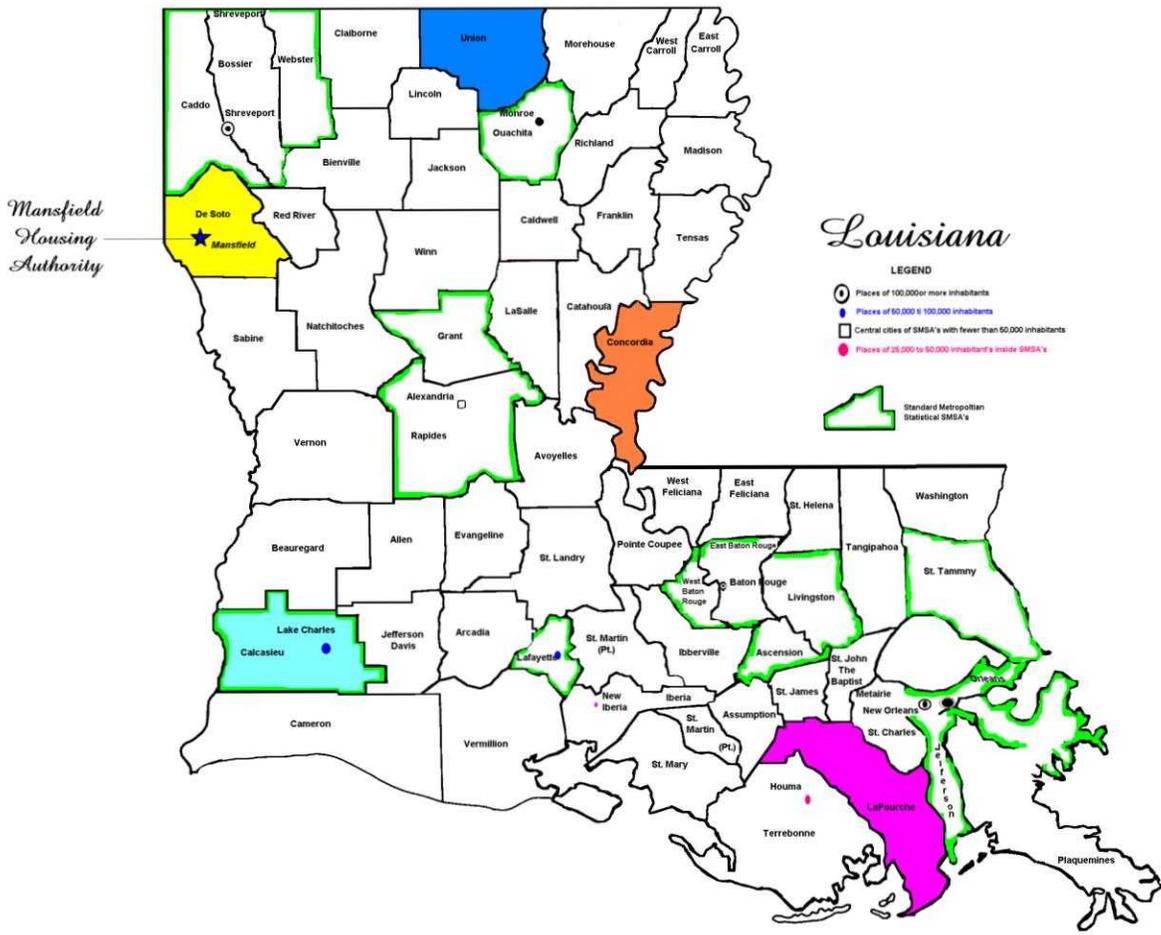


**HOUSING AUTHORITY
OF THE
TOWN OF MANSFIELD, LOUISIANA**

Annual Financial Statements

September 30, 2017

HOUSING AUTHORITY OF THE TOWN OF MANSFIELD MANSFIELD, LOUISIANA



◆ Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low income housing programs in the United States. Accordingly, HUD has contracted with the entity to administer certain HUD funds. The entity is a public corporation, legally separate, fiscally independent and governed by Board of Commissioners.

**Housing Authority of the Town of Mansfield
Mansfield, Louisiana**

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September 30, 2017**

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INDEPENDENT AUDITOR'S REPORT

Housing Authority of the
Town of Mansfield, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Housing Authority of the Town of Mansfield, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the Town of Mansfield's basic financial statements. The accompanying Financial Data Schedule, required by HUD, and supplementary schedules and statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Financial Data Schedule and supplementary schedules and statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Financial Data Schedule and supplementary schedules and statements 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 February 9, 2018, on our consideration of the Housing Authority of the Town of Mansfield'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 Auditing Standards* in considering the Housing Authority of the Town of Mansfield's internal control over financial reporting and compliance.

The Vercher Group

February 9, 2018
Jena, Louisiana

**Housing Authority of the Town of Mansfield
Management's Discussion and Analysis
September 30, 2017**

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

Financial Highlights

- The assets of the Housing Authority exceeded its liabilities at the close of the most recent fiscal year by \$2,125,456 (net position). Of this amount, \$970,933 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The Housing Authority had total revenue of \$802,981. Of this amount, \$793,274 was operating revenues, \$9,707 was non-operating revenues, and \$-0- was capital contributions.
- The Housing Authority had total expenses of \$992,033, in which \$991,512 was used for operating expenses and \$521 was used for non-operating expenses. \$196,156 was for depreciation expense, which is a non-cash transaction.
- The Housing Authority continues to operate without the need for debt borrowings during the current fiscal year.

Overview of the Basic Financial Statements

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

Effective October 1, 2003, the Authority adopted Governmental Accounting Standards (GASB) Statement No. 34, *Basic Financial Statements – Management's Discussion and Analysis – for State and Local Governments*.

**Housing Authority of the Town of Mansfield
Management's Discussion and Analysis
September 30, 2017**

Fund Financial Statements

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

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

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

Using This Annual Report

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

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

Reporting the Housing Authority's Most Significant Funds

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

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

**Housing Authority of the Town of Mansfield
Management's Discussion and Analysis
September 30, 2017**

Statement of Net Position

The following table represents a Comparative Balance Sheet as of September 30, 2017:

	<u>2016</u>	<u>2017</u>	<u>% Change</u>
Current Assets	\$ 1,083,487	\$ 1,082,366	-0.1
Current Restricted Assets	22,365	25,102	12.2
Capital Assets, Net of Depreciation	<u>1,334,710</u>	<u>1,154,523</u>	-13.5
Total Assets	<u>2,440,562</u>	<u>2,261,991</u>	-7.3
Current Liabilities	79,727	86,496	8.5
Current Liabilities Payable from Restricted Assets	22,365	25,102	12.2
Non-Current Liabilities	<u>23,962</u>	<u>24,937</u>	4.1
Total Liabilities	<u>126,054</u>	<u>136,535</u>	8.3
Equity			
Net Investment in Capital Assets	1,334,710	1,154,523	-13.5
Unrestricted Net Position	<u>979,798</u>	<u>970,933</u>	-0.1
Total Net Position	<u>2,314,508</u>	<u>2,125,456</u>	-8.2
Total Liabilities & Net Position	<u>\$ 2,440,562</u>	<u>\$ 2,261,991</u>	-7.3

- Total assets decreased by \$178,571 or 7.3%. The main cause for this decrease is because of a decrease in capital assets, net of depreciation in the amount of \$180,187.
- Total liabilities increased by \$10,481 or 8.3%. The main cause for this increase is because of an increase in accrued wages and payroll taxes payable in the amount of \$6,658.
- Unrestricted net position decreased by \$8,865 or 0.1%. The decrease in current assets is the main contributor for this decrease.

