

Streamlined Annual PHA Plan <i>(High Performer PHAs)</i>	U.S. Department of Housing and Urban Development Office of Public and Indian Housing	OMB No. 2577-0226 Expires: 02/29/2016
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Purpose. The 5-Year and Annual PHA Plans provide a ready source for interested parties to locate basic PHA policies, rules, and requirements concerning the PHA's operations, programs, and services, and informs HUD, families served by the PHA, and members of the public of the PHA's mission, goals and objectives for serving the needs of low- income, very low- income, and extremely low- income families

Applicability. Form HUD-50075-HP is to be completed annually by **High Performing PHAs**. PHAs that meet the definition of a Standard PHA, Troubled PHA, HCV-Only PHA, Small PHA, or Qualified PHA do not need to submit this form.

Definitions.

- (1) **High-Performer PHA** – A PHA that owns or manages more than 550 combined public housing units and housing choice vouchers, and was designated as a high performer on both of the most recent Public Housing Assessment System (PHAS) and Section Eight Management Assessment Program (SEMAP) assessments.
- (2) **Small PHA** - A PHA that is not designated as PHAS or SEMAP troubled, or at risk of being designated as troubled, and that owns or manages less than 250 public housing units and any number of vouchers where the total combined units exceeds 550.
- (3) **Housing Choice Voucher (HCV) Only PHA** - A PHA that administers more than 550 HCVs, was not designated as troubled in its most recent SEMAP assessment, and does not own or manage public housing.
- (4) **Standard PHA** - A PHA that owns or manages 250 or more public housing units and any number of vouchers where the total combined units exceeds 550, and that was designated as a standard performer in the most recent PHAS or SEMAP assessments.
- (5) **Troubled PHA** - A PHA that achieves an overall PHAS or SEMAP score of less than 60 percent.
- (6) **Qualified PHA** - A PHA with 550 or fewer public housing dwelling units and/or housing choice vouchers combined, and is not PHAS or SEMAP troubled.

A.	PHA Information.																										
A.1	<p>PHA Name: <u>Knox County Housing Authority</u> PHA Code: <u>IL085</u></p> <p>PHA Type: <input type="checkbox"/> Small <input checked="" type="checkbox"/> High Performer</p> <p>PHA Plan for Fiscal Year Beginning: (MM/YYYY): <u>04/01/2018</u></p> <p>PHA Inventory (Based on Annual Contributions Contract (ACC) units at time of FY beginning, above)</p> <p>Number of Public Housing (PH) Units <u>418</u> Number of Housing Choice Vouchers (HCVs) <u>200</u></p> <p>Total Combined <u>618</u></p> <p>PHA Plan Submission Type: <input checked="" type="checkbox"/> Annual Submission <input type="checkbox"/> Revised Annual Submission</p> <p>Availability of Information. In addition to the items listed in this form, PHAs must have the elements listed below readily available to the public. A PHA must identify the specific location(s) where the proposed PHA Plan, PHA Plan Elements, and all information relevant to the public hearing and proposed PHA Plan are available for inspection by the public. Additionally, the PHA must provide information on how the public may reasonably obtain additional information of the PHA policies contained in the standard Annual Plan, but excluded from their streamlined submissions. At a minimum, PHAs must post PHA Plans, including updates, at each Asset Management Project (AMP) and main office or central office of the PHA. PHAs are strongly encouraged to post complete PHA Plans on their official website. PHAs are also encouraged to provide each resident council a copy of their PHA Plans.</p> <p><input type="checkbox"/> PHA Consortia: (Check box if submitting a Joint PHA Plan and complete table below)</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th rowspan="2" style="width: 25%;">Participating PHAs</th> <th rowspan="2" style="width: 10%;">PHA Code</th> <th rowspan="2" style="width: 25%;">Program(s) in the Consortia</th> <th rowspan="2" style="width: 20%;">Program(s) not in the Consortia</th> <th colspan="2" style="width: 20%;">No. of Units in Each Program</th> </tr> <tr> <th style="width: 10%;">PH</th> <th style="width: 10%;">HCV</th> </tr> </thead> <tbody> <tr> <td>Lead PHA:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> </tbody> </table>	Participating PHAs	PHA Code	Program(s) in the Consortia	Program(s) not in the Consortia	No. of Units in Each Program		PH	HCV	Lead PHA:																	
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Lead PHA:																											

B.	Annual Plan Elements
B.1	<p>Revision of PHA Plan Elements.</p> <p>(a) Have the following PHA Plan elements been revised by the PHA since its last Annual PHA Plan submission?</p> <p>Y N</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Statement of Housing Needs and Strategy for Addressing Housing Needs.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Deconcentration and Other Policies that Govern Eligibility, Selection, and Admissions.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Financial Resources.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Rent Determination.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Homeownership Programs.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Safety and Crime Prevention.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Pet Policy.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Substantial Deviation.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Significant Amendment/Modification</p> <p>(b) The PHA must submit its Deconcentration Policy for Field Office Review. SEE ATTACHMENT 1.0</p> <p>(c) If the PHA answered yes for any element, describe the revisions for each element below: SEE ATTACHMENT 1.0</p>
B.2	<p>New Activities.</p> <p>(a) Does the PHA intend to undertake any new activities related to the following in the PHA's current Fiscal Year?</p> <p>Y N</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Hope VI or Choice Neighborhoods.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Mixed Finance Modernization or Development.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Demolition and/or Disposition.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Conversion of Public Housing to Tenant Based Assistance.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Conversion of Public Housing to Project-Based Assistance under RAD.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Project Based Vouchers.</p> <p><input checked="" type="checkbox"/> <input type="checkbox"/> Units with Approved Vacancies for Modernization.</p> <p><input type="checkbox"/> <input checked="" type="checkbox"/> Other Capital Grant Programs (i.e., Capital Fund Community Facilities Grants or Emergency Safety and Security Grants).</p> <p>(b) If any of these activities are planned for the current Fiscal Year, describe the activities. For new demolition activities, describe any public housing development or portion thereof, owned by the PHA for which the PHA has applied or will apply for demolition and/or disposition approval under section 18 of the 1937 Act under the separate demolition/disposition approval process. If using Project-Based Vouchers (PBVs), provide the projected number of project based units and general locations, and describe how project basing would be consistent with the PHA Plan. SEE ATTACHMENT 2.0</p>
B.3	<p>Progress Report.</p> <p>Provide a description of the PHA's progress in meeting its Mission and Goals described in the PHA 5-Year Plan. SEE ATTACHMENT 3.0</p>

B.4.	<p>Most Recent Fiscal Year Audit.</p> <p>(a) Were there any findings in the most recent FY Audit?</p> <p>Y N <input type="checkbox"/> <input checked="" type="checkbox"/></p> <p>(b) If yes, please describe:</p>
Other Document and/or Certification Requirements.	
C.1	<p>Certification Listing Policies and Programs that the PHA has Revised since Submission of its Last Annual Plan</p> <p>Form 50077-ST-HCV-HP, <i>Certification of Compliance with PHA Plans and Related Regulations</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan. SEE ATTACHMENT 4.0</p>
C.2	<p>Civil Rights Certification.</p> <p>Form 50077-ST-HCV-HP, <i>Certification of Compliance with PHA Plans and Related Regulations</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>
C.3	<p>Resident Advisory Board (RAB) Comments.</p> <p>(a) Did the RAB(s) provide comments to the PHA Plan?</p> <p>Y N <input checked="" type="checkbox"/> <input type="checkbox"/></p> <p>If yes, comments must be submitted by the PHA as an attachment to the PHA Plan. PHAs must also include a narrative describing their analysis of the RAB recommendations and the decisions made on these recommendations. SEE ATTACHMENT 5.0</p>
C.4	<p>Certification by State or Local Officials.</p> <p>Form HUD 50077-SL, <i>Certification by State or Local Officials of PHA Plans Consistency with the Consolidated Plan</i>, must be submitted by the PHA as an electronic attachment to the PHA Plan.</p>
D Statement of Capital Improvements. Required in all years for all PHAs completing this form that administer public housing and receive funding from the Capital Fund Program (CFP).	
D.1	<p>Capital Improvements. Include a reference here to the most recent HUD-approved 5-Year Action Plan (HUD-50075.2) and the date that it was approved by HUD. SEE ATTACHMENT 6.0</p>

**Certifications of Compliance with
PHA Plans and Related Regulations
(Standard, Troubled, HCV-Only, and
High Performer PHAs)**

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 02/29/2016

**PHA Certifications of Compliance with the PHA Plan and Related Regulations including
Required Civil Rights Certifications**

Acting on behalf of the Board of Commissioners of the Public Housing Agency (PHA) listed below, as its Chairman or other authorized PHA official if there is no Board of Commissioners, I approve the submission of the ___ 5-Year and/or X Annual PHA Plan for the PHA fiscal year beginning 04/01/2018, hereinafter referred to as "the Plan", of which this document is a part and make the following certifications and agreements with the Department of Housing and Urban Development (HUD) in connection with the submission of the Plan and implementation thereof:

1. The Plan is consistent with the applicable comprehensive housing affordability strategy (or any plan incorporating such strategy) for the jurisdiction in which the PHA is located.
2. The Plan contains a certification by the appropriate State or local officials that the Plan is consistent with the applicable Consolidated Plan, which includes a certification that requires the preparation of an Analysis of Impediments to Fair Housing Choice, for the PHA's jurisdiction and a description of the manner in which the PHA Plan is consistent with the applicable Consolidated Plan.
3. The PHA has established a Resident Advisory Board or Boards, the membership of which represents the residents assisted by the PHA, consulted with this Resident Advisory Board or Boards in developing the Plan, including any changes or revisions to the policies and programs identified in the Plan before they were implemented, and considered the recommendations of the RAB (24 CFR 903.13). The PHA has included in the Plan submission a copy of the recommendations made by the Resident Advisory Board or Boards and a description of the manner in which the Plan addresses these recommendations.
4. The PHA made the proposed Plan and all information relevant to the public hearing available for public inspection at least 45 days before the hearing, published a notice that a hearing would be held and conducted a hearing to discuss the Plan and invited public comment.
5. The PHA certifies that it will carry out the Plan in conformity with Title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990.
6. The PHA will affirmatively further fair housing by examining their programs or proposed programs, identifying any impediments to fair housing choice within those programs, addressing those impediments in a reasonable fashion in view of the resources available and work with local jurisdictions to implement any of the jurisdiction's initiatives to affirmatively further fair housing that require the PHA's involvement and by maintaining records reflecting these analyses and actions.
7. For PHA Plans that includes a policy for site based waiting lists:
 - The PHA regularly submits required data to HUD's 50058 PIC/IMS Module in an accurate, complete and timely manner (as specified in PIH Notice 2010-25);
 - The system of site-based waiting lists provides for full disclosure to each applicant in the selection of the development in which to reside, including basic information about available sites; and an estimate of the period of time the applicant would likely have to wait to be admitted to units of different sizes and types at each site;
 - Adoption of a site-based waiting list would not violate any court order or settlement agreement or be inconsistent with a pending complaint brought by HUD;
 - The PHA shall take reasonable measures to assure that such a waiting list is consistent with affirmatively furthering fair housing;
 - The PHA provides for review of its site-based waiting list policy to determine if it is consistent with civil rights laws and certifications, as specified in 24 CFR part 903.7(c)(1).
8. The PHA will comply with the prohibitions against discrimination on the basis of age pursuant to the Age Discrimination Act of 1975.
9. The PHA will comply with the Architectural Barriers Act of 1968 and 24 CFR Part 41, Policies and Procedures for the Enforcement of Standards and Requirements for Accessibility by the Physically Handicapped.
10. The PHA will comply with the requirements of section 3 of the Housing and Urban Development Act of 1968, Employment Opportunities for Low-or Very-Low Income Persons, and with its implementing regulation at 24 CFR Part 135.
11. The PHA will comply with acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 and implementing regulations at 49 CFR Part 24 as applicable.
12. The PHA will take appropriate affirmative action to award contracts to minority and women's business enterprises under 24 CFR 5.105(a).

13. The PHA will provide the responsible entity or HUD any documentation that the responsible entity or HUD needs to carry out its review under the National Environmental Policy Act and other related authorities in accordance with 24 CFR Part 58 or Part 50, respectively.
14. With respect to public housing the PHA will comply with Davis-Bacon or HUD determined wage rate requirements under Section 12 of the United States Housing Act of 1937 and the Contract Work Hours and Safety Standards Act.
15. The PHA will keep records in accordance with 24 CFR 85.20 and facilitate an effective audit to determine compliance with program requirements.
16. The PHA will comply with the Lead-Based Paint Poisoning Prevention Act, the Residential Lead-Based Paint Hazard Reduction Act of 1992, and 24 CFR Part 35.
17. The PHA will comply with the policies, guidelines, and requirements of OMB Circular No. A-87 (Cost Principles for State, Local and Indian Tribal Governments), 2 CFR Part 225, and 24 CFR Part 85 (Administrative Requirements for Grants and Cooperative Agreements to State, Local and Federally Recognized Indian Tribal Governments).
18. The PHA will undertake only activities and programs covered by the Plan in a manner consistent with its Plan and will utilize covered grant funds only for activities that are approvable under the regulations and included in its Plan.
19. All attachments to the Plan have been and will continue to be available at all times and all locations that the PHA Plan is available for public inspection. All required supporting documents have been made available for public inspection along with the Plan and additional requirements at the primary business office of the PHA and at all other times and locations identified by the PHA in its PHA Plan and will continue to be made available at least at the primary business office of the PHA.
22. The PHA certifies that it is in compliance with applicable Federal statutory and regulatory requirements, including the Declaration of Trust(s).

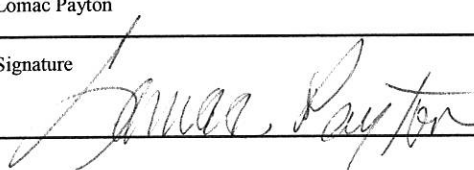
Knox County Housing Authority
PHA Name

IL085
PHA Number/HA Code

Annual PHA Plan for Fiscal Year 04/01/2018 – 03/31/2019

5-Year PHA Plan for Fiscal Years 20__ - 20__

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. **Warning:** HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

Name of Authorized Official	Title
Lomac Payton	Chairperson, KCHA Board of Commissioners
Signature	Date
	12/26/17

Certification of Payments to Influence Federal Transactions

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (Exp. 01/31/2017)

Applicant Name

Knox County Housing Authority

Program/Activity Receiving Federal Grant Funding

Public Housing Program; Capital Fund Program; Housing Choice Voucher Program

The undersigned certifies, to the best of his or her knowledge and belief, that:

(1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

(2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, Disclosure Form to Report Lobbying, in accordance with its instructions.

(3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

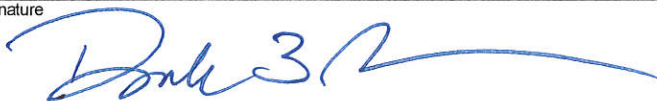
Name of Authorized Official

Derek B. Antoine

Title

Executive Director

Signature



Date (mm/dd/yyyy)

12-20-2017

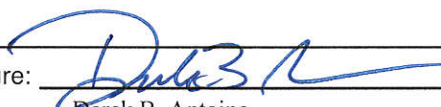
DISCLOSURE OF LOBBYING ACTIVITIES

Complete this form to disclose lobbying activities pursuant to 31 U.S.C. 1352

Approved by OMB

0348-0046

(See reverse for public burden disclosure.)

1. Type of Federal Action: <input checked="" type="checkbox"/> a. contract <input type="checkbox"/> b. grant <input type="checkbox"/> c. cooperative agreement <input type="checkbox"/> d. loan <input type="checkbox"/> e. loan guarantee <input type="checkbox"/> f. loan insurance	2. Status of Federal Action: <input checked="" type="checkbox"/> a. bid/offer/application <input type="checkbox"/> b. initial award <input type="checkbox"/> c. post-award	3. Report Type: <input type="checkbox"/> a. initial filing <input type="checkbox"/> b. material change For Material Change Only: year _____ quarter _____ date of last report _____
4. Name and Address of Reporting Entity: <input checked="" type="checkbox"/> Prime <input type="checkbox"/> Subawardee Tier _____, if known: Congressional District, if known: Illinois 17	5. If Reporting Entity in No. 4 is a Subawardee, Enter Name and Address of Prime: Congressional District, if known:	
6. Federal Department/Agency: Knox County Housing Authority	7. Federal Program Name/Description: Operating Fund; Capital Fund; HCVP Admin and HAP Disburse CFDA Number, if applicable: _____	
8. Federal Action Number, if known: N/A	9. Award Amount, if known: \$ N/A	
10. a. Name and Address of Lobbying Registrant <i>(if individual, last name, first name, MI):</i> NO LOBBYING ACTIVITIES TO DISCLOSE	b. Individuals Performing Services <i>(including address if different from No. 10a)</i> <i>(last name, first name, MI):</i> N/A	
11. Information requested through this form is authorized by title 31 U.S.C. section 1352. This disclosure of lobbying activities is a material representation of fact upon which reliance was placed by the tier above when this transaction was made or entered into. This disclosure is required pursuant to 31 U.S.C. 1352. This information will be available for public inspection. Any person who fails to file the required disclosure shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.	Signature:  Print Name: <u>Derek B. Antoine</u> Title: <u>Executive Director, Knox County Housing Authority</u> Telephone No.: <u>309.342.8129 x223</u> Date: <u>12-20-2017</u>	
Federal Use Only:		Authorized for Local Reproduction Standard Form LLL (Rev. 7-97)

**Certification by State or Local
 Official of PHA Plans Consistency
 with the Consolidated Plan or
 State Consolidated Plan
 (All PHAs)**

U. S Department of Housing and Urban Development
 Office of Public and Indian Housing
 OMB No. 2577-0226
 Expires 2/29/2016

**Certification by State or Local Official of PHA Plans
 Consistency with the Consolidated Plan or State Consolidated Plan**

I, Audra Hamernik, the Executive Director
Official's Name *Official's Title*

certify that the 5-Year PHA Plan and/or Annual PHA Plan of the

Knox County Housing Authority
PHA Name

is consistent with the Consolidated Plan or State Consolidated Plan and the Analysis of
 Impediments (AI) to Fair Housing Choice of the


State of Illinois
Local Jurisdiction Name

pursuant to 24 CFR Part 91.

Provide a description of how the PHA Plan is consistent with the Consolidated Plan or State
 Consolidated Plan and the AI.

Occupancy of units to serve the maximum number of families possible within funding constraints.
Working with HUD on issues surrounding the housing of veterans and the eradication of
homelessness in the United States. Ensuring equal opportunity to housing and affirmatively
furthering fair housing measures to increase access to assisted housing.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012, 31 U.S.C. 3729, 3802)

Name of Authorized Official	Title
Audra Hamernik	Executive Director, Illinois Housing Development Authority
Signature	Date
	1-09/2018

RESOLUTION 2017-15

12/26/2017

Board of Commissioners

Derek Antoine, Executive Director

RE: Certifications of Compliance with PHA Plan Submission 01/16/2018

Article I. Background

The Public Housing Agency Plan is a plan that informs HUD, residents, and the public of the Public Housing Agencies (PHAs) mission for serving the needs of low-income and very low-income families and the PHA's strategy for addressing those needs. The Annual Plan provides details about the PHA's current operations, program participants, programs and services, and strategy for handling operational concerns, residents' concerns and program needs, programs and services for the upcoming fiscal year. Included are an assessment of housing needs within the jurisdiction, detailed statements of capital plan funding (both on an annual and five-year basis), agency goals and missions, and agency progress on serving its population.

The PHA Plan process was established by section 5A of the United States Housing Act of 1937, and requirements for submission are contained within the Quality Housing and Work Responsibility (QHWRA) Act of 1998. QHWRA creates the requirement for a PHA Five-Year Plan and an Annual Plan that is intended to serve as an operations, planning, and management tool for public housing authorities. QHWRA effectively and permanently amended the United States Housing Act of 1937. Notice PIH-2015-18 amends the submission forms and requirements for different types of agencies.

QHWRA requires the formation of at least one Resident Advisory Board (RAB) in accordance with completion and submission of the PHA Annual Plan. The members must adequately reflect and represent all residents assisted by the public housing agency. The purpose of the RAB is to assist the PHA by making recommendations regarding the development of the public housing agency plan. RABs were convened on 11/15/2017 and 11/29/2017.

Additionally, QHWRA requires PHAs make the proposed PHA plan and all relevant information available for inspection by the public at the principal office of the PHA during normal business hours. PHAs must also publish a notice informing the public that PHA plan information is available for review and that a public hearing will be conducted. Subsequently, PHAs are required to consider all public comments received, and make any appropriate changes to the PHA plan. In accordance with this requirement, a public hearing was held on 12/20/2017 at 10:00 AM in the Moon Towers Conference Room. Zero general public attendees were present for this hearing.

Article II. Recommendation

It is the recommendation of the Executive Director the Board resolve to adopt the Annual Plan Submission for the Knox County Housing Authority for the fiscal year 04/01/2018 – 03/31/2019, to be submitted on or before 01/16/2018.

RESOLUTION 2017-15

12/26/2017

Board of Commissioners

Derek Antoine, Executive Director

Certifications of Compliance with PHA Plan Submission 01/16/2018

NOW, THEREFORE, BE IT RESOLVED BY THE KNOX COUNTY HOUSING AUTHORITY BOARD OF COMMISSIONERS (BOARD) THAT:

1. The above recitals are true and correct, and together with the report from the Executive Director, form the Board's actions as set forth in this Resolution.
2. The proposed Knox County Housing Authority Annual Plan Submission for FYE 03/31/2019 is hereby approved and adopted.
3. The Annual Plan submission for FYE 03/31/2019 is in compliance with the requirements set forth in the Quality Housing and Work Responsibility (QHWRA) Act of 1998 and Notice PIH-2015-18.
4. This Resolution shall be carried out in accordance with federal regulations and be effective as of 12/20/2017.

RESOLVED: December 26, 2017


Lomac Payton, Chairperson

Thomas Dunker, Vice-Chairperson


Paula Sanford, Resident Commissioner

Paul Stewart, Commissioner


Wayne Allen, Commissioner


Jared Hawkinson, Commissioner


Ben Burgland, Commissioner


Derek Antoine, Secretary/Executive Director (Attest)



IL085 KNOX COUNTY HOUSING AUTHORITY
FY 04/01/2018 – 03/31/2019 ANNUAL PLAN SUBMISSION
ATTACHMENT 1.0
HUD-50075 Section B.1 – Revision of PHA Plan Elements

A. Deconcentration and Income Targeting Policy

– KCHA Policy

Sub-Title A, Section 513 of the Quality Housing and Work Responsibility Act of 1998 (QHWRA), establishes two interrelated requirements for implementation by Public Housing Authorities: (1) Economic De-concentration of public housing developments and (2) Income Targeting to assure that families in the “extremely low” income category are proportionately represented in public housing and that pockets of poverty are reduced or eliminated. In order to implement these new requirements, the PHA must promote these provisions as policies and revise their Admission and Occupancy policies and procedures to comply.

Therefore, the Knox County Housing Authority, (hereinafter referred to as PHA) hereby affirms its commitment to implementation of the two requirements by adopting the following policies:

Economic De-concentration: Admission and Continued Occupancy Policies are revised to include the PHA’s policy of promoting economic de-concentration. Implementation of this program may require the PHA to determine the median income of residents in each development, determine the average income of residents in all developments, compute the Established Income Range (EIR), determine developments outside the EIR, and provide adequate explanations and/or policies as needed to promote economic de-concentration.

