

HOUSING AUTHORITY OF HOMER, LOUISIANA

**AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL DATA**

TWELVE MONTHS ENDED JUNE 30, 2017

Mike Estes, P.C.
A Professional Accounting Corporation

TABLE OF CONTENTS

	<u>EXHIBIT</u>	<u>PAGE</u>
Independent Auditor's Report		1 – 3
Management’s Discussion and Analysis		4 – 9
Basic Financial Statements		
Statement of Net Position	A	10
Statement of Revenues, Expenses, and Changes in Fund Net Position	B	11
Statement of Cash Flows	C	12 – 13
Notes to the Basic Financial Statements		14 – 23
Index		14
Notes to Financial Statements		15 – 23
 <i><u>Other Reports Required by Governmental Auditing Standards</u></i>		
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>		24 – 25
Schedule of Findings and Questioned Costs		26 – 27
Corrective Action Plan		28
Summary Schedule of Prior Audit Findings		29
Summary Schedule of Prior Year Management Letter Items		30
 <i><u>Supplementary Information</u></i>		
Statement and Certification of Actual Modernization Costs	D(1)	31
Statement of Modernization Costs – Uncompleted	D(2)	32
Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Director	D(3)	33
Schedule of Expenditures of Federal Awards		34
Notes to the Schedule of Expenditures of Federal Awards		35
Agreed-Upon Procedures Report		36 – 51
Financial Data Schedules		52 – 59



MIKE ESTES, CPA

MIKE ESTES, P.C.
A PROFESSIONAL ACCOUNTING CORPORATION
4040 FOSSIL CREEK BLVD. – SUITE 100
FORT WORTH, TEXAS 76137

Phone (817) 831-3553
Fax (817) 831-3560 / (817) 831-3558
e-mail: office@mikeestepc.com
website: mikeestepc.com

MEMBER OF THE
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC
ACCOUNTANTS
and the
AICPA GOVERNMENTAL
AUDIT QUALITY CENTER

Independent Auditor's Report

Board of Commissioners
Housing Authority of Homer
Homer, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the Housing Authority of the Town of Homer, Louisiana as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Housing Authority of Homer 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 financial statements. The procedures selected depend on the auditor's judgment, including 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 and audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly we express no such opinion. An audit also

includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Housing Authority of the Town of Homer, Louisiana, as of June 30, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Also included in Supplementary Information is an Agreed-Upon Procedures report, which reports on an Agreed-Upon Procedures engagement now required by the Louisiana Legislative Auditor. Our opinion is not modified in respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Managements' Discussion and Analysis on pages 4 to 9 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 general accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the Town of Homer, Louisiana's basic financial statements. The statement and certification of actual modernization costs, statement of modernization-uncompleted, financial data schedules, and other information as listed on the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The statement and certification of actual modernization costs, statement of modernization costs-uncompleted, financial data schedules, and other information as listed on the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected

to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the statement and certification of actual modernization costs, statement of modernization-uncompleted, financial data schedules, and other information as listed on the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 22, 2017 on our consideration of the Housing Authority of the Town of Homer, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Audit Standards* in considering the Housing Authority of the Town of Homer, Louisiana's internal control over financial reporting and compliance.

Mike Estes, P.C.

Mike Estes, P.C.
Fort Worth, Texas
November 22, 2017

HOUSING AUTHORITY OF THE TOWN OF HOMER
REQUIRED SUPPLEMENTAL INFORMATION

MANAGEMENT DISCUSSION
AND ANALYSIS (MD&A)

Housing Authority of the Town of Homer
Management's Discussion and Analysis (MD&A)
June 30, 2017

As management of the Housing Authority, we offer readers of the Housing Authority of the Town of Homer's financial statements this narrative overview and analysis of the financial activities of the Housing Authority for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with the Authority's audited financial statements.

FINANCIAL HIGHLIGHTS

- The assets of the Housing Authority exceeded its liabilities at the close of the most recent fiscal year by \$1,228,331 (*net position*). Of this amount, the Housing Authority has \$236,447 in unrestricted net position. This decrease in unrestricted net position is due to the decrease in insurance proceeds received.
- As of the close of the current fiscal year, the Housing Authority's enterprise funds reported combined ending net position of \$1,228,331 a decrease of \$90,514 in comparison with the prior year. The main reason for the decrease is due to the Housing Authority receiving insurance proceeds due to a fire during the prior operating year. Renovations did occur, but these costs were capitalized.
- The Housing Authority had total revenue of \$562,565 including capital grants revenues of \$18,790 and total expenses of \$653,079.
- The Housing Authority continues to operate without the need for debt borrowings during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Housing Authority's basic financial statements. The Housing Authority's basic financial statements consist of two components: 1) fund financial statements, and 2) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The Authority is a special-purpose entity engaged only in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Housing Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Authority has two federally funded programs that are consolidated into a single enterprise fund.

Low Rent Public Housing – The Authority's Low Rent Public Housing rents housing units to low-income families. The Low Rent Public Housing program is operated under an Annual Contribution Contract (ACC) with HUD; HUD provides an operating subsidy to enable the Authority to provide housing at a rent that is based upon 30% of adjusted gross household income.

Capital Fund Program (CFP) – The Low Rent Public Housing Program also includes the CFP as the primary funding source for the Authority's physical and management improvements. CFP funding is provided by formula allocation and based upon size and age of the Authority's units.

Housing Authority of the Town of Homer
Management's Discussion and Analysis (MD&A)
June 30, 2017

USING THIS ANNUAL REPORT

The Housing Authority's annual report consists of financial statements that show information about the Housing Authority's fund, an enterprise fund.

Our auditor has provided assurance in his independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance are being provided by the auditor regarding the other information included in this report. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts of this report.

Reporting the Housing Authority's Most Significant Funds

The Housing Authority's financial statements provide detailed information about the most significant funds. Some funds are required to be established by the Department of Housing and Urban Development (HUD). However, the Housing Authority may establish other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using grants and other money. The Housing Authority's enterprise fund uses the following accounting approach:

Proprietary funds - All of the Housing Authority's services are reported in an enterprise fund. They are reported using the full accrual method of accounting in which all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The focus of proprietary funds is on income measurement, which, together with the maintenance of equity, is an important financial indication.

Housing Authority of the Town of Homer
Management's Discussion and Analysis (MD&A)
June 30, 2017

FINANCIAL ANALYSIS

The Housing Authority's net position was \$1,228,331 at June 30, 2017.

Table 1
Balance Sheet

		June 30	
		<u>2017</u>	<u>2016</u>
Assets			
Current assets		\$ 312,210	\$ 428,406
Capital assets, net		<u>991,884</u>	<u>968,705</u>
Total assets		<u><u>1,304,094</u></u>	<u><u>1,397,111</u></u>
Liabilities and Net Assets			
Current liabilities		60,099	63,619
Long-term liabilities		<u>15,664</u>	<u>14,647</u>
Total liabilities		<u><u>75,763</u></u>	<u><u>78,266</u></u>
Net position			
Net invested in capital assets		991,884	968,705
Unrestricted		<u>236,447</u>	<u>350,140</u>
Total net position		<u><u>1,228,331</u></u>	<u><u>1,318,845</u></u>
Total Liabilities and Net Position		<u><u>\$1,304,094</u></u>	<u><u>\$1,397,111</u></u>

Housing Authority of the Town of Homer
Management's Discussion and Analysis (MD&A)
June 30, 2017

Table 2
Changes in Net Position

The following table reflects the condensed Statement of Revenues, Expenses, and Changes in Net Position for the year ended June 30, 2017:

	June 30	
	<u>2017</u>	<u>2016</u>
Beginning net position	\$1,318,845	\$1,153,990
Revenues:		
Operating revenues		
Rent and other	<u>233,169</u>	<u>213,147</u>
Total operating revenues	<u>233,169</u>	<u>213,147</u>
Expenses:		
Operating expenses		
Administration	179,847	179,545
Tenant services	0	0
Utilities	49,341	48,132
Ordinary maintenance and operations	194,149	213,967
Protective services	0	0
General expenses	63,520	52,328
Depreciation	<u>166,222</u>	<u>152,326</u>
Total expenses	<u>653,079</u>	<u>646,298</u>
Non-operating revenues		
Interest earnings	786	327
Federal grants	309,820	307,344
Fraud recovery/other	<u>0</u>	<u>155,136</u>
Total non-operating revenues	<u>310,606</u>	<u>462,807</u>
Capital Contributions	18,790	135,199
Increase (decrease) in net position	<u>\$ (90,514)</u>	<u>\$ 164,855</u>
Ending net position	<u>\$1,228,331</u>	<u>\$1,318,845</u>

Total revenues, non-operating revenues and capital contributions decreased \$248,588 due mainly to:

- Capital contributions decreased by \$116,409. Less modernization was performed in current fiscal year.
- Insurance proceeds received last year reported in Other Non-operating revenues was \$144,191.

