

**Jefferson County VOA Living Center, Inc.
(A Nonprofit Corporation)
(Woodgreen Apartments)
HUD Project No. 083-EH253
Louisville, Kentucky**

Financial Statements
and Supplemental Information

June 30, 2018



MADDOX & ASSOCIATES, APC

CERTIFIED PUBLIC ACCOUNTANTS

To the Department of Housing
and Urban Development

Attached is the financial report of Jefferson County VOA Living Center, Inc., (A Nonprofit Corporation), (Woodgreen Apartments), HUD Project No. 083-EH253 for the year ended June 30, 2018.

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Maddox & Associates, APC

August 29, 2018

Jefferson County VOA Living Center, Inc.
(A Nonprofit Corporation)

(Woodgreen Apartments)

HUD Project No. 083-EH253

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June 30, 2018

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Independent Auditors' Report

To the Directors
Jefferson County VOA Living Center, Inc.
(Woodgreen Apartments)

Report on the Financial Statements

We have audited the accompanying financial statements of Jefferson County VOA Living Center, Inc., (Woodgreen Apartments), HUD Project No. 083-EH253, (the "Project"), which comprise the statement of financial position as of June 30, 2018, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Woodgreen Apartments as of June 30, 2018, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying supplementary information shown on pages 13 to 19 is presented for purposes of additional analysis as required by the *Consolidated Audit Guide for Audits of HUD Programs* issued by the U.S. Department of Housing and Urban Development, Office of the Inspector General, and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated August 29, 2018 on our consideration of Woodgreen Apartments' 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 solely 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 Woodgreen Apartments' 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 Woodgreen Apartments' internal control over financial reporting and compliance.

Maddox & Associates, APC

Baton Rouge, Louisiana
August 29, 2018

Jefferson County VOA Living Center, Inc.
(A Nonprofit Corporation)

(Woodgreen Apartments)

HUD Project No. 083-EH253

Statement of Financial Position
June 30, 2018

ASSETS

CURRENT ASSETS

Cash-Operations	\$	25,786
Tenant Accounts Receivable		891
Cash-Service Coordinator		731
Accounts Rceivable-Service Coordinator		12,404
Purchase Deposit		20,000
Prepaid Expenses		4,760
Total Current Assets		<u>64,572</u>

DEPOSITS HELD IN TRUST-FUNDED

Tenant Security Deposits Held in Trust	4,757
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RESTRICTED DEPOSITS AND FUNDED RESERVES

Escrow Deposits	2,590
Replacement Reserve	38,352
Residual Receipts Reserve	1,279
Total Restricted Deposits	<u>42,221</u>

LONG-LIVED ASSETS HELD FOR SALE

<u>315,061</u>

TOTAL ASSETS

<u><u>\$ 426,611</u></u>

Jefferson County VOA Living Center, Inc.
(A Nonprofit Corporation)

(Woodgreen Apartments)

HUD Project No. 083-EH253

Statement of Financial Position
June 30, 2018

LIABILITIES AND NET ASSETS (DEFICIT)

CURRENT LIABILITIES

Accounts Payable-Operations	\$ 36,076
Accrued Management Fee Payable	1,440
Accrued Interest Payable-First Mortgage	4,069
Mortgage Payable-First Mortgage (short-term)	583,063
Accrued Service Coordinator Expenses	12,404
Purchase Deposit (contra)	20,000
Prepaid Revenue	11
Total Current Liabilities	<u>657,063</u>

DEPOSITS HELD IN TRUST-FUNDED

Tenant Security Deposits Held in Trust (contra)	<u>4,102</u>
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Total Liabilities 661,165

NET ASSETS (DEFICIT)

Unrestricted Net Assets	<u>(234,554)</u>
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TOTAL LIABILITIES AND NET ASSETS (DEFICIT) \$ 426,611

Jefferson County VOA Living Center, Inc.
(A Nonprofit Corporation)

(Woodgreen Apartments)

HUD Project No. 083-EH253

Statement of Activities
For the Year Ended June 30, 2018

REVENUES:

Rent	\$ 216,316
Service Coordinator Revenue	27,353
Financial	281
Other	<u>371</u>
Total Revenue	244,321

EXPENSES:

Project Services	
Administrative	46,008
Utilities	17,013
Operating and Maintenance	50,562
Taxes and Insurance	9,635
Financial	49,582
Service Coordinator Expenses	35,851
Depreciation	<u>40,199</u>
Total Project Service Expenses	248,850
Gain on Retention of Residual Receipts	<u>8,956</u>
Increase in Unrestricted Net Assets	4,427
Net Assets, Beginning of Period (deficit)	<u>(238,981)</u>
NET ASSETS, END OF PERIOD (DEFICIT)	<u><u>\$ (234,554)</u></u>

Jefferson County VOA Living Center, Inc.
(A Nonprofit Corporation)

(Woodgreen Apartments)

HUD Project No. 083-EH253

Statement of Cash Flows
For the Year Ended June 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:

Rental Receipts	\$ 215,188
Interest Receipts	281
Other Receipts	35,955
Total Receipts	<u>251,424</u>
Administrative	(15,311)
Management Fees	(13,138)
Utilities	(17,013)
Salaries and Wages	(27,833)
Operating and Maintenance	(36,805)
Property Insurance	(6,256)
Miscellaneous Taxes and Insurance	(3,651)
Tenant Security Deposits	409
Other Operating Expenses	(3,666)
Interest on Mortgage	(49,717)
Total Disbursements	<u>(172,981)</u>
Net Cash Provided by Operating Activities	<u>78,443</u>

