

HOUSING AUTHORITY OF WHITE CASTLE, LOUISIANA

**AUDITED FINANCIAL STATEMENTS
AND SUPPLEMENTAL DATA**

TWELVE MONTHS ENDED SEPTEMBER 30, 2017

Mike Estes, P.C.
A Professional Accounting Corporation

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

Independent Auditor's Report

Board of Commissioners
Housing Authority of White Castle
White Castle, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the Housing Authority of the Town of White Castle, Louisiana as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Housing Authority of White Castle 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 White Castle, Louisiana, as of September 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 White Castle, Louisiana's basic financial statements. The 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 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 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 March 26, 2018 on our consideration of the Housing Authority of the Town of White Castle, 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 White Castle, Louisiana's internal control over financial reporting and compliance.

Mike Estes, P.C.

Mike Estes, P.C.
Fort Worth, Texas
March 26, 2018

**Housing Authority of the Town of White Castle
Management's Discussion and Analysis
For the Year Ended September 30, 2017**

The Housing Authority of the Town of White Castle (the "Authority") management's discussion and analysis report is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Authority's financial activity, (c) identify changes in the Authority's financial position (its ability to address the next and subsequent year challenges), and (d) identify individual program issues or concerns.

This financial report is designed to provide an overview of the Authority's total financial picture for the fiscal year ending September 30, 2017, for those with an interest. Please read this discussion and analysis in conjunction with the Housing Authority's included audited financial statements.

Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, Housing Authority of the Town of White Castle, P.O. Box 58, White Castle, LA 70788.

FINANCIAL HIGHLIGHTS

- The Authority's net position decreased by \$24,070 during the fiscal year.
- The Authority's operating revenue increased by \$1,472 during the fiscal year.
- The Authority's operating expenses decreased by \$28,748 during the fiscal year.
- At the close of the current fiscal year, the Authority's Assets exceeded its Liabilities by \$2,191,530.
- The Authority administers federal, state and local grants to benefit the low income and elderly citizens of the Town of White Castle.

OVERVIEW OF FINANCIAL STATEMENTS

The financial statements included in this annual report are those of a special-purpose government engaged in a single business-type activity prepared on an accrual basis. Over time, significant changes in the Authority's net position serve as a useful indicator of whether its financial health is improving or deteriorating. To fully assess the financial health of any authority, the reader must also consider other non-financial factors such as changes in family composition, fluctuations in the local economy, Department of Housing and Urban Development (HUD) mandated program administrative changes, and the physical condition of capital assets.

**Housing Authority of the Town of White Castle
Management's Discussion and Analysis
For the Year Ended September 30, 2017**

The follow statements are included:

- **Statement of Net Position** - this statement reports the Authority's assets, liabilities and net position at the end of the fiscal year. You can think of the Authority's net position as the difference between what the Authority owns (assets) and what the Authority owes (liabilities).
- **Statement of Revenues, Expenses, and Changes in Fund Net Position** - this statement presents information showing how the Authority's net position increased or decreased during the current fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of when the cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will result in cash inflows and cash outflows in future periods.
- **Statement of Cash Flows** - this statement presents information showing the total cash receipts and cash disbursements of the Authority during the current fiscal year. The statement reflects the net changes in cash resulting from operations plus any other cash requirements during the current year (i.e. capital additions, debt service, prior period obligations, etc.). In addition, the statement reflects the receipt of cash that was obligated to the Authority in prior periods and subsequently received during the current fiscal year (i.e., receivables and payables).
- **Notes to the Basic Financial Statements** - notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided. These notes provide greater understanding on the overall activity of the Authority and how values are assigned to certain assets and liabilities and the longevity of these values. In addition, notes reflect the impact (if any) of any uncertainties the Authority may face.

In addition to the basic financial statements listed above, our report includes supplemental information. This information is to provide more detail on the Authority's various programs and the required information mandated by regulatory bodies that fund the Authority's various programs.

**Housing Authority of the Town of White Castle
Management's Discussion and Analysis
For the Year Ended September 30, 2017**

Financial Analysis

Condensed Statement of Net Position

	<u>2017</u>	<u>2016</u>	<u>Total Change</u>
Assets			
Current assets	\$ 487,010	\$ 418,771	\$ 68,239
Restricted assets	12,631	15,261	(2,630)
Capital assets (net)	<u>1,795,450</u>	<u>1,859,627</u>	<u>(64,177)</u>
Total Assets	<u>2,295,091</u>	<u>2,293,659</u>	<u>1,432</u>
Liabilities			
Current liabilities	79,060	53,732	25,328
Tenant security deposits	12,631	12,515	116
Noncurrent liabilities	<u>11,870</u>	<u>11,812</u>	<u>58</u>
Total Liabilities	<u>103,561</u>	<u>78,059</u>	<u>25,502</u>
Net Position			
Net Investment in capital assets	1,795,450	1,859,627	(64,177)
Net position	<u>396,080</u>	<u>355,973</u>	<u>40,107</u>
Total Net Position	<u>2,191,530</u>	<u>2,215,600</u>	<u>(24,070)</u>
Total Liabilities and Net	<u>\$ 2,295,091</u>	<u>\$ 2,293,659</u>	<u>\$ 1,432</u>

Current Assets increased by \$68,239.

Capital Assets decreased by \$64,177, as seen in Note 4. This decrease is a result of current depreciation expense exceeding the completion of capital improvements undertaken by the Authority during the year.