**Housing Authority of the Town of Mansfield
Management's Discussion and Analysis
September 30, 2017**

Changes in Net Position

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

	<u>2016</u>	<u>2017</u>	<u>% Change</u>
Operating Revenues			
Tenant Revenue	\$ 330,132	\$ 329,820	-0.1
HUD PHA Operating	439,167	463,454	5.5
Total Operating Revenues	<u>769,299</u>	<u>793,274</u>	-3.1
Operating Expenses			
Administrative	260,190	300,378	15.4
Utilities	85,337	81,863	-4.1
Maintenance	259,322	295,558	14.0
General Expenses	109,219	116,757	6.9
Depreciation	247,355	196,956	-20.4
Total Operating Expenses	<u>961,423</u>	<u>991,512</u>	3.1
Operating Income (Loss)	<u>(192,124)</u>	<u>(198,238)</u>	3.2
Non-Operating Revenues (Expenses)			
Investment Income	812	456	-43.8
Other Revenue	12,275	9,251	-23.1
Gain (Loss) on Sale of Capital Assets	-0-	(521)	100.0
Total Non-Operating Revenues (Expenses)	<u>13,087</u>	<u>9,186</u>	-29.8
Capital Contributions	<u>-0-</u>	<u>-0-</u>	0.0
Change in Net Position	(179,037)	(189,052)	5.6
Prior Period Adjustment	-0-	-0-	0.0
Beginning Net Position	2,493,545	2,314,508	-7.2
Ending Net Position	\$ <u>2,314,508</u>	\$ <u>2,125,456</u>	-8.2

- Total operating revenues increased by \$23,975 or 3.1%. This was mainly due to an increase in HUD PHA Operating monies in the amount of \$24,287.
- Total operating expenses increased by \$30,089 or 3.1%. This was mainly due to an increase in administrative expense in the amount of \$40,188.
- Non-operating revenues (expenses) changed by \$3,901 or 29.8%. This change is mainly due to a decrease in other revenue in the amount of \$3,024.

**Housing Authority of the Town of Mansfield
Management's Discussion and Analysis
September 30, 2017**

Capital Asset & Debt Administration

Capital Assets

At September 30, 2017, the Housing Authority had \$1,154,523 invested in a broad range of capital assets, including land, buildings, leasehold improvements, and furniture and equipment. This amount represents a net decrease (including additions, deductions and depreciation) of \$180,187 or 13.5% from last year.

Capital Assets at Year-End

	<u>2016</u>	<u>2017</u>
Land *	\$ 47,446	\$ 47,446
Leasehold Improvements	654,869	654,869
Buildings	7,350,821	7,352,821
Furniture & Equipment, Etc.	343,365	333,563
Construction in Progress*	-0-	7,789
Total	<u>8,396,501</u>	<u>8,396,488</u>
Less Accumulated Depreciation	<u>(7,061,791)</u>	<u>(7,241,965)</u>
Net Capital Assets	<u>\$ 1,334,710</u>	<u>\$ 1,154,523</u>

* Land in the amount of \$47,446 and construction in progress in the amount of \$7,789 are not being depreciated.

No debt was issued for additions in capital assets.

Debt

Our long-term debt consists of accrued annual leave of \$24,937. We present more detail about our long-term liabilities in the notes to the financial statements.

Future Events that will impact the Authority

The Authority relies heavily upon HUD operating subsidies. The amount appropriated has not currently been approved for the 2018 fiscal year. Therefore, any results of budget shortfalls cannot be determined.

The Authority is under a contract through its Capital Fund Program to continue with the work as stated above and incorporate any new work items into its operation.

Contacting the Housing Authority's Financial Management

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Housing Authority's finances and to show the Housing Authority's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Linda Washington, Acting Executive Director, at the Housing Authority of the Town of Mansfield, PO Box 1020, Mansfield, Louisiana, 71052, telephone number (318) 872-1383.

Basic Financial Statements

**Housing Authority of the Town of Mansfield
Mansfield, Louisiana
Statement of Net Position
September 30, 2017**

ASSETS	ENTERPRISE FUND
CURRENT ASSETS	
Cash & Cash Equivalents	\$ 685,220
Investments	20,666
Receivables, Net	329,229
Inventory, Net	7,940
Prepaid Items	39,311
Restricted:	
Tenant Security Deposit Cash	25,102
TOTAL CURRENT ASSETS	<u>1,107,468</u>
NON-CURRENT ASSETS	
Capital Assets, Net of Accumulated Depreciation	1,154,523
TOTAL NON-CURRENT ASSETS	<u>1,154,523</u>
TOTAL ASSETS	<u>2,261,991</u>
LIABILITIES	
CURRENT LIABILITIES	
Accounts Payable	10,330
Accrued Compensated Absences	9,068
Accrued Wages & Payroll Taxes Payable	16,922
Unearned Revenue	50,176
TOTAL CURRENT LIABILITIES	<u>86,496</u>
LIABILITIES PAYABLE FROM RESTRICTED ASSETS	
Tenant Security Deposits	25,102
TOTAL LIABILITIES PAYABLE FROM RESTRICTED ASSETS	<u>25,102</u>
NON-CURRENT LIABILITIES	
Accrued Compensated Absences	24,937
TOTAL NON-CURRENT LIABILITIES	<u>24,937</u>
TOTAL LIABILITIES	<u>136,535</u>
NET POSITION	
Net Investment in Capital Assets	1,154,523
Unrestricted	970,933
TOTAL NET POSITION	<u>\$ 2,125,456</u>

The accompanying notes are an integral part of this statement.

**Housing Authority of the Town of Mansfield
Mansfield, Louisiana
Statement of Revenues, Expenses, & Changes in Net Position
Year Ended September 30, 2017**

	ENTERPRISE FUND
OPERATING REVENUES	
Tenant Rental Revenue	\$ 329,820
HUD PHA Operating Grant	463,454
TOTAL OPERATING REVENUES	793,274
OPERATING EXPENSES	
<i>Administration:</i>	
Administrative Salaries	170,729
EBC Administrative	79,232
Accounting/Legal	12,801
Other Operating - Administrative	37,616
<i>Cost of Sales & Service:</i>	
Water	49,158
Electricity	9,353
Gas	851
Sewer	22,497
Other Utilities	4
Ordinary Maintenance – Labor	127,572
Materials	50,574
Contract Cost	70,503
EBC Maintenance	46,909
Insurance	78,137
Compensated Absences	11,788
Bad Debt Tenant's Rent	26,832
<i>Depreciation</i>	196,956
TOTAL OPERATING EXPENSES	991,512
OPERATING INCOME (LOSS)	(198,238)
NONOPERATING REVENUES (EXPENSE)	
Loss on Sale of Capital Assets	(521)
Other Revenue	9,251
Interest Earnings	456
TOTAL NONOPERATING REVENUES (EXPENSES)	9,186
CAPITAL CONTRIBUTIONS	-0-
CHANGE IN NET POSITION	(189,052)
TOTAL NET POSITION – BEGINNING	2,314,508
TOTAL NET POSITION - ENDING	\$ 2,125,456

The accompanying notes are an integral part of this statement.