Housing Authority of the Town of Homer
Management's Discussion and Analysis (MD&A)
June 30, 2017

Total expenses increased \$6,781 due mainly to:

- Depreciation expense increasing due to a substantial increase in buildings due to work in regards to burn units.
- General expenses increasing due to \$9,696 in bad debts that were expensed this fiscal year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2017, the Housing Authority had \$991,884 invested in a broad range of capital assets, including land, buildings, leasehold improvements, furniture and equipment. This amount represents a net increase (including additions, deductions and depreciation) of \$23,179, or 2% from last year.

Capital Assets at Year-end

	<u>2017</u>	<u>2016</u>
Land	\$ 41,564	\$ 41,564
Buildings and improvements	930,419	906,219
Furniture and equipment	<u>19,901</u>	<u>20,922</u>
Totals	<u>\$991,884</u>	<u>\$968,705</u>

No debt was issued for these additions.

This year's additions of \$179,636 are unit modernization projects, including architect fees.

Debt

Our long-term debt consists of accrued annual leave of \$15,664. We present more detail about our long-term liabilities in the notes to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore the Housing Authority is affected more by the Federal budget than by local economic conditions. HUD has approved the 2015 Capital Fund program budget in the amount of \$108,445 of which \$108,445 been expended at June 30, 2017. HUD has approved the 2016 Capital Fund program budget in the amount of \$111,955 of which \$57,405 has been expended at June 30, 2017

CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Housing Authority's finances and to show the Housing Authority's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Debra Sarpy, Executive Director, at the Housing Authority of the Town of Homer, PO Box 547, Homer, Louisiana 71040, telephone number (318) 927-3579.

HOUSING AUTHORITY OF HOMER, LOUISIANA
STATEMENT OF NET POSITION

JUNE 30, 2017

ASSETS

Current assets

Cash and cash equivalents	\$ 242,082
Accounts receivable net	34,735
Prepaid items and other assets	21,866
Inventory	3,077
Restricted assets - cash and cash equivalents	10,450

Total Current Assets	312,210
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Capital Assets, net

Land and other non-depreciated assets	41,563
Other capital assets - net of depreciation	950,321

Total Capital Assets, net	991,884
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Total Assets	\$ 1,304,094
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LIABILITIES

Current Liabilities

Accounts payable	\$ 24,381
Unearned income	1,809
Compensated absences payable	6,629
Accrued PILOT	16,830
Deposits due others	10,450

Total Current Liabilities	60,099
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Noncurrent Liabilities

Compensated absences payable	15,664
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Total Liabilities	75,763
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NET POSITION

Net investment in capital assets	991,884
Unrestricted	236,447

Net Position	\$ 1,228,331
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The Notes to the Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF HOMER, LOUISIANA
STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND NET POSITION

FOR THE YEAR ENDED JUNE 30, 2017

OPERATING REVENUES	
Dwelling rental	\$ 203,094
Governmental operating grants	309,820
Other	30,075
Total Operating Revenues	542,989
OPERATING EXPENSES	
Administration	179,847
Utilities	49,341
Ordinary maintenance & operations	194,149
General expenses	63,520
Depreciation	166,222
Total Operating Expenses	653,079
Income (Loss) from Operations	(110,090)
Non Operating Revenues (Expenses)	
Interest earnings	786
Total Non-Operating Revenues (Expenses)	786
Income (Loss) before contribution	(109,304)
Capital Contribution	18,790
Change in net position	(90,514)
Total net position - beginning	1,318,845
Total net position - ending	\$ 1,228,331

The Notes to the Financial Statements are an integral part of these statements.

HOUSING AUTHORITY OF HOMER, LOUISIANA
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES	
Rental receipts	\$ 196,370
Other receipts	44,987
Federal grants	394,337
Payments to vendors	(279,433)
Payments to employees – net	(197,433)
	<hr/>
Net cash provided (used) by operating activities	158,828
	<hr/>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(189,402)
Federal Capital Grants	18,790
	<hr/>
Net cash provided (used) by capital and related financing activities	(170,612)
	<hr/>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	787
	<hr/>
Net cash provided (used) by investing activities	787
	<hr/>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(10,997)
CASH AND CASH EQUIVALENTS	
Beginning of Fiscal Year	263,529
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CASH AND CASH EQUIVALENTS	
End of Fiscal Year	\$ 252,532
	<hr/> <hr/>

Continued

HOUSING AUTHORITY OF HOMER, LOUISIANA
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2017

**RECONCILIATION OF OPERATING
INCOME (LOSS) TO NET CASH
PROVIDED (USED) BY OPERATING
ACTIVITIES**

Operating income (loss)	\$	(110,090)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation Expense		166,222
Change in assets and liabilities:		
Receivables		88,508
Inventories		(75)
Prepaid items		1,228
Account payables		14,679
Deposits due others		50
Accrued PILOT		(676)
Unearned income		(1,018)
		<hr/>
Net cash provided (used) by operations	\$	<u>158,828</u>

Concluded

HOUSING AUTHORITY OF HOMER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

INDEX

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	15
A. REPORTING ENTITY	15
B. FUNDS	16
C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING	16
D. CASH AND CASH EQUIVALENTS.....	17
E. INVESTMENTS.....	17
F. REVENUE RECOGNITION	17
G. INVENTORY	17
H. PREPAID ITEMS.....	17
I. CAPITAL ASSETS	18
J. UNEARNED INCOME.....	18
K. COMPENSATED ABSENCES	18
L. POST EMPLOYMENT BENEFITS	18
M. NET POSITION AND FLOW ASSUMPTIONS.....	18
N. USE OF ESTIMATES.....	19
NOTE 2 – DEPOSITS AND INVESTMENTS.....	19
NOTE 3 – ACCOUNTS RECEIVABLE	20
NOTE 4 – CAPITAL ASSETS	20
NOTE 5 – ACCOUNTS PAYABLE.....	21
NOTE 6 – COMPENSATED ABSENCES.....	21
NOTE 7 – LONG – TERM OBLIGATIONS.....	21
NOTE 8 – RETIREMENT SYSTEM.....	21
NOTE 9 – COMMITMENTS AND CONTINGENCIES	22
NOTE 10 – ECONOMIC DEPENDENCE	23
NOTE 11 – SUBSEQUENT EVENTS	23

HOUSING AUTHORITY OF HOMER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying financial statements of the Housing Authority of the Town of Homer have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) 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.

A. REPORTING ENTITY Housing Authorities are chartered as public corporations under the laws (LSA – R.S. 40.391) of the State of Louisiana for the purpose of providing safe and sanitary dwellings accommodations. This creation was contingent upon the local governing body of the city or parish declaring a need for the Housing Authority to function in such city or parish. The Housing Authority is governed by a five member Board of Commissioners. The members, appointed by the Honorable Mayor of the Town of Homer, serve staggered multi-year terms.

The Housing Authority has the following units:

PHA Owned Housing	100 units
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GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Housing Authority is considered a primary government, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the Housing Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt with HUD approval.

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

Governmental Accounting Standards Board (GASB) Codification Section 2100 establishes criteria for determining which, if any, component units should be considered part of the Housing Authority for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability, which includes:

HOUSING AUTHORITY OF HOMER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

- 1) Appointing a voting majority of an organization's governing body, and:
 - a) The ability of the government to impose its will on that organization and/or
 - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the government.
- 2) Organizations for which the government does not appoint a voting majority but are fiscally dependent on the government.
- 3) Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Housing Authority has determined that there are no component units that should be considered as part of the Housing Authority reporting entity.

B. FUNDS The accounts of the Housing Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The transactions of the Housing Authority are reported in a proprietary enterprise fund. The general fund accounts for the transactions of the Public Housing Low Rent program and the Capital Fund program.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

PROPRIETARY FUNDS Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position sheet.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary funds' principal ongoing operations. According to the Authority's policy, governmental operating grants are considered operating revenues. The other principal operating revenues of the Housing Authority are rent and maintenance charges to residents and operating fees earned. Operating expenses for proprietary funds include the administrative costs of providing the service. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

HOUSING AUTHORITY OF HOMER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

D. CASH AND CASH EQUIVALENTS Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits, of less than ninety days, and cash with fiscal agent. Under state law, the Housing Authority may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

On the Statement of Cash Flows, cash and cash equivalents, end of year, is \$252,532. This is comprised of cash and cash equivalents of \$242,082 and restricted assets – cash of \$10,450, on the statement of net position.

