\$0	\$0	\$0
93100 Water			
93200 Electricity			
93300 Gas			
93400 Fuel			
93500 Labor			

Pulaski County Housing Authority (MO207)
Richland, MO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End:

12/31/2019

	14.871 Housing Choice Vouchers	Subtotal	Total
93600 Sewer			
93700 Employee Benefit Contributions - Utilities			
93800 Other Utilities Expense	\$4,646	\$4,646	\$4,646
93000 Total Utilities	\$4,646	\$4,646	\$4,646
94100 Ordinary Maintenance and Operations - Labor			
94200 Ordinary Maintenance and Operations - Materials and Other			
94300 Ordinary Maintenance and Operations Contracts			
94500 Employee Benefit Contributions - Ordinary Maintenance			
94000 Total Maintenance	\$0	\$0	\$0
95100 Protective Services - Labor			
95200 Protective Services - Other Contract Costs			
95300 Protective Services - Other			
95500 Employee Benefit Contributions - Protective Services			
95000 Total Protective Services	\$0	\$0	\$0
96110 Property Insurance	\$1,196	\$1,196	\$1,196
96120 Liability Insurance			
96130 Workmen's Compensation	\$2,019	\$2,019	\$2,019
96140 All Other Insurance	\$217	\$217	\$217
96100 Total insurance Premiums	\$3,432	\$3,432	\$3,432
96200 Other General Expenses			
96210 Compensated Absences			
96300 Payments in Lieu of Taxes			
96400 Bad debt - Tenant Rents			
96500 Bad debt - Mortgages			
96600 Bad debt - Other	\$1,965	\$1,965	\$1,965
96800 Severance Expense			
96000 Total Other General Expenses	\$1,965	\$1,965	\$1,965
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
96900 Total Operating Expenses	\$191,496	\$191,496	\$191,496
97000 Excess of Operating Revenue over Operating Expenses	\$1,600,242	\$1,600,242	\$1,600,242
97100 Extraordinary Maintenance			
97200 Casualty Losses - Non-capitalized			
97300 Housing Assistance Payments	\$1,551,810	\$1,551,810	\$1,551,810
97350 HAP Portability-In	\$1,598	\$1,598	\$1,598
97400 Depreciation Expense	\$2,384	\$2,384	\$2,384
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			

Pulaski County Housing Authority (MO207)
Richland, MO

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Single Audit

Fiscal Year End:

12/31/2019

	14.871 Housing Choice Vouchers	Subtotal	Total
97800 Dwelling Units Rent Expense			
90000 Total Expenses	\$1,747,288	\$1,747,288	\$1,747,288
10010 Operating Transfer In			
10020 Operating transfer Out			
10030 Operating Transfers from/to Primary Government			
10040 Operating Transfers from/to Component Unit			
10050 Proceeds from Notes, Loans and Bonds			
10060 Proceeds from Property Sales			
10070 Extraordinary Items, Net Gain/Loss			
10080 Special Items (Net Gain/Loss)			
10091 Inter Project Excess Cash Transfer In			
10092 Inter Project Excess Cash Transfer Out			
10093 Transfers between Program and Project - In			
10094 Transfers between Project and Program - Out			
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	\$44,450	\$44,450	\$44,450
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$562,348	\$562,348	\$562,348
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors			
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	\$589,873	\$589,873	\$589,873
11180 Housing Assistance Payments Equity	\$16,925	\$16,925	\$16,925
11190 Unit Months Available	4183	4183	4183
11210 Number of Unit Months Leased	349	349	349
11270 Excess Cash			
11610 Land Purchases			
11620 Building Purchases			
11630 Furniture & Equipment - Dwelling Purchases			
11640 Furniture & Equipment - Administrative Purchases			
11650 Leasehold Improvements Purchases			
11660 Infrastructure Purchases			
13510 CFFP Debt Service Payments			
13901 Replacement Housing Factor Funds			

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT ON APPLYING
AGREED-UPON PROCEDURES**

Board of Commissioners
Pulaski County
Public Housing Authority
Richland, Missouri

We have performed the procedure described in the second paragraph of this report, which was agreed to by Pulaski County Public Housing Authority, and the U.S. Department of Housing and Urban Development, Public Indian Housing-Real Estate Assessment Center (PIH-REAC), on whether the electronic submission of certain information agrees with the related hard copy documents included within the OMB Uniform Administrative Requirements reporting package. Pulaski County Public Housing Authority is responsible for the accuracy and completeness of the electronic submission. The sufficiency of the procedure is solely the responsibility of Pulaski County Public Housing Authority and the U.S. Department of Housing and Urban Development, PIH-REAC. 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 associated findings from the performance of our agreed-upon procedure indicate agreement or non-agreement of the electronically submitted information and hard copy documents as shown in the attached chart.

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

We were engaged to perform an audit in accordance with the audit requirements of OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, for Pulaski County Public Housing Authority as of and for the year ended December 31, 2019, and have issued our reports thereon dated June 29, 2020. 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 supplementary information dated June 29, 2020, was expressed in relation to the basic financial statements of Pulaski County Public Housing Authority taken as a whole.