Implementation may include one or more of the following options:

- Skipping families on the waiting list based on income;
- Establishing preferences for working families;
- Establish preferences for families in job training programs;
- Establish preferences for families in education or training programs;
- Marketing campaign geared toward targeting income groups for specific developments;
- Additional supportive services;
- Additional amenities for all units;
- Flat rents for developments and unit sizes;
- Different tenant rent percentages per development;
- Different tenant rent percentages per bedroom size;
- Saturday and evening office hours;
- Security Deposit waivers;
- Revised transfer policies;
- Site-based waiting lists;

- Mass Media advertising/Public service announcements; and
- Giveaways.

Income Targeting: As public housing dwelling units become available for occupancy, responsible PHA employees will offer units to applicants on the waiting list. In accordance with the Quality Housing and Work Responsibility Act of 1998, the PHA encourages occupancy of its developments by a broad range of families with incomes up to eighty percent (80%) of the median income for the jurisdiction in which the PHA operates. Depending on the availability of applicants with proper demographics, at a minimum, 40% of all new admissions to public housing on an annual basis may be families with incomes at or below thirty percent (30%)(extremely low-income) of the area median income. The offer of assistance will be made without discrimination based on of race, color, religion, sex, national origin, age, handicap or familial status.

In order to implement the income targeting program, the following policy is adopted:

- The PHA may select, based on date and time of application and preferences, two (2) families in the extremely low-income category and two (2) families from the lower/very low-income category alternately until the forty percent (40%) admission requirement of extremely low-income families is achieved (2 plus 2 policy).
 - After the minimum level is reached, all selections may be made based solely on date, time and preferences. Any applicants passed over as a result of implementing this 2-plus-2 policy will retain their place on the waiting list and will be offered a unit in order of their placement on the waiting list.
 - To the maximum extent possible, the offers will also be made to affect the PHA’s policy of economic de-concentration.
 - The PHA reserves the option, at any time, to reduce the targeting requirement for public housing by no more than ten percent (10%), if it increases the target figure for its Section 8 program from the required level of seventy-five percent (75%) of annual new admissions to no more than eighty-five percent (85%) of its annual new admissions. (Optional for PHAs with both Section 8 and Public Housing programs)
- Analysis of Income by Development/Program

AMP	Development Name	Total Household Income Reported	# of Households	Average Reported Income	85%	115%	Within Range?
IL085000001	Moon Towers	\$ 1,829,426.00	177	\$ 10,335.74	\$ 8,785.38	\$ 11,886.10	Yes
IL085000002	Woodland Bend	\$ 988,167.00	78	\$ 12,668.81	\$ 10,768.49	\$ 14,569.13	Yes
IL085000002	Cedar Creek Place	\$ 991,765.00	76	\$ 13,049.54	\$ 11,092.11	\$ 15,006.97	Yes
IL085000002	Whispering Hollow	\$ 415,642.00	36	\$ 11,545.61	\$ 9,813.77	\$ 13,277.45	Yes
IL085000003	Bluebell Tower	\$ 846,982.00	51	\$ 16,607.49	\$ 14,116.37	\$ 19,098.61	No
Total KCHA		\$ 5,071,982.00	418	\$ 12,133.93	\$ 10,313.84	\$ 13,954.02	

- Review of the “Analysis of Income by Development/Program” demonstrates average income falls within the Established Income Range (EIR) at four of the five public housing developments. Average income at Bluebell Tower (IL085000003) is approximately \$2,650.00 higher than range. Moon Towers, Woodland Bend, Cedar Creek Place, and Whispering Hollow all fall within the city limits of Galesburg, Illinois, and income mixing at the sites is considered appropriate. Bluebell Tower is located in Abingdon, Illinois, which is approximately 12 miles from Galesburg. Applicants to the public housing program have their choice of developments at which they are able to apply. Bluebell Tower has a very small waiting list, as applicants tend to want to be housed within Galesburg.

B. Identify all PHA Plan Elements that have been revised by the PHA since its last Annual Plan submission:

	Plan Element	Specific Change		
1.	Eligibility, Selection and Admission Policies, including Deconcentration and Wait List Procedures	PH Admissions and Continued Occupancy Policy (ACOP) revised (Revised sections are attached to this document)		
2.	Financial Resources (in millions) PH: FYE 03/31/18 Projected HCV: CYE 12/31/18 Projected	PH Operating Fund: 2018 Capital Fund: PH Income: PH Reserves: PH Investments: HCVP HAP: HCVP Admin Fee: HCVP NRP: HCVP UNP: HCVP HHR: HCVP Investments: State Grants (Apply): Other Income:	\$1.100 \$0.625 \$0.810 \$1.226 \$0.000 \$0.774 \$0.106 \$0.002 \$0.146 \$0.221 \$0.000 \$0.000 \$0.000	PH Operations PH Modernization PH Operations PH Operations PH Operations HCVP Operations HCVP Operations HCVP Operations HCVP Operations HCVP Operations HCVP Operations Operations Operations
		Total Financial Resources:	\$4,881	
3.	Rent Determination: Flat Rents charged per the following schedule (80% FMR) Utility Allowances deducted from FR amounts per: Notice PIH 2015-13 Notice PIH 2014-12	<u>Apartment Size</u> Moon Towers – 0BR Moon Towers – 1BR Moon Towers – 2BR Family Sites – 2BR Family Sites – 3BR Family Sites – 4BR Family Sites – 5BR Bluebell Tower – 1BR	<u>Fair Market</u> \$427.00 \$504.00 \$670.00 \$670.00 \$848.00 \$913.00 \$1,050.00 \$504.00	<u>KCHA Flat Rent</u> \$301.00 \$363.00 \$491.00 \$381.00 \$506.00 \$541.00 \$634.00 \$363.00

		Bluebell Tower – 2BR	\$670.00	\$491.00
4.	Operations and Management	<ul style="list-style-type: none"> - Smoke Free Housing Policy updated – added HUD required provisions. (attached) - KCHA Statement of Substantial Deviation and Significant Amendment (revised 8/2017 - attached) 		
5.	Grievance Procedures	No change		
6.	Designated Housing – Elderly/Disabled	No Change		
7.	Community Service and Self-Sufficiency	No Change		
8.	Safety and Crime Prevention	No Change		
9.	Pets	No Change		
10.	Civil Rights Certification	No Change		
11.	Fiscal Year Audit	Audit of FYE 03/31/2017 financial presentation revealed no findings or significant weaknesses.		
12.	Asset Management	No Change		
13.	Violence Against Women Act (VAWA)	HUD model forms in use; ACOP updated; compliance with PIH Notice 2017-08		
14.	Illinois Carbon Monoxide Alarm Detector Act (Public Act 094-0741)	The Knox County Housing Authority remains compliant with the requirements of the Carbon Monoxide Alarm Detector Act. All 418 public housing units shall carbon monoxide alarm detectors installed within 15 feet of all sleeping areas and on each floor of the unit. Additionally, The HCV Program Manager shall require all units occupied through the Housing Choice Voucher Program to conform to the Carbon Monoxide Alarm Detector Act during Housing Quality Standards inspections. Any units not conforming to the act shall fail its HQS inspection and subsidy is abated until the unit fully complies.		

C. Identify the specific location(s) where the public may obtain copies of the 5-Year and Annual PHA Plan.

- Central Office Cost Center – 216 W. Simmons St. Galesburg, IL 61401
- Moon Towers – 255 W. Tompkins St. Galesburg, IL 61401
- Family Housing – 480 Iowa Ave. Galesburg, IL 61401
- Bluebell Tower – 300 N. Jefferson St. Abingdon, IL 61410
- Agency website: www.knoxcountyhousing.org



**IL085 KNOX COUNTY HOUSING AUTHORITY
FY 04/01/2018 – 03/31/2019 ANNUAL PLAN SUBMISSION
ATTACHMENT 2.0
HUD-50075 Section B.2 – New Activities**

- A. Does the PHA intend to undertake any new activities related to the following in the PHA's current Fiscal Year?
- Yes – Units with Approved Vacancies for Modernization
 - 504/ADA Modernization in units at IL085000002 Scattered Family Sites
- B. If any of these activities are planned for the current Fiscal Year, describe the activities.
- Rehabilitation of floors in dwelling units at public housing properties
 - i. Removal of existing floor
 - ii. Abatement of asbestos present
 - iii. Installation of new floor
 - 504/ADA Modernization in units at IL085000002 Scattered Family Sites
 - i. Accessibility design modifications of dwelling units
 - ii. Accessibility design modifications of common areas
 - iii. Physical/Vision/Audible modifications as required



IL085 KNOX COUNTY HOUSING AUTHORITY
FY 04/01/2018 – 03/31/2019 ANNUAL PLAN SUBMISSION
ATTACHMENT 3.0

HUD-50075-HP Section B.3 – MISSION, GOALS, AND OBJECTIVES

1. Expand and/or maintain the supply of assisted housing opportunities through the implementation of the following objectives:
 - Maintain 98.0% - 100.0% occupancy level across public housing program
 - FYE 03/31/2018 UPDATE:
 - Actual: Achieved 98.48% (as of 12/20/2017) based on unit days leased
 - Adequate waiting list exists to achieve 100% Occupancy
 - Internal monitoring and controls have been more efficiently utilized to improve occupancy numbers thus allowing us to serving the maximum number of families possible considering funding availability
 - FYE 03/31/2019 GOAL:
 - Strive for 100% occupancy
 - Maintain minimum 98.0% occupancy across PH program.
 - Work with the Department of Housing and Urban Development on issues surrounding the housing of veterans and homeless families/individuals
 - FYE 03/31/2019 STATUS:
 - Local preference points exist to further assist Veterans and homeless families/individuals with priority placement on agency waiting lists.
 - Consideration of transition to Rental Assistance Demonstration (RAD) program
 - FYE 03/31/2019 STATUS:
 - Hasn't been considered to date as housing stock and building systems are in good repair.
 - Increase active housing choice vouchers in Knox County to achieve 100% utilization
 - CYE 12/31/2017 UPDATE:
 - 120.2% utilization (as of November 2017) for CYE 12-31-2017
 - a. \$717,187.00 allocated
 - b. \$735,279.00 utilized
 - c. \$2,164.00 Net Restricted Position
 - d. Projected CYE 12/31/2017 Utilization: 121.0%
 - HCV Waiting List now remains open, with adequate applicants to maintain 100.0% utilization.
 - Working to increase voucher participation in the jurisdiction through the following means:
 - a. Seeking to add approximately 15 to 20 new vouchers for CYE 12/31/2018
 - b. Consideration of utilizing HAP, HUD-held reserves, and agency NRP reserves to grow number of families served

- c. Increased landlord outreach to add housing options in the jurisdiction
 - Maximize outreach efforts to maintain adequate stock of potential housing choice voucher landlords
 - CYE 12/31/2018 GOAL:
 - Current stock of landlords is adequate for the supply of vouchers, though will seek to develop and grow housing choice for program participants through targeted outreach. Minimum of one (1) landlord outreach briefing will be conducted per quarter during the upcoming fiscal year.
 - Consider exception payment standards for each bedroom size
 - CYE 12/31/2018 STATUS:
 - Payments Standards have been set at 110% FMR to expand housing choice in the jurisdiction. The agency feels this has had a positive influence on voucher utilization and lease up rates.
2. Improve the quality of assisted housing through the implementation of the following objectives:
 - Achieve PHAS High Performer status for FYE 03/31/2018
 - FYE 03/31/2017 UPDATE:
 - Achieved score of 95.0, High Performer for FYE 03/31/2017. As noted below, the agency achieved scores representative of High Performer in three of the four PHAS Indicators:
 - a. 38/40 Physical Assessment
 - b. 25/25 Financial Assessment
 - c. 10/10 Capital Funds Program Assessment
 - d. 22/25 Management Assessment
 - FYE 03/31/2018 GOAL:
 - Maintain "High Performer" status for FYE 03/31/2018
 - a. Monitoring Key Performance Indicators for PHAS indicators with a focus on:
 - i. REAC Physical Inspections
 - ii. Occupancy
 - iii. Financial performance
 - Achieve 100.0% SEMAP certification for CYE 12/31/2017
 - CYE 12/31/2016 UPDATE:
 - Achieved a SEMAP certification score of 85.0% for CYE 12/31/2016
 - a. Agency worked to spend down Net-Restricted Position for CYE 12/31/2016; unable to spend to annual budget authority.
 - CYE 12/31/2017 UPDATE:
 - Issues from previous certification have been addressed and resolved:
 - a. Agency utilization of allocated HAP for CYE 12/31/2017 vs. annual budget authority (ABA) is projected at 121.0%

- i. ABA: \$664,834.00
 - ii. Expended: \$810,000.00 (projected)
 - Effective management and enforcement of HQS processes to ensure quality housing opportunities for voucher program participants
 - UPCS-V Demonstration Agency
 - KCHA has partnered with The Oversight and Evaluation Division (OED) to participate in the Uniform Physical Condition Standards-Voucher (UPCS-V) program. Demonstration continues.
 - Continued consideration and implementation of the voucher homeownership program
 - Continue to seek training and educational opportunities for staff knowledge and development
- 3. Provide an improved living environment through the implementation of the following objectives:
 - Continue consideration and implementation of security improvements in the public housing program
 - Priority given to repair of existing system components
 - Cameras to be added strategically and repaired as needed throughout FYE 03/31/2019
 - Effective stewardship of capital improvement funds to rehabilitate and modernize current public housing inventory
 - Consider measures to deconcentrate poverty through outreach designed to attract higher income public housing households into our developments
- 4. Promote self-sufficiency and asset development of assisted households through the implementation of the following objectives:
 - Connect families with area resources to increase the percentage of employed persons in assisted families
 - Job Readiness (applications, resumes, interviewing)
 - Job Fairs
 - Furthering Education
 - Scholarships
 - Money Management
- 5. Ensure equal opportunity and affirmatively further fair housing through the implementation of the following objectives:
 - Carry out affirmative measures to ensure access to assisted housing regardless of race, religion, national origin, sexual orientation, familial status, or disability
 - Undertake affirmative measures to provide a suitable living environment for families living in assisted housing, regardless of race, color, religion national origin, sex, familial status, and disability

- Undertake affirmative measures to ensure accessible housing to persons with all varieties of disabilities regardless of unit size required
- The agency will work to take the steps necessary to fully assess and implement the requirements set forth at 24 CFR §5 Subpart A to:
 - Improve integrated living patterns and overcoming historic patterns of segregation;
 - Reduce racial and ethnic concentrations of poverty;
 - Reduce disparities by race, color, religion, sex, familial status, national origin, or disability in access to community assets such as education, transit access, and employment, as well as exposure to environmental health hazards and other stressors that harm a person's quality of life; and
 - Respond to disproportionate housing needs by protected class



**IL085 KNOX COUNTY HOUSING AUTHORITY
FY 04/01/2018 – 03/31/2019 ANNUAL PLAN SUBMISSION
ATTACHMENT 4.0
HUD-50075 Section C.1 – Policy and Program Revisions**

- A. Certification Form 50077-ST-HCV-HP executed and included with submission.

- B. Revisions to Policies and Programs
 - Summary listing included with this attachment
 - Each listed document included, with revisions indicated in red
 - New Policies/Addendum:
 - i. ACOP (revised sections included)
 - ii. Smoke-Free Housing
 - iii. KCHA Statement of Substantial Deviation and Significant Amendment
 - Revisions to current policies and addition of new policies compliant with notice regulations set forth at 24 CFR §903.17
 - i. Documents posted for review at www.knoxcountyhousing.org
 - ii. Public Hearing held 12/20/2017
 - iii. Policies and plan submission approved by Board of Commissioners 12/26/2017 pending certification of consistency with State Consolidated Plan (IHDA)

we will skip higher income families on the waiting list to reach extremely low-income families.

If there are not enough extremely low-income families on the waiting list we will conduct outreach on a non-discriminatory basis to attract extremely low-income families to reach the statutory requirement.

Sections 11.4 through 11.7, dealing with deconcentration do not apply to KCHA and have been deleted.

11.4 OFFER OF A UNIT

When the KCHA discovers that a unit will become available, we will contact the first family on the waiting list who has the highest priority for this type of unit or development. If, at that time, a discrepancy exists between the desired balance of incomes in that development, that first family may be bypassed in favor of a family whose income category would help to meet the deconcentration goal and/or the income-targeting goal.

The KCHA will contact the family first by telephone to make the unit offer. If the family cannot be reached by telephone, the family will be notified of a unit offer via first class mail. The family will be given five (5) business days from the date the letter was mailed to contact the KCHA regarding the offer.

The family will be offered the opportunity to view the unit. After the opportunity to view the unit, the family will have two (2) business days to accept or reject the unit. This verbal offer and the family's decision must be documented in the tenant file. If the family rejects the offer of the unit, the KCHA will send the family a letter documenting the offer and the rejection.

11.5 DECONCENTRATION AND INCOME TARGETING

Sub-Title A, Section 513 of the Quality Housing and Work Responsibility Act of 1998 (QHWRA), establishes two interrelated requirements for implementation by Public Housing Authorities: (1) Economic De-concentration of public housing developments and (2) Income Targeting to assure that families in the "extremely low" income category are proportionately represented in public housing and that pockets of poverty are reduced or eliminated. In order to implement these new requirements, the PHA must promote these provisions as policies and revise their Admission and Occupancy policies and procedures to comply.

Therefore, the Knox County Housing Authority, (hereinafter referred to as PHA) hereby affirms its commitment to implementation of the two requirements by adopting the following policies:

Economic De-concentration: Admission and Continued Occupancy Policies are revised to include the PHA's policy of promoting economic de-concentration. Implementation of this program may require the PHA to determine the median income of residents in each development, determine the average income of residents in all developments, compute the Established Income Range (EIR), determine developments outside the EIR, and provide adequate explanations and/or policies as needed to promote economic de-concentration.

Implementation may include one or more of the following options:

- Skipping families on the waiting list based on income;
- Establishing preferences for working families;
- Establish preferences for families in job training programs;
- Establish preferences for families in education or training programs;
- Marketing campaign geared toward targeting income groups for specific developments;
- Additional supportive services;
- Additional amenities for all units;
- Flat rents for developments and unit sizes;
- Different tenant rent percentages per development;
- Different tenant rent percentages per bedroom size;
- Saturday and evening office hours;
- Security Deposit waivers;
- Revised transfer policies;
- Site-based waiting lists;
- Mass Media advertising/Public service announcements; and
- Giveaways.

Income Targeting: As public housing dwelling units become available for occupancy, responsible PHA employees will offer units to applicants on the waiting list. In accordance with the Quality Housing and Work Responsibility Act of 1998, the PHA encourages occupancy of its developments by a broad range of families with incomes up to eighty percent (80%) of the median income for the jurisdiction in which the PHA operates. Depending on the availability of applicants with proper demographics, at a minimum, 40% of all new admissions to public housing on an annual basis may be families with incomes at or below thirty percent (30%)(extremely low-income) of the area median income. The offer of assistance will be made without discrimination based on of race, color, religion, sex, national origin, age, handicap or familial status.

In order to implement the income targeting program, the following policy is adopted:

- The PHA may select, based on date and time of application and preferences, two (2) families in the extremely low-income category and two (2) families from the lower/very low-income category alternately until the forty percent (40%)

admission requirement of extremely low-income families is achieved (2 plus 2 policy).

- After the minimum level is reached, all selections may be made based solely on date, time and preferences. Any applicants passed over as a result of implementing this 2-plus-2 policy will retain their place on the waiting list and will be offered a unit in order of their placement on the waiting list.
- To the maximum extent possible, the offers will also be made to affect the PHA's policy of economic de-concentration.
- The PHA reserves the option, at any time, to reduce the targeting requirement for public housing by no more than ten percent (10%), if it increases the target figure for its Section 8 program from the required level of seventy-five percent (75%) of annual new admissions to no more than eighty-five percent (85%) of its annual new admissions. (Optional for PHAs with both Section 8 and Public Housing programs)

11.6 REJECTION OF UNIT

If, in making the offer to the family, the KCHA skipped over a family on the waiting list in order to meet their deconcentration goal or offered the family any other deconcentration incentive and the family rejects the unit, the family will not lose their place on the waiting list and will not be otherwise penalized.

If the KCHA did not skip over other families on the waiting list to reach this family, did not offer any other deconcentration incentive, and the family rejects the unit without good cause, the family will forfeit their application's date and time. The family will keep their preferences, but the date and time of application will be changed to the date and time the unit was rejected.

If the family rejects with good cause any unit offered, they will not lose their place on the waiting list. Good cause includes reasons related to health, proximity to work, school, and childcare (for those working or going to school). The family will be offered the right to an informal review of the decision to alter their application status.

11.7 ACCEPTANCE OF UNIT

The family will be required to sign a lease that will become effective no later than three (3) business days after the date of acceptance or the business day after the day the unit becomes available, whichever is later.

Prior to signing the lease all families (head of household) and other adult family members will be required to attend the Lease and Occupancy Orientation. The family will not be housed if they have not attended the orientation. Applicants who provide prior notice of an inability to attend the orientation will be rescheduled. Failure of an applicant to attend the orientation, without good cause, may result in the cancellation of the occupancy process.

3.0 VIOLENCE AGAINST WOMEN ACT

Violence Against Women Reauthorization Act of 2013 (VAWA), signed into law January 5, 2014, establishes the rights of victims of domestic violence, dating violence, sexual assault and stalking, living in federally funded housing.

1. The Violence Against Women Reauthorization Act of 2013 applies to both men and women equally.
2. The KCHA must keep information regarding Victims of Domestic Violence, Sexual Violence, Dating Violence, Sexual Assault or Stalking confidential and in accordance with Privacy Laws:
 - a. Any VAWA documentation provided shall not be entered into any shared database.
 - b. Employees and/or property management will not have access to VAWA documentation unless explicitly authorized.
 - c. The KCHA shall not disclose VAWA documentation to any other entities or outside agencies unless the disclosure of the documentation is:
 - i. Requested or consented to by the individual, in writing, who is requesting VAWA protections; or
 - ii. Required for use in an eviction proceeding; or
 - iii. Otherwise required by applicable law.
3. Documenting Domestic Violence, Sexual Violence, Dating Violence, Sexual Assault or Stalking
 - a. To provide a resident or applicant who is a victim of domestic violence, sexual violence, dating violence, sexual assault or stalking the considerations outlined in this ACOP and Lease, the victim must document, that the resident or applicant is indeed a victim. The Property Manager and/or the KCHA shall verify all the information given to them regarding the above.
 - b. A victim may submit evidence to document domestic violence, sexual violence, dating violence, sexual assault or stalking. However, depending on the arrangements and/or modification requested, different types of documented evidence may be required. Documentation that may be requested, includes but is not limited to:
 - i. The HUD-approved certification form signed by the resident or applicant;
 - ii. A certified statement from an employee, agent, or volunteer of a victim services provider, an attorney, or medical professional, from whom the victim has sought assistance in addressing domestic violence, sexual violence, dating violence, sexual assault or stalking;

- iii. A Federal, state, or local police report;
 - iv. A current Order of Protection;
 - v. A letter(s) from administrative agencies and/or mental health professionals, from whom the victim has sought assistance.
- 4. The KCHA may remove a household member from a lease without regard to whether the household member is a signatory to the lease (through lease bifurcation), in order to evict or terminate occupancy rights of any tenant or lawful occupant who engages in criminal acts of physical violence against other authorized household members without evicting or terminating the occupancy rights of the victim of such violence.
- 5. The VAWA Final Rule revises the requirements for notice of VAWA rights at 24 CFR 5.2005(a). The Knox County Housing Authority will provide this Notice of Occupancy Rights at the following points:
 - a. Applicants
 - i. At the time the individual is provided assistance or admission
 - ii. At the time the applicant is denied assistance or admission.
 - b. Tenants/Participants
 - i. With any PHA notification of eviction or termination of assistance;
 - ii. By December 16, 2017, either during the PHA annual recertification or lease renewal process (as applicable). If there will be no recertification or lease renewal during the first year, through other means within the first year as determined by the PHA.
- 6. CERTIFICATION AND CONFIDENTIALITY
 - a. HUD Approved Certification
 - i. For each incident that a person is claiming is abuse, except as provided in below, the person shall certify to KCHA their victim status by completing a HUD approved certification form (HUD 5382).
 - ii. The person shall certify the date, time and description of the incidents, that the incidents are bona fide incidents of actual or threatened abuses and meet the requirements of VAWA and this Policy.
 - iii. Unless to do so would be unsafe to provide or the name of the perpetrator is unknown to the victim, the person shall provide information to identify the perpetrator including but not limited to the name and, if known, all alias names, date of birth, address, contact information such as postal, e-mail or internet address, telephone or facsimile number or other information. KCHA will not make contact with the perpetrator if doing so would create a risk of harm to the person claiming abuse.