E. INVESTMENTS Investments are limited to L.S.-R.S. 33:2955 and the Housing Authority investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at quoted market prices except for the following which are required/permitted as per GASB Statement No. 31:

Investments in *nonparticipating* interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.

Definitions:

Interest-earning investment contract include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

F. REVENUE RECOGNITION Revenues and other governmental fund financial resource increments are recognized in the accounting period in which they become susceptible to accrual – that is, when they become *measurable* and *available* to the finance expenditures of the fiscal period. “Available” is determined as collectible within the 12 months of the fiscal year or soon enough thereafter to be used in pay liabilities of the current period.

G. INVENTORY All purchased inventory items are valued at cost using the first-in, first-out method. Inventory is recorded using the purchase method. At year end, the amount of inventory is recorded for external financial reporting.

H. PREPAID ITEMS Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

HOUSING AUTHORITY OF HOMER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

I. CAPITAL ASSETS Capital assets are recorded at historical cost and depreciated over their estimated useful lives (excluding salvage value). The capitalization threshold is \$500. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Site improvements	15 years
Buildings	15-33 years
Building improvements	15 years
Furniture and equipment	5-7 years
Computers	3 years

J. UNEARNED INCOME The Housing Authority reports prepaid revenues on its statement of net position. Prepaid revenues arise when resources are received by the Housing Authority before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the Housing Authority has a legal claim to the resources, the liability for prepaid revenue is removed from the statement of net position and the revenue is recognized.

K. COMPENSATED ABSENCES The Housing Authority follows Louisiana Civil Service regulations for accumulated annual and sick leave. Employees may accumulate up to three hundred hours of annual leave which may be received upon termination or retirement. Sick leave hours accumulate, but the employee is not paid for them if not used by his/her retirement or termination date.

L. POST EMPLOYMENT BENEFITS The Authority does not recognize or pay any post employment benefits. Accordingly, Governmental Accounting Standards Board (GASB) Statement Number 45 does not apply.

M. NET POSITION AND FLOW ASSUMPTIONS Net position is reported as restricted when constraints are placed on net position use as either:

Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Restricted resources are used first when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

HOUSING AUTHORITY OF HOMER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

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

NOTE 2 – DEPOSITS AND INVESTMENTS The Housing Authority has reported their investments with a maturity at time of purchase of one year or less at amortized cost. Investments with maturity at time of purchase of greater than one year are presented at fair value at June 30, 2017. Deposits are stated at cost, which approximates fair value.

Interest Rate Risk: The Housing Authority's policy does not address interest rate risk.

Credit Rate Risk: GASB 40 disclosure of credit rate risk does not apply, since the Authority's only investments are certificates of deposit.

Custodial Credit Risk: The Authority's policy requires the financial institution to cover the first \$250,000 of deposits with FDIC coverage. Any excess deposits must be collateralized with securities held by the pledging financial institution, with a fair market value that equals or exceeds the amount of excess deposits.

Restricted Cash: \$10,450 is restricted in the General Fund for security deposits.

At June 30, 2017, the Housing Authority's carrying amount of deposits was \$252,432 and the bank balance was \$256,505. Petty cash consists of \$100. \$250,000 of the bank balance was covered by FDIC Insurance. The remaining bank balance of \$6,505 was covered by pledged securities. However, this \$6,505 was exposed to custodial credit risk, as defined by GASBS No. 40, para. 8, because it was uninsured and collateralized with securities held by the pledging financial institution's trust department or agent but not in the Housing Authority's name.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 40, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Housing Authority that the fiscal agent has failed to pay deposited funds upon demand. Investments during the year were solely in time deposits at banks.

HOUSING AUTHORITY OF HOMER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 3 – ACCOUNTS RECEIVABLE The receivables at June 30, 2017, are as follows:

<u>Class of Receivables</u>	
Local sources:	
Tenants	\$ 3,547
Federal sources:	
Grants	31,188
Total	\$ 34,735

NOTE 4 – CAPITAL ASSETS The changes in capital assets are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Non-depreciable assets				
Land and buildings	\$ 41,564	\$ 0	\$ 0	\$ 41,564
Depreciable assets:				
Buildings	4,853,422	172,121	0	5,025,543
Furniture and equipment	201,235	17,279	0	218,514
Total capital assets	5,096,221	189,400	0	5,285,621
Less: accumulated depreciation				
Buildings	3,937,916	157,208	0	4,095,124
Furniture and equipment	189,600	9,013	0	198,613
Total accumulated depreciation	4,127,516	166,221	0	4,293,737
Total capital assets, net	\$ 968,705	\$ 23,179	\$ 0	\$ 991,884

HOUSING AUTHORITY OF HOMER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

NOTE 5 – ACCOUNTS PAYABLE The payables at June 30, 2017 are as follows:

Vendors	\$	10,099
Payroll taxes & Retirement withheld		7,857
Utilities		6,425
		24,381
Total	\$	24,381

NOTE 6 – COMPENSATED ABSENCES At June 30, 2017, employees of the Housing Authority have accumulated and vested \$22,293 of employee leave computed in accordance with GASB, Codification Section C60.

NOTE 7 – LONG-TERM OBLIGATIONS The following is a summary of the long-term obligation transactions for the year ended June 30, 2017.

		Compensated Absences
Balance, beginning	\$	20,309
Additions		5,800
Deletions		3,816
		22,293
Amounts due in one year	\$	6,629

NOTE 8 – RETIREMENT SYSTEM Housing Authority participates in the Housing Agency Retirement Trust (HART), which is a defined contribution plan. The plan consists of employees of various local and regional housing authorities, urban renewal agencies, and other similar organizations. Through this plan, the Housing Authority provides pension benefits for all of its full-time employees. All full-time employees are eligible to participate in the plan after six months of service.

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer is required to make monthly contributions equal to 3% of each participant’s effective compensation. The employee does not contribute.

HOUSING AUTHORITY OF HOMER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

The Housing Authority's contribution for each employee and income allocated to the employee's account is fully vested after five years of continuous service. The Housing Authority's contributions and interest forfeited by employees who leave employment before five years of service are first used to pay for plan expenses and if there is any residual amount, the amount is refunded to the Housing Authority.

The Housing Authority has the right to establish or amend retirement plan provisions. The Housing Authority's Joinder Agreement with the Housing Agency Retirement Trust may be amended or modified by Board Resolution. Amendment of the Joinder Agreement is limited to provisions affecting plan specifications.

The Housing Authority made the required contributions of \$3,709 for the year ended June 30, 2017, of which \$3,709 was paid by the Housing Authority. No payments were made out of the forfeiture account.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Commitments On September 18, 2017, the Authority entered into an Employment Agreement with the Executive Director. The agreement is for two years, beginning October 6, 2017.

The contract may be terminated for cause, as specified in the contract. The Board may also terminate without cause, if such termination, in the Board's opinion, serves the best interests of the Authority. If the Executive Director is terminated for any reason, due process is required, as outlined in the agreement. Either party must give 30 days written notice to the other party.

The Executive Director will be paid any accrued salary through the date of termination, in the event termination should occur. The Director is also entitled to all earned annual leave at the time of separation, regardless of the reason for the separation.

If terminated without cause, the Authority will pay the Executive Director the salary and benefits she would have earned or received for the remainder of the contract, payable in equal installments on the fifteenth and last day of the month.

Litigation The Housing Authority is not presently involved in litigation.

Grant Disallowances The Housing Authority participates in a number of federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. Housing Authority management believes that the amount of disallowance, if any, which may arise from future audits will not be material.

HOUSING AUTHORITY OF HOMER, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2017

Construction Projects There are certain renovation or construction projects in progress at June 30, 2017. These include modernizing rental units. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

Risk Management The Housing Authority is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Housing Authority carries commercial insurance.

The Housing Authority transfers risk of loss by participating in a public entity risk pool and contracting with a commercial insurance carrier for all major categories of exposed risk.

This includes coverage of property, general liability, public liability, auto, bond, and worker's compensation. The risk pool and insurance contracted are obligated to meet settlements up to the maximum coverage, after the PHA's premiums and deductions are met.

Louisiana State law prohibits one governmental entity assessing another entity. If the Louisiana Housing Council Group Self Insured Fund (LHC) risk pool is unable to meet its obligations, the risk to the Housing Authority is only that its own claim would be unpaid.