CASH FLOWS FROM INVESTING ACTIVITIES:

Deposits to the Escrow Account	(6,361)
Withdrawals from the Escrow Account	6,346
Deposits to the Replacement Reserve Account	(6,680)
Withdrawals from the Replacement Reserve Account	388
Deposits to the Residual Receipts Account	(12,892)
Withdrawals from the Residual Receipts Account	12,684
Net Purchase of Fixed Assets	<u>(51,949)</u>
Net Cash Used in Investing Activities	<u>(58,464)</u>

CASH FLOWS FROM FINANCING ACTIVITIES:

Mortgage Principal Payments	(19,254)
Refund of Loan Fees	5,000
Net Cash Used in Financing Activities	<u>(14,254)</u>

Net Increase in Cash and Cash Equivalents 5,725

CASH AND CASH EQUIVALENTS:

Beginning of Period	<u>20,061</u>
End of Period	<u><u>\$ 25,786</u></u>

(continued)

See accompanying notes to the financial statements.

Jefferson County VOA Living Center, Inc.
(A Nonprofit Corporation)

(Woodgreen Apartments)

HUD Project No. 083-EH253

Statement of Cash Flows (continued)
For the Year Ended June 30, 2018

CASH FLOWS FROM OPERATING ACTIVITIES:

Increase in Net Assets	\$	4,427
Adjustments to Reconcile Increase in Net Assets to		
Net Cash Provided by Operating Activities		
Depreciation Expense		40,199
Gain on Retention of Residual Receipts		(8,956)
Decrease (Increase) in:		
Tenant Accounts Receivable		(420)
Accounts Receivable-Other		917
Prepaid Expenses		(272)
Cash Restricted for Tenant Security Deposits		197
Cash Restricted for Service Coordinator		7,314
Increase (Decrease) in:		
Accounts Payable		35,768
Accrued Liabilities		(650)
Accrued Interest Payable		(135)
Tenants Security Deposits Held in Trust		212
Prepaid Revenue		(158)
Net Cash Provided by Operating Activities	\$	<u>78,443</u>

Jefferson County VOA Living Center, Inc.
(A Nonprofit Corporation)

(Woodgreen Apartments)

HUD Project No. 083-EH253

Notes to the Financial Statements
June 30, 2018

1. Organization and Summary of Significant Accounting Policies

The Project is a 21-unit apartment project for the elderly and persons with disabilities located in Louisville, Kentucky. The Project is operated under Section 202 of the National Housing Act and regulated by the U.S. Department of Housing and Urban Development (HUD) with respect to rental charges and operating methods.

Jefferson County VOA Living Center, Inc., a corporation sponsored by Volunteers of America, holds legal title to the Project. The accompanying financial statements include only the assets and related liabilities of Woodgreen Apartments.

The Project also is subject to Section 8 Housing Assistance Payments agreements with the U.S. Department of Housing and Urban Development (HUD), and a significant portion of the Project's rental income is received from HUD.

On June 27, 2018, Jefferson County VOA Living Center, Inc. entered into an Agreement of Sale to sell Woodgreen Apartments for \$1,300,000. The sale includes the land, buildings, improvements, tenant leases, security deposits, and residual receipts. As of August 29, 2018, the prospective buyer terminated the contract and Woodgreen Apartments was re-listed on the market for sale. Management expects to complete a sale within the next fiscal year.

Based on the expected sale, fixed assets are classified as "Assets Held for Sale" on the Statement of Financial Position.

The Project's regulatory agreement with HUD stipulates, among other things, that the Project will not make distributions of assets or income to any of its officers and directors.

The following significant accounting policies have been followed in the preparation of the financial statements:

Basis of Accounting: The financial statements are prepared on the accrual basis of accounting, which is in accordance with generally accepted accounting principles.

Subsequent Events: The financial statements and related disclosures include evaluation of events up through and including August 29, 2018, which is the date the financial statements were issued.

Revenue Recognition: Rental income is recognized as rentals become due. Rental payments received in advance are deferred until earned. All leases between the Project and the tenants are operating leases. Rental income is recorded net of vacancies. Under the Regulatory Agreement, the Project may not increase rents charged to tenants without HUD approval.

Functional Expenses: Expenditures incurred in connection with project operations and expenditures made for entity purposes have been summarized on a functional basis in the Statement of Activities.

Cash and Cash Equivalents: For the purposes of the Statement of Cash Flows, the Project considers all highly liquid investments purchased with maturities of three months or less to be cash equivalents.

Jefferson County VOA Living Center, Inc.
(A Nonprofit Corporation)

(Woodgreen Apartments)

HUD Project No. 083-EH253

Notes to the Financial Statements (continued)
June 30, 2018

Concentration of Credit Risk: The project maintains its cash in financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). Deposit accounts, at times, may exceed federally insured limits. The project has not experienced any losses in such accounts.

Allowance for Uncollectible Receivables: Tenant receivables are charged to bad debt expense when they are determined to be uncollectible based upon a periodic review of the accounts by management. Accounting principles generally accepted in the United States of America require that the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method.

Depreciation: The Project's land, building, improvements, and personal property are recorded at cost. Improvements are capitalized, while expenditures for maintenance and repairs are charged to expense as incurred. Depreciation is provided by the straight-line method over the estimated useful life of the asset.