Current Liabilities increased by \$25,328 as a result of increased payables to other governments and accrued wages payable, offset by a decrease in accounts payable to vendors, accrued compensated absences payable and unearned income FYE 2017.

Noncurrent Liabilities increased by \$58 as a result of an increase in accrued compensated absences during the year.

Net position - The difference between the Authority's rights (assets) and the Authority's obligations (liabilities) is its net position. Net position is categorized as one of three types.

- Net Investment in capital assets - capital assets, net of accumulated depreciation and related debt, is the capital asset balance offset by long-term debt activity;
- Restricted - the Authority's net position whose use is subject to constraints imposed by law or agreement consisting primarily of debt service reserves;
- Unrestricted - the Authority's net position that is neither invested in capital assets nor restricted which increase principally due to operations. These resources are available to meet the Authority's ongoing obligations to its residents and creditors.

**Housing Authority of the Town of White Castle
Management's Discussion and Analysis
For the Year Ended September 30, 2017
Financial Analysis**

Condensed Statement of Revenues, Expenses and Changes in Fund Net Position

	<u>2017</u>	<u>2016</u>	<u>Net Change</u>
OPERATING REVENUES			
Dwelling rental	\$ 282,745	\$ 283,971	\$ (1,226)
Governmental operating grants	312,684	306,227	6,457
Other	<u>20,628</u>	<u>24,387</u>	<u>(3,759)</u>
Total operating revenues	616,057	614,585	1,472
OPERATING EXPENSES			
Administration	244,132	205,225	38,907
Tenant services	4,852	9,281	(4,429)
Utilities	19,060	18,939	121
Ordinary maintenance & operations	197,462	211,224	(13,762)
Protection services	530	506	24
General expenses	100,186	105,725	(5,539)
Depreciation	293,535	308,905	(15,370)
Extraordinary maintenance	<u>10,184</u>	<u>38,884</u>	<u>(28,700)</u>
Total operating expenses	<u>869,941</u>	<u>898,689</u>	<u>(28,748)</u>
Income (Loss) from Operations	(253,884)	(284,104)	30,220
Non-Operating Revenues (Expenses):			
Interest earnings	<u>457</u>	<u>390</u>	<u>67</u>
Total Non-Operating Revenues	<u>457</u>	<u>390</u>	<u>67</u>
Income (Loss) before contribution	<u>(253,427)</u>	<u>(283,714)</u>	<u>30,287</u>
Capital Contribution	<u>229,357</u>	<u>16,094</u>	<u>213,263</u>
Change in net position	(24,070)	(267,620)	243,550
Total net position – beginning	<u>2,215,600</u>	<u>2,483,220</u>	<u>(267,620)</u>
Total net position – ending	<u>\$ 2,191,530</u>	<u>\$ 2,215,600</u>	<u>\$ (24,070)</u>

**Housing Authority of the Town of White Castle
Management's Discussion and Analysis
For the Year Ended September 30, 2017**

Operating Revenue increased by \$1,472 for the 2017 fiscal year. This increase represents an increase in governmental operating grants, offset by a decrease in dwelling rental and other revenue.

Operating Expenses are categorized by the Authority as administration, tenant services, utilities, ordinary maintenance and operations, protection services, general expenses, depreciation and extraordinary maintenance.

Total operating expenses decreased by \$28,748. This decrease is attributed to decreases in tenant services, ordinary maintenance and operations, general expenses, depreciation and extraordinary maintenance expense, offset by an increase in administration expenses, utilities and protection services for the 2017 fiscal year.

Administration Expenses increased by \$38,907 for the 2017 fiscal year. Most of the increase is attributable to increases in salaries, travel and office expenses.

Tenant Services decreased by \$4,429 for the 2017 fiscal year. This decrease relates to a decrease in tenant services salaries and employee benefit contributions expenditures.

Ordinary Maintenance and Operations Expense decreased by \$13,762 for the 2017 fiscal year. The decrease is related to decreases in labor costs, employee related expenses, as well as, a decrease in materials incurred in the continuation of unit turnaround efforts.

General Expense decreased by \$5,539 for the 2017 fiscal year. This decrease is mainly attributable to decreases in compensated absences and bad debt expenses, offset by an increase in insurance expense.

Extraordinary maintenance decreased by \$28,700 for the 2017 fiscal year. Most of these expenses were funded by capital contributions which caused a reduction in extraordinary maintenance expenses for the 2017 fiscal year.

Non-Operating Revenues increased by \$67 due to an increase in interest earnings for the 2017 fiscal year.

Capital Contributions increased by \$213,263 due to an increase in capital grant contributions received during the 2017 fiscal year.

CAPITAL ASSET AND DEBT ACTIVITY

The Authority's capital assets as of September 30, 2017, amounts to \$1,795,450 (net of accumulated depreciation).

The investment in capital assets includes land, buildings and improvements, furniture and equipment, construction in progress, and accumulated depreciation. The total decrease in the Authority's capital assets for the current fiscal year was \$64,177.

**Housing Authority of the Town of White Castle
Management's Discussion and Analysis
For the Year Ended September 30, 2017
Capital Assets, Net of Accumulated Depreciation**

	<u>2017</u>	<u>2016</u>	<u>Total Change</u>
Land	\$ 236,540	\$ 236,540	\$ -
Buildings and improvements	7,603,678	7,472,589	131,089
Furniture and equipment	218,977	218,977	-
Construction in Progress	232,302	134,033	98,269
Accumulated Depreciation	<u>(6,496,047)</u>	<u>(6,202,512)</u>	<u>(293,535)</u>
Total	<u>\$ 1,795,450</u>	<u>\$ 1,859,627</u>	<u>\$ (64,177)</u>

Additional information on the Housing Authority of the Town of White Castle, Louisiana's capital assets can be found in the notes to the financial statements in this report.