Coverage has not significantly changed from the previous year and settlements for each of the past three years have not exceeded insurance coverage.

NOTE 10 – ECONOMIC DEPENDENCE The Department of Housing and Urban Development provided \$328,610 to the Housing Authority, which represents approximately 58% of the Housing Authority's total revenue and capital contributions for the year.

NOTE 11 - SUBSEQUENT EVENTS Management has evaluated events and transactions subsequent to the statement of net position date through, November 22, 2017, of the independent auditor's report for potential recognition or disclosure in the financial statements. Management has not identified any items requiring recognition or disclosure.



MIKE ESTES, CPA

MIKE ESTES, P.C.
A PROFESSIONAL ACCOUNTING CORPORATION
4040 FOSSIL CREEK BLVD. – SUITE 100
FORT WORTH, TEXAS 76137

Phone (817) 831-3553
Fax (817) 831-3560 / (817) 831-3558
e-mail: office@mikeestepc.com
website: mikeestepc.com

MEMBER OF THE
AMERICAN INSTITUTE OF
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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*

Independent Auditor's Report

Housing Authority of Homer
Homer, Louisiana

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 General of the United States, the financial statements of each major fund of the Housing Authority of the Town of Homer, Louisiana, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Housing Authority of the Town of Homer, Louisiana's basic financial statements, and have issued our report thereon dated November 22, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority of the Town of Homer, Louisiana'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 Housing Authority of the Town of Homer, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the Town of Homer, Louisiana's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of the Town of Homer, Louisiana'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.

Mike Estes, P.C.

Mike Estes, P.C.
Fort Worth, Texas
November 22, 2017

HOUSING AUTHORITY OF HOMER, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED YEAR ENDED JUNE 30, 2017

Section I – Summary of the Auditor’s Results

Financial Statement Audit

1. Type of Auditor’s Report Issued on Financial Statements – Unmodified.
2. Internal Control Over Financial Reporting:
 - a. Material weakness(es) identified? _____ yes ✓ no
 - b. Significant deficiency(ies) identified? _____ yes ✓ none reported
3. Noncompliance material to financial statements noted? _____ yes ✓ no

HOUSING AUTHORITY OF HOMER, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED JUNE 30, 2017

Section II – Findings related to the financial statements which are required to be reported in accordance with Governmental Auditing Standards generally accepted in the United States of America:

None

HOUSING AUTHORITY OF HOMER, LOUISIANA
CORRECTIVE ACTION PLAN

YEAR ENDED JUNE 30, 2017

There were no audit findings.

HOUSING AUTHORITY OF HOMER, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED JUNE 30, 2017

The following prior audit finding was a significant deficiency, required to be reported, in the prior year in accordance with *Governmental Auditing Standards* generally accepted in the United States of America:

There were no prior audit findings.

HOUSING AUTHORITY OF HOMER, LOUISIANA
SUMMARY SCHEDULE OF PRIOR MANAGEMENT LETTER ITEMS

YEAR ENDED JUNE 30, 2017

2016 - MI – Overpayment of Insurance Premium

A couple of insurance premiums were paid twice, which resulted in an accounts receivable from the insurance company of \$15,538 at year end. It appears the system to receive, review, and process invoices and statements is suitably designed and operates well. This exception appears to be an isolated instance. But Management and the check co-signers are encouraged to check all invoices carefully before approval and payment.

Management's Response

We believe the exception noted above was an isolated instance. But we will carefully review all invoices in the future.

Current Status

This situation was corrected. The recommendation was properly followed.

SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF HOMER, LOUISIANA
STATEMENT AND CERTIFICATION OF ACTUAL MODERNIZATION COSTS
ANNUAL CONTRIBUTION CONTRACT

YEAR ENDED JUNE 30, 2017

		2015 Capital Fund
Funds approved	\$	108,445
Funds expended		108,445
Excess of funds approved	\$	0
Funds advanced	\$	108,445
Funds expended		108,445
Excess (Deficiency) of funds advanced	\$	0

1. The Actual Modernization Costs are as follows:
2. The distribution of costs by project as shown on the Final Statement of Modernization Costs dated February 23, 2017 accompanying the Actual Modernization Costs Certificate submitted to HUD for approval is in agreement with the PHA's records.
3. All modernization costs have been paid and all related liabilities have been discharged through payment.

HOUSING AUTHORITY OF HOMER, LOUISIANA
STATEMENT OF MODERNIZATION COSTS - UNCOMPLETED

YEAR ENDED JUNE 30, 2017

CASH BASIS

		2016 Capital Fund
Funds approved	\$	111,955
Funds expended		57,405
Excess of funds approved	\$	54,550
 Funds advanced	 \$	 57,405
Funds expended		57,405
Excess (Deficiency) of funds	\$	0

See accountants' report

HOUSING AUTHORITY OF HOMER, LOUISIANA
 SCHEDULE OF COMPENSATION, BENEFITS AND OTHER PAYMENTS TO AGENCY HEAD
 OR CHIEF EXECUTIVE DIRECTOR

YEAR ENDED JUNE 30, 2017

Agency Head Name: Debra Sarpy, Executive Director

Purpose	Amount
Salary	\$ 56,243
Benefits-insurance	
Benefits-retirement	1,372
Benefits-	
Car allowance	
Vehicle provided by government	
Per diem	750
Reimbursements	
Travel	383
Registration fees	950
Conference travel	
Continuing professional education fees	
Housing	
Unvouchered expenses*	
Special meals	
Total	\$ 59,698

See accountants' report

HOUSING AUTHORITY OF HOMER, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2017

FEDERAL GRANTOR PROGRAM TITLE	CDFA NO.	PROGRAM EXPENDITURES
U. S. Department of Housing and Urban Development Direct Programs:		
Low-Income Housing Operating Subsidy	14.850a	\$ 262,555
Capital Fund Program	14.872	66,055
Total United States Department of Housing and Urban Development		\$ 328,610
Total Expenditures of Federal Awards		\$ 328,610

The accompanying notes are an integral part of this schedule.

HOUSING AUTHORITY OF HOMER, LOUISIANA
 NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED JUNE 30, 2017

NOTE 1 – BASIS OF PRESENTATION The accompanying Schedule of Expenditures of Federal Awards (the “Schedule”) includes the federal award activity of the Housing Authority of the Town of Homer, Louisiana (the “Housing Authority”) under programs of the federal government for the year ended June 30, 2017. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Housing Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the Housing Authority.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Housing Authority has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS Federal awards revenues are reported in the Housing Authority’s basic financial statements as follows:

	Federal Sources
Enterprise Funds	
Governmental operating grants	\$ 309,820
Capital contributions	18,790
	328,610
Total	\$ 328,610

NOTE 4 – RELATIONSHIP TO FEDERAL FINANCIAL REPORTS Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with generally accepted accounting principles.



MIKE ESTES, CPA

MIKE ESTES, P.C.
A PROFESSIONAL ACCOUNTING CORPORATION
4040 FOSSIL CREEK BLVD. – SUITE 100
FORT WORTH, TEXAS 76137

Phone (817) 831-3553
Fax (817) 831-3560 / (817) 831-3558
e-mail: office@mikeestepc.com
website: mikeestepc.com

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AGREED UPON PROCEDURES REPORT

Independent Accountant's Report On Applying Agreed-Upon Procedures

To the Board of Directors of the Homer Housing Authority and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by the Homer Housing Authority and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period July 1, 2016 through June 30, 2017. The Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of 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.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) **Budgeting**, including preparing, adopting, monitoring, and amending the budget
 - b) **Purchasing**, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) **Disbursements**, including processing, reviewing, and approving
 - d) **Receipts**, including receiving, recording, and preparing deposits

- e) **Payroll/Personnel**, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) **Contracting**, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
- g) **Credit Cards** (and debit cards, fuel cards, P-Cards, if applicable), including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
- h) **Travel and expense reimbursement**, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
- i) **Ethics**, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111- 1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) **Debt Service**, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Results of Testing:

The Authority has policies for Personnel and Credit Cards. The Travel Policy is included in the Personnel Policy. The Credit Card Policy either needs to be amended for auto fuel, or an additional fuel policy needs to be added. Ethical standards are included in the By-Laws, but it is not a separate policy. For the other required policies or to review for revisions, we have directed Management to the policies listed under Best Practices on the LLA's website. In addition, we have provided examples of the following policies: Budgeting, Purchasing and Disbursements [which also covers Contracting], Receipts, Payroll Processing, and Ethics.

