

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA

FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED MARCH 31, 2018
WITH SUPPLEMENTAL INFORMATION SCHEDULES

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

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HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Housing Authority of the Parish of Caldwell
Columbia, Louisiana

I have audited the accompanying financial statements of each major fund of the Housing Authority of the Parish of Caldwell as of and for the year ended March 31, 2018, 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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my 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 I 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 in 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, I 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. I believe that the audit evidence I obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Housing Authority of the Parish of Caldwell, as of March 31, 2018, 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 information on pages 5–10, be presented to supplement the financial statements. Such information, although not 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. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consists 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 I obtained during my audit. I 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

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the financial statements themselves, and other procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the Schedule of Expenditures of Federal Awards are fairly stated in all material respects in relation to the financial statements taken as a whole.

The accompanying Financial Data Schedules (FDS), required by HUD as other supplemental information, and the Schedule of Compensation, Benefits, Reimbursements, and Other Payments to Agency Head, Political Subdivision Head or Chief Executive Officer are presented for purposes of additional analysis and are not a required part of the basic financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements themselves, and other procedures in accordance with auditing standards generally accepted in the United States of America.

In my opinion, the Financial Data Schedule (FDS) and the Schedule of Compensation, Benefits, Reimbursements, and Other Payments to Agency Head, Political Subdivision Head or Chief Executive Officer, are fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated August 7, 2018 on my consideration of the Housing Authority of the Parish of Caldwell's internal control over financial reporting and on my 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 my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* in considering the Housing Authority's internal control over financial reporting and compliance.


WILLIAM R. HULSEY, CPA
Certified Public Accountant
August 7, 2018

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA

REQUIRED SUPPLEMENTAL INFORMATION

Management's Discussion and Analysis (MD&A)
Housing Authority of Caldwell Parish
March 31, 2018

As management of the Housing Authority, we offer readers of the Housing Authority's financial statements this narrative overview and analysis of the financial activities of the Housing Authority for the fiscal year ended March 31, 2018. All amounts, unless otherwise indicated, are rounded to the nearest dollar.

FINANCIAL HIGHLIGHTS

- The assets of the Housing Authority exceeded its liabilities at the close of the most recent financial by \$906,083 (net assets). Of this amount, \$414,902 (unrestricted net assets) that may be used to meet the government's ongoing obligations to citizens and creditors, \$0 (restricted) for Housing Assistance Payments.
- The net position of the low rent and capital fund increased \$360,436 (71.36%), due to a increase in receipt of casualty loss proceeds. Net position of the Section 8 program decreased \$5,936 (64%) increase in HAP payments, use of HAP reserve.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Housing Authority's financial statements. The Housing Authority's basic financial statements are comprised 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 statements themselves. The Housing Authority is a special purpose government engaged only in business-type activities. Accordingly, only fund financial statements are presented as the basic financial statements.

FUND FINANCIAL STATEMENTS

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Housing Authority, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Housing Authority are reported as propriety fund types.

USING THIS ANNUAL REPORT

The Housing Authority's annual report consist of financial statements to show information about the Housing Authority's most significant funds-such as the Housing Authority's general fund, and tenant-based Section 8 funds.

Management's Discussion and Analysis (MD&A)
Housing Authority of Caldwell Parish
March 31, 2018

Our auditors have provided assurance in their independent auditors' 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 auditors, regarding the other information included in this report. A user of this report should read the independent auditor's report carefully to determine the level of assurance provided for each of the 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 establishes other funds to help to 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 funds use the following accounting approach:

Proprietary funds- All of the Housing Authority's services are reported in enterprise funds. 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.

FINANCIAL ANALYSIS

The Housing Authority's net position were \$906,083 at March 31, 2018. Of this amount, \$491,181 was invested in capital assets, \$414,902 was unrestricted and \$-0-restricted for Housing Assistance Payments.

As we noted earlier, the Housing Authority uses funds to help control and manage money for particular purposes. The general fund is used to account for the public housing program. The Capital fund accounts for the capital funds program. The Section 8 Program Housing Choice Voucher program is accounted for separately. Our analysis below focuses on the net assets and the change in net assets of the primary government as a whole.

The Statement of Net Position is presented in the format of assets, liabilities and net position. The focus of the Statement of Net Position is to show the net position (assets less liabilities). Net position is broken down between:

Management's Discussion and Analysis (MD&A)
Housing Authority of Caldwell Parish
March 31, 2018

- Net investments in Capital Assets – Capital Assets-(land, construction or improvements) reduced by outstanding debt, if any.
- Restricted– Amounts restricted by a creditor, laws or regulations
- Unrestricted: Net position that does not meet the other definitions.