- iv. If there is reason to believe that the certification is incomplete or inaccurate, KCHA may require additional documentation of the incident. Such documentation shall not place the victim in any danger. KCHA shall work with the victim to identify appropriate sources of documentation.
- b. Other Certification: A person who is claiming victim status may provide to KCHA, an owner or manager the following certification instead of the HUD-approved certification:
 - i. Documentation signed by the victim and an employee, agent, or volunteer of a victim service provider, a social service provider, domestic violence shelter staff, school personnel, an attorney, or a medical professional, including social workers, psychologists, and mental health providers, from whom the victim has sought assistance in addressing domestic violence, dating violence, sexual assault or stalking or the effects of the abuse, in which the professional attests under penalty of perjury (28 U.S.C. § 1746) to the professional's belief that the incident(s) in question are bona fide incidents of abuse; or
 - ii. A federal, state, tribal, territorial, local police or court record.
 - iii. If the victim elects to provide other certification, either that certification or the victim must provide information to identify the perpetrator including but not limited to the name and, if known, all alias names, date of birth, address, contact information such as postal, e-mail or internet address, telephone or facsimile number or other information unless to do so would be unsafe to provide or the name of the perpetrator is unknown.
- c. Failure to Provide Certification
 - i. The person shall provide complete and accurate certifications to KCHA within fourteen (14) business days after the party requests in writing that the person completes the certifications. KCHA shall allow reasonable extensions, as determined by KCHA, for submission of certifications for good cause shown.
 - ii. If the person does not provide a complete and accurate certification within the 14 business days, or any KCHA-approved extension, KCHA, the owner or manager may take action to deny or terminate participation or tenancy.
- d. Confidentiality: KCHA, the owner and manager shall keep all information provided to KCHA under this Section confidential. KCHA, owner and manager shall not enter the information into a shared database or provide to any related entity except to the extent that:
 - i. The victim requests or consents to the disclosure in writing;

- ii. The disclosure is required for:
 - 1. Eviction from public housing.
 - 2. Applicable law requires the disclosure.
- 7. APPROPRIATE BASIS FOR DENIAL OF ADMISSION OR TENANCY
 - a. KCHA shall not deny participation or admission to a program on the basis of a person's victim status, if the person otherwise qualifies for admission or assistance.
 - b. An incident or incidents of actual or threatened domestic violence, dating violence, sexual assault or stalking and/or any behavior engaged in by a perpetrator directly related to such incidents will not be a serious or repeated violation of the lease by victim and shall not be good cause for denying to a victim admission to a program, terminating occupancy rights, or evicting a tenant.
 - c. Where KCHA receives adverse information about an applicant or applicant's household member(s) and the applicant is a victim of domestic violence, KCHA shall determine whether there is a substantial connection between the adverse information and the fact that the applicant/household member is a victim of domestic violence. If KCHA determines that there is such a connection, then KCHA shall disregard the adverse information (provided that the perpetrator will not be part of the applicant household).
 - d. KCHA shall not require a particular landlord reference or other information, where obtaining such a reference or information will place the applicant, or a member of the applicant's household, at increased risk of harm. In this instance, KCHA shall allow reasonable alternative forms of verification as determined by KCHA, and shall not ask the applicant to obtain documents not reasonably obtainable, as determined by KCHA. KCHA shall, in appropriate instances, permit the applicant to provide photocopies of original documents where originals cannot be obtained due to the actions of the perpetrator.
 - e. Criminal activity directly related to domestic violence, dating violence, sexual assault or stalking engaged in by a member of a tenant's resident household or any guest or other person under the tenant's control shall not be cause for termination of tenancy, or occupancy rights if the tenant or an affiliated individual is the victim of that domestic violence, dating violence, sexual assault or stalking.
 - f. KCHA may bifurcate a lease to evict any individual who is a tenant or lawful occupant and who engages in criminal acts of physical violence against family members or others without evicting, or otherwise penalizing the victim of the violence who is also a tenant or affiliated individual.

- g. If a tenant who is evicted in accordance with this policy was the sole tenant eligible to receive assistance, any remaining tenant or affiliated individual will be provided an opportunity to establish eligibility, in accordance with the requirements of the Plan pertaining to eligibility for continued occupancy. If no tenant or affiliated individual is eligible, a reasonable time, as defined by HUD, to find new housing or to establish eligibility for another covered housing program (as defined in VAWA) will be provided to the remaining tenant or affiliated individual.
- h. Nothing in this policy shall limit the authority of KCHA, when notified, to honor court orders addressing rights of access to or control of the property, including civil protection orders issued to protect the victim and issued to address the distribution or possession of property among the resident household members when the family breaks up.
 - i. Nothing in this policy limits KCHA's authority to evict or terminate assistance to any tenant for any violation of lease not premised on the act or acts of violence against the tenant or a member of the tenant's resident household. However, KCHA may not hold a victim to a more demanding standard.
 - ii. Nothing in this policy limits KCHA's authority to evict or terminate assistance, or deny admission to a program if KCHA can show an actual and imminent threat to other resident households, neighbors, guests, their employees, persons providing service to the property or others if the tenant family is not evicted or terminated from assistance or denied admission.
 - iii. Nothing in this policy limits KCHA's authority to deny admission, terminate assistance or evict a person who engages in criminal acts including but not limited to acts of physical violence, sexual assault or stalking against family members or others.
 - iv. A resident household may request a transfer in accordance with KCHA's Transfer Policy to protect their health or safety if the resident household meets the following criteria:
 - 1. Is a victim under this Policy;
 - a. For a victim of sexual assault, the incident occurred within the ninety (90) days preceding the date of the request for transfer;
 - 2. Reasonably believes he or she is imminently threatened by harm from further violence if he or she remains in the apartment; and
 - 3. Has complied with all other obligations of the program;
 - 4. The determination of eligibility for the transfer will be made by the Property Manager or his/her designee;

5. A household found to meet the above criteria may be permitted to transfer to another KCHA unit, receive a Section 8 voucher and stay in Knox County or move to another Section 8 jurisdiction, provided that the transfer will ameliorate the risk to the health and safety of the victim.

8. ACTIONS AGAINST PERPETRATORS

- a. KCHA may evict, or deny admission to a program or bar a perpetrator from its property under this Policy.
- b. The victim shall take action to control or prevent the domestic violence, dating violence, sexual assault or stalking. Steps taken shall be reasonable to circumstances of each case, and shall not create a risk of harm to the victim. The action may include but is not limited to:
 - i. Obtaining and enforcing a restraining or no contact order or order for protection against the perpetrator;
 - ii. Obtaining and enforcing an order barring the perpetrator from the property;
- c. Enforcing KCHA or law enforcement's order barring the perpetrator from the property;
- d. Preventing the delivery of the perpetrator's mail to the victim's unit;
- e. Other reasonable measures.
- f. KCHA shall take measures to protect the confidentiality of a victim's tenant file from disclosure to a perpetrator after the perpetrator has been removed from the household.

9. NOTICE TO APPLICANTS AND RESIDENT HOUSEHOLDS

- a. KCHA shall provide notice to applicants and, resident households, of their rights and obligations under VAWA and this Policy upon denial of residency in a dwelling unit, at the time the individual is admitted to a dwelling unit, with any notification of eviction or notification of termination of assistance, and in multiple languages in accordance with KCHA Language Assistance Plan, in a form developed by HUD, and including a HUD Certification Form as described in Section C above.
- b. Such notice shall include the duty of KCHA to consider mitigating circumstances and to request a reasonable accommodation under KCHA's Reasonable Accommodation Policy.

10. REPORTING REQUIREMENTS

- a. KCHA shall include in its Annual Plan, a statement of goals, objectives, policies or programs that will serve the needs of victims.
- b. KCHA shall also include a description of activities, services or programs provided or offered either directly or in partnership with other service

providers to victims, to help victims obtain or maintain housing or to prevent the abuse or to enhance the safety of victims.

11. CONFLICT AND SCOPE This Policy does not enlarge KCHA's duty under any law, regulation or ordinance. If this Policy conflicts with the applicable law, regulation or ordinance shall control. If this Policy conflicts with another KCHA policy, this Policy will control.

Smoke Free Housing Policy

Knox County Housing Authority
216 W. Simmons St.
Galesburg, IL 61401
(309) 342-8129

Article I. Purpose / Scope of the Policy

- Section 1.01** It is well documented that cigarette smoking and related secondhand tobacco smoke together are the number one cause of preventable disease in the United States. Because exposure to any amount of secondhand smoke can be hazardous and smoke migrates between units in multifamily housing, the U.S. Department of Housing and Urban Development (HUD) is encouraging owners and public housing authorities to implement smoke-free policies and programs.
- Section 1.02** HUD has issued guidance in Notices PIH-2009-21 and PIH-2012-25 to encourage and support this initiative.
- Section 1.03** Studies have shown that approximately 75% of tenants and prospective tenants desire to reside in a smoke-free environment.
- Section 1.04** This smoke-free policy is about the smoke, not the smoker. This policy does not preclude anyone who smokes from residency with the Knox County Housing Authority; rather it simply requires that all tenants abide by the smoke-free policy.
- Section 1.05** Existing laws allow for smoke-free housing policies.
- (a) No federal, state, or local law that prohibits a housing authority from adopting a 100% smoke-free policy.
 - (b) Smoking is not a legal right, and smokers are not a protected class under any state or federal law.
- Section 1.06** The Knox County Housing Authority, at this encouragement, has adopted this policy for the following reasons:
- (a) To mitigate the irritation and known health effects of secondhand smoke at KCHA properties;
 - (b) To minimize the maintenance, cleaning, and redecorating costs associated with damage caused by smoking as it relates to;
 - (i) Apartment turnover;
 - (ii) Property Insurance;
 - (iii) Damages related to residential fire.
 - (c) To allow KCHA staff, agents, vendors, and contractors the opportunity to perform their job functions in an environment that is free from secondhand smoke.
- Section 1.07** This policy acts in conjunction with the Smoke-Free Illinois Act of 2008.
- Section 1.08** This policy applies to all residents, visitors, employees and covers all buildings and vehicles owned and operated as part of the public housing program of the Knox County Housing Authority.

Article II. Definitions

Section 2.01 The following definitions will be utilized in reference to the implementation and enforcement of this policy:

- (a) Common Areas: Area(s) that is available for use by more than one person.
- (b) Dwelling Unit: interior spaces tied to a particular unit and resident.
- (c) Electronic Smoking Device: means any electronically actuated device which in operation causes the user to exhale any smoke, vapor, or other substance other than those produced by unenhanced human exhalation. "Electronic smoking device" includes any such device, whether manufactured, distributed, marketed, or sold as an electronic cigarette, an electronic cigar, an electronic cigarillo, an electronic pipe, an electronic hookah, vaping boxes or kits, or under any other product name or descriptor. The term "electronic cigarette" does not include any asthma inhaler or other device that has been specifically approved by the United States Food and Drug Administration.
- (d) Guest: Any person or persons visiting the residence that are not listed members of the resident household.
- (e) Resident or Tenant: Refers to any person or persons who have either signed a lease agreement or are listed as a family member in a resident household.
- (f) Secondhand smoke: Smoke (as defined in section 2.01(a) unintentionally or involuntarily inhaled; generally used in reference to non-smokers or people that do not smoke.
- (g) Smoke: The vaporous system made up of small particles of carbonaceous matter in the air, resulting mainly from the burning of material, including, but not limited to, cigars, cigarettes, electronic cigarettes, vaping devices, or other tobacco products.
- (h) Smoking: Inhaling, exhaling, breathing, burning, carrying, or possessing any lighted cigar, cigarette, pipe, electronic smoking device, other tobacco products, or other similarly lighted material causing smoke or vapor in any manner or form, including the use of medical marijuana.
- (i) Smoking materials: Materials used in the act of smoking including cigarettes, cigars, tobacco, pipes, electronic smoking devices, matches, and lighters.
- (j) Smoke-Free: free from smoke; indicative of "No Smoking" or "Smoking Not Allowed"
- (k) Smoke-Free Dwelling or Building: dwelling units or buildings in which smoking is prohibited.

Section 2.02 The definitions contained within this section of the policy will be referenced throughout this policy, the Knox County Housing Authority Admissions and Continued Occupancy Plan, the Knox County Housing Authority Public Housing Lease, and any lead addendum (such as the Smoke-Free Acknowledgement and House Rules).

Article III. General Provisions

Section 3.01 The Knox County Housing Authority will promote this policy in the following manner:

- (a) All current resident will be required to sign an amended lease, which includes smoke-free provisions set forth in this policy, no later than 03/31/2014;
- (b) All new residents will sign a lease which includes smoke-free provisions set forth in this policy;
- (c) All current and new residents will receive a copy of this policy, and be required to sign a certification form acknowledging they have received and read this policy;
- (d) “No Smoking” signs will be placed outside and inside buildings throughout KCHA properties
- (e) Cigarette receptacles will be made available throughout each KCHA property for the decent, safe, and sanitary disposal of cigarettes and other smoking materials. At the resident’s request and cost, a cigarette receptacle shall be provided by the Knox County Housing Authority at the requested dwelling unit;
- (f) Smoking cessation resources will be made available through the Knox County Health Department (subject to funding availability);

Section 3.02 Effective April 01, 2014, smoking will be prohibited inside any building or vehicle which is part of the Knox County Housing Authority public housing program – including residential dwelling units, program offices, and agency vehicle fleet – by any person(s) who resides at, works at, or visits KCHA properties including, but not limited to, the following people:

- (a) All current and new residents;
- (b) Visitors and guests of residents;
- (c) Resident service providers;
- (d) Knox County Housing Authority staff;
- (e) Knox County Housing Authority contracted vendors or agents and their employees;

Section 3.03 Areas designated smoke-free in which smoking will be prohibited include:

- (a) Dwelling units and apartments as defined in Section 2.01(e) of this policy;
- (b) Common areas within any building including entryways, hallways, restrooms, laundry facilities, and within 25 feet of all airways to any KCHA property, including windows, door openings, garage doors, and air intake systems;
- (c) Agency vehicle fleet as it pertains to the service of the public housing programs;

Section 3.04 Burning incense, sage, or other similar products are also not allowed in the above designated areas.

Section 3.05 Resident Responsibilities under this policy include:

- (a) Resident shall be responsible to inform all members of the household, visitors, and guests of the KCHA Smoke-Free policy;
- (b) Residents shall prohibit smoking in their dwelling unit by household members, visitors, and guests;
- (c) Residents are responsible for the actions of his/her household members, guests, visitors, invitees, agents, employees, or other persons present in their dwelling unit in reference to this policy;
- (d) Proper disposal of cigarette butts and other smoking material – cigarette butts and all smoking material must be appropriately disposed of in a decent, safe, and sanitary manner. No person shall be permitted to dispose of said smoking materials on the ground at any time. Additionally, all persons shall be prohibited from disposing of lighted smoking materials in any trash receptacle;
- (e) Acknowledgement that KCHA's ability to police, monitor, or enforce the agreements of this policy is dependent in significant part on compliance by residents, visitors, and guests;
- (f) If a resident witnesses someone smoking or smells smoke in violation of this policy, it shall be their responsibility to report the violation to the property management office as soon as possible. It is the preference of the Knox County Housing Authority to receive said complaints in writing.

Section 3.06 The Knox County Housing Authority cannot and does not warranty or promise that buildings and dwelling units will be free from secondhand smoke.

Section 3.07 Enforcement of this policy will be administered in the following manner:

- (a) It shall be the responsibility of property managers to enforce this policy at each program site;
- (b) Property managers will investigate all complaints received by seeking the source of the smoke and determining if a violation of this policy has been committed;
- (c) Property managers will take immediate and appropriate lease enforcement action consistent with Section 3.08 of this policy;

Section 3.08 Lease Violation Provisions

- (a) Failure to comply with any smoke-free provisions set forth as a result of this policy shall be considered a material violation of the lease and subject residents in violation to adverse action, up to and including termination of lease;
- (b) Lease violations will be assessed in the following manner:
 - (i) 1st Violation – Property manager will visit the resident and document any evidence (sight or smell) witnessed in the unit; resident will receive a verbal warning; subsequent unit inspections will be scheduled to monitor future compliance with this policy.
 - (ii) 2nd Violation - Property manager will visit the resident and document any evidence (sight or smell) witnessed in the unit; resident will receive a lease

written violation letter; subsequent unit inspections will be scheduled to monitor future compliance with this policy.

- (iii) 3rd Violation - Property manager will visit the resident and document any evidence (sight or smell) witnessed in the unit; resident will receive a final lease violation letter advising FINAL NOTICE PRIOR TO TERMINATION; subsequent unit inspections will be scheduled to monitor future compliance with this policy.
 - (iv) 4th Violation – Termination of lease
- (c) Residents will be solely responsible for the cost to clean items which have been discolored and replacement of items damaged as a result of violating this policy including, but not limited to flooring, window treatment, walls, surfaces, light covering, ventilation systems, etc. Charges may be assessed during tenancy or at resident move-out.



STATEMENT OF SUBSTANTIAL DEVIATION AND SIGNIFICANT AMENDMENT/MODIFICATION

In accordance with HUD regulations in 24 CFR 903.7(r) and 24 CFR 905.3, the Knox County Housing Authority (KCHA) has defined the basic criteria that will be used for determining:

- Substantial deviation from its 5-Year Plan;
- Significant amendment or modification to the 5-Year and Annual Plans; and
- Significant amendment or modification to the Capital Fund Program (CFP) 5-Year Action Plan.

Amendments, deviations, or modifications to the agency plan which fundamentally alter the mission, goals, objectives or plans of the KCHA will require formal approval from the Board of Commissioners. Prior to implementing changes that meet such criteria, the KCHA will submit for HUD's approval a revised plan(s) that meets full public process requirements.

Criteria for defining "Substantial Deviation" from the 5-Year Plan

- A change in federal law takes effect and, in the opinion of KCHA, it creates substantial obligations or administrative burdens beyond the programs under administration, excluding changes made necessary due to insufficient revenue, funding or appropriations, funding reallocations resulting from modifications made to the annual or five-year capital plan or due to the terms of a judicial decree
- All amendments, deviations, or modifications to the agency plan which fundamentally alter the mission, goals, objectives or plans of the KCHA

Criteria for defining "Significant Amendment or Modification" to the 5-Year and PHA Annual Plans

- Changes to rent, admission and/or occupancy policies, or the organization of waiting lists that will impact more than 10% of applicants or households assisted under agency programs

Criteria for defining "Significant Amendment or Modification" to the CFP 5-Year Action Plans

- Proposed demolition, disposition, homeownership, Capital Fund Financing, development, or mixed finance proposals will be considered significant amendments to the CFP 5-Year Action Plan.
- Addition of non-emergency work items not included in the current CFP Annual Statement or CFP 5-Year Action plan that exceeds \$100,000.00.

Exceptions

- Changes under the above definitions that are required due to HUD regulations, federal statutes, state or local laws/ordinances, or as a result of a declared national or local emergency will not be considered substantial deviation or significant amendment/modification
- Changes under the above definitions which are funded by any source other than federal funds will not require Plan amendment or modification
- Discretionary or administrative amendments consistent with the KCHA's stated overall mission and objectives will not be considered substantial deviations or modifications



**IL085 KNOX COUNTY HOUSING AUTHORITY
FY 04/01/2018 – 03/31/2019 ANNUAL PLAN SUBMISSION
ATTACHMENT 5.0
HUD-50075 Section C.3 – Resident Advisory Board Comments**

- A. Resident Advisory Board Meetings
 - 11/15/2017 and 11/29/2017
 - i. Review of Capital Improvements planned
 - ii. Review of proposed lease/policy changes

- B. Minutes of the Resident Advisory Board Meeting (attached)

**MINUTES OF THE SPECIAL MEETING
OF THE RESIDENT ADVISORY BOARD
OF THE KNOX COUNTY HOUSING AUTHORITY
November 15, 2017**

The meeting of the Resident Advisory Board of the Knox County Housing Authority was held at 11:30 a.m. in the community room at William H. Moon Towers. The following persons were in attendance at the meeting:

PRESENT: Steve Bainter, Moon Towers
Judy Cone, Moon Towers
Schelia Ayers, Moon Towers
Gloria Lapping, Moon Towers
Robert Lapping, Moon Towers
Karen Hatfield, Moon Towers
Norma Smith, Blue Bell Tower
Floyd L. Palmer, Blue Bell Tower
Mary Ann Anderson, Blue Bell Tower

ALSO PRESENT: Derek Antoine, Executive Director
Cheryl Lefler, Assistant Director
Jenny Stegall, Property Manager-Bluebell Tower
Amy Thompson, Property Manager-Family Sites
Tami Matejewski, Administrative Support Specialist-Family Sites
Brandi Watkins, Property Manager-Moon Towers
Amy Arteaga, Office Assistant-Central Office Cost Center

The meeting opened with introductions as each attendee gave name, where they live and shared what they like best about where they live.

Mr. Antoine explained the purpose of the meeting was to review proposed policy changes. Additionally, Capital Fund Program projects in the annual and five-year plans would be reviewed. Mr. Antoine said there would be an opportunity for comment and discussion.

Then, Ms. Lefler handed out copies of the annual plan and five-year plan for the Capital Fund Program. She highlighted planned projects for the coming year including 504 renovations at the family site which will include the construction of new accessible 3 and 4-bedroom units as well as the renovation of a 5-bedroom unit. The five-year plan is a comprehensive list of projects that the agency would like to complete if adequate funding is available.

Then, Ms. Lefler asked attendees what would be included on a "wish list" of projects. The following list is what resulted from the group discussion:

- Enlarging the garbage chutes at Moon Towers;
- Moving the bushes in the front of Moon Towers;
- Adding more handicapped parking spaces;
- Bigger stoves in the units;
- New washer and dryers for Moon Towers and Blue Bell Tower; and
- Adding an automatic door opener to the north entrance door at Blue Bell Tower.

Then, Mr. Antoine summarized how the annual plan process works and how the agency conducts its work. He mentioned there are two documents-Administrative and Continued Occupancy Plan and Agency Administrative Plan that guide the programs the agency administers. He reported that there would be no major changes to the lease at this time. He stated that the Personnel Policy will be updated. Additionally, the Smoke-Free Policy will be amended to follow the HUD rule that no smoking will be allowed within 25 feet of the building. Also, the policy will be amended to reflect that smoking will be allowed in the gazebos at Moon Towers and Blue Bell Towers. After brief discussion, no suggestions for changes were made. Mr. Antoine stated that the proposed changes will be posted for review and comment and will be approved by the Board of Commissioners at its 12/26/2017 meeting. Then the changes

will be sent to HUD with the agency annual plan in January.