The ethical standards section of the by-laws do not appear to contain the prohibition of R.S. 42:1111. In addition, the section appears to not include the actions to be taken if an ethics violation takes place, include a system to monitor ethical violations, or include the requirement that all employees and board members annually attest through signature verification that they have read the entity's ethics policy.

We recommend that Management adopt the required policies that they do not have, and either revise the existing policies they have or adopt new ones. The examples provided to them should be tailored to their specific situation.

We also note that since the expenditures per the audit year budget exceeded \$500,000, a notice should have been posted with the proper information at least 10 days prior to a public hearing. Management claims that a proper notice was posted, but they did not retain documentation. A public hearing was held. The Board of Commissioners reviewed and approved the operating budget.

Corrective Action Response:

I am Debra Sarpy, Executive Director and Designated Person to respond to these AUP suggestions. We will revise and or adopt the policies noted above. We will also retain documentation that a proper notice was posted.

Board

2. Obtain and review the board/committee minutes for the fiscal period, and:

- a) Report whether the managing board met (with a quorum) at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, or other equivalent document.
- b) Report whether the minutes referenced or included monthly budget-to-actual comparisons on the General Fund and any additional funds identified as major funds in the entity's prior audit (GAAP-basis).
 - If the budget-to-actual comparisons show that management was deficit spending during the fiscal period, report whether there is a formal/written plan to eliminate the deficit spending for those entities with a fund balance deficit. If there is a formal/written plan, report whether the meeting minutes for at least one board meeting during the fiscal period reflect that the board is monitoring the plan.
- c) Report whether the minutes referenced or included non-budgetary financial information (e.g. approval of contracts and disbursements) for at least one meeting during the fiscal period.

Results of Testing:

- a) The board did not meet monthly as the Lawrason Act requires, although they did meet periodically.
- b) The E.D. did an excellent job of reviewing financial and operating information with the Board. However, the minutes do not indicate that comparisons of year-to-date actual numbers were compared to the budget.
- c) Non-budgetary information was reviewed at every board meeting.

We recommend that the board meet monthly in the future, and document that the board reviewed year-to-date budget to actual numbers.

Corrective Action Response:

We will do as the auditor suggests.

Bank Reconciliations

3. Obtain a listing of client bank accounts from management and management's representation that the listing is complete.

Results of Testing:

Management represents that the list is complete.

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
- a) Bank reconciliations have been prepared;
 - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
 - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Results of Testing:

- a) Monthly bank reconciliations were prepared.
- b) Evidence exists that management reviewed each bank reconciliation.
- c) Documentation exists that checks outstanding more than six months were researched.

Collections

5. Obtain a listing of cash/check/money order (cash) collection locations and management's representation that the listing is complete.

Results of Testing:

Management represents the listing is complete.

6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* **For each cash collection location selected:**
- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for

depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.
 - Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Results of Testing:

- a) The written documentation noted in [a] above was reviewed and contained the noted aspects.
- b) The written documentation noted in [b] above was reviewed and contained the noted aspects.
- c) In our tests, we noted collections on a Thursday, May 4, 2017, that were not deposited until the following Monday. However, the rent collection drawer is not closed until 6 pm and the bank closes at 2 pm. The office is closed on Friday. The next business day was the following Monday.

7. Obtain existing written documentation (e.g. policy manual, written procedure) and report whether the entity has a process specifically defined (identified as such by the entity) to determine completeness of all collections, including electronic transfers, for each revenue source and agency fund additions (e.g. periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation) by a person who is not responsible for collections.

Results of Testing:

Management has a written procedure that defines the completeness of collections, including electronic transfers by a person not responsible for collections.

Disbursements – General (excluding credit card/debit card/fuel card/P-Card purchases or payments)

8. Obtain a listing of entity disbursements from management or, alternately, obtain the general ledger and sort/filter for entity disbursements. Obtain management's representation that the listing or general ledger population is complete.

Results of Testing:

We obtained Management's representation that the list is complete.

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:

- a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
- b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
- c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

Results of Testing:

The results of our tests are as follows:

- a) For nineteen of the twenty-five disbursements, the client used a purchase order. The Authority's policy is only use a purchase order if the purchase exceeds \$500. Four tested were less than \$500. Of our sample, one did not have a purchase order that according to policy, should have had a purchase order. Otherwise this expenditure was properly supported and reasonable.
- b) Purchase orders were approved by a person who did not initiate the purchase.
- c) Payments were not processed without [1] an approved purchase order [if greater than \$500] and a receiving report or equivalent that acknowledged that the proper goods ordered were received, and an approved invoice.

Management admits the exception for the one lack of a purchase order in accordance with policy. Management should ensure that purchase orders are always used in accordance with the adopted policy.

Corrective Action Response:

We will do as the auditor suggests.

10. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing/disbursement system.

Results of Testing:

There was no documentation in writing that the person responsible for processing payments is prohibited from adding vendors to the entity's purchasing system, although the Executive Director reviews all vendors.

Corrective Action Response:

Language requiring the Executive Director's approval has been added to the Purchasing and Disbursements Policy that we will soon adopt.

11. Using entity documentation (e.g. electronic system control documentation, policy manual, written procedure), report whether the persons with signatory authority or who make the final authorization for disbursements have no responsibility for initiating or recording purchases.

Results of Testing:

The persons with signatory authority or who makes the final authorization for disbursements have no responsibility for initiating or recording purchases.

12. Inquire of management and observe whether the supply of unused checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority, and report any exceptions. Alternately, if the checks are electronically printed on blank check stock, review entity documentation (electronic system control documentation) and report whether the persons with signatory authority have system access to print checks.

Results of Testing:

The Authority has metal cabinets with a lock that holds all checks for each account. The keys are kept in a separate area. Only the E.D. and the in-house bookkeeper have access to the key.

13. If a signature stamp or signature machine is used, inquire of the signer whether his or her signature is maintained under his or her control or is used only with the knowledge and consent of the signer. Inquire of the signer whether signed checks are likewise maintained under the control of the signer or authorized user until mailed. Report any exceptions.

Results of Testing:

Neither a signature stamp nor a signature machine is used.

Credit Cards/Debit Cards/Fuel Cards/P-Cards

14. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards), including the card numbers and the names of the persons who maintained possession of the cards. Obtain management's representation that the listing is complete.

Results of Testing:

Management represented that the list was complete.

15. Using the listing prepared by management, randomly select 10 cards (or at least one-third of the cards if the entity has less than 10 cards) that were used during the fiscal period, rotating cards each year. If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner.

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

- a) Report whether there is evidence that the monthly statement or combined statement and supporting documentation was reviewed and approved, in writing, by someone other than the authorized card holder. [Note: Requiring such approval may constrain the legal authority of certain public officials (e.g., mayor of a Lawrason Act municipality); these instances should not be reported.]]
- b) Report whether finance charges and/or late fees were assessed on the selected statements.

Results of Testing:

- a) For the period tested, there was written documentation that the charges were reviewed by someone other than the card holder.
- b) No interest was charged for the period.

16. Using the monthly statements or combined statements selected under #15 above, obtain supporting documentation for all transactions for each of the 10 cards selected (i.e. each of the 10 cards should have one month of transactions subject to testing).

a) For each transaction, report whether the transaction is supported by:

- An original itemized receipt (i.e., identifies precisely what was purchased)
- Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
- Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Results of Testing:

For the period tested, no exceptions were noted in performing the above steps [a], [b], and [c].

Travel and Expense Reimbursement

17. Obtain from management a listing of all travel and related expense reimbursements, by person, during the fiscal period or, alternately, obtain the general ledger and sort/filter for travel reimbursements. Obtain management's representation that the listing or general ledger is complete.

Results of Testing:

Management represented that the listing was complete.

18. Obtain the entity's written policies related to travel and expense reimbursements. Compare the amounts in the policies to the per diem and mileage rates established by the U.S. General Services Administration (www.gsa.gov) and report any amounts that exceed GSA rates.

Results of Testing:

No exceptions were noted in our tests.

19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
- b) Report whether each expense is supported by:
 - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.] ➤ Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Results of Testing:

No exceptions were noted in the above tests. Expense and related documentation was reviewed and approved in writing by someone other than the person receiving reimbursement.

Contracts

20. Obtain a listing of all contracts in effect during the fiscal period or, alternately, obtain the general ledger and sort/filter for contract payments. Obtain management's representation that the listing or general ledger is complete.

Results of Testing:

Management represented that the list was complete.