DEBT

Non-current liabilities include accrued annual vacation leave to employees. The Authority has not incurred any mortgages, leases, or bond indentures for financing capital assets or operations.

FACTORS AFFECTING NEXT YEAR'S BUDGET

The Authority is dependent upon HUD for the funding of its Low Rent Public Housing and Capital Fund programs; therefore, the Authority is affected by the federal budget than by local economic conditions.

ECONOMIC FACTORS

Significant economic factors which may affect the financial position of the Authority in the subsequent fiscal year are as follows:

- Federal funding provided by Congress to the Department of Housing and Urban Development and new rules and regulations, which could be unfunded;
- Local labor supply and demand, which can affect salary and wage rates;
- Local inflationary, recessionary and employment trends, which can affect resident incomes and therefore tenant rental income;
- Natural disasters which can have a devastating impact on the local economy;
- Inflationary pressure on utility rates, supplies and other costs; and
- Unemployment rates which can have an effect on rent.

HOUSING AUTHORITY OF WHITE CASTLE, LOUISIANA
STATEMENT OF NET POSITION

SEPTEMBER 30, 2017

ASSETS	
Current assets	
Cash and cash equivalents	\$ 267,147
Investments	52,141
Accounts receivable net	126,130
Prepaid items and other assets	34,305
Inventory	7,287
Restricted assets - cash and cash equivalents	12,631
	<hr/>
Total Current Assets	499,641
	<hr/>
Capital Assets, net	
Land and other non-depreciated assets	468,842
Other capital assets - net of depreciation	1,326,608
	<hr/>
Total Capital Assets, net	1,795,450
	<hr/>
Total Assets	\$ 2,295,091
	<hr/> <hr/>
LIABILITIES	
Current Liabilities	
Accounts payable	\$ 14,635
Unearned income	2,101
Compensated absences payable	6,367
Accrued PILOT	55,957
Deposits due others	12,631
	<hr/>
Total Current Liabilities	91,691
	<hr/>
Noncurrent Liabilities	
Compensated absences payable	11,870
	<hr/>
Total Liabilities	103,561
	<hr/>
NET POSITION	
Net investment in capital assets	1,795,450
Unrestricted	396,080
	<hr/>
Net Position	\$ 2,191,530
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The Notes to the Financial Statements are an integral part of these statements.

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

FOR THE YEAR ENDED SEPTEMBER 30, 2017

OPERATING REVENUES	
Dwelling rental	\$ 282,745
Governmental operating grants	312,684
Tenant Revenue - Other	15,538
Other	5,090
Total Operating Revenues	616,057
OPERATING EXPENSES	
Administration	244,132
Tenant services	4,852
Utilities	19,060
Ordinary maintenance & operations	197,462
Protective services	530
General expenses	100,186
Depreciation	293,535
Extraordinary maintenance	10,184
Total Operating Expenses	869,941
Income (Loss) from Operations	(253,884)
Non Operating Revenues (Expenses)	
Interest earnings	457
Total Non-Operating Revenues (Expenses)	457
Income (Loss) before contribution	(253,427)
Capital Contribution	229,357
Change in net position	(24,070)
Total net position - beginning	2,215,600
Total net position - ending	\$ 2,191,530

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

HOUSING AUTHORITY OF WHITE CASTLE, LOUISIANA
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2017

CASH FLOWS FROM OPERATING ACTIVITIES	
Rental receipts	\$ 281,184
Other receipts	49,778
Federal grants	221,210
Payments to vendors	(311,639)
Payments to employees – net	(270,275)
	(29,742)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchase of capital assets	(229,358)
Federal Capital Grants	229,358
	0
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest income	457
Purchase of investments	(136)
	321
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(29,421)
CASH AND CASH EQUIVALENTS	
Beginning of Fiscal Year	309,199
CASH AND CASH EQUIVALENTS	
End of Fiscal Year	\$ 279,778

Continued

HOUSING AUTHORITY OF WHITE CASTLE, LOUISIANA
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2017

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

Operating income (loss)	\$ (253,884)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:	
Depreciation Expense	293,535
Provision of uncollectible accounts	89
Change in assets and liabilities:	
Receivables	(90,363)
Inventories	835
Prepaid items	(5,417)
Account payables	(1,892)
Unearned income	(683)
Deposits due others	116
Accrued PILOT	27,922
Net cash provided (used) by operations	<u>\$ (29,742)</u>

Concluded

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

HOUSING AUTHORITY OF WHITE CASTLE, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

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HOUSING AUTHORITY OF WHITE CASTLE, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES The accompanying financial statements of the Housing Authority of the Town of White Castle 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 White Castle, serve staggered multi-year terms.

The Housing Authority has the following units:

PHA Owned Housing	134 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 White Castle since the Town of White Castle appoints a voting majority of the Housing Authority’s governing board. The Town of White Castle 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 White Castle. Accordingly, the Housing Authority is not a component unit of the financial reporting entity of the Town of White Castle.