**Housing Authority of the Town of Mansfield
Mansfield, Louisiana
Statement of Cash Flows
Year Ended September 30, 2017**

	ENTERPRISE FUND
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts From Customers & Users	\$ 332,302
Receipts From HUD	482,524
Payments to Suppliers & Others	(504,152)
Payments to Employees	(290,314)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	20,360
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Cash Provided by Other Sources of Income	9,251
NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES	9,251
CASH FLOWS FROM CAPITAL & RELATED FINANCING ACTIVITIES	
Acquisition & Construction of Capital Assets	(9,789)
Sale of Capital Assets	(7,501)
Capital Grants	-0-
NET CASH PROVIDED (USED) BY CAPITAL & RELATED FINANCING ACTIVITIES	(17,290)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest & Dividends Received	456
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	456
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	12,777
CASH, BEGINNING OF YEAR	697,545
CASH, END OF YEAR	710,322
RECONCILIATION TO BALANCE SHEET	
Cash and Cash Equivalents	685,220
Tenants' Security Deposits	25,102
TOTAL CASH & CASH EQUIVALENTS	\$ 710,322

The accompanying notes are an integral part of this statement.

**Housing Authority of the Town of Mansfield
Mansfield, Louisiana
Statement of Cash Flows
Year Ended September 30, 2017**

Reconciliation

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

Operating Income (Loss)	\$ <u>(198,238)</u>
Depreciation Expense	196,956
(Increase) Decrease in Accounts Receivable	(3,791)
(Increase) Decrease in HUD Receivables	19,070
(Increase) Decrease in Inventories	(1,125)
(Increase) Decrease in Prepaid Items	(2,993)
Increase (Decrease) in Accounts Payable	(3,779)
Increase (Decrease) in Compensated Absences	1,329
Increase (Decrease) in PILOT	-0-
Increase (Decrease) in Wages & Payroll Taxes Payable	6,658
Increase (Decrease) in Tenant Security Deposits	2,737
Increase (Decrease) in Prepaid Rents	<u>3,536</u>
TOTAL ADJUSTMENTS	<u>218,598</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 20,360</u>

LISTING OF NONCASH INVESTING, CAPITAL, & FINANCIAL ACTIVITIES

Contributions of Capital Assets From Government	\$ <u>-0-</u>
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The accompanying notes are an integral part of this statement.

**Housing Authority of the Town of Mansfield
Mansfield, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS
SEPTEMBER 30, 2017**

INTRODUCTION

The Housing Authority of the Town of Mansfield is a 140 unit apartment complex for persons of low income located in Mansfield, Louisiana. The Authority is chartered as a public corporation for the purpose of administering decent, safe and sanitary dwelling for persons of low-income.

Legal title to the Authority is held by the Housing Authority of the Town of Mansfield, Louisiana, a non-profit corporation. The Authority is engaged in the acquisition, modernization, and administration of low-rent housing. The Authority is administered by a governing Board of Commissioners (the Board), whose members are appointed by the Mayor of Mansfield, Louisiana. Each member serves a four-year term and receives no compensation for their services. Substantially all of the Authority's revenue is derived from subsidy contracts with the U. S. Department of Housing and Urban Development (HUD). The annual contributions contracts entered into by the Authority and HUD provide operating subsidies for Authority-owned public housing facilities for eligible individuals.

Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) has direct responsibility for administering low-income housing programs in the United States. Accordingly, HUD has entered into a contract with the entity to make annual contributions (subsidies) for the purpose of funding its programs for low-income families.

GASB Statement No. 14 established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Because the Housing Authority is legally separated and fiscally independent, the Housing Authority is a separate governmental reporting entity. The Housing Authority includes all funds, activities, etc., that are within the oversight responsibility of the Housing Authority.

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

1. SUMMARY OF ORGANIZATION & SIGNIFICANT ACCOUNTING POLICIES

A. BASIC FINANCIAL STATEMENTS

The basic financial statements (i.e., the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position) report information on all of the activities of the Housing Authority.

**Housing Authority of the Town of Mansfield
Mansfield, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
SEPTEMBER 30, 2017**

B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, & FINANCIAL STATEMENT PRESENTATION

The basic financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The accompanying financial statements include the activities of several housing programs subsidized by HUD. A summary of each significant program is provided below.

- **Low Income Housing Program** – The purpose of the low income housing program is to provide decent and affordable housing to low income families at reduced rents. The developments are owned, maintained and managed by the Authority. The developments are acquired, developed and modernized under HUD’s capital funds programs. Funding of the program operations is provided via federal annual contribution contracts (operating subsidies) and tenant rents (determined as a percentage of family income, adjusted for family composition).
- **Capital Fund Program** – The Conventional Public Housing Program also includes the Capital Fund Program, the primary funding source for the Housing Authority’s physical and management improvements. The funding calculation is based on the size and age of the Housing Authority’s units.

As a general rule, the effect of Interfund activity has been eliminated from the basic financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government’s enterprise operations. Elimination of these charges would distort the direct cost and program revenues reported for the various functions concerned.

Operating revenues and expenses have been reported separately from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund’s principal ongoing operations. The primary operating revenue of the Housing Authority is derived from tenant revenue. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Housing Authority of the Town of Mansfield
Mansfield, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
SEPTEMBER 30, 2017**

C. EQUITY CLASSIFICATIONS

In the government-wide financial statements, equity is classified as Net Position and displayed in three components as applicable. The components are as follows:

Net Investment in Capital Assets - Capital assets including restricted capital assets, when applicable, net of accumulated depreciation.

Restricted Net Position - Net position with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position - All other net position that does not meet the definition of “restricted” or “net investment in capital assets”.

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, management applies restricted resources first. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by management at the incurrence of the expense.

D. DEPOSITS & INVESTMENTS

The Housing Authority’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Housing Authority’s investment policy allow the Housing Authority to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

Investments (bank certificate of deposits in excess of 90 days) for the Housing Authority are reported at fair value.

E. RECEIVABLES & PAYABLES

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year referred to as either “due to/from other funds” (i.e., the current portion of Interfund loans) or “advances to/from other funds” (i.e., the non-current portion of Interfund loans). All other outstanding balances between funds are reported as “due to/from other funds.”

Advances between funds, as reported in the accompanying basic financial statements, are offset by a restriction on net position. All trade and other receivables are shown net of an allowance for uncollectibles.

Housing Authority of the Town of Mansfield

Mansfield, Louisiana

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
SEPTEMBER 30, 2017**

F. INVENTORIES & PREPAID ITEMS

All inventories are valued at cost using the first-in/first out method. Inventories are recorded as expenditures when consumed rather than when purchased. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the basic financial statements.

G. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable columns in the basic financial statements. Capital assets are capitalized at historical cost. The Housing Authority maintains a threshold level of \$500 or more for capitalizing capital assets.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense included during the current fiscal year was \$-0-. Of this amount, \$-0- was included as part of the cost of capital assets under construction in connection with construction projects.

All capital assets, other than land, are depreciated using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	15-20 years
Buildings & Building Improvements	15-40 years
Furniture & Fixtures	3-7 years
Equipment	3-7 years
Vehicles	5 years

H. COMPENSATED ABSENCES

The Housing Authority has the following policy relating to vacation and sick leave:

The Authority follows the civil service guidelines for vacation and sick leave. Employees' time is accumulated in accordance to hours worked per month. At year-end, time not used is accumulated.

At September 30, 2017, employees of the PHA have accumulated and vested \$34,005 of employee leave benefits, computed in accordance with GASB Codification Section C60. The balance of accrued compensated absences at September 30, 2017, was \$9,068 recorded as current obligation and \$24,937 recorded as non-current obligation.