Buildings	31.5 years
Land and Building Improvements	15 years
Furniture, Fixtures, and Equipment	3-10 years

Impairment of Long-Lived Assets: The Project reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Recoverability is measured by a comparison of the carrying amount to the future net undiscounted cash flow expected to be generated and any estimated proceeds from the eventual disposition. If the long-lived asset is considered to be impaired, the impairment to be recognized is measured at the amount by which the carrying amount exceeds the fair value as determined from an appraisal, discounted cash flows analysis, or other valuation technique. There is no impairment loss recognized for the period ending June 30, 2018.

Other Liabilities: Accrued expenses for compensated absences, vacations, and sick pay are not shown due to the fact that amount of the liability cannot be reasonably estimated. It is the Project's policy to expense these items when they are incurred.

Interest Expense: The Project has expensed all interest and none has been capitalized.

Income Taxes: Neither the Project nor its nonprofit corporate owner is subject to federal income taxes under IRC 501(C)(3). The Project files information returns in the U.S. federal jurisdiction. Federal and state tax authorities generally have the right to examine and audit the previous three years of tax returns filed. There are no interest and penalties related to income taxes recognized in the statement of activities. The Project has not taken any tax positions that would significantly increase or decrease any unrecognized tax benefit within twelve months of the reporting date.

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 certain 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

Jefferson County VOA Living Center, Inc.
(A Nonprofit Corporation)

(Woodgreen Apartments)

HUD Project No. 083-EH253

Notes to the Financial Statements (continued)
June 30, 2018

Economic Concentrations: The Project's primary asset is its 21-unit apartment project. The Project's operations are concentrated in the multifamily housing real estate market. In addition, the Project operates in a regulated environment. The operations of the Project 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.

2. Mortgage Payable

The mortgage note, insured by the Federal Housing Administration, is payable over 40 years in monthly installments, including principal and interest of \$5,748 at 8.375%. All interest is charged to expense. This note is secured by a mortgage on the real estate and improvements thereon. The maturity date is March 1, 2032.

As part of the sales agreement described in Note 1, the mortgage principal will be paid in full. The aggregate principal balance is shown as current liabilities on the statement of financial position.

3. Related Party-Identity of Interest

Related Party: VOA National Housing Corporation
Relationship: Corporation Formed by the Sponsor
Transactions: Accounting and Reimbursable Expenses
Amount paid for services: \$2,321
Amount payable at June 30, 2018: \$243

Related Party: Volunteers of America Mid-States, Inc.
Relationship: Corporation Formed by the Sponsor
Transactions: Management, Payroll, Reimbursable Expenses, and Service Coordinator
Amount paid for services: \$48,166
Amount payable at June 30, 2018: \$49,183

Related Party: Volunteers of America
Relationship: Sponsor
Transactions: Reimbursable Expenses and Service Coordinator
Amount paid for services: \$550
Amount payable at June 30, 2018: None

Related Party: Volunteers of America National Services
Relationship: Corporation Formed by the Sponsor
Transactions: Service Coordinator Quality Assurance
Amount paid for services: \$2,832
Amount payable at June 30, 2018: None

Jefferson County VOA Living Center, Inc.
(A Nonprofit Corporation)

(Woodgreen Apartments)

HUD Project No. 083-EH253

Notes to the Financial Statements (continued)
June 30, 2018

4. Management Fee

The Project has contracted with Volunteers of America Mid-States, Inc. to provide management services. The charges for these services are based upon a management agreement. The charges are 5.76% of collected rental income. For the period ended June 30, 2018, management fees charged amounted to \$12,397. The Project is also charged Better Buildings Challenge management add-on fees. The charges are \$4 per unit, per month. For the period ended June 30, 2018, Better Buildings Challenge management fees charged amounted to \$1,008. The balance owed Volunteers of America Mid-States, Inc. at June 30, 2018 is \$1,440.

5. Restricted Funds

Under the Regulatory Agreement, the Project is required to establish and maintain a replacement reserve account for the replacement of property and other project expenditures as approved by HUD. The Project is also required to complete a computation of surplus cash. Surplus cash is the cash remaining after all expenses of the project are paid less current obligations of the current reporting period. If surplus cash exists, the Project is required to deposit surplus cash into a residual receipts account within 60 days of the Project's year-end. Restricted funds are held in separate accounts and generally are not available for operating purposes.

There is a Multifamily Service Coordinator grant agreement with HUD. The funds are accounted for in a restricted account.

6. Unrestricted Net Assets

None of the Project's net assets are subject to donor-imposed restrictions. Accordingly, all net assets are accounted for as unrestricted net assets.

7. Residual Receipts Contingency

Regulations require the return of residual receipts to HUD unless the funds are authorized by HUD to be retained by the Project for possible future uses. The use of these funds is contingent upon HUD's prior written approval. HUD authorized the recapture of residual receipt balances in excess of \$250 per unit ("retained balance") through the Project's Section 8 Contract. There is no excess at June 30, 2018. During the year, the Project was granted approval from HUD to retain \$8,956 residual receipts that were previously in excess of the retained balance.

8. Accounts Receivable-Service Coordinator

"Accounts Receivable-Service Coordinator" includes \$12,404 due from HUD under the service coordinator grant award for the period January 2018 through June 2018.