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 WHITE CASTLE, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 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 WHITE CASTLE, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 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 \$279,778. This is comprised of cash and cash equivalents of \$267,147 and restricted assets – cash of \$12,631, 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 WHITE CASTLE, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 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 \$2,000. 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	40 years
Building improvements	10 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 WHITE CASTLE, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 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 September 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: \$12,631 is restricted in the General Fund for security deposits.

At September 30, 2017, the Housing Authority's carrying amount of deposits was \$331,869 and the bank balance was \$343,944, which includes \$52,141 in certificates of deposits classified as investments. Petty cash consists of \$50. \$250,000 of the bank balance was covered by FDIC Insurance. The remaining bank balance of \$93,944 was covered by pledged securities. However, this \$93,944 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 WHITE CASTLE, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

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

<u>Class of Receivables</u>	
Local sources:	
Tenants	\$ 376
Other	225
Federal sources:	
Grants	125,529
Total	\$ 126,130

The tenants account receivables is net of an allowance for doubtful accounts of \$235.

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

	Beginning Balance	Additions	Deletions	Ending Balance
Non-depreciable assets				
Land and buildings	\$ 236,540	\$ 0	\$ 0	\$ 236,540
Construction in progress	134,033	98,269	0	232,302
Depreciable assets:				
Buildings	7,472,589	131,089	0	7,603,678
Furniture and equipment	218,977	0	0	218,977
Total capital assets	8,062,139	229,358	0	8,291,497
Less: accumulated depreciation				
Buildings	5,992,217	290,416	0	6,282,633
Furniture and equipment	210,295	3,119	0	213,414
Total accumulated depreciation	6,202,512	293,535	0	6,496,047
Total capital assets, net	\$ 1,859,627	\$ (64,177)	\$ 0	\$ 1,795,450

HOUSING AUTHORITY OF WHITE CASTLE, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

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

Vendors	\$	6,097
Payroll taxes & Retirement withheld		8,538
		14,635
Total	\$	14,635

NOTE 6 – COMPENSATED ABSENCES At September 30, 2017, employees of the Housing Authority have accumulated and vested \$18,237 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 September 30, 2017.

		Compensated Absences
Balance, beginning	\$	18,750
Additions		6,529
Deletions		7,042
		18,237
Balance, ending		18,237
Amounts due in one year	\$	6,367

NOTE 8 – RETIREMENT SYSTEM The Housing Authority participates in the Arthur Gallagher Risk Management Services Retirement 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 who have attained age 18 are eligible to participate in the plan on the first day of the month after completing three months of continuous and uninterrupted employment.

HOUSING AUTHORITY OF WHITE CASTLE, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. Each participant in the plan is required to make a monthly contribution equal to 4% of his effective compensation. The participants may also make voluntary contributions. The employer is required to make monthly contributions equal to 6% of each participant's effective compensation.

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 Louisiana Housing Council Group Retirement Plan 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 \$16,048 for the year ended September 30, 2017, of which \$9,629 was paid by the Housing Authority and \$6,419 was paid by employees. No payments were made out of the forfeiture account.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Commitments On February 1, 2013, the Authority entered into an Employment Agreement with the Executive Director. The Agreement is for five years, and is renewable automatically for an additional year, unless certain steps are taken. The Agreement may be terminated by the Executive Director upon sixty days written notice to the Authority.

The Agreement may be terminated by the Authority at any time for cause. If the Agreement is terminated by the Authority without cause, the Authority is obligated to the Executive Director his annual base salary for the remaining term of the Agreement. In, addition the Authority is obligated to pay the Executive Director all annual leave, in concordance with the Personnel Policy.

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 WHITE CASTLE, LOUISIANA
NOTES TO THE BASIC FINANCIAL STATEMENTS

SEPTEMBER 30, 2017

Construction Projects There are certain renovation or construction projects in progress at September 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 11 – ECONOMIC DEPENDENCE The Department of Housing and Urban Development provided \$542,041 to the Housing Authority, which represents approximately 64% of the Housing Authority's total revenue and capital contributions for the year.

NOTE 12 - SUBSEQUENT EVENTS Management has evaluated events and transactions subsequent to the statement of net position date through, March 26, 2018, 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.



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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 White Castle
White Castle, 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 White Castle, Louisiana, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Housing Authority of the Town of White Castle, Louisiana's basic financial statements, and have issued our report thereon dated March 26, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority of the Town of White Castle, 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 White Castle, Louisiana's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the Town of White Castle, 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 White Castle, 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
March 26, 2018

HOUSING AUTHORITY OF WHITE CASTLE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED YEAR ENDED SEPTEMBER 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 WHITE CASTLE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED SEPTEMBER 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 WHITE CASTLE, LOUISIANA
CORRECTIVE ACTION PLAN

YEAR ENDED SEPTEMBER 30, 2017

There were no audit findings.

HOUSING AUTHORITY OF WHITE CASTLE, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

YEAR ENDED SEPTEMBER 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.