**Housing Authority of the Town of Mansfield
Mansfield, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
SEPTEMBER 30, 2017**

I. LONG-TERM OBLIGATIONS

In the basic financial statements, long-term debt and other long-term obligations are reported as liabilities. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

J. EXTRAORDINARY & SPECIAL ITEMS

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the Housing Authority, which are either unusual in nature or infrequent in occurrence.

K. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require 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, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH & INVESTMENTS (CD'S IN EXCESS OF 90 DAYS)

At September 30, 2017, the Housing Authority has cash and investments (bank balances) totaling \$763,611 as follows:

Demand deposits	\$	742,945
Time deposits		<u>20,666</u>
Total	\$	<u>763,611</u>

Of the above amounts, \$25,102 is restricted for tenant's security deposits.

These deposits are stated at cost, which approximated market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

**Housing Authority of the Town of Mansfield
Mansfield, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
SEPTEMBER 30, 2017**

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the government will not be able to recover its deposits. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Entity that the fiscal agent bank has failed to pay deposit funds upon demand. Further, Louisiana Revised Statute 39:1224 states that securities held by a third party shall be deemed to be held in the Entity's name.

Deposits

It is the Housing Authority's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The Housing Authority's deposits are categorized to give an indication of the level of risk assumed by the Housing Authority at year end. The categories are described as follows:

- ***Category 1*** – Insured or collateralized with securities held by the housing authority or by its agent in the Housing Authority's name.
- ***Category 2*** – Collateralized with securities held by the pledging financial institution's trust department or agent in the Housing Authority's name.
- ***Category 3*** – Uncollateralized.

Amounts on deposit are secured by the following pledges:

Description	Market Value
FDIC (Category 1)	\$ 270,666
Securities (Category 2)	1,627,352
Total	\$ 1,898,018

Deposits were fully secured as of September 30, 2017.

**Housing Authority of the Town of Mansfield
Mansfield, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
SEPTEMBER 30, 2017**

3. RECEIVABLES

The receivables of \$329,229 as of September 30, 2017, were as follows:

HUD Receivable	\$	311,585
Tenants' Rents		27,947
Allowance for Doubtful Accounts		(10,303)
Total	\$	<u>329,229</u>

4. INVENTORY

The inventories, stated at cost, of \$7,940, as of September 30, 2017, are as follows:

Inventories	\$	7,940
Allowance for Obsolete Inventories		-0-
Inventories, Net	\$	<u>7,940</u>

5. PREPAID ITEMS

The Housing Authority's prepaid items as of September 30, 2017, consist of the following:

Prepaid Insurance	\$	<u>39,311</u>
Total	\$	<u>39,311</u>

6. CAPITAL ASSETS

Capital assets activity for the year ended September 30, 2017, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Land *	\$ 47,446	\$ -0-	\$ -0-	\$ 47,446
Leasehold Improvements	654,869	-0-	-0-	654,869
Buildings	7,350,821	2,000	-0-	7,352,821
Furniture & Equipment, Etc.	343,365	-0-	(9,802)	333,563
Construction in Progress*	-0-	7,789	-0-	7,789
Total	<u>8,396,501</u>	<u>9,789</u>	<u>(9,802)</u>	<u>8,396,488</u>
Less Accumulated Depreciation	(7,061,791)	(196,956)	16,782	(7,241,965)
Net Capital Assets	<u>\$ 1,334,710</u>	<u>\$ (187,167)</u>	<u>\$ 6,980</u>	<u>\$ 1,154,523</u>

* Land in the amount of \$47,446 and construction in progress in the amount of \$7,789 are not being depreciated.

**Housing Authority of the Town of Mansfield
Mansfield, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
SEPTEMBER 30, 2017**

7. ACCOUNTS, SALARIES & OTHER PAYABLES

The payables of \$86,496 at September 30, 2017, are as follows:

Accounts Payable	\$	10,330
Wages & Payroll Taxes Payable		16,922
Accrued Compensated Absences (Current)		9,068
Unearned Revenue		50,176
Total	\$	<u>86,496</u>

8. CHANGES IN COMPENSATED ABSENCES PAYABLES

The following is a summary of changes in compensated absences payable at September 30, 2017:

		<u>Current</u>		<u>Noncurrent</u>		<u>Total</u>
Beginning of year	\$	8,714	\$	23,962	\$	32,676
Additions/Retirements		354		975		1,329
End of year	\$	<u>9,068</u>	\$	<u>24,937</u>	\$	<u>34,005</u>

9. LONG-TERM OBLIGATIONS

To provide for the development and modernization of low-rent housing units, the PHA issued New Housing Authority Bonds and Permanent Notes-FFB. These bonds and notes are payable by HUD and secured by annual contributions. The bonds and notes do not constitute a debt by the Authority, and accordingly, have not been reported in the accompanying financial statements. This debt has been reclassified to HUD equity.

10. CONTINGENT LIABILITIES & SUBSEQUENT EVENTS

The Housing Authority is subject to possible examinations made by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the Housing Authority in the current and prior years. These examinations may result in required refunds by the Housing Authority to federal grantors and/or program beneficiaries.

11. COMMITMENTS & CONTINGENCIES

Construction Projects – There are certain major construction projects in progress as of September 30, 2017. These include modernizing rental units. These projects are being funded by HUD. Funds are requested periodically as the cost is incurred.

**Housing Authority of the Town of Mansfield
Mansfield, Louisiana**

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)
SEPTEMBER 30, 2017**

Grant Disallowances – The Housing Authority participates in a number of federally assisted grant programs. Although the grant programs are audited in accordance with the Single Audit Act Uniform Guidance, these programs are still subject to compliance audits. Housing authority management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

12. ECONOMIC DEPENDENCY

Statement of Financial Accounting Standard (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Department of Housing & Urban Development provided \$463,454 to the Housing Authority, which represents approximately 57.7% of the Housing Authority's revenue for the year.

13. PENSION PLAN

The Housing Authority provides a SEP plan to its employees where the Housing Authority contributes 25% of the employee's base salary and the employee contributes 0%. The Housing Authority's contribution was \$70,964.

Other Supplemental Schedules

**Housing Authority of the Town of Mansfield
Mansfield, Louisiana
Schedule of Compensation Paid to Board Members
Year Ended September 30, 2017**

Board Member	Title
Shirley Purvis	Chairperson
James Booker	Board Commissioner
Clarence Lancaster	Board Commissioner
Brian Phillips	Board Commissioner
Gwen Jones	Board Commissioner

Each board member received \$0 per meeting when present.

**Housing Authority of the Town of Mansfield
Mansfield, Louisiana**

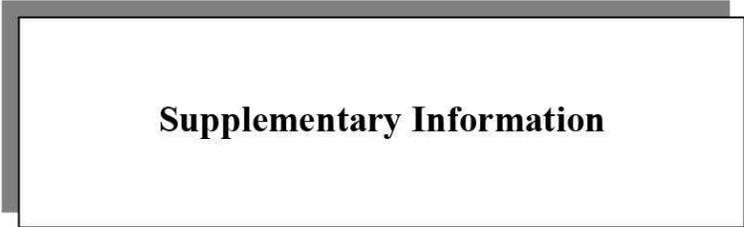
**Schedule of Compensation Benefits and Other Payments
to Agency Head or Chief Executive Officer
For the Year Ended September 30, 2017**

Mansfield Housing Authority
Linda Washington, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	67,175
Benefits-Insurance	8,251
Benefits-Retirement	27,823
Benefits (List any other here)	-0-
Car Allowance	-0-
Vehicle Provided by Government	-0-
Per Diem	-0-
Reimbursements	-0-
Travel	-0-
Registration Fees	-0-
Conference Travel	-0-
Continuing Professional Education Fees	-0-
Housing	-0-
Un-vouchered Expenses*	-0-
Special Meals	-0-

*An example of an un-vouchered expense would be a travel advance.