Jefferson County VOA Living Center, Inc.
(A Nonprofit Corporation)

(Woodgreen Apartments)

HUD Project No. 083-EH253

Notes to the Financial Statements (continued)
June 30, 2018

9. Long-Lived Assets Held for Sale

As part of the expected sale of Woodgreen Apartments described in Note 1, fixed assets are classified on the statement of financial position as long-lived assets held for sale. The major categories of assets held for sale are classified as follows:

Land	\$ 70,094
Buildings	908,672
Building Equipment-Portable	9,329
Furnishings	35,704
Office Furniture and Equipment	7,886
Maintenance Equipment	3,500
Miscellaneous Fixed Assets	7,119
Total Fixed Assets	<u>1,042,304</u>
Less Accumulated Depreciation	<u>727,243</u>
Net Fixed Assets	<u>\$ 315,061</u>

10. Purchase Deposit

As part of the Agreement of Sale described in Note 1, the buyer was required to deposit \$20,000 within two days of execution of the agreement with a mutually agreed upon title insurance company. The buyer deposited the \$20,000 in accordance with the agreement on June 29, 2018. The purchase deposit is classified on the statement of financial position as a current asset and a current liability. The buyer terminated the contract, which requires the purchase deposit to be returned. Management expects the deposit to be returned during the next fiscal year.

SUPPLEMENTAL INFORMATION

Jefferson County VOA Living Center, Inc.
(A Nonprofit Corporation)

(Woodgreen Apartments)

HUD Project No. 083-EH253

Supplementary Information Required by HUD
June 30, 2018

Financial Statement Data:

Assets		
<u>Account</u>	<u>Description</u>	<u>Value</u>
1120	Cash-Operations	25,786
1130	Tenant Accounts Receivable	891
1190-020	Cash-Service Coordinator	731
1190-020	Accounts Receivable-Service Coordinator	12,404
1190-020	Purchase Deposit	20,000
1190	Miscellaneous Current Assets	33,135
1200	Prepaid Expenses	4,760
1100T	Total Current Assets	64,572
1191	Tenant Security Deposits Held in Trust	4,757
1310	Escrow Deposits	2,590
1320	Replacement Reserve	38,352
1340	Residual Receipts Reserve	1,279
1300T	Total Deposits	42,221
1410	Land	70,094
1420	Buildings	908,672
1440	Building Equipment-Portable	9,329
1460	Furnishings	35,704
1465	Office Furniture and Equipment	7,886
1470	Maintenance Equipment	3,500
1490	Miscellaneous Fixed Assets	7,119
1400T	Total Fixed Assets	1,042,304
1495	Less Accumulated Depreciation	727,243
1400N	Net Fixed Assets	315,061
1000T	Total Assets	426,611
Liabilities		
<u>Account</u>	<u>Description</u>	<u>Value</u>
2110	Accounts Payable-Operations	36,076
2123	Accrued Management Fee Payable	1,440
2131	Accrued Interest Payable-First Mortgage	4,069
2170	Mortgage Payable-First Mortgage (short-term)	583,063
2190-020	Purchase Deposit (contra)	20,000
2190-020	Accrued Service Coordinator Expenses	12,404
2190	Miscellaneous Current Liabilities	32,404
2210	Prepaid Revenue	11
2122T	Total Current Liabilities	657,063
2191	Tenant Security Deposits Held in Trust (contra)	4,102
2000T	Total Liabilities	661,165
Net Assets		
<u>Account</u>	<u>Description</u>	<u>Value</u>

Jefferson County VOA Living Center, Inc.
(A Nonprofit Corporation)

(Woodgreen Apartments)

HUD Project No. 083-EH253

Supplementary Data Required by HUD (continued)
June 30, 2018

3131	Unrestricted Net Assets	(234,554)
3130	Total Net Assets	(234,554)
2033T	Total Liabilities and Equity/Net Assets	426,611

Rent Revenue

<u>Account</u>	<u>Description</u>	<u>Value</u>
5120	Rent Revenue-Gross Potential	47,676
5121	Tenant Assistance Payments	175,524
5193	Special Claims Revenue	1,000
5100T	Total Rent Revenue	224,200

Vacancies

<u>Account</u>	<u>Description</u>	<u>Value</u>
5220	Apartments	7,884
5200T	Total Vacancies	7,884
5152N	Net Rental Revenue	216,316

5300 Revenue

<u>Account</u>	<u>Description</u>	<u>Value</u>
5300	Other Elderly Care Revenue-Service Coordinator	27,353

Financial Revenue

<u>Account</u>	<u>Description</u>	<u>Value</u>
5430	Revenue from Investments-Residual Receipts	7
5440	Revenue from Investments-Replacement Reserve	274
5400T	Total Financial Revenue	281

Other Revenue

<u>Account</u>	<u>Description</u>	<u>Value</u>
5910	Laundry and Vending Revenue	71
5920	Tenant Charges	300
5900T	Total Other Revenue	371
5000T	Total Revenue	244,321

Administrative Expenses

<u>Account</u>	<u>Description</u>	<u>Value</u>
6203	Conventions and Meetings	135
6210	Advertising and Marketing	471
6311	Office Expense	6,585
6320	Management Fee	13,405
6330	Manager or Superintendent Salaries	16,498
6340	Legal Expense-Project	280
6350	Audit Expense	5,229
6351	Bookkeeping Fees/Accounting Services	2,352
6370	Bad Debts	550
6390	Miscellaneous Administrative Expenses	503
6263T	Total Administrative Expenses	46,008