Mr. Antoine also informed the residents that he and Ms. Lefler are the hearing officers for the agency. Any formal grievance that comes before the agency would be conducted by Mr. Antoine or Ms. Lefler.

Hearing no further discussion, the meeting was adjourned at 1:00 p.m.

Respectfully submitted,

Cheryl Lefler

Assistant Director

**MINUTES OF THE SPECIAL MEETING
OF THE RESIDENT ADVISORY BOARD
OF THE KNOX COUNTY HOUSING AUTHORITY
November 29, 2017**

The meeting of the Resident Advisory Board of the Knox County Housing Authority was held at 12:00 p.m. in the community room at Cedar Creek Place. The following persons were in attendance at the meeting:

PRESENT: Kadidjatou Ibrahim, Cedar Creek Place
Deloris Buford, Cedar Creek Place
Areale Holmes, Cedar Creek Place

ALSO PRESENT: Derek Antoine, Executive Director
Cheryl Lefler, Assistant Director
Amy Thompson, Property Manager-Family Sites

The meeting opened with introductions as each attendee gave name and where they live.

Mr. Antoine explained the purpose of the meeting was to review proposed policy changes. Additionally, Capital Fund Program projects in the annual and five-year plans would be reviewed. Mr. Antoine said there would be an opportunity for comment and discussion.

Then, Ms. Lefler handed out copies of the annual plan and five-year plan for the Capital Fund Program. She highlighted planned projects for the coming year including 504 renovations at the family site which will include the construction of new accessible 3 and 4-bedroom units as well as the renovation of a 5-bedroom unit. The five-year plan is a comprehensive list of projects that the agency would like to complete if adequate funding is available.

Then, Ms. Lefler asked attendees what would be included on a "wish list" of projects. The following list is what resulted from the group discussion:

- Playground equipment upgrades; and
- New programs for kids.

Then, Mr. Antoine summarized how the annual plan process works and how the agency conducts its work. He mentioned there are two documents-Administrative and Continued Occupancy Plan and Agency Administrative Plan that guide the programs the agency administers. He reported that there would be no major changes to the lease at this time. He stated that the Personnel Policy will be updated. Additionally, the Smoke-Free Policy will be amended to follow the HUD rule that no smoking will be allowed within 25 feet of the building. Also, the policy will be amended to reflect that smoking will be allowed in the gazebos at Moon Towers and Blue Bell Towers. After brief discussion, no suggestions for changes were made. Mr. Antoine stated that the proposed changes will be posted for review and comment and will be approved by the Board of Commissioners at its 12/26/2017 meeting. Then the changes will be sent to HUD with the agency annual plan in January.

Mr. Antoine also informed the residents that he and Ms. Lefler are the hearing officers for the agency. Any formal grievance that comes before the agency would be conducted by Mr. Antoine or Ms. Lefler.

Hearing no further discussion, the meeting was adjourned at 1:00 p.m.

Respectfully submitted,

Cheryl Lefler
Assistant Director



**IL085 KNOX COUNTY HOUSING AUTHORITY
FY 04/01/2018 – 03/31/2019 ANNUAL PLAN SUBMISSION
ATTACHMENT 6.0
HUD-50075 Section D.1 – Capital Improvements**

- A. See HUD Form 50075.2 approved by HUD dated 04/13/2016 (attached)
- B. Reference CFP 5 Year Plan Budget – EPIC Report (attached)

Capital Fund Program—Five-Year Action Plan

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
Expires 4/30/20011

Part I: Summary

PHA Knox County Housing Authority		Locality (Galesburg/Knox & Illinois)		Original 5-Year Plan <input checked="" type="checkbox"/> Revision No: 2	
Development Number and Name	Work Statement for Year 1 FFY _____ 2016 _____	Work Statement for Year 2 FFY _____ 2017 _____	Work Statement for Year 3 FFY _____ 2018 _____	Work Statement for Year 4 FFY _____ 2019 _____	Work Statement for Year 5 FFY _____ 2020 _____
A. Knox County Housing Authority	Annual Statement	1099500	1187700	1890200	2783970
B. Physical Improvements Subtotal					
C. Management Improvements					
D. PHA-Wide Non-dwelling Structures and Equipment					
E. Administration		60859	60859	60859	60859
F. Other					
G. Operations		40000	40000	40000	40000
H. Demolition					
I. Development					
J. Capital Fund Financing – Debt Service					
K. Total CFP Funds		1200359	1288559	1991059	2884829
L. Total Non-CFP Funds					
M. Grand Total					



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Illinois State Office, Region V
Ralph Metcalfe Federal Building
77 West Jackson Blvd
Chicago, IL 60604-3507

OFFICE OF PUBLIC HOUSING

DEC 12 2017

ATTN: Executive Director

SUBJECT: 2017 Capital Fund Program (CFP)

Enclosed please find a copy for your records, of the fully executed 2017 CFP and/or RHF amendment to the ACC. In addition, Public Housing Agencies (PHAs) with fiscal year end (FYE) 9/30 and 12/31 please find copies of your approved 50075.1 annual statement and 50075.2 five-year action plan. All of the activities must be carried out in accordance with HUD regulations and other requirements applicable to the CFP and RHF programs. Please refer to the 2017 CFP Processing Guidance for additional information.

The **24-month obligation end date is August 15, 2019** and **48-month expenditure end date is August 15, 2021**. The 24-month obligation period is pursuant to section 9(j)(1) of the United States Housing Act of 1937, as amended, (the Act) and the 48-month expenditure period is pursuant the 9(j)(5) of the Act. Any funds not obligated or expended within the statutory timeframes are subject to statutory penalties, unless HUD Headquarters grants an extension of the obligation deadline. **Field Offices cannot grant extensions nor can PHAs give self-extensions.**

Environmental Review Requirement

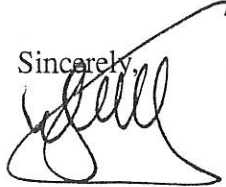
In accordance with the changes in process announced in Notice 2016-22, all activities at HUD assisted or to be assisted project sites must receive environmental clearance prior to taking any choice-limiting actions or obligating any funds. PHAs have environmental review clearance for the activities covered by Appendix A of Notice 2016-22; for any other activities, PHAs must request and receive clearance from either a Responsible Entity or HUD.

HUD Field Offices are not required to withhold approval of 5-Year Action Plans, place manual holds on Capital Funds in LOCCS, or to delay spreading Budget Line Items in LOCCS pending receipt of environmental clearance documentation. However, HUD Field Offices may elect to do so as part of enhanced monitoring.

Even though Field Offices are able to approve 5-Year Action Plans without confirming environmental clearance, the Work Activity Description in a PHA's 5-Year Action Plan must provide sufficient specificity to facilitate effective HUD Field Office review of the plan and subsequent environmental review monitoring. Specificity is required so Field Office can determine the level of environmental review required for a given work activity. PHAs are encouraged to enter information in the Description field on the scope of the activity (e.g., number of units impacted).

If you require further information or assistance, please feel free to contact Donica Davis at (312) 913-8764 or via email at donica.l.davis@hud.gov. You can also contact your assigned Field Office Engineer.

Sincerely,

A handwritten signature in black ink, appearing to read "D. Sherrod", written over a horizontal line.

Daniel W. Sherrod, Director
Chicago Field Office
Region V

2017 Capital Fund

**Capital Fund Program
(CFP) Amendment**
To The Consolidated Annual Contributions
Contract (form HUD-53012)

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

Whereas, (Public Housing Authority) Knox County Housing Authority IL085 (herein called the "PHA")
and the United States of America, Secretary of Housing and Urban Development (herein called "HUD") entered into Consolidated Annual Contributions
Contract(s) ACC(s) Numbers(s) C-962 dated 12/5/1997

Whereas, HUD has agreed to provide CFP assistance, upon execution of this Amendment, to the PHA in the amount to be specified below for the purpose of assisting the PHA in carrying out development, capital and management activities at existing public housing projects in order to ensure that such projects continue to be available to serve low-income families. HUD reserves the right to provide additional CFP assistance in this FY to the PHA. HUD will provide a revised ACC Amendment authorizing such additional amounts.

\$ \$673,386.00 for Fiscal Year 2017 to be referred to under Capital Fund Grant Number IL01P08550117
PHA Tax Identification Number (TIN): On File DUNS Number: On File

Whereas, HUD and the PHA are entering into the CFP Amendment Number 40

Now Therefore, the ACC(s) is (are) amended as follows:

- The ACC(s) is (are) amended to provide CFP assistance in the amount specified above for development, capital and management activities of PHA projects. This CFP Amendment is a part of the ACC(s).
- The PHA must carry out all development, capital and management activities in accordance with the United States Housing Act of 1937 (the Act), 24 CFR Part 905 (the Capital Fund Final rule) published at 78 Fed. Reg. 63748 (October 24, 2013), as well as other applicable HUD requirements, except that the limitation in section 9(g)(1) of the Act is increased such that of the amount of CFP assistance provided for under this CFP amendment only, the PHA may use no more than 25 percent for activities that are eligible under section 9(e) of the Act only if the PHA's HUD-approved Five Year Action Plan provides for such use; however, if the PHA owns or operates less than 250 public housing dwelling units, such PHA may continue to use the full flexibility in section 9(g)(2) of the Act.
- The PHA has a HUD-approved Capital Fund Five Year Action Plan and has complied with the requirements for reporting on open grants through the Performance and Evaluation Report. The PHA must comply with 24 CFR 905.300 of the Capital Fund Final rule regarding amendment of the Five Year Action Plan where the PHA proposes a Significant Amendment to the Capital Fund Five Year Action Plan.
- For cases where HUD has approved a Capital Fund Financing Amendment to the ACC, HUD will deduct the payment for amortization scheduled payments from the grant immediately on the effective date of this CFP Amendment. The payment of CFP funds due per the amortization scheduled will be made directly to a designated trustee within 3 days of the due date.
- Unless otherwise provided, the 24 month time period in which the PHA must obligate this CFP assistance pursuant to section 9(j)(1) of the Act and 48 month time period in which the PHA must expend this CFP assistance pursuant to section 9(j)(5) of the Act starts with the effective date of this CFP amendment (the date on which CFP assistance becomes available to the PHA for obligation). Any additional CFP assistance this FY will start with the same effective date.
- Subject to the provisions of the ACC(s) and paragraph 3, and to assist in development, capital and management activities, HUD agrees to disburse to the PHA or the designated trustee from time to time as needed up to the amount of the funding assistance specified herein.
- The PHA shall continue to operate each public housing project as low-income housing in compliance with the ACC(s), as amended, the Act and all HUD regulations for a period of twenty years after the last disbursement of CFP assistance for modernization activities for each public housing project or portion thereof and for a period of forty years after the last distribution of CFP

assistance for development activities for each public housing project and for a period of ten years following the last payment of assistance from the Operating Fund to each public housing project. However, the provisions of Section 7 of the ACC shall remain in effect for so long as HUD determines there is any outstanding indebtedness of the PHA to HUD which arose in connection with any public housing project(s) under the ACC(s) and which is not eligible for forgiveness, and provided further that, no disposition of any project covered by this amendment shall occur unless approved by HUD.

8. The PHA will accept all CFP assistance provided for this FY. If the PHA does not comply with any of its obligations under this CFP Amendment and does not have its Annual PHA Plan approved within the period specified by HUD, HUD shall impose such penalties or take such remedial action as provided by law. HUD may direct the PHA to terminate all work described in the Capital Fund Annual Statement of the Annual PHA Plan. In such case, the PHA shall only incur additional costs with HUD approval.

9. Implementation or use of funding assistance provided under this CFP Amendment is subject to the attached corrective action order(s).
(mark one) : Yes No

10. The PHA is required to report in the format and frequency established by HUD on all open Capital Fund grants awarded, including information on the installation of energy conservation measures.

11. If CFP assistance is provided for activities authorized pursuant to agreements between HUD and the PHA under the Rental Assistance Demonstration Program, the PHA shall follow such applicable statutory authorities and all applicable HUD regulations and requirements. For total conversion of public housing projects, the provisions of Section 7 of the ACC shall remain in effect for so long as HUD determines there is any outstanding indebtedness of the PHA to HUD which arose in connection with any public housing projects(s) under the ACC(s) and which is not eligible for forgiveness, and provided further that, no disposition or conversion of any public housing project covered by these terms and conditions shall occur unless approved by HUD. For partial conversion, the PHA shall continue to operate each non-converted public housing project as low-income housing in accordance with paragraph 7.

12. CFP assistance provided as an Emergency grant or a Safety and Security grant shall be subject to a 12 month obligation and 24 month expenditure time period. CFP assistance provided as a Natural Disaster grant shall be subject to a 24 month obligation and 48 month expenditure time period. The start date shall be the date on which such funding becomes available to the PHA for obligation. The PHA must record the Declaration(s) of Trust within 60 days of the effective date or HUD will recapture the funds.

The parties have executed this CFP Amendment, and it will be effective on 8/16/2017. This is the date on which CFP assistance becomes available to the PHA for obligation.

U.S. Department of Housing and Urban Development By <u>Cecily Julius Aiding</u> Date: <u>8-16-2017</u> Title <u>Director</u> <u>Illinois Office of Public Housing</u>	PHA (Executive Director or authorized agent) By <u>[Signature]</u> Date: <u>9/24/2017</u> Title <u>Executive Director</u>
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Capital Fund Program - Five-Year Action Plan

Part I: Summary						
PHA Name : Knox County Housing Authority		Locality (City/County & State)				
PHA Number: IL085		<input checked="" type="checkbox"/> Original 5-Year Plan		<input type="checkbox"/> Revised 5-Year Plan (Revision No:)		
A.	Development Number and Name	Work Statement for Year 1 2016	Work Statement for Year 2 2017	Work Statement for Year 3 2018	Work Statement for Year 4 2019	Work Statement for Year 5 2020
	AUTHORITY-WIDE	\$60,859.00	\$100,859.00	\$100,859.00	\$100,859.00	\$100,859.00
	MOON TOWERS (IL085000001)	\$55,000.00	\$275,100.00	\$552,200.00	\$375,700.00	\$873,000.00
	FAMILY HOUSING (IL085000002)	\$485,239.00	\$487,600.00	\$520,500.00	\$1,199,000.00	\$1,783,470.00
	BLUE BELL TOWER (IL085000003)	\$7,500.00	\$336,800.00	\$115,000.00	\$315,500.00	\$147,500.00

Part II: Supporting Pages - Physical Needs Work Statements (s)				
Work Statement for Year				
	1	2016		
Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
	AUTHORITY-WIDE (NAWASD)			\$60,859.00
ID0001	Central Office Cost Center(Administration (1410)-Other,Administration (1410)-Salaries)	Administration-1410		\$60,859.00
	MOON TOWERS (IL085000001)			\$55,000.00
ID0002	Asbestos Abatement/New Flooring(Dwelling Unit-Interior (1480)-Flooring (non routine),Dwelling Unit-Interior (1480)-Other)	Abatement of tile floors & installation of new floors		\$15,000.00
ID0003	Parking Lots(Non-Dwelling Site Work (1480)-Curb and Gutter,Non-Dwelling Site Work (1480)-Asphalt - Concrete - Paving)	Reseal & resurface parking lots		\$15,000.00
ID0004	Appliances(Dwelling Unit-Interior (1480)-Appliances)	Replacement of dwelling unit appliances		\$10,000.00
ID0010	A&E Services(Contract Administration (1480)-Other Fees and Costs)	Architect and engineering services		\$15,000.00

Part II: Supporting Pages - Physical Needs Work Statements (s)				
Work Statement for Year				
	1	2016		
Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
	FAMILY HOUSING (IL085000002)			\$485,239.00
ID0005	Asbestos Abatement/New Flooring(Dwelling Unit-Interior (1480)-Flooring (non routine))	Replacement and installation of new floors		\$45,000.00
ID0006	504 Renovations(Dwelling Unit-Interior (1480)-Other)	3-2 bedroom units		\$115,239.00
ID0007	504 Renovations(Dwelling Unit-Interior (1480)-Other)	4-3 bedroom units		\$300,000.00
ID0009	Appliances(Dwelling Unit-Interior (1480)-Appliances,Dwelling Unit-Interior (1480)-Other)	Replacement of dwelling unit appliances		\$10,000.00
ID0011	A&E Services(Contract Administration (1480)-Other Fees and Costs)	Architect and engineering services		\$15,000.00
	BLUE BELL TOWER (IL085000003)			\$7,500.00

Part II: Supporting Pages - Physical Needs Work Statements (s)				
Work Statement for Year				
	2	2017		
Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
	MOON TOWERS (IL085000001)			\$275,100.00
ID0013	Concrete Work(Non-Dwelling Site Work (1480)-Asphalt - Concrete - Paving)	Concrete site work		\$7,500.00
ID0014	Appliances(Dwelling Unit-Interior (1480)-Appliances)	Replacement of dwelling unit appliances		\$12,500.00
ID0015	Light Fixtures(Non-Dwelling Interior (1480)-Electrical)	Replacement of hallway/corridor light fixtures		\$12,500.00
ID0016	Ceiling tile/grid(Non-Dwelling Interior (1480)-Other)	Replacement of hallway/corridor ceiling tile/grid		\$56,600.00
ID0017	Paint hallways/corridors(Non-Dwelling Interior (1480)-Other)	Paint hallways/corridors		\$38,000.00
ID0018	Asbestos Abatement/New Flooring(Dwelling Unit-Interior (1480)-Flooring (non routine))	Replacement and installation of new floors		\$50,000.00

Part II: Supporting Pages - Physical Needs Work Statements (s)				
Work Statement for Year 2		2017		
Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
ID0019	Paint unit interiors(Dwelling Unit-Interior (1480)-Interior Painting (non routine))	Paint dwelling units		\$22,000.00
ID0020	504 Renovations(Non-Dwelling Interior (1480)-Other)	Common areas		\$31,000.00
ID0044	504 Renovations(Dwelling Unit-Interior (1480)-Other)	1-2 bedroom unit		\$45,000.00
	FAMILY HOUSING (IL085000002)			\$487,600.00
ID0021	Closet doors(Non-Dwelling Interior (1480)-Community Building)	Replacement of closet doors at community rooms		\$24,000.00
ID0022	Concrete Work(Non-Dwelling Site Work (1480)-Asphalt - Concrete - Paving)	Site concrete work		\$15,000.00
ID0023	Asbestos Abatement/New Flooring(Dwelling Unit-Interior (1480)-Flooring (non routine))	Replacement and installation of new floors		\$70,000.00

Part II: Supporting Pages - Physical Needs Work Statements (s)				
Work Statement for Year				
	2	2017		
Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
ID0031	504 Renovations(Non-Dwelling Interior (1480)-Community Building)	Community buildings		\$57,000.00
ID0032	504 Renovations(Dwelling Unit-Interior (1480)-Other)	Visually/hearing impaired modifications		\$81,600.00
	BLUE BELL TOWER (IL085000003)			\$336,800.00
ID0033	Light Fixtures(Dwelling Unit-Interior (1480)-Electrical)	Replace unit light fixtures		\$25,500.00
ID0034	Light Fixtures(Non-Dwelling Interior (1480)-Electrical)	Replace light fixtures in common areas		\$10,000.00
ID0035	Appliances(Dwelling Unit-Interior (1480)-Appliances)	Replace dwelling unit appliances		\$2,500.00
ID0036	Security Cameras(Non-Dwelling Interior (1480)-Security)	Installation of security cameras		\$20,000.00

Part II: Supporting Pages - Physical Needs Work Statements (s)				
Work Statement for Year 3 2018				
Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
	MOON TOWERS (IL085000001)			\$552,200.00
ID0046	Exterior Lighting(Non-Dwelling Exterior (1480)-Lighting)	Replacement/addition of exterior lighting		\$11,000.00
ID0047	Asbestos Abatement/New Flooring(Dwelling Unit-Interior (1480)-Flooring (non routine))	Replacement and installation of new floors		\$50,000.00
ID0048	Windows(Dwelling Unit-Exterior (1480)-Windows)	Installation of new windows and treatments		\$113,000.00
ID0049	Appliances(Dwelling Unit-Interior (1480)-Appliances)	Replacement of dwelling unit appliances		\$12,500.00
ID0050	Ceiling fan/light(Dwelling Unit-Interior (1480)-Electrical)	Installation of ceiling fan/light combo		\$113,500.00
ID0051	Paint unit interiors(Dwelling Unit-Interior (1480)-Interior Painting (non routine))	Paint unit interiors		\$56,200.00

Part II: Supporting Pages - Physical Needs Work Statements (s)				
Work Statement for Year				
3	2018			
Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
ID0064	Paint unit interiors(Dwelling Unit-Interior (1480)-Interior Painting (non routine))	Paint unit interiors		\$23,000.00
ID0065	Showers(Dwelling Unit-Interior (1480)-Tubs and Showers)	Installation of walk-in showers		\$60,000.00
ID0066	Appliances(Dwelling Unit-Interior (1480)-Appliances)	Replacement of appliances		\$2,500.00
ID0067	Storage building(Non-Dwelling Interior (1480)-Storage Area)	Build new storage building		\$15,000.00
ID0068	Maintenance Equipment(Non-Dwelling Interior (1480)-Other)	Maintenance equipment		\$2,500.00
	AUTHORITY-WIDE (NAWASD)			\$100,859.00
ID0069	Central Office Cost Center(Administration (1410)-Other,Administration (1410)-Salaries,Administration (1410)-Sundry)	Administration		\$60,859.00

Part II: Supporting Pages - Physical Needs Work Statements (s)				
Work Statement for Year				
4	2019			
Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
ID0078	Appliances(Dwelling Unit-Interior (1480)-Appliances)	Replacement of dwelling unit appliances		\$25,000.00
ID0079	Paint unit interiors(Dwelling Unit-Interior (1480)-Interior Painting (non routine))	Paint unit interiors		\$34,200.00
ID0080	Asbestos Abatement/New Flooring(Dwelling Unit-Interior (1480)-Flooring (non routine))	Replacement and installation of new floors		\$80,000.00
ID0081	Maintenance Equipment(Non-Dwelling Interior (1480)-Other)	Maintenance equipment		\$5,000.00
	FAMILY HOUSING (IL085000002)			\$1,199,000.00
ID0082	Fire lanes(Non-Dwelling Site Work (1480)-Asphalt - Concrete - Paving)	Replacement of fire lanes		\$120,000.00
ID0083	Parking Lots(Non-Dwelling Site Work (1480)-Asphalt - Concrete - Paving)	Maintenance of existing and creation of new parking lots		\$35,000.00

Part II: Supporting Pages - Physical Needs Work Statements (s)				
Work Statement for Year				
4	2019			
Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
ID0084	Driveways(Dwelling Unit-Site Work (1480)-Asphalt - Concrete - Paving)	Replacement of unit driveways		\$390,000.00
ID0085	Concrete Work(Non-Dwelling Site Work (1480)-Asphalt - Concrete - Paving)	Misc. site work		\$35,000.00
ID0086	Kitchen renovations(Dwelling Unit-Interior (1480)-Kitchen Cabinets)	Cabinets and countertops		\$582,000.00
ID0087	Landscaping(Non-Dwelling Site Work (1480)-Landscape)	Mulch at playgrounds		\$7,000.00
ID0088	Storm doors(Dwelling Unit-Exterior (1480)-Exterior Doors)	Replacement of storm doors		\$30,000.00
	BLUE BELL TOWER (IL085000003)			\$315,500.00
ID0089	Paint common areas(Non-Dwelling Interior (1480)-Other)	Paint common areas		\$7,500.00