SUPPLEMENTARY INFORMATION

HOUSING AUTHORITY OF WHITE CASTLE, LOUISIANA
STATEMENT OF MODERNIZATION COSTS - UNCOMPLETED

YEAR ENDED SEPTEMBER 30, 2017

CASH BASIS

	2015 Capital Fund	2016 Capital Fund
	<u> </u>	<u> </u>
Funds approved	\$ 158,894	\$ 167,945
Funds expended	149,557	115,862
Excess of funds approved	<u>\$ 9,337</u>	<u>\$ 52,083</u>
Funds advanced	\$ 135,057	\$ 100,545
Funds expended	149,557	115,862
Excess (Deficiency) of funds	<u>\$ (14,500)</u>	<u>\$ (15,317)</u>

See accountants' report

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

YEAR ENDED SEPTEMBER 30, 2017

Agency Head Name: Don O' Bear, Executive Director

Purpose	Amount
Salary	\$ 73,164
Benefits-insurance	16,772
Benefits-retirement	4,389
Benefits-<list any other here>	
Car allowance	2,400
Vehicle provided by government	<enter amount reported on W-2>
Per diem	1,350
Reimbursements	
Travel	
Registration fees	1,751
Conference travel	1,110
Continuing professional education fees	
Housing	
Unvouchered expenses*	
Special meals	
Total	\$ 100,936

See accountants' report

HOUSING AUTHORITY OF WHITE CASTLE, LOUISIANA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

YEAR ENDED SEPTEMBER 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	\$ 291,067
Capital Fund Program	14.872	250,974
		<hr/>
Total United States Department of Housing and Urban Development		\$ 542,041
		<hr/> <hr/>
Total Expenditures of Federal Awards		\$ 542,041
		<hr/> <hr/>

The accompanying notes are an integral part of this schedule.

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

YEAR ENDED SEPTEMBER 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 White Castle, Louisiana (the “Housing Authority”) under programs of the federal government for the year ended September 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	\$	312,684
Capital contributions		229,357
		542,041
Total	\$	542,041

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.



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AGREED UPON PROCEDURES REPORT

Independent Accountant's Report On Applying Agreed-Upon Procedures

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

We have performed the procedures enumerated below, which were agreed to by the White Castle 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 October 1, 2016 through September 30, 2017. The White Castle Housing Authority'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:

- a) Policies-The Authority has policies for all of the above except for Contracting and Debt Service, the latter of which is not applicable since no debt exists. We have directed Management to the policies listed under the Best Practices on the LLA's website. In addition, we have provided examples of all the policies listed above.

We recommend to Management that they revise the policies they presently have or adopt new ones, to fully comply with state law. The policies need to be revised to the Authority's particular situation.

- b) Budgeting-We also note that since the expenditures per the audit year exceeded \$500,000, a notice should have been posted and published in a local publication at least ten days prior to a public hearing. The Authority did both of these. A public hearing was held. The Board of Commissioners reviewed and approved the operating budget.

Corrective Action Response:

I am Don O'Bear, Executive Director and Designated Person to respond to these AUP suggestions. We will do as the auditor suggests.

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 Authority has been unable to locate its By-Laws. We note the board met on a regular basis.
- b) The minutes did not note that budget-to-actual comparisons were made, although the minutes indicate that the board reviewed financial statements.
- c) The minutes included non-budgetary information at each meeting.

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:

We received Management's representations 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) Bank reconciliations were prepared on a monthly basis.
- 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) There were no reconciling items that were older than 6 months on the year end bank reconciliations.

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:

We obtained Management’s representations that the list was 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 employees that accept tenant payments are bonded. The persons that accept payments do not make the bank deposits or reconcile the bank account.
- b) Written documentation exists that there is a process to reconcile cash collections to the general ledger and rental register by a person who is not responsible for cash collections.
- c) For our test period, all tenant receipts were deposited within one business day of collection. For our test period, the rental receipts, rental register, bank statement, and general ledger were satisfactorily reconciled.

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 how to determine 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:

- a) The Authority's Disbursements Policy says purchase orders will be used "if applicable." It appears that purchase orders are used except when orders are made either by telephone call or on-line.

Good business practices dictate that a system both document that goods were ordered by an authorized person, and that the order was reviewed and approved by a supervisor. An option to document for telephone or on-line orders is for the person who initiates the purchase to initial the invoice, after the person determines that all goods invoiced were ordered. The person who approves the purchase should initial below the first person, after he or she also matches the goods ordered to the invoice. Then, the two initials should be circled.

- b) For the purchase orders we were able to review in our sample of 25, they were approved by a person who did not initiate the purchase.
- c) The Authority does not use receiving reports. In lieu of using them, we suggest that the person who makes sure the correct quantity and specs were actually received, initial the invoice. To separate this receiving function from the purchase function noted in [a] above, we recommend that the person initial the invoice, but draw a square around the approving initials.

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 is included in 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 make the final authorization for disbursements have no responsibility for initiating or recording purchases.

2. 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 supply of unused checks is maintained in a locked location, with access restricted to those persons who do not have signatory authority.

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 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) The monthly statements tested had supporting documentation that the charges were reviewed and approved in writing by someone other than the authorized card holder.
- b) No finance charges and/or late fees were assessed on the statements tested.

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:

- a) For each transaction tested, there was an original itemized receipt, and the business purpose was documented.
- b) For each transaction tested, the transaction was in compliance with the Authority's Disbursements Policy. All amounts tested were under the Micro Purchase amount level.
- c) For each transaction tested, the transaction was in compliance with the requirements of Article 7, Section 14, of the Louisiana Constitution.

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 list 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:

The Policy states that the daily per diem is \$50 per day for travel within 50 miles of the Authority. For distances greater than 50 miles, the per diem is \$100 per day according to the current policy.

The per diem clause should be revised to state that the rate will not exceed the GSA rate for that location and date.

Corrective Action Response:

We will do as the auditor suggests.

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:

- a] In our tests, we noted the employees were reimbursed for per diem at \$100 per day for travel beyond 50 miles. In addition, the Travel Policy states that vehicle mileage will be reimbursed at 51 cents per mile. However, the actual reimbursement was 55 cents per mile.