Utilities Expense

<u>Account</u>	<u>Description</u>	<u>Value</u>
6450	Electricity	5,519

Jefferson County VOA Living Center, Inc.
(A Nonprofit Corporation)

(Woodgreen Apartments)

HUD Project No. 083-EH253

Supplementary Data Required by HUD (continued)
June 30, 2018

6451	Water	5,841
6452	Gas	1,423
6453	Sewer	4,230
6400T	Total Utilities Expense	17,013

Operating & Maintenance Expenses

<u>Account</u>	<u>Description</u>	<u>Value</u>
6510	Payroll	13,634
6515	Supplies	9,111
6520	Contracts	17,609
6525	Garbage and Trash Removal	1,528
6530	Security Payroll/Contract	1,035
6546	Heating/Cooling Repairs and Maintenance	5,802
6548	Snow Removal	1,400
6570	Vehicle and Maintenance Equipment Operations and Repairs	443
6500T	Total Operating and Maintenance Expenses	50,562

Taxes & Insurance

<u>Account</u>	<u>Description</u>	<u>Value</u>
6711	Payroll Taxes	2,305
6720	Property and Liability Insurance	5,947
6721	Fidelity Bond Insurance	127
6722	Workmen's Compensation	1,021
6723	Health Insurance and Other Employee Benefits	185
6790	Miscellaneous Taxes, Licenses, Permits, and Insurance	50
6700T	Total Taxes and Insurance	9,635

Financial Expenses

<u>Account</u>	<u>Description</u>	<u>Value</u>
6820	Interest on Mortgage (or Bonds) Payable	49,582
6800T	Total financial expenses	49,582

6900 Expenses

<u>Account</u>	<u>Description</u>	<u>Value</u>
6900	Other Elderly Care Expenses-Service Coordinator	35,851

Operating Results

<u>Account</u>	<u>Description</u>	<u>Value</u>
6000T	Total Cost of Operations Before Depreciation and Amortization	208,651
5060T	Profit (Loss) Before Depreciation and Amortization	35,670
6600	Depreciation Expenses	40,199
5060N	Operating Profit or (Loss)	(4,529)

Corporate or Mortgagor Revenue/Expenses

<u>Account</u>	<u>Description</u>	<u>Value</u>
7105	Entity Revenue	8,956
7100T	Net Entity Revenue/Expenses	(8,956)

Change in Net Assets from Operations

<u>Account</u>	<u>Description</u>	<u>Value</u>
3247	Change in Unrestricted Net Assets from Operations	4,427

Jefferson County VOA Living Center, Inc.
(A Nonprofit Corporation)

(Woodgreen Apartments)

HUD Project No. 083-EH253

Supplementary Data Required by HUD (continued)
June 30, 2018

3250	Change in Total Net Assets from Operations	4,427
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Part II

Account	Description	Value
S1000-010	Total first mortgage (or bond) principal payments required during the audit period (usually 12 months). This applies to all direct loans and HUD-held and HUD-insured first mortgages.	19,254
S1000-020	The total of all monthly reserve for replacement deposits (usually 12 months) required during the audit period even if deposits have been temporarily waived or suspended.	6,390
S1000-030	Replacement Reserves or Residual Receipts and Releases which are included as expense items on this Profit and Loss statement.	388
S1000-040	Project Improvement Reserve releases under the Flexible Subsidy program that are included as expense items on this Profit and Loss statement.	0

Equity Data

S1100-060	Previous Year Unrestricted Net Assets	(238,981)
3247	Change in Unrestricted Net Assets from Operations	4,427
3131	Unrestricted Net Assets	(234,554)
S1100-050	Previous Year Total Net Assets	(238,981)
3250	Change in Total Net Assets from Operations	4,427
3130	Total Net Assets	(234,554)

Cash Flow from Operating Activities

Account	Description	Value
S1200-010	Rental Receipts	215,188
S1200-020	Interest Receipts	281
S1200-030	Other Receipts	35,955
S1200-040	Total Receipts	251,424
S1200-050	Administrative	(15,311)
S1200-070	Management Fees	(13,138)
S1200-090	Utilities	(17,013)
S1200-100	Salaries and Wages	(27,833)
S1200-110	Operating and Maintenance	(36,805)
S1200-140	Property Insurance	(6,256)
S1200-150	Miscellaneous Taxes and Insurance	(3,651)
S1200-160	Tenant Security Deposits	409
S1200-170	Other Operating Expenses	(3,666)
S1200-180	Interest on Mortgage	(49,717)
S1200-230	Total Disbursements	(172,981)
S1200-240	Net Cash Provided by (Used in) Operating Activities	78,443

Cash Flow from Investing Activities

Account	Description	Value
S1200-245	Net Deposits to the Mortgage Escrow Account	(15)
S1200-250	Net Deposits to the Replacement Reserve Account	(6,292)
S1200-260	Net Deposits to the Residual Receipts Account	(208)
S1200-330	Net Purchase of Fixed Assets	(51,949)
S1200-350	Net Cash Provided by (Used in) Investing Activities	(58,464)

Jefferson County VOA Living Center, Inc.
(A Nonprofit Corporation)

(Woodgreen Apartments)