See independent auditor's report.



Supplementary Information

**Housing Authority of the Town of Mansfield
Mansfield, Louisiana**

**Statement and Certification of Actual Modernization Cost
Annual Contribution Contract
September 30, 2017**

	<u>CFP Project 501-2009</u>	<u>CFP Project 501-2010</u>	<u>CFP Project 501-2011</u>	<u>CFP Project 501-2012</u>	<u>CFP Project 501-2013</u>	<u>CFP Project 501-2014</u>	<u>CFP Project 501-2015</u>	<u>CFP Project 501-2016</u>	<u>CFP Project 501-2017</u>	<u>Total</u>
The Actual Modernization Costs are as follows:										
1. Funds Authorized Total	\$ 203,289	\$ 210,277	\$ 178,614	\$ 157,819	\$ 150,858	\$ 116,920	\$ 160,242	\$ 163,913	\$ 175,424	\$ 1,517,356
Funds Expended	<u>(195,563)</u>	<u>(204,442)</u>	<u>(177,833)</u>	<u>(148,625)</u>	<u>(71,410)</u>	<u>(6,120)</u>	<u>(160,242)</u>	<u>-0-</u>	<u>-0-</u>	<u>(964,235)</u>
Excess of Funds Approved	<u>7,726</u>	<u>5,835</u>	<u>781</u>	<u>9,194</u>	<u>79,448</u>	<u>110,800</u>	<u>-0-</u>	<u>163,913</u>	<u>175,424</u>	<u>553,121</u>
2. Funds Advanced	203,289	210,277	178,614	157,819	18,000	-0-	160,242	-0-	-0-	928,241
Funds Expended	<u>(195,563)</u>	<u>(204,442)</u>	<u>(177,833)</u>	<u>(148,625)</u>	<u>(71,410)</u>	<u>(6,120)</u>	<u>(160,242)</u>	<u>-0-</u>	<u>-0-</u>	<u>(964,235)</u>
Excess of Funds Advanced	\$ <u>7,726</u>	\$ <u>5,835</u>	\$ <u>781</u>	\$ <u>9,194</u>	\$ <u>(53,410)</u>	\$ <u>(6,120)</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>(35,994)</u>



Other Reports

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

Housing Authority of the
Town of Mansfield, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Housing Authority of the Town of Mansfield, 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 Mansfield's basic financial statements, and have issued our report thereon dated February 9, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Housing Authority of the Town of Mansfield'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of the Town of Mansfield's internal control. Accordingly, we do not express an opinion on the effectiveness of the Housing Authority of the Town of Mansfield'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. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs that we consider to be significant deficiencies:

- **2017-1 Old Outstanding Checks**
- **2017-3 Late Paying Payroll Taxes**

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of the Town of Mansfield's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Finding and Questioned Costs as items:

- **2017-2 Cash Management**
- **2017-4 Pension Plan Contributions**

Housing Authority of the Town of Mansfield's Response to Findings

Housing Authority of the Town of Mansfield's response to the findings identified in our audit is described in the accompanying Schedule of Findings and Questioned Costs. Housing Authority of the Town of Mansfield's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

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

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public document and its distribution is not limited.

The Vercher Group

February 9, 2018
Jena, Louisiana

**HOUSING AUTHORITY OF THE TOWN OF MANSFIELD
MANSFIELD, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2017**

Section II Financial Statement Findings

2017-1 Old Outstanding Checks

Condition: The housing authority has \$7,691 in outstanding checks that are more than six months old.

Criteria: Not clearing old outstanding checks on a regular basis can result in the issuance of financial statements that understates cash.

Cause of Condition: Not correcting the bank reconciliation.

Effect of Condition: Understatement of cash in the financial statements.

Recommendation: The old outstanding checks should be added back to the books and reconciled bank balance.

Client Response: The housing authority will have their fee accountant make the necessary adjustments.

2017-2 Cash Management

Condition: The PHA has the following CFP projects in which the PHA has drawn down the funds but not made the disbursement:

2009 CFP	\$7,726
2010 CFP	\$5,835
2011 CFP	\$781
2012 CFP	\$9,194

Criteria: When funds are advanced, recipients must follow procedures to minimize the time elapsing between the transfer of funds from the U.S. Treasury and disbursement of those funds. Except for interest earned on advances of funds exempt under the Intergovernmental Cooperation Act (31 USC 6501 *et seq.*) and the Indian Self-Determination Act (23 USC 450), interest earned by local government and Indian tribal government grantees and subgrantees on advances is required to be submitted promptly, but at least quarterly, to the federal agency. Up to \$100 per year may be kept for administrative expenses. Interest earned by non-state non-profit entities on federal fund balances in excess of \$250 is required to be remitted to Department of Health and Human Services, Payment Management System, P.O. Box 6021, Rockville, MD 20852.

Cause of Condition: The PHA not minimizing the time elapsing between the transfer of funds from the U.S. Treasury and the disbursement of those funds.

**HOUSING AUTHORITY OF THE TOWN OF MANSFIELD
MANSFIELD, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2017**

Section II Financial Statement Findings

Potential Effect of Condition: Compliance violation.

Recommendation: The PHA should develop procedures to minimize the time elapsing between the drawdown of CFP funds and the disbursement of those funds.

Client Response: The PHA will develop procedures to minimize the time elapsing between the drawdown of CFP funds and the disbursement of those funds.

2017-3 Late Paying Payroll Taxes

Condition: As of 09-30-2017, \$5,562 of state withholding taxes were in arrears being paid to the State of Louisiana

Criteria: Civil statutes require all taxes withheld or due from employees' payroll be paid timely.

Cause of Condition: Error or oversight in payment of taxes.

Effect of Condition: Payment of interest and penalties.

Recommendation: The housing authority should timely file the payroll tax forms and make payment of the taxes.

Client Response: The housing authority will file the payroll tax forms and make payment of the taxes.

2017-4 Pension Plan Contributions

Condition: The entity had not been making contributions to its pension fund according to the plan agreement.

Criteria: The entity offers a SEP plan to its employees that makes employer non-elective contributions based on 25% of employee compensation.

Cause of Condition: Erroneous calculation of pension contributions.

Effect of Condition: Compliance violation.

Recommendation: The board should review and approve the pension plan, since there is no written documentation of board approval of the plan and the entity should recalculate monthly employer pension contributions based on board approval.

**HOUSING AUTHORITY OF THE TOWN OF MANSFIELD
MANSFIELD, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended September 30, 2017**

Section II Financial Statement Findings

Client Response: The board will review and approve the pension plan, since there is no written documentation of board approval of the plan, and the entity should recalculate monthly employer pension contributions based on board approval.

Section III Federal Awards Findings and Questioned Costs

Not applicable.

**HOUSING AUTHORITY OF THE TOWN OF MANSFIELD
MANSFIELD, LOUISIANA**

**MANAGEMENT'S CORRECTIVE ACTION
FOR CURRENT YEAR AUDIT FINDINGS**

FINDINGS:

2017-1 Old Outstanding Checks

Finding: The housing authority has \$7,691 in outstanding checks that are more than six months old.