As noted above, the Travel policy should be revised to state the per diem rate will be the GSA rate in effect for the travel date and location, as noted at www.gsa.gov. In addition, the Travel Policy should be revised to state that the mileage rate will be reimbursed at the allowable IRS rate in effect for the particular year.

- b) All reimbursements were properly supported and the business purpose was clear.
- c) No payments were noted that were not in accordance with Article 7, Section 14, of the Louisiana Constitution.
- d) Each disbursement tested was reviewed and approved in writing by someone other than the person receiving the reimbursement.

Corrective Action Response:

We will do as the auditor suggests.

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:

The results of our testing of the five highest vendors is as follows:

- a) Written contracts supported the amounts paid.
- b) The largest bid required sealed bids, as per state law, federal regulations, and the Authority's own policy. Proper procedures were followed. Multiple contractors expressed interest. However, only one bid was obtained. The Authority also solicited bids for the second through fourth contractors. The fifth largest vendor was a local supplier of electrical, plumbing and related maintenance supplies. We recommend that the Authority solicit quotes for selected largest purchases made from this contractor, and/or periodically print prices off the internet, to further show the prices are competitive.
We also recommend that in all instances for the type of disbursements paid to the top four vendors, the Authority should attempt to secure a minimum of three quotes, and evaluate based on criteria.
- d) The contracts were not amended.
- e) The invoices tested were in terms and conditions of the contracts.
- f) Board policy was obtained in the instances when it was required.

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:

- a] Payments were made in strict accordance with the terms and conditions of the employment contract or pay rate structure.
- b] Changes made to the pay rate/salaries during the fiscal period were approved in writing and in accordance with the policy.

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) All employees tested sufficiently documented their daily attendance and leave.
- b) Written documentation was present that supervisors approved the attendance and leave of the tested employees.
- c) Written documentation was present that the entity maintains leave records.

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:

No termination payments were made during the audit year.

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 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:

None of the employees tested in #22 obtained ethics compliance documentation during the audit year. Management should ensure that all employees and board members obtain the required ethics training each year, as required by state law.

Corrective Action Response:

We will do as the auditor suggests.

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 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.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. 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
March 26, 2018

HOUSING AUTHORITY OF WHITE CASTLE, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2017

Entity Wide Balance Sheet Summary		
	Project Total	Total
111 Cash - Unrestricted	\$267,147	\$267,147
112 Cash - Restricted - Modernization and Development		
113 Cash - Other Restricted		
114 Cash - Tenant Security Deposits	\$12,631	\$12,631
115 Cash - Restricted for Payment of Current Liabilities	\$0	\$0
100 Total Cash	\$279,778	\$279,778
121 Accounts Receivable - PHA Projects		
122 Accounts Receivable - HUD Other Projects	\$125,529	\$125,529
124 Accounts Receivable - Other Government		
125 Accounts Receivable - Miscellaneous	\$225	\$225
126 Accounts Receivable - Tenants	\$611	\$611
126.1 Allowance for Doubtful Accounts - Tenants	-\$235	-\$235
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	\$126,130	\$126,130
131 Investments - Unrestricted	\$52,141	\$52,141
132 Investments - Restricted		
135 Investments - Restricted for Payment of Current Liability		
142 Prepaid Expenses and Other Assets	\$34,305	\$34,305
143 Inventories	\$7,671	\$7,671
143.1 Allowance for Obsolete Inventories	-\$384	-\$384
144 Inter Program Due From		
145 Assets Held for Sale		
150 Total Current Assets	\$499,641	\$499,641
161 Land	\$236,540	\$236,540
162 Buildings	\$6,286,259	\$6,286,259
163 Furniture, Equipment & Machinery - Dwellings		
164 Furniture, Equipment & Machinery - Administration	\$218,977	\$218,977
165 Leasehold Improvements	\$1,317,419	\$1,317,419
166 Accumulated Depreciation	-\$6,496,047	-\$6,496,047
167 Construction in Progress	\$232,302	\$232,302
168 Infrastructure		
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,795,450	\$1,795,450
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	\$1,795,450	\$1,795,450
200 Deferred Outflow of Resources		
290 Total Assets and Deferred Outflow of Resources	\$2,295,091	\$2,295,091

HOUSING AUTHORITY OF WHITE CASTLE, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2017

Entity Wide Balance Sheet Summary		
	Project Total	Total
311 Bank Overdraft		
312 Accounts Payable <= 90 Days	\$6,097	\$6,097
313 Accounts Payable >90 Days Past Due		
321 Accrued Wage/Payroll Taxes Payable	\$8,538	\$8,538
322 Accrued Compensated Absences - Current Portion	\$6,367	\$6,367
324 Accrued Contingency Liability		
325 Accrued Interest Payable		
331 Accounts Payable - HUD PHA Programs		
332 Account Payable - PHA Projects		
333 Accounts Payable - Other Government	\$55,957	\$55,957
341 Tenant Security Deposits	\$12,631	\$12,631
342 Unearned Revenue	\$2,101	\$2,101
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue		
344 Current Portion of Long-term Debt - Operating Borrowings		
345 Other Current Liabilities		
346 Accrued Liabilities - Other		
347 Inter Program - Due To		
348 Loan Liability - Current		
310 Total Current Liabilities	\$91,691	\$91,691
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	\$11,870	\$11,870
355 Loan Liability - Non Current		
356 FASB 5 Liabilities		
357 Accrued Pension and OPEB Liabilities		
350 Total Non-Current Liabilities	\$11,870	\$11,870
300 Total Liabilities	\$103,561	\$103,561
400 Deferred Inflow of Resources		
508.4 Net Investment in Capital Assets	\$1,795,450	\$1,795,450
511.4 Restricted Net Position		
512.4 Unrestricted Net Position	\$396,080	\$396,080
513 Total Equity - Net Assets / Position	\$2,191,530	\$2,191,530
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$2,295,091	\$2,295,091