HUD Project No. 083-EH253

Supplementary Data Required by HUD (continued)
June 30, 2018

Cash Flow from Financing Activities

<u>Account</u>	<u>Description</u>	<u>Value</u>
S1200-360	Principal Payments-First Mortgage (or Bonds)	(19,254)
S1200-452	Refund of Loan Fees	5,000
S1200-450	Other Financing Activities	5,000
S1200-460	Net Cash Provided by (Used in) Financing Activities	(14,254)
S1200-470	Net Increase (Decrease) in Cash and Cash Equivalents	5,725

Cash and Cash Equivalents

<u>Account</u>	<u>Description</u>	<u>Value</u>
S1200-480	Beginning of Period	20,061
S1200T	End of Period	25,786

Reconciliation of Net Profit (Loss) to Net Cash Provided by (Used in)
Operating Activities

<u>Account</u>	<u>Description</u>	<u>Value</u>
3250	Change in Total Net Assets from Operations	4,427

Adjustments to Reconcile Net Profit (Loss) to Net Cash Provided by
(Used in) Operating Activities

<u>Account</u>	<u>Description</u>	<u>Value</u>
6600	Depreciation Expense	40,199
S1200-490	Decrease (Increase) in Tenant Accounts Receivable	(420)
S1200-500	Decrease (Increase) in Accounts Receivable-Other	917
S1200-520	Decrease (Increase) in Prepaid Expenses	(272)
S1200-530	Decrease (Increase) in Cash Restricted for Tenant Security Deposits	197
S1200-540	Increase (Decrease) in Accounts Payable	35,768
S1200-560	Increase (Decrease) in Accrued Liabilities	(650)
S1200-570	Increase (Decrease) in Accrued Interest Payable	(135)
S1200-580	Increase (Decrease) in Tenants Security Deposits Held in Trust	212
S1200-590	Increase (Decrease) in Prepaid Revenue	(158)
S1200-602	Decrease in Cash Restricted for Service Coordinator	7,314
S1200-602	Gain on Retention of Residual Receipts	(8,956)
S1200-600	Other Adjustments	(1,642)

Net Cash Provided by (Used in) Operating Activities

<u>Account</u>	<u>Description</u>	<u>Value</u>
S1200-610	Net Cash Provided by (Used in) Operating Activities	78,443

Jefferson County VOA Living Center, Inc.
(A Nonprofit Corporation)

(Woodgreen Apartments)

HUD Project No. 083-EH253

Supplementary Data Required by HUD (continued)
June 30, 2018

Reserve for Replacements:

In accordance with the provisions of the Regulatory Agreement, restricted cash is to be used for replacement of property and various other uses, with the approval of HUD as follows:

Balance, June 30, 2017	\$	32,060
Total Monthly Deposits		6,390
Investment Income		274
Other Deposits-Prior Year Deficiency		16
Approved Withdrawals		(388)
Balance, June 30, 2018	\$	<u>38,352</u>

Deposits Suspended or Waived

No

Residual Receipts Reserve:

Balance, June 30, 2017	\$	1,071
Total Required Deposit		12,885
Investment Income		7
Approved Withdrawals		(12,684)
Balance, June 30, 2018	\$	<u>1,279</u>

Computation of Surplus Cash, Distributions, and Residual Receipts-Annual:

Cash	\$	30,543
Total Cash		<u>30,543</u>
Accrued Mortgage Interest Payable		4,069
Accounts Payable-30 Days		36,076
Accrued Expenses [not escrowed]		1,440
Prepaid Revenue		11
Tenant Security Deposits Liability		<u>4,102</u>
Total Current Obligations		<u>45,698</u>
Surplus Cash (Deficiency)	\$	<u>(15,155)</u>

Jefferson County VOA Living Center, Inc.
(A Nonprofit Corporation)

(Woodgreen Apartments)

HUD Project No. 083-EH253

Supplementary Data Required by HUD (continued)
June 30, 2018

Schedule of Fixed Assets Accounts-Detail:

	Beginning Balance	Additions	Deductions	Ending Balance
Land	\$ 70,094	\$ 0	\$ 0	\$ 70,094
Buildings	867,420	41,252	0	908,672
Building Equipment-Portable	6,522	5,779	(2,972)	9,329
Furnishings	35,704	0	0	35,704
Office Furniture and Equipment	7,886	0	0	7,886
Maintenance Equipment	3,500	0	0	3,500
Miscellaneous Fixed Assets	4,571	2,548	0	7,119
Total	<u>\$ 995,697</u>	<u>\$ 49,579</u>	<u>\$ (2,972)</u>	<u>1,042,304</u>
Accumulated Depreciation	<u>\$ 690,016</u>	<u>\$ 40,199</u>	<u>\$ (2,972)</u>	<u>727,243</u>
Net Book Value				<u>\$ 315,061</u>

Description	Additions (Deductions)
Windows	\$ 23,367
Doors	13,085
Cabinets	4,800
Refrigerators	3,605
Hot Water Tanks	2,174
Dumpster Enclosure	2,548
Refrigerators	(2,972)

Jefferson County VOA Living Center, Inc.
(A Nonprofit Corporation)

(Woodgreen Apartments)

HUD Project No. 083-EH253

Schedule of Expenditures of Federal Awards
June 30, 2018

Federal Grantor/Pass-through Grantor/Program Title	Federal CFDA Number	Federal Expenditures
U.S. Department of Housing and Urban Development Section 8 Housing Assistance Payments	14.195	\$ 176,524
U.S. Department of Housing and Urban Development Section 202 Direct Loan	14.157	602,317
U.S. Department of Housing and Urban Development Multifamily Housing Service Coordinator	14.191	27,353
		<u>\$ 806,194</u>