Corrective Action: The housing authority will have their fee accountant make the necessary adjustments to reconcile the bank balance.

Contact Person: Linda Washington, Executive Director

Anticipated Completion Date: September 30, 2018

2017-2 Cash Management

Finding: The PHA had drawn down the funds of several CFP projects but had not made the disbursement: 2009 CFP - \$7,726, 2010 CFP - \$5,835, 2011 CFP - \$781, and 2012 CFP - \$9,194.

Corrective Action: The PHA will develop procedures to minimize the time elapsing between the drawdown of CFP funds and the disbursement of those funds.

Contact Person: Linda Washington, Executive Director

Anticipated Completion Date: September 30, 2018

2017-3 Late Paying Payroll Taxes

Finding: As of 09/30/2017, \$5,562 of state withholding taxes were in arrears being paid to the State of Louisiana.

Corrective Action: The housing authority will file the payroll tax forms and make payment of the taxes.

Contact Person: Linda Washington, Executive Director

Anticipated Completion Date: September 30, 2018

2017-4 Pension Plan Contributions

Finding: The entity has not been making contributions to its pension fund according to the plan agreement.

**HOUSING AUTHORITY OF THE TOWN OF MANSFIELD
MANSFIELD, LOUISIANA**

**MANAGEMENT'S CORRECTIVE ACTION
FOR CURRENT YEAR AUDIT FINDINGS**

FINDINGS (CONTINUED):

Corrective Action: The board will review and approve the pension plan, since there is no written documentation of board approval of the plan, and the entity should recalculate monthly employer pension contributions based on board approval.

Contact Person: Linda Washington, Executive Director

Anticipated Completion Date: September 30, 2018

**HOUSING AUTHORITY OF THE TOWN OF MANSFIELD
MANSFIELD, LOUISIANA
For the Year Ended September 30, 2017**

**MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS**

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the Housing Authority of the Town of Mansfield, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended September 30, 2016.

PRIOR YEAR FINDINGS

2016-1 Payroll Tax Reporting (Unresolved)

Condition: As of 09/30/2016, \$2,181 of state withholding taxes were not paid to the State of Louisiana and the related withholding for L-1 was not filed.

Criteria: Civil statutes require all taxes withheld or due from employees payroll be paid timely.

Cause of Condition: Error or oversight in preparation of forms and payment of taxes.

Potential Effect of Condition: Payment of interest and penalties.

Recommendation: The housing authority should timely file the payroll tax forms and make payment of the taxes.

Client Response: The housing authority will file the payroll tax forms and make payment of the taxes.

2016-2 Old Outstanding Checks (Unresolved)

Condition: The housing authority has \$7,590 in outstanding checks that are more than six months old.

Criteria: Not clearing old outstanding checks on a regular basis can result in the issuance of financial statements that understates cash.

Cause of Condition: Not correcting the bank reconciliation.

Effect of Condition: Understatement of cash in the financial statements.

**HOUSING AUTHORITY OF THE TOWN OF MANSFIELD
MANSFIELD, LOUISIANA
For the Year Ended September 30, 2017**

**MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS**

Recommendation: The old outstanding checks should be added back to the books and reconciled bank balance.

Client Response: The housing authority will have their fee accountant make the necessary adjustments.

2016-3 Cash Management (Unresolved)

Condition: The PHA has the following CFP projects in which the PHA has drawn down the funds but not made the disbursement:

2009 CFP	\$7,726
2010 CFP	\$5,835
2011 CFP	\$781
2012 CFP	\$9,194

Criteria: When funds are advanced, recipients must follow procedures to minimize the time elapsing between the transfer of funds from the U.S. Treasury and disbursement of those funds. Except for interest earned on advances of funds exempt under the Intergovernmental Cooperation Act (31 USC 6501 *et seq.*) and the Indian Self-Determination Act (23 USC 450), interest earned by local government and Indian tribal government grantees and subgrantees on advances is required to be submitted promptly, but at least quarterly, to the federal agency. Up to \$100 per year may be kept for administrative expenses. Interest earned by non-state non-profit entities on federal fund balances in excess of \$250 is required to be remitted to Department of Health and Human Services, Payment Management System, P.O. Box 6021, Rockville, MD 20852.

Cause of Condition: The PHA not minimizing the time elapsing between the transfer of funds from the U.S. Treasury and the disbursement of those funds.

Potential Effect of Condition: Compliance violation.

Recommendation: The PHA should develop procedures to minimize the time elapsing between the drawdown of CFP funds and the disbursement of those funds.

Client Response: The PHA will develop procedures to minimize the time elapsing between the drawdown of CFP funds and the disbursement of those funds.

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AGREED-UPON PROCEDURES REPORT

Housing Authority of Town of Mansfield, Louisiana

Independent Accountant's Report

On Applying Agreed-Upon Procedures

For the Period of July 1, 2016- June 30, 2017

Mansfield Housing Authority

Mansfield, Louisiana

To the Mansfield Housing Authority and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Mansfield Housing Authority (entity) 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 Entity's management is responsible for those C/C areas identified in the SAUPs.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures and associated findings are as follows:

Written Policies and Procedures

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
 - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
 - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
 - c) ***Disbursements***, including processing, reviewing, and approving
 - d) ***Receipts***, including receiving, recording, and preparing deposits
 - e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
 - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
 - g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
 - h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
 - i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
 - j) ***Debt Service***, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Observation: We obtained a copy of the written policies and procedures manual and read it for the above items.

Exception: The policy and procedures manual did not address debt service.

Management's Response: The entity does not have debt and is not allowed to enter into debt.

Board (or Finance Committee, if applicable)

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.

Observation: We read the minutes of the board meetings and found the board meets when it can get a quorum, financial statements are presented and the board approves disbursements.

Bank Reconciliations

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

We obtained a listing and management's representation 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.

Observation: We obtained and listing of bank accounts on bank confirmations and management's representation that the list is complete.

A) Bank reconciliations are prepared for all bank accounts that have activity.

- B) **The minutes of meetings show bank reconciliations are prepared by the fee accountant and are reviewed by the board.**
- C) **We found that there were outstanding checks on the bank reconciliation that were more than 6 months old.**

Exception: We found that there were outstanding checks on the bank reconciliation that were more than 6 months old.

Management's Response: The entity will have its fee accountant clear old outstanding checks.

Collections

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

Observation: We obtained the listing and management's representation that the listing is complete.

- 6. Using the listing provided by management, select all of the entity's cash collection locations (if five locations or less) or one-third of the collection locations on a three year rotating basis (if more than 5 locations). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity funds may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.*

For each cash collection location selected:

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
 - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

Observation:

A) The entity does not accept cash.

B) The entity does not accept cash.

C) The entity does not accept cash.

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.

Observation: The entity has a policy and procedure manual that addresses collection procedures and but does not require that the employee responsible for collections not be the same employee responsible for determining completeness. The entity does not accept cash.

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.

Observation: We obtained a general ledger from the entity and management's representation that the general ledger population 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.

Observation: We randomly selected 25 disbursements and obtained supporting documentation of the following:

- A) Purchases were initiated using a requisition order system.**
- B) Purchases are approved by a person not initiating the purchase, the board.**
- C) Purchases are not processed without an approved invoice.**

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.

Observation: Inquiry found that the person responsible for processing payments is not prohibited from adding vendors to the entity's purchasing/disbursement system.