HOUSING AUTHORITY OF WHITE CASTLE, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2017

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue	\$282,745		\$282,745
70400 Tenant Revenue - Other	\$15,538		\$15,538
70500 Total Tenant Revenue	\$298,283	\$0	\$298,283
70600 HUD PHA Operating Grants	\$291,067	\$21,617	\$312,684
70610 Capital Grants		\$229,357	\$229,357
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	\$457		\$457
71200 Mortgage Interest Income			
71300 Proceeds from Disposition of Assets Held for Sale			
71310 Cost of Sale of Assets			
71400 Fraud Recovery			
71500 Other Revenue	\$5,090		\$5,090
71600 Gain or Loss on Sale of Capital Assets			
72000 Investment Income - Restricted			
70000 Total Revenue	\$594,897	\$250,974	\$845,871
91100 Administrative Salaries	\$117,619	\$5,000	\$122,619
91200 Auditing Fees	\$10,730		\$10,730
91300 Management Fee			
91310 Book-keeping Fee			
91400 Advertising and Marketing			
91500 Employee Benefit contributions - Administrative	\$39,297		\$39,297
91600 Office Expenses	\$27,843		\$27,843
91700 Legal Expense	\$6,193		\$6,193
91800 Travel	\$23,742		\$23,742
91810 Allocated Overhead			
91900 Other	\$13,708		\$13,708
91000 Total Operating - Administrative	\$239,132	\$5,000	\$244,132
92000 Asset Management Fee			
92100 Tenant Services - Salaries	\$4,158		\$4,158
92200 Relocation Costs			
92300 Employee Benefit Contributions - Tenant Services	\$300		\$300
92400 Tenant Services - Other	\$394		\$394
92500 Total Tenant Services	\$4,852	\$0	\$4,852
93100 Water	\$1,161		\$1,161
93200 Electricity	\$17,562		\$17,562
93300 Gas	\$337		\$337
93400 Fuel			
93500 Labor			
93600 Sewer			

HOUSING AUTHORITY OF WHITE CASTLE, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2017

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
93700 Employee Benefit Contributions - Utilities			
93800 Other Utilities Expense			
93000 Total Utilities	\$19,060	\$0	\$19,060
94100 Ordinary Maintenance and Operations - Labor	\$74,632		\$74,632
94200 Ordinary Maintenance and Operations - Materials and Other	\$48,975	\$3,617	\$52,592
94300 Ordinary Maintenance and Operations Contracts	\$44,458		\$44,458
94500 Employee Benefit Contributions - Ordinary Maintenance	\$25,780		\$25,780
94000 Total Maintenance	\$193,845	\$3,617	\$197,462
95100 Protective Services - Labor			
95200 Protective Services - Other Contract Costs	\$530		\$530
95300 Protective Services - Other			
95500 Employee Benefit Contributions - Protective Services			
95000 Total Protective Services	\$530	\$0	\$530
96110 Property Insurance	\$49,522		\$49,522
96120 Liability Insurance			
96130 Workmen's Compensation	\$10,390		\$10,390
96140 All Other Insurance	\$7,546		\$7,546
96100 Total insurance Premiums	\$67,458	\$0	\$67,458
96200 Other General Expenses			
96210 Compensated Absences	\$3,798		\$3,798
96300 Payments in Lieu of Taxes	\$27,922		\$27,922
96400 Bad debt - Tenant Rents	\$1,008		\$1,008
96500 Bad debt - Mortgages			
96600 Bad debt - Other			
96800 Severance Expense			
96000 Total Other General Expenses	\$32,728	\$0	\$32,728
96710 Interest of Mortgage (or Bonds) Payable			
96720 Interest on Notes Payable (Short and Long Term)	\$0		\$0
96730 Amortization of Bond Issue Costs			
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$557,605	\$8,617	\$566,222
97000 Excess of Operating Revenue over Operating Expenses	\$37,292	\$242,357	\$279,649
97100 Extraordinary Maintenance	\$10,184		\$10,184
97200 Casualty Losses - Non-capitalized			
97300 Housing Assistance Payments			
97350 HAP Portability-In			
97400 Depreciation Expense	\$293,535		\$293,535
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	\$861,324	\$8,617	\$869,941

HOUSING AUTHORITY OF WHITE CASTLE, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2017

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
10010 Operating Transfer In	\$13,000		\$13,000
10020 Operating transfer Out		-\$13,000	-\$13,000
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)	\$13,000	-\$13,000	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$253,427	\$229,357	-\$24,070
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$2,215,600	\$0	\$2,215,600
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$229,357	-\$229,357	\$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	1608		1608
11210 Number of Unit Months Leased	1595		1595
11270 Excess Cash	\$319,891		\$319,891
11610 Land Purchases	\$0	\$0	\$0
11620 Building Purchases	\$0	\$229,357	\$229,357
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0	\$0	\$0
11650 Leasehold Improvements Purchases	\$0	\$0	\$0
11660 Infrastructure Purchases	\$0	\$0	\$0
13510 CFFP Debt Service Payments	\$0	\$0	\$0
13901 Replacement Housing Factor Funds	\$0	\$0	\$0