Basis of Presentation: The accompanying schedule of expenditures of federal awards includes the federal grant activity of Jefferson County VOA Living Center, Inc., (A Nonprofit Corporation), (Woodgreen Apartments), HUD Project No. 083-EH253, and is prepared on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Summary of Significant Accounting Policies: Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Project has not elected to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

U.S. Department of Housing and Urban Development Loan Program:

Ending Balances

U.S. Department of Housing and Urban Development Section 202 Direct Loan	14.157	583,063
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Jefferson County VOA Living Center, Inc.
1660 Duke Street
Alexandria, VA 22314

Summary Schedule of Prior Audit Findings

Federal Agency: Department of Housing and Urban Development
Federal Program: Section 202
CFDA Number: 14.157

<i>Finding Reference Number:</i>	2017-001
<i>Statement of Condition:</i>	Required monthly deposits to the replacement reserve are deficient in the amount of \$16.
<i>Status:</i>	The deficiency was funded on August 9, 2017.



**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**

To the Directors
Jefferson County VOA Living Center, Inc.
(Woodgreen Apartments)

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 Woodgreen Apartments, which comprise the statement of financial position as of June 30, 2018, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated August 29, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Woodgreen Apartments' 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 Woodgreen Apartments' internal control. Accordingly, we do not express an opinion on the effectiveness of Woodgreen Apartments' 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 Woodgreen Apartments' 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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings and questioned costs as item 2018-001.

Woodgreen Apartments' Response to Findings

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

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the 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.

Maddox & Associates, APC

Baton Rouge, Louisiana
August 29, 2018



**Independent Auditors' Report on Compliance for Each Major Program and
on Internal Control Over Compliance Required by the Uniform Guidance**

To the Directors
Jefferson County VOA Living Center, Inc.
(Woodgreen Apartments)

Report on Compliance for Each Major Federal Program

We have audited Woodgreen Apartments' compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of Woodgreen Apartments' major federal programs for the year ended June 30, 2018. Woodgreen Apartments' major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Woodgreen Apartments' 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 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 Woodgreen Apartments' 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 Woodgreen Apartments' compliance.

Opinion on Each Major Federal Program

In our opinion, Woodgreen Apartments 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 June 30, 2018.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item 2018-001. Our opinion on each major federal program is not modified with respect to these matters.

Woodgreen Apartments' response to the noncompliance findings identified in our audit are described in the accompanying corrective action plan. Woodgreen Apartments' response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of Woodgreen Apartments 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 Woodgreen Apartments' 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 Woodgreen Apartments' 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Maddox & Associates, APC

Baton Rouge, Louisiana
August 29, 2018

Jefferson County VOA Living Center, Inc.
(A Nonprofit Corporation)

(Woodgreen Apartments)

HUD Project No. 083-EH253

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

A. Summary of Audit Results

1. The auditors' report expresses an unmodified opinion on the financial statements of Woodgreen Apartments.
2. Material weaknesses were not identified during the audit of the financial statements.
3. Instances of noncompliance material to the financial statements of Woodgreen Apartments were not disclosed during the audit.
4. Material weaknesses were not identified during the audit of the major federal award programs.
5. The auditors' report on compliance for the major federal award programs for Woodgreen Apartments expresses an unmodified opinion.
6. Audit findings relative to the major federal award programs for Woodgreen Apartments are reported on this Schedule.
7. The programs tested as major programs included:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Section 8 Housing Assistance Payments	14.195
Section 202 Supportive Housing for the Elderly	14.157

8. The threshold for distinguishing Type A and Type B programs was \$750,000.
9. Woodgreen Apartments qualified as a low-risk auditee.

B. Findings-Financial Statement Audit

None

Jefferson County VOA Living Center, Inc.
(A Nonprofit Corporation)

(Woodgreen Apartments)

HUD Project No. 083-EH253

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2018

C. Findings and Questioned Costs-Major Federal Award Programs Audit

Federal Agency: Department of Housing and Urban Development
Federal Program: Multifamily Housing Service Coordinator
CFDA Number: 14.191

Finding Reference Number:	2018-001
Type of Finding:	FA
Finding Resolution Status:	In Process
Information on Universe Population Size:	The finding was not a result of a sampling procedure.
Sample Size Information:	The finding was not a result of a sampling procedure.
Identification of Repeat Finding and Finding Reference Number:	This is not a repeat finding.
Criteria:	Service Coordinator grant funds must not be commingled with funds from other HUD program funds, and minimize the time elapsing between the transfer of funds from HUD and disbursement for program purposes.
Statement of Condition:	The Project received Service Coordinator Grant funding from HUD, transferred the funds to project operations, and did not use the funds to pay the related expenses. As a result, some service coordinator funds were used for project operations.
Cause:	Project management was not invoiced by the service coordinator for reimbursement of the related expenses upon receipt of the grant funding.
Effect or Potential Effect:	Grant funding has been used for unauthorized purposes.
Auditor Non-Compliance Code:	Z
Questioned Costs:	\$6,134
Reporting Views of Responsible Officials:	Management agrees with the finding.
Context:	The Project received Service Coordinator Grant funding from HUD, transferred the funds to project operations, and did not use the funds to pay the related expenses. As a result, some service coordinator funds were used for project operations.
Recommendation:	The project should pay the balance of expenses due to the service coordinator.
Auditor's Summary of the Auditee's Comments on the Findings and Recommendations:	Management agrees with the finding. The Project will use operating funds to reimburse the service coordinator for the expenses that were to be paid from the grant funding.
Response Indicator:	Agree
Completion Date:	August 29, 2018
Response:	Management agrees with the finding. The Project will use operating funds to reimburse the service coordinator for the expenses that were to be paid from the grant funding.