Exception: The person responsible for processing payments is not prohibited from adding vendors to the entity's purchasing/disbursement system.

Management's Response: Vendors are not added to the system without permission.

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.

Observation: A board member has the final authorization for disbursements and has no responsibility for initiating or recording purchases.

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

Observation: Inquiry and observation found that unused checks are locked in the entity's file cabinet.

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.

Observation: Not applicable.

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.

Observation: Management provided a listing of all credit cards and management's representation that the list is 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.

Observation: The entity has (7) seven credit cards. We selected (2) two cards, Home Depot and Fleet Commander Voyager fuel card.

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.

Observation: We obtained the monthly statements Home Depot August 2017 and Fleet Commander June 2017 and tested it for the following:

A) The statement was reviewed and approved (the board), in writing (minutes), by someone other than the authorized card holder.

B) There were no finance charges on the statement.

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.

Observation: We tested the August 2017 and June 2017 statements for the following:

- A) Itemized receipt, documentation of the business purpose. There were no per diem reimbursements.**
- B) Compared each transaction with the entity's written purchasing/disbursement policies and the Louisiana Public bid Law.**
- C) Documentation of the business/public purpose to 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.

Observation: Management provided general ledger and management's representation that the general ledger is 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.

Observation: We obtained the Entity's written policies relating to travel and related expense reimbursements and compared it to the per diem and mileage rates established by the U.S. General Services Administration. The entity follows I.R.S. reimbursement guidelines.

- 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.

Observation: There was no travel costs booked during the fiscal year.

- 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)

Observation: There was no travel costs booked during the fiscal year.

- 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.

Observation: There was no travel costs booked during the fiscal year.

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Observation: There was no travel costs booked during the fiscal year.

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.

Observation: We obtained a list of contracts from management and management's representation that the list is 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).

Observation: The entity did not have any contracts during the fiscal year.

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.

Observation: We selected 4 employees (there were only 4 employees) and tested as follows:

A) There was no employment contract for the employees tested, but there was documented pay rate structure (minutes of board meetings). The pay per employee agreed with the pay rate structure.

B) There were no pay rate changes on the employees tested during the year.

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.

Observation: We tested 4 employee's personnel files for the following:

- A) All employees tested had daily attendance records.**
- B) All employees had written approval for attendance and leave.**
- C) Written documentation was maintained on all employees.**

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.

Observation: The entity had no terminations during the fiscal 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.

Observation: We reviewed forms 941 and the general ledger accrual accounts and found that the entity was in arrears paying State income tax withholding in the amount of \$5,562.

Exception: The entity was in arrears paying State income tax withholding in the amount of \$5,562.

Management's Response: Management will begin paying payroll taxes timely.

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.

Observation: 4 employees/officials had ethics compliance documentation to demonstrate that the required ethics training was completed.

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.

Observation: Inquiry found no alleged ethics violations reported to the PHA during the fiscal year.

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.

Observation: No new debt was entered into during the fiscal year.

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.

Observation: No debt outstanding.

30. If the entity had tax millages 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.

Observation: 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.

Observation: Inquiry found no reported misappropriations of public funds.

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.

Observation: The entity has the notice on its premises.

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.

The Vercher Group

Jena, Louisiana

February 9, 2018

Financial Data Schedule

Housing Authority of the Town of Mansfield (LA112)

Mansfield, LA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 09/30/2017

	Project Total	Subtotal	Total
111 Cash - Unrestricted	\$685,220	\$685,220	\$685,220
112 Cash - Restricted - Modernization and Development			
113 Cash - Other Restricted			
114 Cash - Tenant Security Deposits	\$25,102	\$25,102	\$25,102
115 Cash - Restricted for Payment of Current Liabilities			
100 Total Cash	\$710,322	\$710,322	\$710,322
121 Accounts Receivable - PHA Projects			
122 Accounts Receivable - HUD Other Projects	\$311,585	\$311,585	\$311,585
124 Accounts Receivable - Other Government			
125 Accounts Receivable - Miscellaneous			
126 Accounts Receivable - Tenants	\$27,947	\$27,947	\$27,947
126.1 Allowance for Doubtful Accounts -Tenants	-\$10,303	-\$10,303	-\$10,303
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current			
128 Fraud Recovery			
128.1 Allowance for Doubtful Accounts - Fraud			
129 Accrued Interest Receivable			

Housing Authority of the Town of Mansfield (LA112)

Mansfield, LA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 09/30/2017

120 Total Receivables, Net of Allowances for Doubtful Accounts	\$329,229	\$329,229	\$329,229
131 Investments - Unrestricted	\$20,666	\$20,666	\$20,666
132 Investments - Restricted			
135 Investments - Restricted for Payment of Current Liability			
142 Prepaid Expenses and Other Assets	\$39,311	\$39,311	\$39,311
143 Inventories	\$7,940	\$7,940	\$7,940

	Project Total	Subtotal	Total
143.1 Allowance for Obsolete Inventories	\$0	\$0	\$0
144 Inter Program Due From			
145 Assets Held for Sale			
150 Total Current Assets	\$1,107,468	\$1,107,468	\$1,107,468
161 Land	\$47,446	\$47,446	\$47,446
162 Buildings	\$7,352,821	\$7,352,821	\$7,352,821
163 Furniture, Equipment & Machinery - Dwellings	\$124,658	\$124,658	\$124,658
164 Furniture, Equipment & Machinery - Administration	\$208,905	\$208,905	\$208,905
165 Leasehold Improvements	\$654,869	\$654,869	\$654,869
166 Accumulated Depreciation	-\$7,241,965	-\$7,241,965	-\$7,241,965

Housing Authority of the Town of Mansfield (LA112)

Mansfield, LA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 09/30/2017

167 Construction in Progress	\$7,789	\$7,789	\$7,789
168 Infrastructure			
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,154,523	\$1,154,523	\$1,154,523
171 Notes, Loans and Mortgages Receivable - Non-Current			
172 Notes, Loans, & Mortgages Receivable - Non Current - Past			
173 Grants Receivable - Non Current			
174 Other Assets			
176 Investments in Joint Ventures			
180 Total Non-Current Assets	\$1,154,523	\$1,154,523	\$1,154,523
200 Deferred Outflow of Resources			
290 Total Assets and Deferred Outflow of Resources	\$2,261,991	\$2,261,991	\$2,261,991

	Project Total	Subtotal	Total
311 Bank Overdraft			
312 Accounts Payable <= 90 Days	\$10,330	\$10,330	\$10,330
313 Accounts Payable >90 Days Past Due			

Housing Authority of the Town of Mansfield (LA112)

Mansfield, LA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 09/30/2017

321	Accrued Wage/Payroll Taxes Payable	\$16,922	\$16,922	\$16,922
322	Accrued Compensated Absences - Current Portion	\$9,068	\$9,068	\$9,068
324	Accrued Contingency Liability			
325	Accrued Interest Payable			
331	Accounts Payable - HUD PHA Programs			
332	Account Payable - PHA Projects			
333	Accounts Payable - Other Government			
341	Tenant Security Deposits	\$25,102	\$25,102	\$25,102
342	Unearned Revenue	\$50,176	\$50,176	\$50,176
343	Current Portion of Long-term Debt - Capital			
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	\$111,598	\$111,598	\$111,598
351	Long-term Debt, Net of Current - Capital Projects/Mortgage			
352	Long-term Debt, Net of Current - Operating Borrowings			
353	Non-current Liabilities - Other			
354	Accrued Compensated Absences - Non Current	\$24,937	\$24,937	\$24,937
355	Loan Liability - Non Current			