Part II: Supporting Pages - Physical Needs Work Statements (s)				
Work Statement for Year 5 2020				
Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
	AUTHORITY-WIDE (NAWASD)			\$100,859.00
ID0096	Central Office Cost Center(Administration (1410)-Other,Administration (1410)-Salaries,Administration (1410)-Sundry)	Administration		\$60,859.00
ID0097	Operations(Operations (1406))	Operations		\$40,000.00
	MOON TOWERS (IL085000001)			\$873,000.00
ID0098	Exterior walls(Non-Dwelling Interior (1480)-Other)	Insulate exterior walls		\$330,000.00
ID0099	Asbestos Abatement/New Flooring(Dwelling Unit-Interior (1480)-Flooring (non routine))	Replacement and installation of new floors		\$80,000.00
ID0100	Landscaping(Non-Dwelling Site Work (1480)-Landscape)	Landscaping		\$10,000.00

Part II: Supporting Pages - Physical Needs Work Statements (s)				
Work Statement for Year 5		2020		
Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
ID0101	Bathroom renovations(Dwelling Unit-Interior (1480)-Bathroom Counters and Sinks,Dwelling Unit-Interior (1480)-Tubs and Showers)	Bathroom renovations		\$80,000.00
ID0102	Appliances(Dwelling Unit-Interior (1480)-Appliances)	Replacement of dwelling unit appliances		\$25,000.00
ID0103	Parking Lots(Non-Dwelling Site Work (1480)-Asphalt - Concrete - Paving)	Replace parking lots		\$160,000.00
ID0104	Security Cameras(Non-Dwelling Interior (1480)-Security)	Installation of security cameras		\$20,000.00
ID0114	Fire Suppression System(Non-Dwelling Interior (1480)-Electrical)	Upgrade fire suppression system		\$100,000.00
ID0115	Carpet replacement(Non-Dwelling Interior (1480)-Common Area Finishes)	Carpet replacement and cove base		\$48,000.00
ID0116	Laundry room appliances(Non-Dwelling Interior (1480)-Appliances)	Replace washers and dryers		\$20,000.00

Part II: Supporting Pages - Physical Needs Work Statements (s)				
Work Statement for Year 5 2020				
Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
	FAMILY HOUSING (IL085000002)			\$1,783,470.00
ID0105	Light Fixtures(Dwelling Unit-Interior (1480)-Electrical)	Replace light fixtures		\$194,000.00
ID0106	Electrical service upgrade(Dwelling Unit-Interior (1480)-Electrical)	Electrical service upgrade		\$485,000.00
ID0107	Site work(Non-Dwelling Site Work (1480)-Storm Drainage)	Erosion control/drainage		\$80,000.00
ID0108	Storage units(Dwelling Unit-Exterior (1480)-Other)	Installation of storage units		\$165,000.00
ID0109	Tuckpointing(Dwelling Unit-Exterior (1480)-Tuck-Pointing)	Brick repair, sealing, tuckpointing		\$295,150.00
ID0110	Tuckpointing(Non-Dwelling Exterior (1480)-Tuck Pointing)	Brick repair, sealing, tuckpointing of community buildings		\$9,320.00

Part II: Supporting Pages - Physical Needs Work Statements (s)				
Work Statement for Year 5 2020				
Identifier	Development Number/Name	General Description of Major Work Categories	Quantity	Estimated Cost
ID0120	Domestic hot water tank(Non-Dwelling Interior (1480)-Mechanical,Non-Dwelling Interior (1480)-Plumbing)	Replace domestic hot water tank		\$2,500.00
ID0121	Carpet replacement(Non-Dwelling Interior (1480)-Common Area Finishes)	Carpet replacement and cove base		\$13,500.00
ID0122	Light Fixtures(Dwelling Unit-Site Work (1480)-Lighting)	Upgrade existing fixtures		\$34,000.00
	Subtotal of Estimated Cost			\$2,904,829.00

Part III: Supporting Pages - Management Needs Work Statements (s)	
Work Statement for Year 1	2016
Development Number/Name General Description of Major Work Categories	Estimated Cost
Housing Authority Wide	
Central Office Cost Center(Administration (1410)-Other,Administration (1410)-Salaries)	\$60,859.00
Subtotal of Estimated Cost	\$60,859.00

Part III: Supporting Pages - Management Needs Work Statements (s)	
Work Statement for Year 2	2017
Development Number/Name General Description of Major Work Categories	Estimated Cost
Housing Authority Wide	
Central Office Cost Center(Administration (1410)-Other,Administration (1410)-Salaries,Administration (1410)-Sundry)	\$60,859.00
Operations(Operations (1406))	\$40,000.00
Subtotal of Estimated Cost	\$100,859.00

Part III: Supporting Pages - Management Needs Work Statements (s)	
Work Statement for Year 3	2018
Development Number/Name General Description of Major Work Categories	Estimated Cost
Housing Authority Wide	
Central Office Cost Center(Administration (1410)-Other,Administration (1410)-Salaries,Administration (1410)-Sundry)	\$60,859.00
Operations(Operations (1406))	\$40,000.00
Subtotal of Estimated Cost	\$100,859.00

Part III: Supporting Pages - Management Needs Work Statements (s)	
Work Statement for Year 4	2019
Development Number/Name General Description of Major Work Categories	Estimated Cost
Housing Authority Wide	
Central Office Cost Center(Administration (1410)-Other,Administration (1410)-Salaries,Administration (1410)-Sundry)	\$60,859.00
Operations(Operations (1406))	\$40,000.00
Subtotal of Estimated Cost	\$100,859.00

Part III: Supporting Pages - Management Needs Work Statements (s)	
Work Statement for Year 5	2020
Development Number/Name General Description of Major Work Categories	Estimated Cost
Housing Authority Wide	
Central Office Cost Center(Administration (1410)-Other,Administration (1410)-Salaries,Administration (1410)-Sundry)	\$60,859.00
Operations(Operations (1406))	\$40,000.00
Subtotal of Estimated Cost	\$100,859.00



**IL085 KNOX COUNTY HOUSING AUTHORITY
FY 04/01/2018 – 03/31/2019 ANNUAL PLAN SUBMISSION
ATTACHMENT 7.0
Challenged Elements**

A. At the time of submission, there have been no challenged elements.

KNOX COUNTY HOUSING AUTHORITY
FINANCIAL STATEMENTS AND SUPPLEMENTAL DATA
FOR THE YEAR ENDED MARCH 31, 2017

KNOX COUNTY HOUSING AUTHORITY

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INTRODUCTION

Zenk & Associates, P.C.

Certified Public Accountants

Members: American Institutes of Certified Public Accountants
Michigan Association of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Commissioners,
Knox County Housing Authority
Galesburg, Illinois

Regional Inspector General of Audit
Department of Housing and Urban
Development

Report on Financial Statements

We have audited the accompanying financial statements of the Knox County Housing Authority, as of and for the year ended March 31, 2017, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Knox County Housing Authority, as of March 31, 2017, and the respective changes in financial position and the cash flows for the year then ended in conformity 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 information on pages 3 through 10 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Knox County Housing Authority's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and schedule of actual modernization costs incurred on certain closed projects are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 *U.S. Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The financial data schedule, the schedule of expenditures of federal awards, and the statement and certification of Capital Fund Program Grant costs are the responsibility of management and were derived from and related 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 schedules 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.

The statement and certification of the ROSS Neighborhood Network Program Grant costs has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 2017, on our consideration of the Knox County Housing Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Knox County Housing Authority's internal control over financial reporting and compliance.

Zenk & Associates, P.C.

November 10, 2017

KNOX COUNTY HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2017
(UNAUDITED)

Introduction

The Knox County Housing Authority's (the Authority) management's discussion and analysis is designed to {a} assist the reader in focusing on significant financial issues, {b} provide an overview of the Commission's financial activity, {c} identify change in the Commission's financial assets (its ability to address the next and subsequent year challenges), and {d} identify individual fund issues or concerns.

Since the Management Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the Commission's financial statements (beginning on page 10).

FINANCIAL HIGHLIGHTS

The Authority's net position decreased by \$328,612 (3%) during 2017. Nets position were \$10,815,958 and \$11,144,570 for 2017 and 2016 respectively. This decrease is explained later in this section of the financial statements.

The business-type activities revenue increased by \$189,434 (or 5%) during 2017, and were \$4,135,979 and \$3,946,545 for 2017 and 2016 respectively. This increase is explained later in this section of the financial statements.

The total expenses of all Authority's programs increased by \$120,172 (or 3%) during 2017. Total expenses were \$4,472,953 and \$4,352,781 for 2017 and 2016 respectively. This increase is explained later in this section of the financial statements.

USING THIS ANNUAL REPORT

The following graphic outline of the Authority's financial statement presentation:

MD&A Management Discussion and Analysis - pages 3-10
Basic Financial Statements Authority-wide Financial Statements - pages 11-13 Notes to Financial Statements - pages 14-20
Other Required Supplementary Information Required Supplementary Information - pages 21-39

The current presentation focuses on both the Authority as a whole (Authority-wide) and the major individual funds. Both perspectives (Authority-wide and major funds) allow the user to address relevant questions, broaden a basis for comparison (year to year or Authority to Authority) and enhances the Authority's accountability.

KNOX COUNTY HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2017
(UNAUDITED)

Authority-Wide Financial Statements

The Authority-wide financial statements (see pages 11-13) are designed to be corporate-like in that all business type programs are consolidated into one single enterprise fund for the Authority.

These Statements include a Statement of Net Position, which is similar to a Balance Sheet. The Statement of Net Position reports all financial and capital resources for the Authority. The statement is presented in the format where assets, minus liabilities, equals "Net Position", formerly known as equity. Assets and liabilities are presented in order of liquidity, and are classified as "Current" (convertible into cash within one year), and "Non-current".

The focus of the Statement of Net Position (the "Unrestricted Net Position") is designed to represent the net available liquid (non-capital) assets, net of liabilities for the entire Authority. Net Position (formerly equity) are reported in three broad categories (as applicable):

Net Investment in Capital Assets: This component of Net Position consists of all Capital Assets, reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted Net Position: This component of Net Position consists of restricted assets, when constraints are placed on the assets by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted Net Position: Consists of Net Position that do not meet the definition of "Net Investment in Capital Assets" , or "Restricted Net Position".

The basic financial statements also include a Statement of Revenues, Expenses, and Changes in Fund Net Position (similar to an Income Statement). This Statement includes Operating Revenues, such as rental income, Operating Expenses, such as administrative, utilities, maintenance, and depreciation, and Non-Operating Revenues and Expenses, such as grant revenue, investment income and interest expense.

The focus of the Statement of Revenues, Expenses, and Changes in Net Position is the "Change in Net Position", which is similar to Net Income or Loss.

Finally, a Statement of Cash Flows is included, which discloses net cash provided by, or used for operating activities, non-capital financing activities, and from capital and related financial activities.

Fund Financial Statements

Traditional users of governmental financial statements will find the Fund Financial Statements presentation more familiar. The focus is now on Major Funds, rather than fund types. The Authority consists of exclusively Enterprise Funds. Enterprise Funds utilize the full accrual basis of accounting. The Enterprise method of accounting is similar to accounting utilized by the private sector accounting. Many of the funds maintained by the Authority are required by the U.S. Department of Housing and Urban Development (HUD). Others are segregated to enhance accountability and control.

KNOX COUNTY HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2017
(UNAUDITED)

The Authority's Funds

Enterprise Funds, using Business-Type Presentation Format

Conventional Public Housing Program - Under the Conventional Public Housing Program (CFDA #14.850), the Authority owns and manages dwelling units, which it rents to low-income households. The Conventional Public Housing Program is operated under an Annual Contributions Contract (ACC # C-3012) with HUD. HUD provides Operating Subsidy and Capital Grant funding to enable the PHA to provide the housing at a flat rate or a rate based upon 30% of household income, depending on the circumstances and choice of the renter.

Capital Fund Program - (CFDA # 14.872), the Commission receives additional funding from HUD which is the primary funding source for physical and management improvements to the Commission owned properties and its operations. This program provides funding for large-scale improvements or unplanned emergencies that are not covered by the operating subsidies of the conventional program.

Housing Choice Voucher Program - Under the Housing Choice Voucher Program, the Authority administers contracts with independent landlords that own the property. The Authority subsidizes the family's rent through a Housing Assistance Payment made to the landlord. The program is administered under an Annual Contributions Contract (ACC) with HUD. HUD provides Annual Contributions Funding to enable the Authority to structure a lease that sets the participants' rent at 30% of household income.

Resident Opportunity and Supportive Service Grants - (ROSS CFDA #14.870) Funding through this program is awarded by HUD to provide additional assistance to residents with special needs, or provide community outreach connections that provide such assistance, for improved quality of life with the Low Income Public Housing Community.

Business Activities - Under the Business Activities, under the New Construction Program (CFDA # 14.182), the Authority owns and manages dwelling units, which it rents to low-income households. The Authority receives subsidies from HUD to help subsidize rents for tenants.

Authority-Wide Statements

The following table reflects the condensed Statement of Net Position compared to prior year. The Authority is engaged in Business-Type Activities.

**Knox County Housing Authority
Summary Statement of Net Position
As of March 31**

<u>Category</u>	<u>FYE 2017</u>	<u>FYE 2016</u>	<u>Change \$</u>	<u>Change %</u>
Current and Other Assets	\$ 2,717,493	\$ 2,811,686	\$ (94,193)	-3%
Capital Assets (Net of Depreciation)	<u>9,312,855</u>	<u>9,596,524</u>	<u>(283,669)</u>	-3%
Total Assets	\$ <u>12,030,348</u>	\$ <u>12,408,210</u>	\$ <u>(377,862)</u>	-3%
Current Liabilities	\$ 384,450	\$ 385,312	\$ (862)	0%
Long Term Liabilities	<u>829,940</u>	<u>878,328</u>	<u>(48,388)</u>	-6%
Total Liabilities	\$ 1,214,390	\$ 1,263,640	\$ (49,250)	-4%
Net Investment in Capital Assets	\$ 8,494,841	\$ 8,730,187	\$ (235,346)	-3%
Restricted Net Position	148,599	190,513	(41,914)	-22%
Unrestricted Net Position	<u>2,172,518</u>	<u>2,223,870</u>	<u>(51,352)</u>	-2%
Total Net Position	\$ <u>10,815,958</u>	\$ <u>11,144,570</u>	\$ <u>(328,612)</u>	-3%

KNOX COUNTY HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2017
(UNAUDITED)

Major Factors Affecting the Statement of Net Position

Current assets decreased by \$94,193 (or 3%) due to the decrease in restricted cash and a reduction in expenses. Capital Assets decreased \$283,669 (or 3%) which is mostly attributed to depreciation expense.

Current liabilities decreased by \$862 (or less than 1%) due to the decrease in accounts payable due to more expenses paid prior to year end. Long term liabilities decreased by \$48,388 (or 6%) due to debt payments.

**Knox County Housing Authority
Change of Unrestricted Net Position
As of March 31, 2017**

Beginning Balance	\$	2,223,870
Results of Operations		(336,974)
Current Year Depreciation (1)		1,063,441
Capital Expenditures		(763,791)
Retirement of Assets, Net		-
Retirement of Debt		(48,323)
Change in Restricted		41,914
Prior Period Adjustment		<u>(7,619)</u>
Ending Balance	\$	<u><u>2,172,518</u></u>

(1) Depreciation is treated as an expense and reduces the results of operations but does not have an impact on Unrestricted Net Position.

While the results of operations are a significant measure of the Authority's activities, the analysis of the changes in Unrestricted Net Position provides a clearer change in financial well-being.

KNOX COUNTY HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2017
(UNAUDITED)

Knox County Housing Authority
Summary Statement of Revenues & Expenses and Changes in Net Position
Years Ended March 31, 2017 and 2016

<u>Category</u>	<u>FYE 2017</u>	<u>FYE 2016</u>	<u>Change \$</u>	<u>Change %</u>
Tenant Revenues	\$ 1,481,487	\$ 1,504,788	\$ (23,301)	-2%
Program Grants and Subsidies	1,839,513	2,172,128	(332,615)	-15%
Capital Grants	747,423	236,602	510,821	216%
Interest Income - Unrestricted	8,066	1,848	6,218	336%
Other Revenues	<u>59,490</u>	<u>31,179</u>	<u>28,311</u>	91%
Total Revenue	<u>4,135,979</u>	<u>3,946,545</u>	<u>189,434</u>	5%
Administrative	1,074,303	1,025,926	48,377	5%
Tenant Services	3,344	5,901	(2,557)	100%
Utilities	222,263	185,742	36,521	20%
Ordinary Maintenance	1,014,541	969,337	45,204	5%
General	313,360	322,590	(9,230)	-3%
Interest Expense	76,891	57,986	18,905	33%
Housing Assistance Payments	704,810	795,002	(90,192)	-11%
Depreciation	<u>1,063,441</u>	<u>990,297</u>	<u>73,144</u>	7%
Total Expenses	4,472,953	4,352,781	120,172	3%
Excess of Revenue Over Expenses	(336,974)	(406,236)	69,262	-17%
Net Position, Beginning of Year	11,144,570	11,540,466	(395,896)	-3%
Prior Period Adjustment	<u>8,362</u>	<u>10,340</u>	<u>(1,978)</u>	-19%
Net Position, End of Year	\$ <u>10,815,958</u>	\$ <u>11,144,570</u>	\$ <u>(328,612)</u>	-3%

Results of Operations

Revenues of the Authority are generated principally by Federal and State funding grant income. The Authority's revenue increased by \$189,434 from the previous fiscal year. Notable changes as compared from the previous year include:

- Tenant revenues decreased by \$23,301 due to decrease in lease ups.
- Grants and subsidies decreased by \$332,615 due to funding changes.
- Capital grants increased by \$510,821 from draw downs of funds.
- Other revenue increased by \$28,311 from various items.

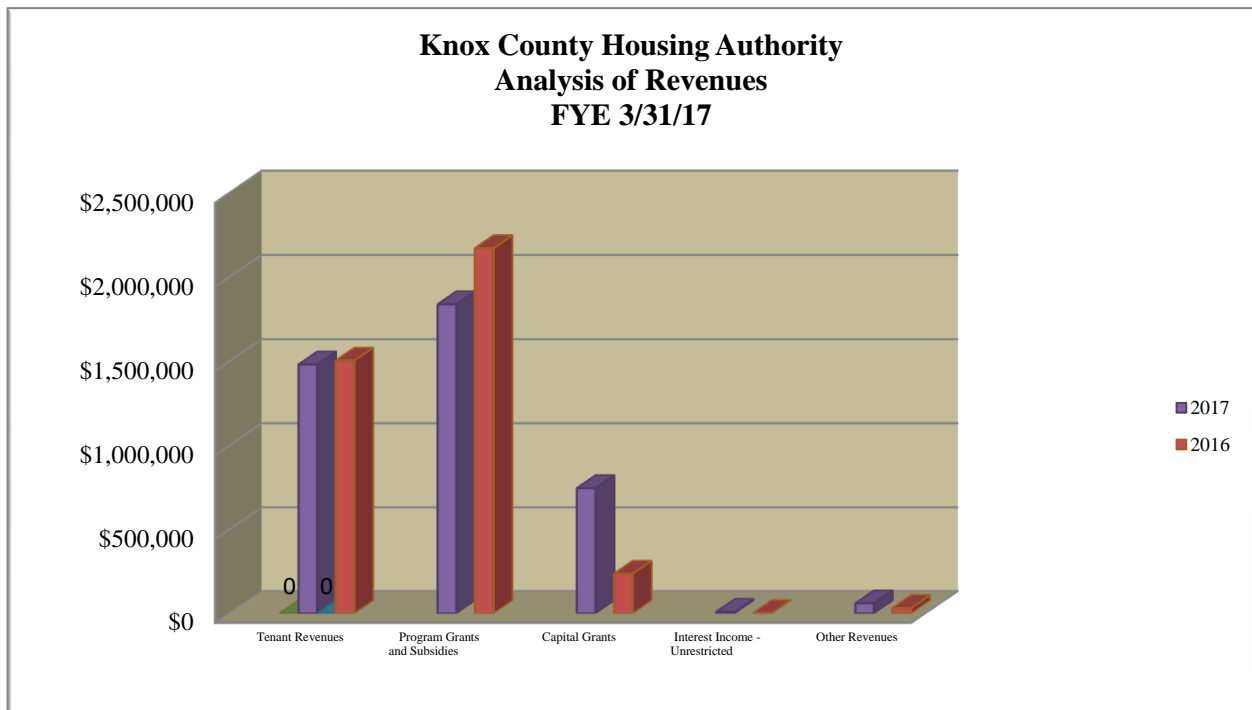
KNOX COUNTY HOUSING AUTHORITY
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 MARCH 31, 2017
 (UNAUDITED)

Results of Operations, Continued

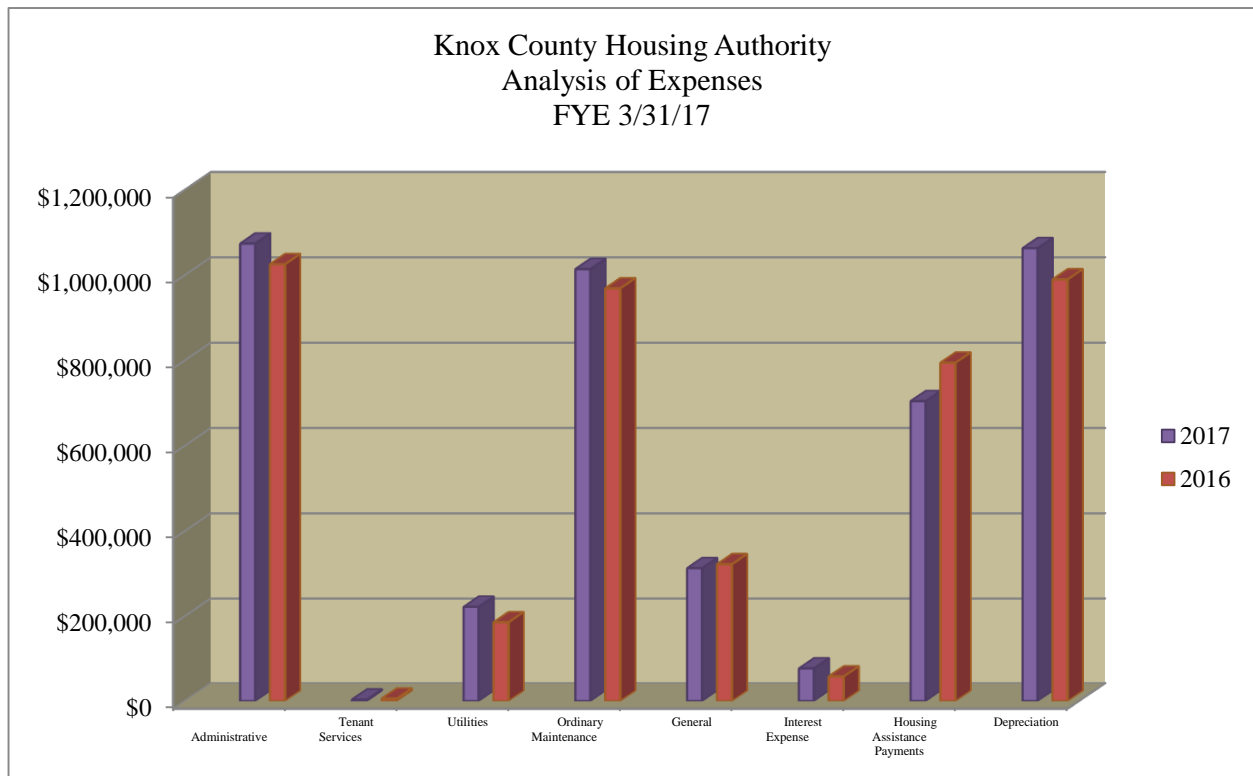
Expenses increased by a total of \$120,172 from the previous year. Significant changes from the previous year include:

- Administrative expenses increased by \$48,377 due to salary increases.
- Utilities increased by \$36,521 due to increase in energy costs.
- Maintenance increased by \$45,204 due to increase in contracts.
- Housing Assistance payments decreased by \$90,192 consistent with decrease of grants.