21. Using the listing above, select the five contract “vendors” that were paid the most money during the fiscal period (excluding purchases on state contract and excluding payments to the practitioner). Obtain the related contracts and paid invoices and:

- a) Report whether there is a formal/written contract that supports the services arrangement and the amount paid.
- b) Compare each contract’s detail to the Louisiana Public Bid Law or Procurement Code. Report whether each contract is subject to the Louisiana Public Bid Law or Procurement Code and:
 - If yes, obtain/compare supporting contract documentation to legal requirements and report whether the entity complied with all legal requirements (e.g., solicited quotes or bids, advertisement, selected lowest bidder)
 - If no, obtain supporting contract documentation and report whether the entity solicited quotes as a best practice.
- c) Report whether the contract was amended. If so, report the scope and dollar amount of the amendment and whether the original contract terms contemplated or provided for such an amendment.
- d) Select the largest payment from each of the five contracts, obtain the supporting invoice, compare the invoice to the contract terms, and report whether the invoice and related payment complied with the terms and conditions of the contract.
- e) Obtain/review contract documentation and board minutes and report whether there is documentation of board approval, if required by policy or law (e.g. Lawrason Act or Home Rule Charter).

Results of Testing:

Highest vendor

There was a formal, written contract that supported the services and the amounts paid

The highest vendor was used for substantial unit repair. The contract amount fell into the threshold for sealed bidding. It appears the proper procedures were followed. Per the LPC and R.S. 39:1594, the State does not require a minimum number of bids. For this level of expenditure, it appears HUD required three bids. Three bids were obtained. One change order was approved by the Board. The payments were properly supported by invoice and other documentation. Written board approval was obtained.

Second highest vendor

This amount was for professional accounting services. We reviewed a proper signed contract. Management solicited proposals in 2015. The Authority ran an ad in a local publication requesting proposals. The Louisiana Procurement Code [LPC} requires, for annual contract amounts between \$15,000-\$25,000, which is where this contract is, quotes from at least three or more vendors by telephone, facsimile, or other means. It appears that Management obtained only two, although they appeared to make a good faith effort to obtain three. The largest amount was agreed to a proper invoice. Board approval was obtained for the 2015 contract renewal.

Third highest vendor

The fourth largest vendor had two expenditures that exceeded \$3,900 but were less than \$5,400. Both were above the HUD \$3,000 Micro Purchase Policy, which conforms to the Uniform Guidance requirements. As noted above, in this range, the LPC requires quotes from at least three sources. Management obtained two quotes. They appeared to make a good faith effort to obtain three. The largest amount was agreed to a supporting invoice and other documentation. In our opinion, the amounts were below the threshold that required board approval.

Fourth and fifth highest vendors

The fourth and fifth largest contracts had all payments below the Micro Purchase level of \$3,000. Management claims that even for these expenditures, amounts are compared to another local vendor and that the less expensive is purchased. The largest amounts for both were agreed to a supporting invoice and other documentation. In our opinion, the amounts are below the threshold that required board approval.

Recommendation

For all contracts above the HUD \$3,000 Micro Purchase amount for single purchases, the Authority should make every effort to obtain the minimum number of bids. The minimum number varies, depending on the level of expenditure. Both HUD and the State generate procurement bid thresholds. The Authority must follow the stricter guideline. A much documentation as possible should be retained to document the efforts to obtain the minimum level number of quotes, *especially* when the minimum number is not obtained. HUD requires that an independent cost estimate [ICE] be obtained on all amounts above the Micro Purchase amount of \$3,000.

Corrective Action Response:

We will do as the auditor suggests.

Payroll and Personnel

22. Obtain a listing of employees (and elected officials, if applicable) with their related salaries, and obtain management's representation that the listing is complete. Randomly select five employees/officials, obtain their personnel files, and:

- a) Review compensation paid to each employee during the fiscal period and report whether payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
- b) Review changes made to hourly pay rates/salaries during the fiscal period and report whether those changes were approved in writing and in accordance with written policy.

Results of Testing:

Raises were given at the beginning of the fiscal year. It appears when the adjusted salary was divided by the twenty-six periodic payments that were to be made over the fiscal year, a clerical error was made for two employees. The raises were checked by both Management and the fee accountant. All paychecks were co-signed. When we brought this to Management's attention during our tests, the Executive Director immediately informed the Board of Commissioners. One employee repaid the overpayment in full on

November 14, 2017. The other employee will have amounts withheld from remaining checks for the fiscal year, which will repay the balance owed by the second employee, by the end of the current fiscal year.

In the future, all salaries should be double and perhaps triple checked, when the annual salary is divided by the bi-weekly payment schedule.

Corrective Action Response:

We will do as the auditor suggests.

23. Obtain attendance and leave records and randomly select one pay period in which leave has been taken by at least one employee. Within that pay period, randomly select 25 employees/officials (or randomly select one-third of employees/officials if the entity had less than 25 employees during the fiscal period), and:

- a) Report whether all selected employees/officials documented their daily attendance and leave (e.g., vacation, sick, compensatory). (Note: Generally, an elected official is not eligible to earn leave and does not document his/her attendance and leave. However, if the elected official is earning leave according to policy and/or contract, the official should document his/her daily attendance and leave.)
- b) Report whether there is written documentation that supervisors approved, electronically or in writing, the attendance and leave of the selected employees/officials.
- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Results of Testing:

- a) The selected employees documented their daily attendance and leave.
- b) There was written documentation that a supervisor approved the attendance and leave records of the employee payments we tested.
- c) There was written documentation that the Authority maintained written leave records for the payments we tested.

24. Obtain from management a list of those employees/officials that terminated during the fiscal period and management's representation that the list is complete. If applicable, select the two largest termination payments (e.g., vacation, sick, compensatory time) made during the fiscal period and obtain the personnel files for the two employees/officials. Report whether the termination payments were made in strict accordance with policy and/or contract and approved by management.

Results of Testing:

We noted no exceptions in the above tests.

25. Obtain supporting documentation (e.g. cancelled checks, EFT documentation) relating to payroll taxes and retirement contributions during the fiscal period. Report whether the employee and employer portions of payroll taxes and retirement contributions, as well as the required reporting forms, were submitted to the applicable agencies by the required deadlines.

Results of Testing:

No exceptions were noted in the above tests.

Ethics (excluding nonprofits)

26. Using the five randomly selected employees/officials from procedure #22 under “Payroll and Personnel” above, obtain ethics compliance documentation from management and report whether the entity maintained documentation to demonstrate that required ethics training was completed.

Results of Testing:

We obtained the ethics compliance documentation for the five employees tested. The entity presently has a system to monitor ethics training. However, the policy we have recommended the Authority to adopt requires each employee and board member to attest and note in writing on an annual basis that they have read the Ethics policy, as noted in Ethics, Written Policies and Procedures, the first section of this report.

Corrective Action Response:

We will adopt the recommended Ethics Policy.

27. Inquire of management whether any alleged ethics violations were reported to the entity during the fiscal period. If applicable, review documentation that demonstrates whether management investigated alleged ethics violations, the corrective actions taken, and whether management’s actions complied with the entity’s ethics policy. Report whether management received allegations, whether management investigated allegations received, and whether the allegations were addressed in accordance with policy.

Results of Testing:

Management represents that no alleged ethics violations were reported to them during the fiscal period.

Debt Service (excluding nonprofits)

28. If debt was issued during the fiscal period, obtain supporting documentation from the entity, and report whether State Bond Commission approval was obtained.

Results of Testing:

Not applicable.

29. If the entity had outstanding debt during the fiscal period, obtain supporting documentation from the entity and report whether the entity made scheduled debt service payments and maintained debt reserves, as required by debt covenants.

Results of Testing:

Not applicable.

30. If the entity had tax mileages relating to debt service, obtain supporting documentation and report whether millage collections exceed debt service payments by more than 10% during the fiscal period. Also, report any millages that continue to be received for debt that has been paid off.

Results of Testing:

Not applicable.

Other

31. Inquire of management whether the entity had any misappropriations of public funds or assets. If so, obtain/review supporting documentation and report whether the entity reported the misappropriation to the legislative auditor and the district attorney of the parish in which the entity is domiciled.

Results of Testing:

Management represents that they are not aware of any misappropriation of public funds or assets.

32. Observe and report whether the entity has posted on its premises and website, the notice required by R.S. 24:523.1. This notice (available for download or print at www.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.

Results of Testing:

The notice is properly posted.

33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Results of Testing:

No exceptions to management's representations were noted.

We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

The purpose of this report is solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Mike Estes, P.C.