HOUSING AUTHORITY OF WHITE CASTLE, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2017

Entity Wide Revenue and Expense Summary		
	Project Total	Total
70300 Net Tenant Rental Revenue	\$282,745	\$282,745
70400 Tenant Revenue - Other	\$15,538	\$15,538
70500 Total Tenant Revenue	\$298,283	\$298,283
70600 HUD PHA Operating Grants	\$312,684	\$312,684
70610 Capital Grants	\$229,357	\$229,357
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	\$457	\$457
71200 Mortgage Interest Income		
71300 Proceeds from Disposition of Assets Held for Sale		
71310 Cost of Sale of Assets		
71400 Fraud Recovery		
71500 Other Revenue	\$5,090	\$5,090
71600 Gain or Loss on Sale of Capital Assets		
72000 Investment Income - Restricted		
70000 Total Revenue	\$845,871	\$845,871
91100 Administrative Salaries	\$122,619	\$122,619
91200 Auditing Fees	\$10,730	\$10,730
91300 Management Fee		
91310 Book-keeping Fee		
91400 Advertising and Marketing		
91500 Employee Benefit contributions - Administrative	\$39,297	\$39,297
91600 Office Expenses	\$27,843	\$27,843
91700 Legal Expense	\$6,193	\$6,193
91800 Travel	\$23,742	\$23,742
91810 Allocated Overhead		
91900 Other	\$13,708	\$13,708
91000 Total Operating - Administrative	\$244,132	\$244,132
92000 Asset Management Fee		
92100 Tenant Services - Salaries	\$4,158	\$4,158
92200 Relocation Costs		
92300 Employee Benefit Contributions - Tenant Services	\$300	\$300
92400 Tenant Services - Other	\$394	\$394
92500 Total Tenant Services	\$4,852	\$4,852
93100 Water	\$1,161	\$1,161
93200 Electricity	\$17,562	\$17,562
93300 Gas	\$337	\$337
93400 Fuel		
93500 Labor		
93600 Sewer		

HOUSING AUTHORITY OF WHITE CASTLE, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2017

Entity Wide Revenue and Expense Summary		
	Project Total	Total
93700 Employee Benefit Contributions - Utilities		
93800 Other Utilities Expense		
93000 Total Utilities	\$19,060	\$19,060
94100 Ordinary Maintenance and Operations - Labor	\$74,632	\$74,632
94200 Ordinary Maintenance and Operations - Materials and Other	\$52,592	\$52,592
94300 Ordinary Maintenance and Operations Contracts	\$44,458	\$44,458
94500 Employee Benefit Contributions - Ordinary Maintenance	\$25,780	\$25,780
94000 Total Maintenance	\$197,462	\$197,462
95100 Protective Services - Labor		
95200 Protective Services - Other Contract Costs	\$530	\$530
95300 Protective Services - Other		
95500 Employee Benefit Contributions - Protective Services		
95000 Total Protective Services	\$530	\$530
96110 Property Insurance	\$49,522	\$49,522
96120 Liability Insurance		
96130 Workmen's Compensation	\$10,390	\$10,390
96140 All Other Insurance	\$7,546	\$7,546
96100 Total insurance Premiums	\$67,458	\$67,458
96200 Other General Expenses		
96210 Compensated Absences	\$3,798	\$3,798
96300 Payments in Lieu of Taxes	\$27,922	\$27,922
96400 Bad debt - Tenant Rents	\$1,008	\$1,008
96500 Bad debt - Mortgages		
96600 Bad debt - Other		
96800 Severance Expense		
96000 Total Other General Expenses	\$32,728	\$32,728
96710 Interest of Mortgage (or Bonds) Payable		
96720 Interest on Notes Payable (Short and Long Term)	\$0	\$0
96730 Amortization of Bond Issue Costs		
96700 Total Interest Expense and Amortization Cost	\$0	\$0
96900 Total Operating Expenses	\$566,222	\$566,222
97000 Excess of Operating Revenue over Operating Expenses	\$279,649	\$279,649
97100 Extraordinary Maintenance	\$10,184	\$10,184
97200 Casualty Losses - Non-capitalized		
97300 Housing Assistance Payments		
97350 HAP Portability-In		
97400 Depreciation Expense	\$293,535	\$293,535
97500 Fraud Losses		
97600 Capital Outlays - Governmental Funds		
97700 Debt Principal Payment - Governmental Funds		
97800 Dwelling Units Rent Expense		
90000 Total Expenses	\$869,941	\$869,941

HOUSING AUTHORITY OF WHITE CASTLE, LOUISIANA
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2017

Entity Wide Revenue and Expense Summary		
	Project Total	Total
10010 Operating Transfer In	\$13,000	\$13,000
10020 Operating transfer Out	-\$13,000	-\$13,000
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	-\$24,070	-\$24,070
11020 Required Annual Debt Principal Payments	\$0	\$0
11030 Beginning Equity	\$2,215,600	\$2,215,600
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	1608	1608
11210 Number of Unit Months Leased	1595	1595
11270 Excess Cash	\$319,891	\$319,891
11610 Land Purchases	\$0	\$0
11620 Building Purchases	\$229,357	\$229,357
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0
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