We have provided the following presentation to demonstrate the revenues and expenses by summarized account category:



KNOX COUNTY HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2017
(UNAUDITED)



Capital Assets

As of March 31, 2017, the Knox County Housing Authority's investment in capital assets was \$9,312,855 (net of accumulated depreciation). This investment includes building improvements and equipment, net of accumulated depreciation.

**Knox County Housing Authority
Change in Capital Assets
As of March 31, 2017**

<u>Categories</u>	<u>2017</u>	<u>2016</u>	<u>Change \$</u>	<u>Change %</u>
Land	\$ 3,033,316	\$ 3,033,316	\$ -	0%
Buildings	30,334,915	29,581,640	753,275	3%
Equipment - Dwelling	342,576	330,883	11,693	4%
Equipment - Administrative	798,084	798,084	-	0%
Accumulated Depreciation	<u>(25,196,036)</u>	<u>(24,147,399)</u>	<u>(1,048,637)</u>	4%
Total	\$ <u>9,312,855</u>	\$ <u>9,596,524</u>	\$ <u>(283,669)</u>	-3%

The total decrease in the Authority's capital assets for the current fiscal year was \$283,669 or 3% in terms of net book value. Actual expenditures from the Capital Fund Program to purchase equipment and construct capital assets were \$747,423 for the year. Total capital expenditures for the year were \$763,791.

KNOX COUNTY HOUSING AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
MARCH 31, 2017
(UNAUDITED)

**Knox County Housing Authority
Change in Capital Assets
As of March 31, 2017**

Beginning Balance	\$	9,596,524
Additions		763,791
Retirements		
Net of Depreciation		-
Prior Period Adjustment		15,981
Depreciation		<u>(1,063,441)</u>
Ending Balance	\$	<u>9,312,855</u>

Additions and deletions relate to *Capital Fund Program* grant improvements and public housing operations.

**Knox County Housing Authority
Change in Net Investment in Capital Assets
As of March 31, 2017**

Beginning Balance	\$	8,730,187
Additions		763,791
Retirements		
Net of Depreciation		-
Retirement of Debt		48,323
Prior Period Adjustment		15,981
Depreciation		<u>(1,063,441)</u>
Ending Balance	\$	<u>8,494,841</u>

Long-Term Debt

The Authority entered into Multifamily Revenue Bond, Series 2006 in January 2006, for a 20-year bond in the amount of \$1,400,000. The balance of this bond as of March 31, 2017 is \$818,014.

**Knox County Housing Authority
Long-Term Debt
As of March 31, 2017**

	<u>2017</u>	<u>2016</u>	<u>Change</u>
Multifamily Revenue Bond	\$ 818,014	\$ 866,337	\$ (48,323)
Less: Current Portion	<u>(39,604)</u>	<u>(38,139)</u>	<u>(1,465)</u>
Total Long-Term Debt	<u>\$ 778,410</u>	<u>\$ 828,198</u>	<u>\$ (49,788)</u>

The Authority made an extra principal payment of \$14,535 and interest payment of \$21,595 in December 2016.

If you should have additional questions regarding the financial information, you can contact our office in writing at the following address:

Knox County Housing Authority
Derek Antoine, Executive Director
225 West Tompkins Street
Galesburg, IL 61401

BASIC FINANCIAL STATEMENTS

KNOX COUNTY HOUSING AUTHORITY
STATEMENT OF NET POSITION
MARCH 31, 2017

ASSETS

CURRENT ASSETS

Cash and Cash Equivalents - Unrestricted	\$	2,177,386
Cash and Cash Equivalents - Restricted		195,690
Cash - Tenant Security Deposit		141,472
Accounts Receivable		42,071
Prepaid Expenses		131,983
Inventory		28,891
TOTAL CURRENT ASSETS		2,717,493

NONCURRENT ASSETS

Capital Assets:		
Nondepreciable		3,033,316
Depreciable		31,475,575
Less: Accumulated Depreciation		(25,196,036)
TOTAL CAPITAL ASSETS		9,312,855

TOTAL ASSETS		12,030,348
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LIABILITIES AND NET POSITION

CURRENT LIABILITIES

Accounts Payable		23,263
Accrued Liabilities		66,138
Due to Other Governmental Units		91,070
Tenant Security Deposits		141,473
Unearned Revenue		16,958
Accrued Compensated Absences, Current Portion		5,944
Debt, Current Portion		39,604
TOTAL CURRENT LIABILITIES		384,450

NONCURRENT LIABILITIES

Accrued Compensated Absences		51,530
Long Term Debt		778,410
TOTAL NONCURRENT LIABILITIES		829,940

TOTAL LIABILITIES		1,214,390
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NET POSITION

Net Investment in Capital Assets		8,494,841
Restricted		148,599
Unrestricted		2,172,518
TOTAL NET POSITION		10,815,958

TOTAL LIABILITIES AND NET POSITION		\$ 12,030,348
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"SEE INDEPENDENT AUDITOR'S REPORT"
"THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS"

KNOX COUNTY HOUSING AUTHORITY
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEAR ENDED MARCH 31, 2017

OPERATING REVENUES		
Tenant Revenue		\$ 1,481,487
Program Grants - Subsidies		1,839,513
Other Revenue		<u>51,920</u>
TOTAL OPERATING REVENUES		3,372,920
OPERATING EXPENSES		
Administrative		1,074,303
Tenant Services		3,344
Utilities		222,263
Maintenance		1,014,541
Protective Services		17,474
General Expense		251,556
Bad Debts		44,330
Housing Assistant Payments		704,810
Depreciation		<u>1,063,441</u>
TOTAL OPERATING EXPENSES		<u>4,396,062</u>
NET OPERATING LOSS		(1,023,142)
NON - OPERATING REVENUE (EXPENSES)		
Fraud Recovery		7,570
Interest Income		8,066
Interest Expense		<u>(76,891)</u>
TOTAL NON-OPERATING REVENUE (EXPENSES)		<u>(61,255)</u>
Capital Grants		<u>747,423</u>
CHANGE IN NET POSITION		(336,974)
NET POSITION, BEGINNING OF YEAR		11,144,570
PRIOR PERIOD ADJUSTMENT		<u>8,362</u>
NET POSITION, BEGINNING OF YEAR, AS RESTATED		<u>11,152,932</u>
NET POSITION, END OF YEAR		<u><u>\$ 10,815,958</u></u>

"SEE INDEPENDENT AUDITOR'S REPORT"
"THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS"

KNOX COUNTY HOUSING AUTHORITY
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2017

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash Received from Customers	\$ 2,111,341
Cash Received from Grants and Subsidies	1,839,513
Cash Payments to Suppliers for Goods and Services	(2,294,834)
Cash Payments for Wages and Related Benefits	<u>(1,626,828)</u>
ACTUAL NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>29,192</u>
 CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES	
Fraud Recovery	<u>8,169</u>
ACTUAL NET CASH PROVIDED BY NONCAPITAL AND RELATED FINANCING ACTIVITIES	<u>8,169</u>
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Acquisition of Capital Assets	(763,791)
Capital Grants Received For Capital Assets	772,373
Principal Payments on Debt	(48,323)
Interest Payments on Debt	<u>(76,891)</u>
ACTUAL NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(116,632)</u>
 CASH FLOW FROM INVESTING ACTIVITIES	
Interest Income	<u>8,066</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	<u>(71,205)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>2,585,753</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u><u>\$ 2,514,548</u></u>
 RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Net Operating Loss	\$(1,023,142)
Adjustments to Reconcile Operating Loss to Net Cash provided by Operating Activities	
Depreciation	1,063,441
Bad Debt	44,330
(Increase) Decrease in Assets:	
Receivables	(7,639)
Inventory	1,662
Prepaid Expenses	(7,204)
Increase (Decrease) in Liabilities:	
Accounts Payable	(23,141)
Accrued Liabilities	(22,889)
Tenant Security Deposits	208
Unearned Revenue	<u>3,566</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u><u>\$ 29,192</u></u>
 CASH AND CASH EQUIVALENT RECONCILIATION	
Cash and Cash equivalents - Unrestricted	\$ 2,177,386
Cash and Cash equivalents - Restricted	195,690
Cash - Security Deposits	<u>141,472</u>
CASH AND CASH EQUIVALENTS	<u><u>\$ 2,514,548</u></u>

"SEE INDEPENDENT AUDITOR'S REPORT"

"THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS"

KNOX COUNTY HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Reporting Entity

The Knox County Housing Authority (Authority) contracts with the U.S. Department of Housing and Urban Development (HUD) to provide housing to low-income families. The Authority receives subsidies and is regulated by HUD to provide such housing. Therefore, HUD provides the Authority with detailed manuals that prescribe and describe accounting principles and procedures to be used by the Public Housing Authority (PHC). Any significant or material deviations from prescribed procedures are required to be reported as findings in the audit report prepared for HUD. In addition, HUD determines and arranges for temporary and permanent financing for the PHC and provides the funding for repayment of the indebtedness thus created.

The accompanying general purpose financial statements comply with the provisions of Governmental Accounting Standards Board, (GASB) Statement No. 61, The Financial Reporting Entity: Omnibus - an Amendment of GASB Statement No. 14 and Statement No. 39. Financial statements include all organizations, activities, and functions for which the Authority is financially accountable. Financial accountability is defined by the component unit as being fiscally dependent on the Authority. The criteria of financial accountability is the appointment of a voting majority plus the ability of the primary government to impose its will upon the potential component unit. These criteria were considered in determining the reporting entity. On that basis, the Authority's management believes the financial statements represents all of the funds in which the Authority is financially accountable.

Basis of Presentation

The financial statements of the Authority have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States of America as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Pursuant to GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, the Authority follows GASB guidance as applicable to proprietary funds and FASB Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before November 30, 1989 that do not conflict with or contradict GASB pronouncements. Government activities, which normally are supported by intergovernmental (grant) revenues, are reported separately from any business-type activities, which would rely to a significant extent on fees and charges for support. All of the Authority's activities are considered business activities.

The Authority's basic financial statements consist of a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows.

The Authority uses a single enterprise fund to maintain its financial records on an accrual basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

Enterprise fund reporting focuses on the determination of the change in net position, financial position and cash flows. An enterprise fund may be used to account for any activity for which a fee is charged to external users for goods and services.

Measurement Focus and Basis of Accounting

The enterprise fund is accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. All assets and all liabilities associated with the operation of the Authority are included on the statement of net position. The statement of changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The statement of cash flows provides information about how the Authority finances and meets the cash flow of its enterprise activity.

"SEE INDEPENDENT AUDITOR'S REPORT"

KNOX COUNTY HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Measurement Focus and Basis of Accounting - Continued

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the Authority's enterprise fund are charges to tenants for rent and operating subsidies from HUD. Operating expenses for the enterprise fund include the costs of facility maintenance, housing assistance payments, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Budgetary Accounting

The Authority annually prepares its budget for its PHA grants, projects, and budgets for other grants, as prescribed by the Department of Housing and Urban Development. They also prepare five-year budgets. Capital Fund Program budgets are approved by HUD.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents includes amounts on hand and amounts on deposit at financial institutions (checking, savings, and certificates of deposit).

Restricted Cash and Cash Equivalents

Restricted cash and cash equivalents represents amounts held in tenants' escrow accounts and for other purposes in Section 8 Vouchers' Choice Program.

Tenants' Accounts Receivable - Recognition of Bad Debts

Bad debts are provided on the allowance method based on management's evaluation of the collectability of outstanding tenants' accounts receivable balances at the end of the year. The total receivables at March 31, 2017 was \$59,441 with an allowance of \$17,370.

Inventories and Materials

Inventories and materials are priced using the average cost method. The allowance for obsolete inventory was \$10,183 at March 31, 2017.

Property and Equipment

Property and equipment are stated at cost and depreciation is computed using the straight line method over an estimated useful life of the assets. The cost of normal maintenance and repairs, that do not add to the value of the asset or materially extend the asset life, are not capitalized. The following are the useful lives used for depreciation purposes:

Buildings	40 Years
Equipment	5-10 Years
Leasehold Improvements	15 Years

"SEE INDEPENDENT AUDITOR'S REPORT"

KNOX COUNTY HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Construction in Progress

Construction in progress consists of capital projects in progress funded primarily by the capital grant program.

Compensated Absences

It is the Authority's policy to permit employees to accumulate a limited amount of earned but unused sick leave and vacation days. The liability for these compensated absences is recorded as short-term and long-term liabilities based on historical trends. In accordance with the provision of GASB Statement No. 16, no liabilities is recorded for non-vesting accumulating rights to received sick pay benefits.

Payments in Lieu of Taxes

The Authority is a participant in a tax abatement program providing for payments in lieu of property taxes ("PILOT"). The payments are computed at 10% of rental income less utilities expense.

Restricted Net Position

This component of net position consist of restricted assets when constraints are placed on assets by creditors (through debt covenants), grantors, contributors, laws, regulations, etc.

Management Fee Revenues/Expenses

Management fee revenues and expenses as of March 31, 2017 on the Financial Data Schedule have been eliminated on the Statement of Revenues, Expenses, and Changes in Net Position.

Due From/To Other Programs

Interprogram receivables and payables as of March 31, 2017 on the Financial Data Schedule have been eliminated on the Statement of Net Position.

NOTE 2 - CASH AND INVESTMENTS

Cash and investments may be invested in the following HUD-approved vehicles:

- * Direct obligations of the federal government backed by the full faith and credit of the United States;
- * Obligations of government agencies;
- * Securities of government sponsored agencies;
- * Demand and savings deposits; and,
- * Time deposits and repurchase agreements

At March 31, 2017, cash was in bank deposits and certificates of deposit, all of which were fully insured or collateralized with securities held by the Authority or by its agent in the Authority's name. The Authority's cash balances at March 31, 2017, totaled \$2,514,548. The Authority has no investments.

Interest Rate Risk - The Authority's formal investment policy does not specifically address the exposure to this risk.

"SEE INDEPENDENT AUDITOR'S REPORT"

KNOX COUNTY HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2017

NOTE 2 - CASH AND INVESTMENTS ,Continued

- Credit Risk - The Authority's formal investment policy does not specifically address credit risk. Credit risk is generally evaluated based on the credit ratings issued by nationally recognized statistical rating organizations.
- Custodial Credit Risk - The Authority's policy is to limit credit risk by adherence to the list of HUD permitted investments, which are backed by the full faith and credit of or guarantee of principal and interest by the U.S. Government. At year end, \$2,252,976 of the Commission's bank balance of \$2,502,976 was exposed to custodial credit risk because it was uninsured, however, it was collateralized with government securities.
- Concentration of Credit Risk - The Authority's investment policy does not restrict the amount that the Authority may invest in any one issuer.

For all deposits shown below, the market value at the balance sheet date is substantially the same as the carrying value. The difference between the bank balance and carrying value is due to outstanding checks and/or deposits in transit. At various times during the year, the Authority's deposits may have been higher than the March 31, 2017 balances detailed below. This means that the Authority's risk and exposure could be higher at times. The Authority had no significant type of deposit during the year not included below.

Financial Statement Captions:

Cash and Cash Equivalents	\$	2,177,386
Cash and Cash Equivalents - Restricted		195,690
Cash - Security Deposits		<u>141,472</u>
Total	\$	<u><u>2,514,548</u></u>

Notes to Financial Statements:

Cash on Hand	\$	600
Deposits		<u>2,513,948</u>
Total	\$	<u><u>2,514,548</u></u>

Deposits and investments with stated interest rates (savings accounts, certificates of deposit) are stated at cost.

Investment income is allocated to the fund that owns the deposit.

NOTE 3 - RESTRICTED CASH

As of March 31, 2017, the Authority had the following cash, the use of which was restricted under the terms of various grant programs, debt obligations, and other requirements.

Conventional Program:		
Tenant Security Deposits	\$	89,051
Payment of Current Liabilities		11,684
Section 8 Housing Choice Voucher Program		
Other Restricted		10,852
Payment of Current Liabilities		2
Business Activities		
Other Restricted		137,747
Tenant Security Deposits		52,421
Payment of Current Liabilities		<u>35,405</u>
Total Restricted Cash	\$	<u><u>337,162</u></u>

"SEE INDEPENDENT AUDITOR'S REPORT"

KNOX COUNTY HOUSING AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2017

NOTE 4 - COMPENSATED ABSENCES

Compensated Absences

Vacation leave is accrued annually at 10 days off per year for employees with 8 years or less of service and 15 days off per year for employees with 8 years or more of service.

Sick pay is granted at a rate of 1.25 days per month with a maximum limit on accrued days of 90, no days accrue beyond 90 days for any employee. Upon separation from the Authority, unused sick pay is not paid out.

The following is a summary of changes in compensated absences for the year ended March 31, 2017:

<u>Description</u>	<u>Beginning</u> <u>Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Ending</u> <u>Balance</u>	<u>Due Within</u> <u>One Year</u>
Accrued Compensated Absences	\$ <u>58,009</u>	\$ <u>534</u>	\$ <u>(1,069)</u>	\$ <u>57,474</u>	\$ <u>5,944</u>

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2017, was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>Balance</u>
Capital Assets not being depreciated				
Land	\$ <u>3,033,316</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>3,033,316</u>
Total Capital Assets Not Being Depreciated	3,033,316	-	-	3,033,316
Capital Assets being depreciated				
Building	29,581,640	753,275	-	30,334,915
Furniture and Equipment - Dwell	330,883	16,368	(4,675)	342,576
Furniture and Equipment - Admin	<u>798,084</u>	<u>-</u>	<u>-</u>	<u>798,084</u>
Total Capital Assets Being Depreciated	<u>30,710,607</u>	<u>769,643</u>	<u>(4,675)</u>	<u>31,475,575</u>
Subtotal Capital Assets	33,743,923	769,643	(4,675)	34,508,891
Less Accumulated Depreciation:				
Building	(23,194,653)	(1,024,511)	(3,139)	(24,222,303)
Furniture and Equipment - Dwell	(198,152)	(27,750)	4,675	(221,227)
Furniture and Equipment - Admin	<u>(754,594)</u>	<u>(11,180)</u>	<u>13,268</u>	<u>(752,506)</u>
Total Accumulated Depreciation	<u>(24,147,399)</u>	<u>(1,063,441)</u>	<u>14,804</u>	<u>(25,196,036)</u>
Capital Assets, Net of Accumulated Depreciation	\$ <u>6,563,208</u>	\$ <u>(293,798)</u>	\$ <u>10,129</u>	\$ <u>6,279,539</u>
Total Net Capital Assets	\$ <u>9,596,524</u>	\$ <u>(293,798)</u>	\$ <u>10,129</u>	\$ <u>9,312,855</u>

Depreciation expense for the year ended March 31, 2017 was \$1,063,441.

"SEE INDEPENDENT AUDITOR'S REPORT"

KNOX COUNTY HOUSING AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 MARCH 31, 2017

NOTE 6 - LONG TERM DEBT

The following is a summary of changes in long-term debt for the year ended March 31, 2017.

<u>Type of Debt</u>	<u>Beginning</u>			<u>Ending</u>		
	<u>Balance</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u>	<u>Due Within One Year</u>	
Revenue Bond	\$ 866,337	\$ -0-	\$ (48,323)	\$ 818,014	\$ 39,604	

In January, 2006, the Authority entered into a Multifamily Revenue Bond, Series 2006 with the State Bank of Seaton, for a 20 year bond in the amount of \$1,400,000. The bond has an interest rate of 6.50% per annum with a maturity date of January, 2026, with monthly principal and interest payments of \$12,900, beginning February 1, 2006. In June, 2011, the monthly principal and interest payments were reduced to \$7,775.

<u>Project Bond</u>	<u>Date of Note</u>	<u>Term of Note</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Current Balance</u>
Multifamily Revenue Bond, Series 2006	01/01/06	20 Years	\$ 1,400,000	\$ 6.50%	\$ 818,014

Debt service requirements of the notes payable for fiscal years ending on March 31, 2017 are as follows:

<u>Due Fiscal Year Ending</u>	<u>Principal Amount</u>	<u>Interest</u>
2018	\$ 39,604	\$ 53,696
2019	42,295	51,005
2020	45,039	48,261
2021	48,227	45,073
2022	51,503	41,797
2023-2026	<u>591,346</u>	<u>129,845</u>
Total	\$ <u>818,014</u>	\$ <u>369,677</u>

Interest expense for the year ended March 31, 2017 was \$76,891.

NOTE 7 - EMPLOYEE RETIREMENT PLAN

Defined Contribution Plan: Effective November 1, 2010, the Authority offers a defined contribution plan which is a supplemental employee benefit plan intended to comply with all applicable Federal Laws and regulations and other applicable State and Federal Laws.

The Investment Policy Statement (IPS) has been adopted by the Plan Administrator (Risk Management Systems) to provide guidelines for the investment and management of assets held in trust for the benefit participants in the Plan and their beneficiaries.

During the first year of the participation in the pension plan employees are 50% vested. Should they terminate employment during that year they are entitled to withdraw one half of the funds contributed on their behalf. Each year thereafter and additional 10% of the value of the account is vested with the employee becoming fully vested after five years of participation. The Authority can elect to contribute up to 15.3% of the contributing participants' compensation. Participants can voluntarily contribute up to the maximum allowed by law. The Authority may use forfeitures to pay Plan expenses or to reduce the amounts otherwise required to be contributed to the Plan.

For the year ended March 31, 2017, the following amounts related to the defined contribution plan:

Authority Total Payroll	1,229,553
Payroll for Covered Employees	1,180,586
Employer (Authority) Contribution Made	179,580

"SEE INDEPENDENT AUDITOR'S REPORT"

KNOX COUNTY HOUSING AUTHORITY
 NOTES TO THE FINANCIAL STATEMENTS
 MARCH 31, 2017

NOTE 8 - RISK MANAGEMENT

The Authority purchases commercial insurance with various deductibles and coverage to cover property, business auto, and general liabilities. For all insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

NOTE 9 - PAYMENT IN LIEU OF TAXES

The Authority has executed a Cooperation Agreement with the City of Galesburg that provides for tax exemption of the housing projects but requires the Authority to make payments in lieu of taxes for municipal services received based upon a prescribed formula related to rental income. In 2017, those payments totaled \$91,643.

NOTE 10 - COMMITMENTS AND CONTINGENCIES

Grants

The Authority received financial assistance from federal agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the Authority. The amount, if any, of disbursements which may be disallowed by the grantor cannot be determined at this time, although the Authority expects such amounts, if any, to be immaterial.

Litigation and Claims

In the normal course of operations, the Authority may be subject to litigation and claims. At March 31, 2017, the Authority resolved all current matters.

NOTE 11 -PRIOR PERIOD ADJUSTMENTS

The Commission recorded an adjustment to correct net position, which was understated for Projects as of March 31, 2017. The adjustment increased the reported net position amount by \$15,408.