**Jefferson County VOA Living Center, Inc.
1660 Duke Street
Alexandria, VA 22314**

Corrective Action Plan

Name of Auditee: Jefferson County VOA Living Center, Inc.
(Woodgreen Apartments)
HUD Project Number: 083-EH253
Name of Audit Firm: Maddox & Associates, APC
Period Covered by Audit: Year Ending June 30, 2018

Corrective Action Plan Prepared by:
Name: Vanessa Tran
Position: Controller
Telephone Number: (703) 341-5000

Findings-Financial Statement Audit

None

Findings-Federal Award Programs Audits

Federal Agency: Department of Housing and Urban Development
Federal Program: Multifamily Housing Service Coordinator
CFDA Number: 14.191

<i>Finding Reference Number:</i>	2018-001
<i>Concur or Do Not Concur:</i>	Concur
<i>Agree or Disagree with Auditor Recommendations:</i>	Agree
<i>Actions Taken or Planned on the Finding:</i>	Management agrees with the finding. The Project will use operating funds to reimburse the service coordinator for the expenses that were to be paid from the grant funding.
<i>Completion Date:</i>	August 29, 2018

Jefferson County VOA Living Center, Inc.
(A Nonprofit Corporation)

(Woodgreen Apartments)

HUD Project No. 083-EH253

Certification of Officers

We hereby certify that we have examined the accompanying financial statements and supplemental data of Jefferson County VOA Living Center, Inc., (A Nonprofit Corporation), (Woodgreen Apartments), HUD Project No. 083-EH253 as of June 30, 2018, and, to the best of our knowledge and belief, the same are accurate and complete.

Signature: _____

Robert Gibson, Assistant Secretary/Treasurer
Jefferson County VOA Living Center, Inc.
August 29, 2018

Signature: _____

Patrick Sheridan, Assistant Secretary/Treasurer
Jefferson County VOA Living Center, Inc.
August 29, 2018

Employer Identification Number: 58-1836215

Jefferson County VOA Living Center, Inc.
(A Nonprofit Corporation)

(Woodgreen Apartments)

HUD Project No. 083-EH253

Management Agent's Certification

I hereby certify that I have examined the accompanying financial statements and supplemental data of Jefferson County VOA Living Center, Inc., (A Nonprofit Corporation), (Woodgreen Apartments), HUD Project No. 083-EH253 as of June 30, 2018, and, to the best of my knowledge and belief, the same are accurate and complete.

Signature: _____

Thomas George, Chief Financial Officer
Volunteers of America Mid-States, Inc.
Employer ID #: 61-0480950
August 29, 2018



Independent Accountants' Report on Applying Agreed-Upon Procedures

To the Directors
Jefferson County VOA Living Center, Inc.
(Woodgreen Apartments)

We have performed the procedure described in the second paragraph of this report, which was agreed to by Jefferson County VOA Living Center, Inc., (A Nonprofit Corporation), (Woodgreen Apartments), HUD Project No. 083-EH253 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 within the audit reporting package. Woodgreen Apartments is responsible for the accuracy and completeness of the electronic submission. The sufficiency of the procedure is solely the responsibility of Woodgreen Apartments and 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 the attestation standards established by the American Institute of Certified Public Accountants 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, other 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 Title 2 U.S. *Code of the Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), by Woodgreen Apartments as of and for the year ended June 30, 2018, and have issued our reports thereon dated August 29, 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 supplemental financial data templates dated August 29, 2018, was expressed in relation to the basic financial statements of Woodgreen Apartments taken as a whole.

A copy of the financial statement package required by the Uniform Guidance, which includes the auditors' reports, is available in its entirety from Woodgreen Apartments. 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 the agreed-upon procedures is solely to describe the procedure 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.

Maddox & Associates, APC

September 5, 2018

Attachment to Independent Accountants' Report on Applying Agreed-Up Procedures

<u>UFRS Rule Information</u>	<u>Hard Copy Document(s)</u>	<u>Findings</u>
Balance Sheet, Revenue and Expense and Cash Flow Data (account numbers 1120 to 7100T and the S1200 series)	Supplemental Schedules with Financial Statement Data	Agrees
Surplus Cash (S1300 series of accounts)	Computation of Surplus Cash, Distributions and Residual Receipts (Annual)	Agrees
Footnotes (S3100 series of accounts)	Notes to the Financial Statements	Agrees
Type of Opinion on the Financial Statements and Auditor Reports (S3400, S3500, and S3600 series of accounts)	Auditors' Reports on the Financial Statements, Compliance and Internal Control	Agrees
Type of Opinion on Supplemental Data (account S3400-100)	Auditors' Report on Supplemental Data	Agrees
Auditor Findings Narrative (S3800 series of accounts)	Schedule of Findings and Questioned Costs	Agrees
General Information (S3300, S3700, and S3800 series of accounts)	Schedule of Findings and Questioned Costs and Federal Awards Data	Agrees