Mike Estes, P.C.
Fort Worth, Texas
November 22, 2017

HOUSING AUTHORITY OF HOMER, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2017

Entity Wide Balance Sheet Summary		
	Project Total	Total
111 Cash - Unrestricted	\$242,082	\$242,082
112 Cash - Restricted - Modernization and Development		
113 Cash - Other Restricted		
114 Cash - Tenant Security Deposits	\$10,450	\$10,450
115 Cash - Restricted for Payment of Current Liabilities		
100 Total Cash	\$252,532	\$252,532
121 Accounts Receivable - PHA Projects		
122 Accounts Receivable - HUD Other Projects	\$31,188	\$31,188
124 Accounts Receivable - Other Government		
125 Accounts Receivable - Miscellaneous		
126 Accounts Receivable - Tenants	\$3,547	\$3,547
126.1 Allowance for Doubtful Accounts - Tenants	\$0	\$0
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current		
128 Fraud Recovery		
128.1 Allowance for Doubtful Accounts - Fraud		
129 Accrued Interest Receivable		
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$34,735	\$34,735
131 Investments - Unrestricted		
132 Investments - Restricted		
135 Investments - Restricted for Payment of Current Liability		
142 Prepaid Expenses and Other Assets	\$21,866	\$21,866
143 Inventories	\$3,276	\$3,276
143.1 Allowance for Obsolete Inventories	-\$199	-\$199
144 Inter Program Due From		
145 Assets Held for Sale		
150 Total Current Assets	\$312,210	\$312,210
161 Land	\$41,563	\$41,563
162 Buildings	\$4,553,737	\$4,553,737
163 Furniture, Equipment & Machinery - Dwellings	\$88,180	\$88,180
164 Furniture, Equipment & Machinery - Administration	\$130,334	\$130,334
165 Leasehold Improvements	\$471,807	\$471,807
166 Accumulated Depreciation	-\$4,293,737	-\$4,293,737
167 Construction in Progress		
168 Infrastructure		
160 Total Capital Assets, Net of Accumulated Depreciation	\$991,884	\$991,884
171 Notes, Loans and Mortgages Receivable - Non-Current		
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due		
173 Grants Receivable - Non Current		
174 Other Assets		
176 Investments in Joint Ventures		
180 Total Non-Current Assets	\$991,884	\$991,884
200 Deferred Outflow of Resources		
290 Total Assets and Deferred Outflow of Resources	\$1,304,094	\$1,304,094

HOUSING AUTHORITY OF HOMER, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2017

Entity Wide Balance Sheet Summary		
	Project Total	Total
311 Bank Overdraft		
312 Accounts Payable <= 90 Days	\$10,099	\$10,099
313 Accounts Payable >90 Days Past Due		
321 Accrued Wage/Payroll Taxes Payable	\$7,857	\$7,857
322 Accrued Compensated Absences - Current Portion	\$6,629	\$6,629
324 Accrued Contingency Liability		
325 Accrued Interest Payable		
331 Accounts Payable - HUD PHA Programs		
332 Account Payable - PHA Projects		
333 Accounts Payable - Other Government	\$16,830	\$16,830
341 Tenant Security Deposits	\$10,450	\$10,450
342 Unearned Revenue	\$1,809	\$1,809
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue		
344 Current Portion of Long-term Debt - Operating Borrowings		
345 Other Current Liabilities	\$0	\$0
346 Accrued Liabilities - Other	\$6,425	\$6,425
347 Inter Program - Due To		
348 Loan Liability - Current		
310 Total Current Liabilities	\$60,099	\$60,099
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue		
352 Long-term Debt, Net of Current - Operating Borrowings		
353 Non-current Liabilities - Other		
354 Accrued Compensated Absences - Non Current	\$15,664	\$15,664
355 Loan Liability - Non Current		
356 FASB 5 Liabilities		
357 Accrued Pension and OPEB Liabilities		
350 Total Non-Current Liabilities	\$15,664	\$15,664
300 Total Liabilities	\$75,763	\$75,763
400 Deferred Inflow of Resources		
508.4 Net Investment in Capital Assets	\$991,884	\$991,884
511.4 Restricted Net Position		
512.4 Unrestricted Net Position	\$236,447	\$236,447
513 Total Equity - Net Assets / Position	\$1,228,331	\$1,228,331
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$1,304,094	\$1,304,094

HOUSING AUTHORITY OF HOMER, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2017

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue	\$203,094		\$203,094
70400 Tenant Revenue - Other	\$14,612		\$14,612
70500 Total Tenant Revenue	\$217,706	\$0	\$217,706
70600 HUD PHA Operating Grants	\$262,555	\$47,265	\$309,820
70610 Capital Grants		\$18,790	\$18,790
70710 Management Fee			
70720 Asset Management Fee			
70730 Book Keeping Fee			
70740 Front Line Service Fee			
70750 Other Fees			
70700 Total Fee Revenue			
70800 Other Government Grants			
71100 Investment Income - Unrestricted	\$786		\$786
71200 Mortgage Interest Income			
71300 Proceeds from Disposition of Assets Held for Sale			
71310 Cost of Sale of Assets			
71400 Fraud Recovery	\$1,350		\$1,350
71500 Other Revenue	\$14,113		\$14,113
71600 Gain or Loss on Sale of Capital Assets			
72000 Investment Income - Restricted			
70000 Total Revenue	\$496,510	\$66,055	\$562,565
91100 Administrative Salaries	\$97,372	\$0	\$97,372
91200 Auditing Fees	\$11,605		\$11,605
91300 Management Fee			
91310 Book-keeping Fee			
91400 Advertising and Marketing	\$318		\$318
91500 Employee Benefit contributions - Administrative	\$9,134		\$9,134
91600 Office Expenses	\$34,136		\$34,136
91700 Legal Expense	\$990		\$990
91800 Travel	\$7,237		\$7,237
91810 Allocated Overhead			
91900 Other	\$19,055	\$0	\$19,055
91000 Total Operating - Administrative	\$179,847	\$0	\$179,847
92000 Asset Management Fee			
92100 Tenant Services - Salaries			
92200 Relocation Costs			
92300 Employee Benefit Contributions - Tenant Services			
92400 Tenant Services - Other			
92500 Total Tenant Services	\$0	\$0	\$0
93100 Water	\$20,365		\$20,365
93200 Electricity	\$12,841		\$12,841
93300 Gas	\$1,948		\$1,948
93400 Fuel			
93500 Labor			

HOUSING AUTHORITY OF HOMER, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2017

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
93600 Sewer	\$14,187		\$14,187
93700 Employee Benefit Contributions - Utilities			
93800 Other Utilities Expense			
93000 Total Utilities	\$49,341	\$0	\$49,341
94100 Ordinary Maintenance and Operations - Labor	\$72,917		\$72,917
94200 Ordinary Maintenance and Operations - Materials and Other	\$23,785		\$23,785
94300 Ordinary Maintenance and Operations Contracts	\$75,827		\$75,827
94500 Employee Benefit Contributions - Ordinary Maintenance	\$21,620		\$21,620
94000 Total Maintenance	\$194,149	\$0	\$194,149
95100 Protective Services - Labor			
95200 Protective Services - Other Contract Costs			
95300 Protective Services - Other			
95500 Employee Benefit Contributions - Protective Services			
95000 Total Protective Services	\$0	\$0	\$0
96110 Property Insurance	\$23,189		\$23,189
96120 Liability Insurance	\$1,955		\$1,955
96130 Workmen's Compensation	\$5,860		\$5,860
96140 All Other Insurance	\$3,743		\$3,743
96100 Total insurance Premiums	\$34,747	\$0	\$34,747
96200 Other General Expenses			
96210 Compensated Absences	\$2,246		\$2,246
96300 Payments in Lieu of Taxes	\$16,830		\$16,830
96400 Bad debt - Tenant Rents	\$9,697		\$9,697
96500 Bad debt - Mortgages			
96600 Bad debt - Other			
96800 Severance Expense			
96000 Total Other General Expenses	\$28,773	\$0	\$28,773
96710 Interest of Mortgage (or Bonds) Payable			
96720 Interest on Notes Payable (Short and Long Term)			
96730 Amortization of Bond Issue Costs			
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$486,857	\$0	\$486,857
97000 Excess of Operating Revenue over Operating Expenses	\$9,653	\$66,055	\$75,708
97100 Extraordinary Maintenance			
97200 Casualty Losses - Non-capitalized			
97300 Housing Assistance Payments			
97350 HAP Portability-In			
97400 Depreciation Expense	\$166,222	\$0	\$166,222
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	\$653,079	\$0	\$653,079