The Commission recorded an adjustment to correct net position, which was overstated for Programs as of March 31, 2017. The adjustment decreased the reported net position amount by \$1,194.

The Commission recorded an adjustment to correct net position, which was overstated for COCC as of March 31, 2017. The adjustment decreased the reported net position amount by \$5,852.

	<u>Projects</u>		<u>Programs</u>		<u>COCC</u>		<u>Total</u>
Equity Transfer	\$ 0	\$	0	\$	0	\$	0
Capital Assets	15,984		0		0		15,984
Income/Expense	(576)		(1,194)		(5,852)		(7,622)
Total	<u>\$ 15,408</u>	\$	<u>(1,194)</u>	\$	<u>(5,852)</u>	\$	<u>8,362</u>

"SEE INDEPENDENT AUDITOR'S REPORT"

OTHER SUPPLEMENTARY INFORMATION

KNOX COUNTY HOUSING AUTHORITY
 FINANCIAL DATA SCHEDULES
 PROJECTS - BALANCE SHEET
 MARCH 31, 2017

FDS Line Item No.	Account Description	IL085000001	IL085000002	IL085000003	Total Projects
	ASSETS				
111	Cash - Unrestricted	\$513,099	\$391,575	\$104,477	\$1,009,151
113	Cash - Other Restricted	0	0	0	0
114	Cash - Tenant Security Deposits	32,409	46,058	10,584	89,051
115	Cash - Restricted for Payment of Current Liabilities	5,893	5,222	569	11,684
100	TOTAL CASH	551,401	442,855	115,630	1,109,886
122	Accounts Receivable - HUD Other Projects	0	0	0	0
124	Accounts Receivable - Other Governments	0	0	0	0
125	Accounts Receivable - Miscellaneous	0	0	0	0
126	A/R Tenants - Dwelling Rents	3,429	23,796	384	27,609
126.1	Allowance for Doubtful Accounts	(1,029)	(7,139)	0	(8,168)
128	Fraud Recovery	3,306	14,858	0	18,164
128.1	Allowance for Doubtful Accounts - Fraud Rec	(992)	(4,457)	0	(5,449)
129	Accrued Interest Receivable	0	0	0	0
120	TOTAL ACCOUNTS RECEIVABLE	4,714	27,058	384	32,156
131	Investments - Unrestricted	0	0	0	0
142	Prepaid Expenses & Other Assets	35,951	42,491	10,798	89,240
143	Inventories	7,260	19,522	4,268	31,050
143.1	Allowances for Obsolete Inventories	(3,646)	(4,576)	(1,553)	(9,775)
144	Interprogram Due From	0	0	0	0
150	TOTAL CURRENT ASSETS	595,680	527,350	129,527	1,252,557
161	Land	1,811,413	466,564	361,921	2,639,898
162	Buildings	9,458,928	13,551,106	3,913,892	26,923,926
163	Furniture and Equipment - Dwellings	109,608	197,267	16,755	323,630
164	Furniture and Equipment - Administrative	303,899	242,313	62,708	608,920
165	Leasehold Improvements	0	0	0	0
166	Accumulated Depreciation	(8,416,275)	(12,220,200)	(3,067,122)	(23,703,597)
167	Construction in Progress	0	0	0	0
160	TOTAL FIXED ASSETS, NET	3,267,573	2,237,050	1,288,154	6,792,777
174	Other Asset	0	0	0	0
180	TOTAL NON-CURRENT ASSETS	3,267,573	2,237,050	1,288,154	6,792,777
190	TOTAL ASSETS	\$3,863,253	\$2,764,400	\$1,417,681	\$8,045,334
	LIABILITIES				
312	Accounts Payable <=90 Days	\$7,417	\$684	\$606	\$8,707
321	Accrued Wages/Payroll Taxes	5,241	9,404	2,137	16,782
322	Accrued Compensated Absences	835	2,029	363	3,227
331	Accounts Payable - HUD PHA Programs	0	0	0	0
333	Accounts Payable - Other Governments	28,847	18,707	13,961	61,515
341	Tenant Security Deposits	32,409	46,059	10,584	89,052
342	Unearned Revenue	5,893	5,222	569	11,684
343	Current Portion of L-T Debt - Capital Projects	0	0	0	0
346	Accrued Liabilities Other	8,677	7,945	4,127	20,749
347	Interprogram Due To	0	0	0	0
310	TOTAL CURRENT LIABILITIES	89,319	90,050	32,347	211,716
351	Long-Term Debt, Net of Current - Capital Proj	0	0	0	0
353	Non-Current Liabilities - Other	0	0	0	0
354	Accrued Compensated Absences - Non Current	7,514	18,258	3,263	29,035
350	TOTAL NONCURRENT LIABILITIES	7,514	18,258	3,263	29,035
300	TOTAL LIABILITIES	96,833	108,308	35,610	240,751
	EQUITY				
508.1	Invested in Capital Assets, Net of Related Debt	3,267,573	2,237,050	1,288,154	6,792,777
511.1	Restricted Net Position	0	0	0	0
512.1	Unrestricted Net Position	498,847	419,042	93,917	1,011,806
513	TOTAL EQUITY	3,766,420	2,656,092	1,382,071	7,804,583
600	TOTAL LIABILITIES AND EQUITY	\$3,863,253	\$2,764,400	\$1,417,681	\$8,045,334

KNOX COUNTY HOUSING AUTHORITY
 FINANCIAL DATA SCHEDULES
 PROJECTS - INCOME STATEMENT
 MARCH 31, 2017

FDS Line Item No.	Account Description	IL08500001			IL08500002			IL08500003			Total Projects
		Operating Fund	Capital Fund	Total	Operating Fund	Capital Fund	Total	Operating Fund	Capital Fund	Total	
	REVENUE										
70300	Net Tenant Rental Revenue	\$379,743	\$0	\$379,743	\$221,603	\$0	\$221,603	\$167,709	\$0	\$167,709	\$769,055
70400	Tenant Revenue - Other	16,428	0	16,428	53,171	0	53,171	8,158	0	8,158	77,757
70500	TOTAL TENANT REVENUE	396,171	0	396,171	274,774	0	274,774	175,867	0	175,867	846,812
70600	PHA HUD Grants	286,627	0	286,627	727,889	0	727,889	43,750	0	43,750	1,058,266
70610	Capital Grants	0	495,781	495,781	0	0	0	251,642	0	251,642	747,423
70710	Management Fee	0	0	0	0	0	0	0	0	0	0
70720	Asset Management Fee	0	0	0	0	0	0	0	0	0	0
70730	Book-Keeping Fee	0	0	0	0	0	0	0	0	0	0
70740	Other Fees	0	0	0	0	0	0	0	0	0	0
70800	Other Government Grants	0	0	0	0	0	0	0	0	0	0
71100	Investment Income - Unrestricted	3,345	0	3,345	2,305	0	2,305	767	0	767	6,417
71300	Proceeds From Disposition of Assets Held	0	0	0	0	0	0	0	0	0	0
71400	Fraud Recovery	0	0	0	0	0	0	0	0	0	0
71500	Other Revenue	5,955	0	5,955	23,622	0	23,622	3,100	0	3,100	32,677
71600	Gain/Loss on Sale of Fixed Assets	0	0	0	0	0	0	0	0	0	0
72000	Investment Income - Restricted	0	0	0	0	0	0	0	0	0	0
70000	TOTAL REVENUE	692,098	495,781	1,187,879	1,028,590	0	1,028,590	223,484	251,642	475,126	2,691,595
	EXPENSES										
91100	Administrative Salaries	72,627	0	72,627	108,699	0	108,699	43,193	0	43,193	224,519
91200	Auditing Fees	2,310	0	2,310	2,530	0	2,530	660	0	660	5,500
91300	Management Fee	140,040	0	140,040	150,241	0	150,241	40,382	0	40,382	330,663
91310	Book-Keeping Fee	15,630	0	15,630	16,770	0	16,770	4,508	0	4,508	36,908
91400	Advertising and Marketing	0	0	0	0	0	0	0	0	0	0
91500	Employee Benefit Contribution - Administrative	23,140	0	23,140	47,166	0	47,166	15,397	0	15,397	85,703
91600	Office Expenses	10,195	0	10,195	22,866	0	22,866	9,007	0	9,007	42,068
91700	Legal Expense	0	0	0	0	0	0	0	0	0	0
91800	Travel	1,274	0	1,274	1,543	0	1,543	596	0	596	3,413
91900	Other	5,553	0	5,553	1,388	0	1,388	220	0	220	7,161
92000	Asset Management Fee	21,480	0	21,480	22,800	0	22,800	6,120	0	6,120	50,400
92100	Tenant Services - Salaries	0	0	0	1,774	0	1,774	0	0	0	1,774
92200	Employee Benefit Contribution - Tenant Serv	0	0	0	172	0	172	0	0	0	172
92400	Tenant Services - Other	294	0	294	945	0	945	159	0	159	1,398
93100	Water	10,915	0	10,915	2,782	0	2,782	4,399	0	4,399	18,096
93200	Electricity	26,914	0	26,914	15,589	0	15,589	10,402	0	10,402	52,905
93300	Gas	41,568	0	41,568	11,593	0	11,593	8,921	0	8,921	62,082
93600	Sewer	12,733	0	12,733	254	0	254	3,595	0	3,595	16,582
94100	Ordinary Maintenance and Operation - Labor	136,605	0	136,605	254,564	0	254,564	41,604	0	41,604	432,773
94200	Ordinary Maintenance and Operation - Materials	36,186	0	36,186	41,986	0	41,986	14,062	0	14,062	92,234
94300	Ordinary Maintenance and Operation - Cont Cost	60,532	0	60,532	54,847	0	54,847	20,846	0	20,846	136,225
94500	Employee Benefit Contribution - Ord Maintenance	44,715	0	44,715	93,667	0	93,667	14,256	0	14,256	152,638
95000	Protective Services	3,397	0	3,397	10,374	0	10,374	3,703	0	3,703	17,474
96100	Insurance Premiums	43,144	0	43,144	53,886	0	53,886	14,247	0	14,247	111,277
96200	Other General Expenses	0	0	0	0	0	0	0	0	0	0
96210	Compensated Absences	(536)	0	(536)	(604)	0	(604)	1,150	0	1,150	10
96300	Payments in Lieu of Taxes	28,761	0	28,761	19,081	0	19,081	14,039	0	14,039	61,881
96400	Bad Debts - Tenant Rents	4,204	0	4,204	39,336	0	39,336	0	0	0	43,540
96600	Bad Debts - Other	0	0	0	0	0	0	0	0	0	0
96710	Interest of Mortgage (or Bonds) Payable	0	0	0	0	0	0	0	0	0	0
96900	TOTAL OPERATING EXPENSES	741,681	0	741,681	974,249	0	974,249	271,466	0	271,466	1,987,396
97000	EXCESS OPERATING REVENUE OVER EXPENSES	-49,583	495,781	446,198	54,341	0	54,341	-47,982	251,642	203,660	704,199
	OTHER EXPENSES										
97100	Extraordinary Maintenance	0	0	0	0	0	0	0	0	0	0
97200	Casualty Losses - Non Capitalized	0	0	0	0	0	0	0	0	0	0
97300	Housing Assistance Payments	0	0	0	0	0	0	0	0	0	0
97400	Depreciation Expense	421,208	0	421,208	325,168	0	325,168	158,548	0	158,548	904,924
97500	Fraud Losses	0	0	0	0	0	0	0	0	0	0
90000	TOTAL EXPENSES	1,162,889	0	1,162,889	1,299,417	0	1,299,417	430,014	0	430,014	2,892,320
	OTHER FINANCING SOURCES (USES)										
10010	Operating Transfer In	0	0	0	0	0	0	0	0	0	0
10020	Operating Transfer Out	0	0	0	0	0	0	0	0	0	0
	TOTAL OTHER FINANCING SOURCES (USES)	0	0	0	0	0	0	0	0	0	0

KNOX COUNTY HOUSING AUTHORITY
 FINANCIAL DATA SCHEDULES
 PROJECTS - INCOME STATEMENT
 MARCH 31, 2017

FDS Line Item No.	Account Description	IL08500001			IL08500002			IL08500003			Total Projects
		Operating Fund	Capital Fund	Total	Operating Fund	Capital Fund	Total	Operating Fund	Capital Fund	Total	
10000	EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES	(\$470,791)	\$495,781	\$24,990	(\$270,827)	\$0	(\$270,827)	(\$206,530)	\$251,642	\$45,112	(\$200,725)
11030	Beginning Equity	3,727,831	0	3,727,831	2,926,919	0	2,926,919	1,335,150	0	1,335,150	7,989,900
11040	Prior Period Adjustment	509,380	(495,781)	13,599	0	0	0	253,451	(251,642)	1,809	15,408
	ENDING EQUITY	\$3,766,420	\$0	\$3,766,420	\$2,656,092	\$0	\$2,656,092	\$1,382,071	\$0	\$1,382,071	\$7,804,583
11190	Unit Months Available	2,144	0	2,144	2,280	0	2,280	612	0	612	5,036
11210	Unit Months Leased	2,088	0	2,088	2,244	0	2,244	600	0	600	4,932
11610	Land Purchases	0	0	0	0	0	0	0	0	0	0
11620	Building Purchases	0	495,781	495,781	0	0	0	0	251,642	251,642	747,423
11630	Furniture & Equipment - Dwelling Purchases	11,868	0	11,868	0	0	0	0	0	0	11,868
11640	Furniture & Equipment - Administrative Purchases	0	0	0	0	0	0	0	0	0	0
11650	Leasehold Improvements	0	0	0	0	0	0	0	0	0	0

KNOX COUNTY HOUSING AUTHORITY
 FINANCIAL DATA SCHEDULES
 PROGRAM - BALANCE SHEET
 MARCH 31, 2017

FDS Line Item No.	Account Description	14,871 Housing Choice Vouchers	1 Business Activities	Total Programs
	ASSETS			
111	Cash - Unrestricted	\$198,541	\$80,582	\$279,123
113	Cash - Other Restricted	10,852	137,747	148,599
114	Cash - Tenant Security Deposits	0	52,421	52,421
115	Cash - Restricted for Payment of Current Liabilities	2	35,405	35,407
100	TOTAL CASH	209,395	306,155	515,550
122	Accounts Receivable - HUD Other Projects	0	0	0
124	Accounts Receivable - Other Governments	0	0	0
125	Accounts Receivable - Miscellaneous	0	0	0
126	A/R Tenants - Dwelling Rents	0	9,437	9,437
126.1	Allowance for Doubtful Accounts	0	(2,831)	(2,831)
128	Fraud Recovery	4,231	0	4,231
128.1	Allowance for Doubtful Accounts - Fraud Rec	(922)	0	(922)
129	Accrued Interest Receivable	0	0	0
120	TOTAL ACCOUNTS RECEIVABLE	3,309	6,606	9,915
131	Investments - Unrestricted	0	0	0
142	Prepaid Expenses & Other Assets	3,174	21,201	24,375
143	Inventories	0	8,024	8,024
143.1	Allowances for Obsolete Inventories	0	(408)	(408)
144	Interprogram Due From	0	0	0
150	TOTAL CURRENT ASSETS	215,878	341,578	557,456
161	Land	0	393,418	393,418
162	Buildings	0	3,410,989	3,410,989
163	Furniture and Equipment - Dwellings	0	18,946	18,946
164	Furniture and Equipment - Administrative	14,990	1,099	16,089
165	Leasehold Improvements	0	0	0
166	Accumulated Depreciation	(14,878)	(1,305,752)	(1,320,630)
167	Construction in Progress	0	0	0
160	TOTAL FIXED ASSETS, NET	112	2,518,700	2,518,812
174	Other Asset	0	0	0
180	TOTAL NON-CURRENT ASSETS	112	2,518,700	2,518,812
190	TOTAL ASSETS	\$215,990	\$2,860,278	\$3,076,268
	LIABILITIES			
312	Accounts Payable <=90 Days	\$379	\$1,937	\$2,316
321	Accrued Wages/Payroll Taxes	1,600	4,066	5,666
322	Accrued Compensated Absences	307	1,041	1,348
331	Accounts Payable - HUD PHA Programs	0	0	0
333	Accounts Payable - Other Governments	0	29,555	29,555
341	Tenant Security Deposits	0	52,421	52,421
342	Unearned Revenue	2	5,272	5,274
343	Current Portion of L-T Debt - Capital Projects	0	39,604	39,604
346	Accrued Liabilities Other	0	10,039	10,039
347	Interprogram Due To	0	0	0
310	TOTAL CURRENT LIABILITIES	2,288	143,935	146,223
351	Long-Term Debt, Net of Current - Capital Proj	0	778,410	778,410
353	Non-Current Liabilities - Other	0	0	0
354	Accrued Compensated Absences - Non Current	1,786	9,365	11,151
350	TOTAL NONCURRENT LIABILITIES	1,786	787,775	789,561
300	TOTAL LIABILITIES	4,074	931,710	935,784
	EQUITY			
508.1	Invested in Capital Assets, Net of Related Debt	112	1,700,686	1,700,798
511.1	Restricted Net Position	10,852	137,747	148,599
512.1	Unrestricted Net Position	200,952	90,135	291,087
513	TOTAL EQUITY	211,916	1,928,568	2,140,484
600	TOTAL LIABILITIES AND EQUITY	\$215,990	\$2,860,278	\$3,076,268

KNOX COUNTY HOUSING AUTHORITY
 FINANCIAL DATA SCHEDULES
 PROGRAM - INCOME STATEMENT
 MARCH 31, 2017

		14,871	1	
FDS Line		Housing Choice	Business	Total
Item No.	Account Description	Vouchers	Activities	Programs
	REVENUE			
70300	Net Tenant Rental Revenue	\$0	\$610,917	\$610,917
70400	Tenant Revenue - Other	0	23,758	23,758
70500	TOTAL TENANT REVENUE	0	634,675	634,675
70600	PHA HUD Grants	729,413	51,834	781,247
70610	Capital Grants	0	0	0
70710	Management Fee	0	0	0
7720	Asset Management Fee	0	0	0
70730	Book-Keeping Fee	0	0	0
70750	Other Fees	0	0	0
70800	Other Government Grants	0	0	0
71100	Investment Income - Unrestricted	345	1,104	1,449
71300	Proceeds From Disposition of Assets Held	0	0	0
71400	Fraud Recovery	7,570	0	7,570
71500	Other Revenue	1,924	2,424	4,348
71600	Gain/Loss on Sale of Fixed Assets	0	0	0
72000	Investment Income - Restricted	102	0	102
70000	TOTAL REVENUE	739,354	690,037	1,429,391
	EXPENSES			
91100	Administrative Salaries	59,130	58,077	117,207
91200	Auditing Fees	1,650	1,650	3,300
91300	Management Fee	24,780	108,963	133,743
91310	Book-Keeping Fee	15,488	14,598	30,086
91400	Advertising and Marketing	0	514	514
91500	Employee Benefit Contribution - Administrative	23,746	18,993	42,739
91600	Office Expenses	11,565	10,144	21,709
91700	Legal Expense	0	0	0
91800	Travel	403	2,300	2,703
91900	Other	4,161	1,083	5,244
92000	Asset Management Fee	0	0	0
92100	Tenant Services - Salaries	0	0	0
92200	Employee Benefit Contribution - Tenant Serv	0	0	0
92400	Tenant Services - Other	0	0	0
93100	Water	0	23,760	23,760
93200	Electricity	0	12,967	12,967
93300	Gas	0	3,689	3,689
93600	Sewer	0	22,064	22,064
94100	Ordinary Maintenance and Operation - Labor	0	93,739	93,739
94200	Ordinary Maintenance and Operation - Materials	0	23,921	23,921
94300	Ordinary Maintenance and Operation - Cont Cost	0	42,340	42,340
94500	Employee Benefit Contribution - Ord Maintenance	0	39,333	39,333
95000	Protective Services	0	0	0
96100	Insurance Premiums	3,587	28,169	31,756
96200	Other General Expenses	2,007	0	2,007
96210	Compensated Absences	2	910	912
96300	Payments in Lieu of Taxes	0	29,762	29,762
96400	Bad Debts - Tenant Rents	(2,504)	5,797	3,293
96600	Bad Debts - Other	0	0	0
96710	Interest of Mortgage (or Bonds) Payable	0	76,891	76,891
96900	TOTAL OPERATING EXPENSES	144,015	619,664	763,679
97000	EXCESS OPERATING REVENUE OVER			
	EXPENSES	\$595,339	\$70,373	\$665,712
	OTHER EXPENSES			
97100	Extraordinary Maintenance	\$0	\$0	\$0
97200	Casualty Losses - Non Capitalized	0	0	0
97300	Housing Assistance Payments	704,810	0	704,810
97400	Depreciation Expense	225	157,177	157,402
97500	Fraud Losses	(2,503)	0	(2,503)
90000	TOTAL EXPENSES	846,547	776,841	1,623,388
	OTHER FINANCING SOURCES (USES)			
10010	Operating Transfer In	0	0	0
10020	Operating Transfer Out	0	0	0
	TOTAL OTHER FINANCING SOURCES (USES)	0	0	0

KNOX COUNTY HOUSING AUTHORITY
 FINANCIAL DATA SCHEDULES
 PROGRAM - INCOME STATEMENT
 MARCH 31, 2017

FDS Line		14,871	1	
Item No.	Account Description	Housing Choice Vouchers	Business Activities	Total Programs
10000	EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES	(107,193)	(86,804)	(193,997)
11030	Beginning Equity	320,303	2,015,372	2,335,675
11040	Prior Period Adjustment	(1,194)	0	(1,194)
	ENDING EQUITY	\$211,916	\$1,928,568	\$2,140,484

11170-001	Administrative Fee Equity - Beginning Balance	220,547	0	220,547
11170-010	Administrative Fee Revenue	93,098	0	93,098
11170-040	Investment Income	345	0	345
11170-045	Fraud Recovery Revenue	3,785	0	3,785
11170-050	Other Revenue	28,126	0	28,126
11170-060	Total Admin Fee Revenue	125,354	0	125,354
11170-080	Total Operating Expenses	144,015	0	144,015
11170-090	Depreciation	225	0	225
11170-100	Other Expenses	597	0	597
11170-110	Total Expenses	144,837	0	144,837
11170-002	Net Administrative Fee	(19,483)	0	(19,483)
11170-003	Administrative Fee Equity - Ending Balance	201,064	0	201,064
11170	Administrative Fee Equity	201,064	0	201,064
11180-001	Housing Assistance Payments Equity - Beg	99,756	0	99,756
11180-010	Housing Assistance Payment Revenue	636,315	0	636,315
11180-015	Fraud Recovery Revenue	3,785	0	3,785
11180-020	Other Revenue	2,503	0	2,503
11180-025	Investment Income	102	0	102
11180-030	Total HAP Revenue	642,705	0	642,705
11180-080	Housing Assistance Payments	704,810	0	704,810
11180-090	Other Expenses	26,799	0	26,799
11180-100	Total Housing Assistance Payments	731,609	0	731,609
11180-002	Net Housing Assistance Payments	(88,904)	0	(88,904)
11180-003	Housing Assistance Payments Equity - End	10,852	0	10,852
11180	Housing Assistance Payments Equity	10,852	0	10,852
11190	Unit Months Available	3,360	1,644	5,004
11210	Unit Months Leased	2,070	1,625	3,695