A copy of the reporting package required by OMB Administrative Requirements, which includes the auditors' reports, is available in its entirety from Pulaski County Public 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.

The purpose of this report on applying agreed-upon procedures is solely to describe the procedures performed on the electronic submission of the items listed in the “UFRS Rule Information” column and the associated findings, and not to provide an opinion or conclusion. Accordingly, this report is not suitable for any other purpose.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

June 29, 2020
Chanute, Kansas

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

**PULASKI COUNTY
PUBLIC HOUSING AUTHORITY**
Richland, Missouri
HUD Project No. MO207

Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2019

FEDERAL GRANTOR/ PASS THROUGH GRANTOR/ PROGRAM TITLE	PASS-THROUGH IDENTIFYING NUMBER	FEDERAL CFDA NUMBER	PROVIDED TO SUBRECIPIENTS	DISBURSE- MENTS/ EXPENDITURES
<u>U.S. Department of Housing & Urban Development</u>				
Direct Grant				
Housing Voucher Cluster				
Section 8 Housing Choice Vouchers	N/A	14.871	\$ 1,770,623	\$ 1,770,623
Total U.S. Department of Housing and Urban Development			1,770,623	1,770,623
TOTAL FEDERAL AWARDS			\$ 1,770,623	\$ 1,770,623

NOTE A -- BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Pulaski County Public Housing Authority and presents expenditures on the accrual basis of accounting, except for subsidy programs, which follows REAC PHA - Financial Accounting Brief - which defines a Federal expenditure expended for single audit purposes as when meeting eligibility requirements. The information in this schedule is presented in accordance with the Uniform Guidance.

NOTE B --INDIRECT COST RATE

Pulaski County Public Housing Authority did not elect to use the 10% de minimis cost rate, as it does not qualify.

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Pulaski County
Public Housing Authority
Richland, 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 Pulaski County Public Housing Authority, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise Pulaski County Public Housing Authority's basic financial statements, and have issued our report thereon dated June 29, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Pulaski County Public Housing Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Pulaski County Public Housing Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of Pulaski County Public 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 Authority's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Pulaski County Public 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 Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

June 29, 2020
Chanute, Kansas

JARRED, GILMORE & PHILLIPS, PA
CERTIFIED PUBLIC ACCOUNTANTS

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

To the Board of Commissioners
Pulaski County Public
Housing Authority
Richland, Missouri

Report on Compliance for Each Major Federal Program

We have audited the Pulaski County Public Housing Authority's 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 Pulaski County Public Housing Authority's major federal programs for the year ended December 31, 2019. Pulaski County Public Housing Authority's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Pulaski County Public 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 Pulaski County Public 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 Pulaski County Public Housing Authority's compliance.

Opinion on Each Major Federal Program

In our opinion, the Pulaski County Public 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 December 31, 2019.

Report on Internal Control over Compliance

Management of the Pulaski County Public 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 Pulaski County Public 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 Pulaski County Public 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.

Purpose of this Report

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.



JARRED, GILMORE & PHILLIPS, PA
Certified Public Accountants

June 29, 2020
Chanute, Kansas

PULASKI COUNTY PUBLIC HOUSING AUTHORITY
Richland, Missouri

Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2019

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements:

The auditors' report expresses an unmodified opinion on the financial statements of Pulaski County Public Housing Authority.

Internal Control over Financial Reporting:

Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____	No
Significant deficiency(ies) identified?	_____	Yes	_____ <u>X</u> _____	None Reported
Non compliance or other matters required to be reported under <i>Government Auditing Standards</i> ?	_____	Yes	_____ <u>X</u> _____	No

Federal Awards:

Internal control over major programs:				
Material weakness(es) identified?	_____	Yes	_____ <u>X</u> _____	No
Significant deficiency(ies) identified?	_____	Yes	_____ <u>X</u> _____	None Reported

The auditors' report on compliance for the major federal award programs for Pulaski County Public Housing Authority expresses an unmodified opinion.

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	_____	Yes	_____ <u>X</u> _____	No
----------------------------------------------------------------------------------------------------	-------	-----	----------------------	----

Identification of major programs:

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Section 8 Housing Choice Vouchers CFDA 14.871

The threshold for distinguishing Types A and B programs was \$750,000.00.

Auditee qualified as a low risk auditee?	_____ <u>X</u> _____	Yes	_____	No
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II. FINANCIAL STATEMENT FINDINGS

None

PULASKI COUNTY PUBLIC HOUSING AUTHORITY
Richland, Missouri

Schedule of Findings and Questioned Costs
(Continued)
For the Year Ended December 31, 2019

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

None

	<u>Questioned Costs</u>
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT Section 8 Housing Choice Vouchers CFDA 14.871	None

PULASKI COUNTY PUBLIC HOUSING AUTHORITY
Richland, Missouri

Summary Schedule of Prior Audit Findings
For the Year Ended December 31, 2019

None