HOUSING AUTHORITY OF HOMER, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2017

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
10010 Operating Transfer In	\$47,265		\$47,265
10020 Operating transfer Out		-\$47,265	-\$47,265
10030 Operating Transfers from/to Primary Government			
10040 Operating Transfers from/to Component Unit			
10050 Proceeds from Notes, Loans and Bonds			
10060 Proceeds from Property Sales			
10070 Extraordinary Items, Net Gain/Loss			
10080 Special Items (Net Gain/Loss)			
10091 Inter Project Excess Cash Transfer In			
10092 Inter Project Excess Cash Transfer Out			
10093 Transfers between Program and Project - In			
10094 Transfers between Project and Program - Out			
10100 Total Other financing Sources (Uses)	\$47,265	-\$47,265	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$109,304	\$18,790	-\$90,514
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$1,318,845	\$0	\$1,318,845
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$122,480	-\$122,480	\$0
11050 Changes in Compensated Absence Balance			
11060 Changes in Contingent Liability Balance			
11070 Changes in Unrecognized Pension Transition Liability			
11080 Changes in Special Term/Severance Benefits Liability			
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents			
11100 Changes in Allowance for Doubtful Accounts - Other			
11170 Administrative Fee Equity			
11180 Housing Assistance Payments Equity			
11190 Unit Months Available	1168		1168
11210 Number of Unit Months Leased	1137		1137
11270 Excess Cash	\$186,597		\$186,597
11610 Land Purchases	\$0	\$0	\$0
11620 Building Purchases	\$170,612	\$13,122	\$183,734
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$5,668	\$5,668
11640 Furniture & Equipment - Administrative Purchases	\$0	\$0	\$0
11650 Leasehold Improvements Purchases	\$0	\$0	\$0
11660 Infrastructure Purchases	\$0	\$0	\$0
13510 CFFP Debt Service Payments	\$0	\$0	\$0
13901 Replacement Housing Factor Funds	\$0	\$0	\$0

HOUSING AUTHORITY OF HOMER, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2017

Entity Wide Revenue and Expense Summary		
	Project Total	Total
70300 Net Tenant Rental Revenue	\$203,094	\$203,094
70400 Tenant Revenue - Other	\$14,612	\$14,612
70500 Total Tenant Revenue	\$217,706	\$217,706
70600 HUD PHA Operating Grants	\$309,820	\$309,820
70610 Capital Grants	\$18,790	\$18,790
70710 Management Fee		
70720 Asset Management Fee		
70730 Book Keeping Fee		
70740 Front Line Service Fee		
70750 Other Fees		
70700 Total Fee Revenue		
70800 Other Government Grants		
71100 Investment Income - Unrestricted	\$786	\$786
71200 Mortgage Interest Income		
71300 Proceeds from Disposition of Assets Held for Sale		
71310 Cost of Sale of Assets		
71400 Fraud Recovery	\$1,350	\$1,350
71500 Other Revenue	\$14,113	\$14,113
71600 Gain or Loss on Sale of Capital Assets		
72000 Investment Income - Restricted		
70000 Total Revenue	\$562,565	\$562,565
91100 Administrative Salaries	\$97,372	\$97,372
91200 Auditing Fees	\$11,605	\$11,605
91300 Management Fee		
91310 Book-keeping Fee		
91400 Advertising and Marketing	\$318	\$318
91500 Employee Benefit contributions - Administrative	\$9,134	\$9,134
91600 Office Expenses	\$34,136	\$34,136
91700 Legal Expense	\$990	\$990
91800 Travel	\$7,237	\$7,237
91810 Allocated Overhead		
91900 Other	\$19,055	\$19,055
91000 Total Operating - Administrative	\$179,847	\$179,847
92000 Asset Management Fee		
92100 Tenant Services - Salaries		
92200 Relocation Costs		
92300 Employee Benefit Contributions - Tenant Services		
92400 Tenant Services - Other		
92500 Total Tenant Services	\$0	\$0
93100 Water	\$20,365	\$20,365
93200 Electricity	\$12,841	\$12,841
93300 Gas	\$1,948	\$1,948
93400 Fuel		
93500 Labor		

HOUSING AUTHORITY OF HOMER, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2017

Entity Wide Revenue and Expense Summary		
	Project Total	Total
93600 Sewer	\$14,187	\$14,187
93700 Employee Benefit Contributions - Utilities		
93800 Other Utilities Expense		
93000 Total Utilities	\$49,341	\$49,341
94100 Ordinary Maintenance and Operations - Labor	\$72,917	\$72,917
94200 Ordinary Maintenance and Operations - Materials and Other	\$23,785	\$23,785
94300 Ordinary Maintenance and Operations Contracts	\$75,827	\$75,827
94500 Employee Benefit Contributions - Ordinary Maintenance	\$21,620	\$21,620
94000 Total Maintenance	\$194,149	\$194,149
95100 Protective Services - Labor		
95200 Protective Services - Other Contract Costs		
95300 Protective Services - Other		
95500 Employee Benefit Contributions - Protective Services		
95000 Total Protective Services	\$0	\$0
96110 Property Insurance	\$23,189	\$23,189
96120 Liability Insurance	\$1,955	\$1,955
96130 Workmen's Compensation	\$5,860	\$5,860
96140 All Other Insurance	\$3,743	\$3,743
96100 Total insurance Premiums	\$34,747	\$34,747
96200 Other General Expenses		
96210 Compensated Absences	\$2,246	\$2,246
96300 Payments in Lieu of Taxes	\$16,830	\$16,830
96400 Bad debt - Tenant Rents	\$9,697	\$9,697
96500 Bad debt - Mortgages		
96600 Bad debt - Other		
96800 Severance Expense		
96000 Total Other General Expenses	\$28,773	\$28,773
96710 Interest of Mortgage (or Bonds) Payable		
96720 Interest on Notes Payable (Short and Long Term)		
96730 Amortization of Bond Issue Costs		
96700 Total Interest Expense and Amortization Cost	\$0	\$0
96900 Total Operating Expenses	\$486,857	\$486,857
97000 Excess of Operating Revenue over Operating Expenses	\$75,708	\$75,708
97100 Extraordinary Maintenance		
97200 Casualty Losses - Non-capitalized		
97300 Housing Assistance Payments		
97350 HAP Portability-In		
97400 Depreciation Expense	\$166,222	\$166,222
97500 Fraud Losses		
97600 Capital Outlays - Governmental Funds		
97700 Debt Principal Payment - Governmental Funds		
97800 Dwelling Units Rent Expense		
90000 Total Expenses	\$653,079	\$653,079

HOUSING AUTHORITY OF HOMER, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED JUNE 30, 2017

Entity Wide Revenue and Expense Summary		
	Project Total	Total
10010 Operating Transfer In	\$47,265	\$47,265
10020 Operating transfer Out	-\$47,265	-\$47,265
10030 Operating Transfers from/to Primary Government		
10040 Operating Transfers from/to Component Unit		
10050 Proceeds from Notes, Loans and Bonds		
10060 Proceeds from Property Sales		
10070 Extraordinary Items, Net Gain/Loss		
10080 Special Items (Net Gain/Loss)		
10091 Inter Project Excess Cash Transfer In		
10092 Inter Project Excess Cash Transfer Out		
10093 Transfers between Program and Project - In		
10094 Transfers between Project and Program - Out		
10100 Total Other financing Sources (Uses)	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$90,514	-\$90,514
11020 Required Annual Debt Principal Payments	\$0	\$0
11030 Beginning Equity	\$1,318,845	\$1,318,845
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0	\$0
11050 Changes in Compensated Absence Balance		
11060 Changes in Contingent Liability Balance		
11070 Changes in Unrecognized Pension Transition Liability		
11080 Changes in Special Term/Severance Benefits Liability		
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents		
11100 Changes in Allowance for Doubtful Accounts - Other		
11170 Administrative Fee Equity		
11180 Housing Assistance Payments Equity		
11190 Unit Months Available	1168	1168
11210 Number of Unit Months Leased	1137	1137
11270 Excess Cash	\$186,597	\$186,597
11610 Land Purchases	\$0	\$0
11620 Building Purchases	\$183,734	\$183,734
11630 Furniture & Equipment - Dwelling Purchases	\$5,668	\$5,668
11640 Furniture & Equipment - Administrative Purchases	\$0	\$0
11650 Leasehold Improvements Purchases	\$0	\$0
11660 Infrastructure Purchases	\$0	\$0
13510 CFFP Debt Service Payments	\$0	\$0
13901 Replacement Housing Factor Funds	\$0	\$0