KNOX COUNTY HOUSING AUTHORITY
 FINANCIAL DATA SCHEDULES
 PHA - BALANCE SHEET
 MARCH 31, 2017

FDS Line Item No.	Account Description	Project Totals	Program Totals	Central Office Cost Center	Subtotal	Elimination	Total
	ASSETS						
111	Cash - Unrestricted	\$1,009,151	\$279,123	\$889,112	\$2,177,386	\$0	\$2,177,386
113	Cash - Other Restricted	0	148,599	0	148,599	0	148,599
114	Cash - Tenant Security Deposits	89,051	52,421	0	141,472	0	141,472
115	Cash - Restricted for Payment of Current Liab	11,684	35,407	0	47,091	0	47,091
100	TOTAL CASH	1,109,886	515,550	889,112	2,514,548	0	2,514,548
122	Accounts Receivable - HUD Other Projects	0	0	0	0	0	0
124	Accounts Receivable - Other Governments	0	0	0	0	0	0
125	Accounts Receivable - Miscellaneous	0	0	0	0	0	0
126	A/R Tenants - Dwelling Rents	27,609	9,437	0	37,046	0	37,046
126.1	Allowance for Doubtful Accounts	(8,168)	(2,831)	0	(10,999)	0	(10,999)
128	Fraud Recovery	18,164	4,231	0	22,395	0	22,395
128.1	Allowance for Doubtful Accounts - Fraud Rec	(5,449)	(922)	0	(6,371)	0	(6,371)
129	Accrued Interest Receivable	0	0	0	0	0	0
120	TOTAL ACCOUNTS RECEIVABLE	32,156	9,915	0	42,071	0	42,071
131	Investments - Unrestricted	0	0	0	0	0	0
142	Prepaid Expenses & Other Assets	89,240	24,375	18,368	131,983	0	131,983
143	Inventories	31,050	8,024	0	39,074	0	39,074
143.1	Allowances for Obsolete Inventories	(9,775)	(408)	0	(10,183)	0	(10,183)
144	Interprogram Due From	0	0	0	0	0	0
150	TOTAL CURRENT ASSETS	1,252,557	557,456	907,480	2,717,493	0	2,717,493
161	Land	2,639,898	393,418	0	3,033,316	0	3,033,316
162	Buildings	26,923,926	3,410,989	0	30,334,915	0	30,334,915
163	Furniture and Equipment - Dwellings	323,630	18,946	0	342,576	0	342,576
164	Furniture and Equipment - Administrative	608,920	16,089	173,075	798,084	0	798,084
165	Leasehold Improvements	0	0	0	0	0	0
166	Accumulated Depreciation	(23,703,597)	(1,320,630)	(171,809)	(25,196,036)	0	(25,196,036)
167	Construction in Progress	0	0	0	0	0	0
160	TOTAL FIXED ASSETS, NET	6,792,777	2,518,812	1,266	9,312,855	0	9,312,855
174	Other Asset	0	0	0	0	0	0
180	TOTAL NON-CURRENT ASSETS	6,792,777	2,518,812	1,266	9,312,855	0	9,312,855
190	TOTAL ASSETS	\$8,045,334	\$3,076,268	\$908,746	\$12,030,348	\$0	\$12,030,348
	LIABILITIES						
312	Accounts Payable <=90 Days	\$8,707	\$2,316	\$12,240	\$23,263	\$0	\$23,263
321	Accrued Wages/Payroll Taxes	16,782	5,666	8,218	30,666	0	30,666
322	Accrued Compensated Absences	3,227	1,348	1,369	5,944	0	5,944
331	Accounts Payable - HUD PHA Programs	0	0	0	0	0	0
333	Accounts Payable - Other Governments	61,515	29,555	0	91,070	0	91,070
341	Tenant Security Deposits	89,052	52,421	0	141,473	0	141,473
342	Unearned Revenue	11,684	5,274	0	16,958	0	16,958
343	Current Portion of L-T Debt - Capital Projects	0	39,604	0	39,604	0	39,604
346	Accrued Liabilities Other	20,749	10,039	4,684	35,472	0	35,472
347	Interprogram Due To	0	0	0	0	0	0
310	TOTAL CURRENT LIABILITIES	211,716	146,223	26,511	384,450	0	384,450
351	Long-Term Debt, Net of Current - Capital Proj	0	778,410	0	778,410	0	778,410
353	Non-Current Liabilities - Other	0	0	0	0	0	0
354	Accrued Compensated Absences - Non Current	29,035	11,151	11,344	51,530	0	51,530
350	TOTAL NONCURRENT LIABILITIES	29,035	789,561	11,344	829,940	0	829,940
300	TOTAL LIABILITIES	240,751	935,784	37,855	1,214,390	0	1,214,390
	EQUITY						
508.1	Invested in Capital Assets, Net of Related Debt	6,792,777	1,700,798	1,266	8,494,841	0	8,494,841
511.1	Restricted Net Position	0	148,599	0	148,599	0	148,599
512.1	Unrestricted Net Position	1,011,806	291,087	869,625	2,172,518	0	2,172,518
513	TOTAL EQUITY	7,804,583	2,140,484	870,891	10,815,958	0	10,815,958
600	TOTAL LIABILITIES AND EQUITY	\$8,045,334	\$3,076,268	\$908,746	\$12,030,348	\$0	\$12,030,348

KNOX COUNTY HOUSING AUTHORITY
 FINANCIAL DATA SCHEDULES
 PHA - INCOME STATEMENT
 MARCH 31, 2017

FDS Line Item No.	Account Description	Project Totals	Program Totals	Central Office Cost Center	Subtotal	Elimination	Total
	REVENUE						
70300	Net Tenant Rental Revenue	\$769,055	\$610,917	\$0	\$1,379,972	\$0	\$1,379,972
70400	Tenant Revenue - Other	77,757	23,758	0	101,515	0	101,515
70500	TOTAL TENANT REVENUE	846,812	634,675	0	1,481,487	0	1,481,487
70600	PHA HUD Grants	1,058,266	781,247	0	1,839,513	0	1,839,513
70610	Capital Grants	747,423	0	0	747,423	0	747,423
70710	Management Fee	0	0	464,406	464,406	(464,406)	0
70720	Asset Management Fee	0	0	50,400	50,400	(50,400)	0
70730	Book-Keeping Fee	0	0	66,993	66,993	(66,993)	0
70740	Other Fees	0	0	13,424	13,424	0	13,424
70800	Other Government Grants	0	0	0	0	0	0
71100	Investment Income - Unrestricted	6,417	1,449	98	7,964	0	7,964
71300	Proceeds From Disposition of Assets Held	0	0	0	0	0	0
71400	Fraud Recovery	0	7,570	0	7,570	0	7,570
71500	Other Revenue	32,677	4,348	1,471	38,496	0	38,496
71600	Gain/Loss on Sale of Fixed Assets	0	0	0	0	0	0
72000	Investment Income - Restricted	0	102	0	102	0	102
70000	TOTAL REVENUE	2,691,595	1,429,391	596,792	4,717,778	(581,799)	4,135,979
	EXPENSES						
91100	Administrative Salaries	224,519	117,207	322,255	663,981	0	663,981
91200	Auditing Fees	5,500	3,300	2,200	11,000	0	11,000
91300	Management Fee	330,663	133,743	0	464,406	(464,406)	0
91310	Book-Keeping Fee	36,908	30,086	0	66,994	(66,993)	1
91400	Advertising and Marketing	0	514	863	1,377	0	1,377
91500	Employee Benefit Contribution - Administrative	85,703	42,739	123,942	252,384	0	252,384
91600	Office Expenses	42,068	21,709	42,415	106,192	0	106,192
91700	Legal Expense	0	0	8,288	8,288	0	8,288
91800	Travel	3,413	2,703	1,511	7,627	0	7,627
91900	Other	7,161	5,244	11,048	23,453	0	23,453
92000	Asset Management Fee	50,400	0	0	50,400	(50,400)	0
92100	Tenant Services - Salaries	1,774	0	0	1,774	0	1,774
92200	Employee Benefit Contribution - Tenant Serv	172	0	0	172	0	172
92400	Tenant Services - Other	1,398	0	0	1,398	0	1,398
93100	Water	18,096	23,760	181	42,037	0	42,037
93200	Electricity	52,905	12,967	8,121	73,993	0	73,993
93300	Gas	62,082	3,689	1,756	67,527	0	67,527
93600	Sewer	16,582	22,064	60	38,706	0	38,706
94100	Ordinary Maintenance and Operation - Labor	432,773	93,739	0	526,512	0	526,512
94200	Ordinary Maintenance and Operation - Materials	92,234	23,921	812	116,967	0	116,967
94300	Ordinary Maintenance and Operation - Cont Cost	136,225	42,340	526	179,091	0	179,091
94500	Employee Benefit Contribution - Ord Maintenance	152,638	39,333	0	191,971	0	191,971
95000	Protective Services	17,474	0	0	17,474	0	17,474
96100	Insurance Premiums	111,277	31,756	15,407	158,440	0	158,440
96200	Other General Expenses	0	2,007	0	2,007	0	2,007
96210	Compensated Absences	10	912	(1,456)	(534)	0	(534)
96300	Payments in Lieu of Taxes	61,881	29,762	0	91,643	0	91,643
96400	Bad Debts - Tenant Rents	43,540	3,293	0	46,833	0	46,833
96600	Bad Debts - Other	0	0	0	0	0	0
96710	Interest of Mortgage (or Bonds) Payable	0	76,891	0	76,891	0	76,891
96900	TOTAL OPERATING EXPENSES	1,987,396	763,679	537,929	3,289,004	(581,799)	2,707,205
97000	EXCESS OPERATING REVENUE OVER						
	EXPENSES	\$704,199	\$665,712	\$58,863	\$1,428,774	\$0	\$1,428,774
	OTHER EXPENSES						
97100	Extraordinary Maintenance	0	0	\$0	\$0	\$0	\$0
97200	Casualty Losses - Non Capitalized	0	0	0	0	0	0
97300	Housing Assistance Payments	0	704,810	0	704,810	0	704,810
97400	Depreciation Expense	904,924	157,402	1,115	1,063,441	0	1,063,441
90000	Fraud Losses	0	(2,503)	0	(2,503)	0	(2,503)
	TOTAL EXPENSES	2,892,320	1,623,388	539,044	5,054,752	(581,799)	4,472,953
	OTHER FINANCING SOURCES (USES)						
10010	Operating Transfer In	0	0	0	0	0	0
10020	Operating Transfer Out	0	0	0	0	0	0
	TOTAL OTHER FINANCING SOURCES (USES)	0	0	0	0	0	0

KNOX COUNTY HOUSING AUTHORITY
 FINANCIAL DATA SCHEDULES
 PHA - INCOME STATEMENT
 MARCH 31, 2017

FDS Line		Project	Program	Central Office			
Item No.	Account Description	Totals	Totals	Cost Center	Subtotal	Elimination	Total
10000	EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER) EXPENSES	(200,725)	(193,997)	57,748	(336,974)	0	(336,974)
11030	Beginning Equity	7,989,900	2,335,675	818,995	11,144,570	0	11,144,570
11040	Prior Period Adjustment	15,408	(1,194)	(5,852)	8,362	0	8,362
	ENDING EQUITY	\$7,804,583	\$2,140,484	\$870,891	\$10,815,958	\$0	\$10,815,958

11170-001	Administrative Fee Equity - Beginning Balance	0	220,547	0	220,547	0	220,547
11170-010	Administrative Fee Revenue	0	93,098	0	93,098	0	93,098
11170-040	Investment Income	0	345	0	345	0	345
11170-045	Fraud Recovery Revenue	0	3,785	0	3,785	0	3,785
11170-050	Other Revenue	0	28,126	0	28,126	0	28,126
11170-060	Total Admin Fee Revenue	0	125,354	0	125,354	0	125,354
11170-080	Total Operating Expenses	0	144,015	0	144,015	0	144,015
11170-090	Depreciation	0	225	0	225	0	225
11170-100	Other Expenses	0	597	0	597	0	597
11170-110	Total Expenses	0	144,837	0	144,837	0	144,837
11170-002	Net Administrative Fee	0	(19,483)	0	(19,483)	0	(19,483)
11170-003	Administrative Fee Equity - Ending Balance	0	201,064	0	201,064	0	201,064
11170	Administrative Fee Equity	0	201,064	0	201,064	0	201,064
11180-001	Housing Assistance Payments Equity - Beg	0	99,756	0	99,756	0	99,756
11180-010	Housing Assistance Payment Revenue	0	636,315	0	636,315	0	636,315
11180-015	Fraud Recovery Revenue	0	3,785	0	3,785	0	3,785
11180-020	Other Revenue	0	2,503	0	2,503	0	2,503
11180-025	Investment Income	0	102	0	102	0	102
11180-030	Total HAP Revenue	0	642,705	0	642,705	0	642,705
11180-080	Housing Assistance Payments	0	704,810	0	704,810	0	704,810
11180-090	Other Expenses	0	26,799	0	26,799	0	26,799
11180-100	Total Housing Assistance Payments	0	731,609	0	731,609	0	731,609
11180-002	Net Housing Assistance Payments	0	(88,904)	0	(88,904)	0	(88,904)
11180-003	Housing Assistance Payments Equity - End	0	10,852	0	10,852	0	10,852
11180	Housing Assistance Payments Equity	0	10,852	0	10,852	0	10,852
11190	Unit Months Available	5,036	5,004	0	10,040	0	10,040
11210	Unit Months Leased	4,932	3,695	0	8,627	0	8,627
11610	Land Purchases	0	0	0	0	0	0
11620	Building Purchases	747,423	0	0	747,423	0	747,423
11630	Furniture & Equipment - Dwelling Purchases	11,868	0	0	11,868	0	11,868
11640	Furniture & Equipment - Administrative Purchases	0	0	0	0	0	0
11650	Leasehold Improvements	0	0	0	0	0	0

KNOX COUNTY HOUSING AUTHORITY
 STATEMENT AND CERTIFICATION OF CAPITAL FUND PROGRAM GRANT COSTS
 FOR THE YEAR ENDED MARCH 31, 2017

ANNUAL CONTRIBUTION CONTRACT

1. The Actual Modernization Costs for the Locally-Owned Projects are as follows:

		IL06P085 <u>501-14</u>
Funds Approved	\$	619,889
Funds Expended		<u>619,889</u>
Excess of Funds Approved		<u><u>-0-</u></u>
Funds Approved		619,889
Funds Expended		<u>619,889</u>
Excess of Funds Approved	\$	<u><u>-0-</u></u>

2. The distribution of costs as shown on the Final Statement of Modernization Costs, accompanying the Actual Modernization Cost Certificates submitted to HUD are in agreement with the Authority's Records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.

KNOX COUNTY HOUSING AUTHORITY
 STATEMENT AND CERTIFICATION OF ACTUAL ROSS NEIGHBORHOOD NETWORK GRANT COSTS
 FOR THE YEAR ENDED MARCH 31, 2017

IL085RNN027A007

1. The Actual ROSS Neighborhood Network Grant Program Costs of IL085RNN027A007 are as follows:

Funds Approved	\$	300,000
Funds Expended		<u>300,000</u>
Excess of Funds Approved		<u><u>-</u></u>
Funds Approved		300,000
Funds Expended		<u>300,000</u>
Excess of Funds Approved	\$	<u><u>-</u></u>

2. Audit period additions were \$-0- and accordingly were not audited by Zenk & Associates, P.C.
3. The costs shown on the Final Federal Financial Report (SF-425) dated January 18, 2012 as submitted to HUD is in agreement with the PHA's records.
4. All ROSS Program costs have been paid and all related liabilities have been discharged through payment.

SINGLE AUDIT

Zenk & Associates, P.C.

Certified Public Accountants

Members: American Institutes of Certified Public Accountants
Michigan Association of Certified Public Accountants

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

Board of Commissioners,
Knox County Housing Authority
Galesburg, Illinois

Regional Inspector General of Audit
Department of Housing and Urban
Development

We have audited, 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 of the United States, the financial statements of business-type activities of the Knox County Housing Authority as of and for the year ended March 31, 2017, and the related notes to the financial statements, which collectively comprise the Knox County Housing Authority's basic financial statements and have issued our report thereon dated November 10, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Knox County 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 the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Knox County 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 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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Zenk & Associates, P.C.

November 10, 2017

Zenk & Associates, P.C.

Certified Public Accountants

Members: American Institutes of Certified Public Accountants
Michigan Association of Certified Public Accountants

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

Board of Commissioners,
Knox County Housing Authority
Galesburg, Illinois

Regional Inspector General of Audit
Department of Housing and Urban
Development

Report on Compliance for Each Major Federal Program

We have audited the Knox County 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 Knox County Housing Authority major federal programs for the year ended March 31, 2017. The Knox County Housing Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

Opinion on Each Major Federal Program

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

Report on Internal Control Over Compliance

Management of the Knox County 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 Knox County 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 our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Knox County 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 federal program that 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 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 the internal control over compliance was for limited purposes described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

Zenk & Associates, P.C.

November 10, 2017

KNOX COUNTY HOUSING AUTHORITY
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 YEAR ENDED MARCH 31, 2017

	<u>FEDERAL CFDA NUMBER</u>		<u>FUNDS EXPENDED</u>
<u>U.S. DEPARTMENT OF HUD DIRECT PROGRAMS</u>			
PHA Owned Housing:			
Public and Indian Housing - Operating Subsidy	14.850a	\$	1,058,266 *
Public and Indian Housing - Capital Funds Program	14.872		747,423
Section 8 Housing:			
Housing Choice Voucher Program	14.871		729,413
New Construction (Business Activities)	14.182		<u>51,834</u>
Total From U.S. Department of HUD Direct Programs		\$	<u>2,586,936</u>

* Indicates Major Program

"SEE INDEPENDENT AUDITOR'S REPORT"

"SEE THE ACCOMPANYING NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS"

KNOX COUNTY HOUSING AUTHORITY
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED MARCH 31, 2017

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Federal Awards (the Schedule) includes the federal grant of the Knox County Housing Authority under programs of the federal government for the year ended March 31, 2017. The information in the 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*. Because the schedule presents only a selected portion of the operations of the Knox County Housing Authority, it is not intended to and does not present the financial position or change in net position of the Knox County Housing Authority.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

NOTE 3 - SUB RECIPIENT AWARDS

Of the federal expenditures presented in the schedule, Knox County Housing Authority did not provide federal awards to sub recipients.

KNOX COUNTY HOUSING AUTHORITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED MARCH 31, 2017

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report	Unmodified
Internal Control Over Financial Reporting:	
Are any material weaknesses identified?	No
Are any significant weaknesses identified?	None Reported
Is any noncompliance material to financial statements noted?	No

Federal Awards

Internal Control Over Major Federal Awards:	
Are any material weaknesses identified?	No
Are any significant weaknesses identified?	None Reported
Type of Auditor's Report	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.51(a)?	No
Identification of major federal programs:	
Dollar threshold used to distinguish between type A and Type B programs:	\$750,000
Auditee qualified as low-risk auditee?	Yes

SECTION II - FINDINGS RELATED TO FINANCIAL STATEMENTS

None

SECTION III - FINDINGS RELATED TO FEDERAL AWARDS

None

KNOX COUNTY HOUSING AUTHORITY
SCHEDULE OF THE STATUS OF PRIOR YEARS FINDINGS AND QUESTIONED COSTS
YEAR ENDED MARCH 31, 2017

STATUS OF PRIOR FINDINGS

The prior audit report for the year ended March 31, 2016 contained no audit findings:

Financial Statement Findings

None Reported

Federal Award Findings

None Reported

AGREED-UPON PROCEDURES

Zenk & Associates, P.C.

Certified Public Accountants

Members: American Institutes of Certified Public Accountants
Michigan Association of Certified Public Accountants

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Board of Commissioners,
Knox County Housing Authority
Galesburg, Illinois

Regional Inspector General of Audit
Department of Housing and Urban
Development

We have performed the procedure described in the second paragraph of this report, which was agreed upon by the Knox County Housing Authority and U.S. Department of Housing and Urban Development, Real Estate Assessment Center (REAC), solely to assist them in determining whether the electronic submission of certain information agrees with the related hard copy documents included within the Uniform Guidance reporting package. The Knox County Housing Authority is responsible for the accuracy and completeness of the electronic submission. This agreed-upon procedure engagement was conducted in accordance with the attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedure is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures 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 results of the performance of our agreed-upon procedures indicated agreement of the electronically submitted information and hard copy as shown in the attached chart.

We were engaged to perform an audit in accordance with accounting principles generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* the financial statements of the Knox County Housing Authority as of the year ended March 31, 2017, and have issued our report thereon dated November 10, 2017. The information in the "Hard Copy Documents" column was included within the scope or was a by-product, of that audit. Further, our opinion on the fair presentation of the supplemental information dated November 10, 2017, was expressed in relation to the general purpose financial statements of the Knox County Housing Authority taken as a whole.

A copy of the reporting package required by the *Uniform Guidance*, which includes the auditors' report is available in its entirety from the Knox County 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, REAC.

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

Zenk & Associates, P.C.

November 10, 2017

KNOX COUNTY HOUSING AUTHORITY
 AGREED-UPON PROCEDURES

UFRS Rule Information	Hard Copy Documents	Findings
Balance Sheet and Revenue and Expense	Financial Data Schedule, all CFDA's	Agrees
Footnotes	Footnotes to audited basic financial statements	Agrees
Type of opinion on FDS	Auditors' supplemental report on FDS	Agrees
Audit findings narrative	Schedule of Findings and Questioned Cost	Agrees
General information	Data Collection Form	Agrees
Financial statement report information	Schedule of Findings and Questioned Cost, Part 1 and Data Collection Form	Agrees
Federal program report information	Schedule of Findings and Questioned Cost, Part 1 and Data Collection Form	Agrees
Federal agencies required to receive reporting package	Data Collection Form	Agrees
Basic financial statements and auditors' reports required to be submitted electronically	Basic Financial Statements (inclusive of auditors' reports)	Agrees



U.S. Department of Housing and Urban
 OFFICE OF PUBLIC AND INDIAN HOUSING
 REAL ESTATE ASSESSMENT CENTER

Public Housing Assessment System (PHAS) Score Report for Interim Rule

Report Date: 12/19/2017

PHA Code:	IL085
PHA Name:	Knox County Housing Authority
Fiscal Year End:	03/31/2017

PHAS Indicators	Score	Maximum Score
Physical	38	40
Financial	25	25
Management	22	25
Capital Fund	10	10
Late Penalty Points	0	
PHAS Total Score	95	100
Designation Status:	High Performer	

Published 12/19/2017

Initial published 07/11/2017

Financial Score Details	Score	Maximum Score
Audited/Single Audit		
1. FASS Score before deductions	25.00	25
2. Audit Penalties	0.00	
Total Financial Score Unrounded (FASS Score - Audit Penalties)	25.00	25

Capital Fund Score Details	Score	Maximum Score
Timeliness of Fund Obligation:		
1. Timeliness of Fund Obligation %	90.00	
2. Timeliness of Fund Obligation Points	5	5
Occupancy Rate:		
3. Occupancy Rate %	98.35	
4. Occupancy Rate Points	5	5
Total Capital Fund Score (Fund Obligation + Occupancy Rate):	10	10

Notes:

1. The scores in this Report are the official PHAS scores of record for your PHA. PHAS scores in other systems are not to be relied upon and are not being used by the Department.
2. Due to rounding, the sum of the PHAS indicator scores may not equal the overall PHAS score.
3. "0" FASS Score indicates a late presumptive failure. See 902.60 and 902.92 of the Interim PHAS rule.
4. "0" Total Capital Fund Score is due to score of "0" for Timeliness of Fund Obligation. See the Capital Fund
5. PHAS Interim Rule website - <http://www.hud.gov/offices/reac/products/prodphasintrule.cfm>