The Statement of Revenue, Expenses and Changes in Net Position represents Operating Revenues, (tenant revenues), Operating Expenses (administrative, utilities, maintenance and depreciation) and Non-Operating Revenues and Expenses, (grant revenues, investment income and interest expense). The Change in Net Position represents the Housing Authority's profit or loss.

Statement of Net Position			
'Year Ended March 31, 2018			
(in thousands)			
	Current Year	Prior Year	Variance
ASSETS			
Current Assets	\$ 470,871	\$ 151,510	319,361
Restricted assets	0	29,382	-29,382
Capital assets, net	<u>491,181</u>	<u>457,024</u>	34,157
Total Assets	<u><u>962,052</u></u>	<u><u>637,916</u></u>	324,136
LIABILITIES			
Current Liabilities	32,378	38,936	-6,558
Non-current liabilities	<u>23,591</u>	<u>22,945</u>	646
Total Liabilities	55,969	61,881	-5,912
NET ASSETS			
Net investment in capital assets	491,181	457,025	34,156
Restricted	0	29,382	-29,382
Unrestricted	<u>414,902</u>	<u>89,628</u>	325,274
Total Net Position	<u><u>906,083</u></u>	<u><u>576,035</u></u>	330,048
Total Liabilities and Total Net Position	962,052	637,916	324,136

Management's Discussion and Analysis (MD&A)
Housing Authority of Caldwell Parish
March 31, 2018

Statement of Revenues, Expenses And Changes in Net Position Year Ended March 31, 2018 (in thousands)			
	Current Year	Prior Year	Variance
<u>OPERATING REVENUES</u>	\$	\$	
Tenant Revenue	168,982	177,972	-8,990
Other Income	<u>353,547</u>	<u>18,162</u>	335,385
Total Operating Revenue	522,529	196,134	326,395
<u>OPERATING EXPENSES</u>			
Administration	241,672	249,920	-8,248
Tenant Services	0	0	0
Utilities	88,833	107,891	-19,058
Ordinary maintenance & operations	280,855	271,939	8,916
Protective Services	346	3,087	-2,741
General	89,414	90,461	-1,047
Housing Assistance Payments	381,656	419,716	-38,060
Depreciation	<u>74,278</u>	<u>73,978</u>	300
Total operating expenses	1,157,054	1,216,992	-59,938
		-	
Income (loss) from Operations	<u>-634,525</u>	<u>1,020,858</u>	386,333
<u>NON OPERATING REVENUES</u>			
Other Government Funds		0	0
Federal grants- operating	861,246	1,012,198	-150,952
Federal grants- capital	<u>103,327</u>	<u>20,017</u>	83,310
Total Non-operating revenues	964,573	1,032,215	-67,642
Net Change in Position	330,048	11,357	318,691
Net Position at beginning of year	576,035	564,678	11,357
Net Position at end of year	<u>906,083</u>	<u>576,035</u>	330,048

Management's Discussion and Analysis (MD&A)
Housing Authority of Caldwell Parish
March 31, 2018

Total revenues increased \$258,753 mainly due to:

- Decrease in Rental Income \$8,990 (5.1%) due to increase in no working families and leveling off of mandated flat rents.
- Increase in Other income \$335,385 due to casualty loss for roof repairs.
- Increase in HUD Capital Funding \$83,310 (416%) due to only one grant closeout , and start of another

Total operating Expenses decreased \$59,938 (4.9%) mainly due to:

- Decrease in Administrative expenses \$8,248 (3.3%) in salary increases per Civil Service and small decrease in administrative costs
- Increase in Maintenance expenses \$8,916,(3.30%) decrease in Maintenance Materials due to completion of unit rehabs in prior year and increase in salaries due to Civil Service raises
- Decrease in Utilities-\$19,058 (21.1) decrease in water consumption drought relief conditions
- Decrease in Housing Assistance payment \$38,060 (9.1%) due decrease in of leasing due Congressional decrease in funding.

Net Position therefore increased \$330,048 or by 57.3% due in decrease in expenses and s increase income and depreciation.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At March 31, 2018 the Housing Authority had \$491,181 invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net increase (including additions, deductions, and depreciation) of \$34,156 or 7.5%) from last year.

Capital Assets	
Year Ended March 31, 2018	
(Net of Depreciation)	
Land	\$ 75,495
Buildings	327,730
Leasehold Improvements	2,769
Furniture and equipment	85,187
Construction in Progress	0
Total	491,181

Management's Discussion and Analysis (MD&A)
Housing Authority of Caldwell Parish
March 31, 2018

Capital Expenditures of \$108,435 were added from the Capital Fund and Low Rent program. This was offset with depreciation of \$74,278.