Housing Authority of the Town of Mansfield (LA112)

Mansfield, LA

Entity Wide Balance Sheet Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 09/30/2017

356 FASB 5 Liabilities			
	Project Total	Subtotal	Total
357 Accrued Pension and OPEB Liabilities			
350 Total Non-Current Liabilities	\$24,937	\$24,937	\$24,937
300 Total Liabilities	\$136,535	\$136,535	\$136,535
400 Deferred Inflow of Resources			
508.4 Net Investment in Capital Assets	\$1,154,523	\$1,154,523	\$1,154,523
511.4 Restricted Net Position			
512.4 Unrestricted Net Position	\$970,933	\$970,933	\$970,933
513 Total Equity - Net Assets / Position	\$2,125,456	\$2,125,456	\$2,125,456
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$2,261,991	\$2,261,991	\$2,261,991

Housing Authority of the Town of Mansfield (LA112)

Mansfield, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 09/30/2017

	Project Total	Subtotal	Total
70300 Net Tenant Rental Revenue	\$300,528	\$300,528	\$300,528
70400 Tenant Revenue - Other	\$29,292	\$29,292	\$29,292
70500 Total Tenant Revenue	\$329,820	\$329,820	\$329,820
70600 HUD PHA Operating Grants	\$463,454	\$463,454	\$463,454
70610 Capital Grants			
70710 Management Fee			
70720 Asset Management Fee			
70730 Book Keeping Fee			
70740 Front Line Service Fee			
70750 Other Fees			
70700 Total Fee Revenue			
70800 Other Government Grants			
71100 Investment Income - Unrestricted	\$456	\$456	\$456
71200 Mortgage Interest Income			
71300 Proceeds from Disposition of Assets Held for Sale			
71310 Cost of Sale of Assets			

Housing Authority of the Town of Mansfield (LA112)

Mansfield, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 09/30/2017

71400 Fraud Recovery			
71500 Other Revenue	\$9,251	\$9,251	\$9,251
71600 Gain or Loss on Sale of Capital Assets	-\$521	-\$521	-\$521
72000 Investment Income - Restricted			
70000 Total Revenue	\$802,460	\$802,460	\$802,460
91100 Administrative Salaries	\$170,729	\$170,729	\$170,729

	Project Total	Subtotal	Total
91200 Auditing Fees	\$10,851	\$10,851	\$10,851
91300 Management Fee			
91310 Book-keeping Fee			
91400 Advertising and Marketing			
91500 Employee Benefit contributions - Administrative	\$79,232	\$79,232	\$79,232
91600 Office Expenses	\$17,775	\$17,775	\$17,775
91700 Legal Expense	\$1,950	\$1,950	\$1,950
91800 Travel			
91810 Allocated Overhead			
91900 Other	\$19,841	\$19,841	\$19,841
91000 Total Operating - Administrative	\$300,378	\$300,378	\$300,378

Housing Authority of the Town of Mansfield (LA112)

Mansfield, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 09/30/2017

92000 Asset Management Fee			
92100 Tenant Services - Salaries			
92200 Relocation Costs			
92300 Employee Benefit Contributions - Tenant Services			
92400 Tenant Services - Other			
92500 Total Tenant Services	\$0	\$0	\$0
93100 Water	\$49,158	\$49,158	\$49,158
93200 Electricity	\$9,353	\$9,353	\$9,353
93300 Gas	\$851	\$851	\$851
93400 Fuel			
93500 Labor			
93600 Sewer	\$22,497	\$22,497	\$22,497
93700 Employee Benefit Contributions - Utilities			

	Project Total	Subtotal	Total
93800 Other Utilities Expense	\$4	\$4	\$4
93000 Total Utilities	\$81,863	\$81,863	\$81,863

Housing Authority of the Town of Mansfield (LA112)

Mansfield, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 09/30/2017

94100 Ordinary Maintenance and Operations - Labor	\$127,572	\$127,572	\$127,572
94200 Ordinary Maintenance and Operations - Materials and	\$50,574	\$50,574	\$50,574
94300 Ordinary Maintenance and Operations Contracts	\$70,503	\$70,503	\$70,503
94500 Employee Benefit Contributions - Ordinary Maintenance	\$46,909	\$46,909	\$46,909
94000 Total Maintenance	\$295,558	\$295,558	\$295,558
95100 Protective Services - Labor			
95200 Protective Services - Other Contract Costs			
95300 Protective Services - Other			
95500 Employee Benefit Contributions - Protective Services			
95000 Total Protective Services	\$0	\$0	\$0
96110 Property Insurance	\$54,647	\$54,647	\$54,647
96120 Liability Insurance	\$1,033	\$1,033	\$1,033
96130 Workmen's Compensation	\$13,461	\$13,461	\$13,461
96140 All Other Insurance	\$8,996	\$8,996	\$8,996
96100 Total insurance Premiums	\$78,137	\$78,137	\$78,137
96200 Other General Expenses			
96210 Compensated Absences	\$11,788	\$11,788	\$11,788
96300 Payments in Lieu of Taxes			
96400 Bad debt - Tenant Rents	\$26,832	\$26,832	\$26,832

Housing Authority of the Town of Mansfield (LA112)

Mansfield, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 09/30/2017

96500 Bad debt - Mortgages			
	Project Total	Subtotal	Total
96600 Bad debt - Other			
96800 Severance Expense			
96000 Total Other General Expenses	\$38,620	\$38,620	\$38,620
96710 Interest of Mortgage (or Bonds) Payable			
96720 Interest on Notes Payable (Short and Long Term)			
96730 Amortization of Bond Issue Costs			
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$794,556	\$794,556	\$794,556
97000 Excess of Operating Revenue over Operating Expenses	\$7,904	\$7,904	\$7,904
97100 Extraordinary Maintenance			
97200 Casualty Losses - Non-capitalized			
97300 Housing Assistance Payments			
97350 HAP Portability-In			

Housing Authority of the Town of Mansfield (LA112)

Mansfield, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 09/30/2017

97400 Depreciation Expense	\$196,956	\$196,956	\$196,956
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	\$991,512	\$991,512	\$991,512
10010 Operating Transfer In	\$160,242	\$160,242	\$160,242
10020 Operating transfer Out	-\$160,242	-\$160,242	-\$160,242

	Project Total	Subtotal	Total
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			

Housing Authority of the Town of Mansfield (LA112)

Mansfield, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 09/30/2017

10094 Transfers between Project and Program - Out			
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	-\$189,052	-\$189,052	-\$189,052
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$2,314,508	\$2,314,508	\$2,314,508
11040 Prior Period Adjustments, Equity Transfers and Correction	\$0	\$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			
11100 Changes in Allowance for Doubtful Accounts - Other			
11170 Administrative Fee Equity			
11180 Housing Assistance Payments Equity			
	Project Total	Subtotal	Total
11190 Unit Months Available	1792	1792	1792

Housing Authority of the Town of Mansfield (LA112)

Mansfield, LA

Entity Wide Revenue and Expense Summary

Submission Type: Audited/Non Single Audit

Fiscal Year End: 09/30/2017

11210 Number of Unit Months Leased	1712	1712	1712
11270 Excess Cash	\$882,406	\$882,406	\$882,406
11610 Land Purchases	\$0	\$0	\$0
11620 Building Purchases	\$0	\$0	\$0
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$9,500	\$9,500	\$9,500
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