Major capital projects planned for March 31, 2019 include capital funding of at least \$149,345 of budgeted projects.

No debt was issued for these additions.

Debt

The Housing Authority has not incurred any mortgages, leases, or bond indentures for financing capital assets or operations. Accrued annual leave is available to Housing Authority employees.

ECONOMIC FACTORS

The Housing Authority is primarily dependent upon HUD for the funding of operations; therefore, the Housing Authority is affected more by the Federal budget than by local economic conditions. The budgets for March 31, 2019 have already been complete and no major changes are expected.

The Capital fund programs are multiple year budgets and have remained relatively stable although funding has decreased over the years. Capital funds are used for the modernization of public housing properties including administrative fees involved in the modernization.

The Section 8 program is mainly affected by the federal budgets as well as by the rental market of the community, which it serves. This can affect the number of families leased to as well as the Housing Assistance Payments paid by the Housing Authority.

CONTACTING THE HOUSING AUTHORITY'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizen's, taxpayers, and investors 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 any questions about this report or wish to request additional financial information, contact Rhonda Ratcliff, Executive Director, at the Housing Authority of the Caldwell Parish, 103 North Alvin ST, Columbia, LA 71418, telephone number (318)-649-0686.

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA

BASIC FINANCIAL STATEMENTS

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
STATEMENT OF NET POSITION
YEAR ENDED MARCH 31, 2018

	<u>General Fund</u>	<u>Housing Choice Vouchers</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 342,370	\$ 7,930	\$ 350,300
Accounts receivable, net	5,955	-	5,955
Accounts receivable - HUD	-	-	-
Accounts receivable - HUD other projects	103,327	2,023	105,350
Accounts receivable - miscellaneous	-	-	-
Inventory	2,705	-	2,705
Interprogram due from	-	-	-
Capital Assets:			
Non-depreciable	75,495	-	75,495
Depreciable	415,686	-	415,686
Total assets	<u>945,538</u>	<u>9,953</u>	<u>955,491</u>
<i>Deferred Outflows of Resources</i>			
Prepaid expenses and other assets	<u>6,561</u>	<u>-</u>	<u>6,561</u>
LIABILITIES			
Accounts payable	6,452	27	6,479
Accrued payroll taxes payable	2,727	-	2,727
Compensated absences payable	8,520	737	9,257
Interprogram due to	-	-	-
Non-current liabilities			
Due in more than one year			
Compensated absences	<u>20,338</u>	<u>3,253</u>	<u>23,591</u>
Total liabilities	<u>38,037</u>	<u>4,017</u>	<u>42,054</u>
<i>Deferred Inflows of Resources</i>			
Deferred revenue	2,005	-	2,005
Deposits due others	<u>11,910</u>	<u>-</u>	<u>11,910</u>
Total deferred inflows of resources	<u>13,915</u>	<u>-</u>	<u>13,915</u>
Net Position			
Net investment in capital assets	491,181	-	491,181
Restricted for:			
Housing assistance payments	-	-	-
Unrestricted	<u>408,966</u>	<u>5,936</u>	<u>414,902</u>
Total net position	<u>\$ 900,147</u>	<u>\$ 5,936</u>	<u>\$ 906,083</u>

The accompanying notes to financial statement are an integral part
of these financial statements.

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2018

	Expenses	Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Function activities					
General fund - low rent	\$ -	\$ 168,982	\$ 480,030	\$ 103,326	\$ 1,102,085
Administration	241,672				(241,672)
Tenant services	-				-
Protective services	346				(346)
Utilities	88,833				(88,833)
Maintenance and operations	280,855				(280,855)
General expenses	18,365				(18,365)
Insurance	71,049				(71,049)
Depreciation	74,277				(74,277)
Casualty losses	-				-
Housing choice vouchers			381,216		381,216
HAP payments	381,656			-	(381,656)
					-
Total	<u>\$ 1,157,053</u>	<u>\$ 168,982</u>	<u>\$ 861,246</u>	<u>\$ 103,326</u>	<u>\$ 326,248</u>
			General revenues		<u>3,800</u>
			Change in net position		330,048
			Net position - beginning		576,035
			Prior period adjustment		<u>-</u>
			Net position - ending		<u>\$ 906,083</u>

The accompanying notes to financial statement are an integral part
of these financial statements.

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2018

	General Fund	Housing Choice Vouchers	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Rental receipts	\$ 156,566	\$ -	\$ 156,566
Other receipts	7,533	-	7,533
Payments to HUD	-	-	-
HAP Payments	-	(355,927)	(355,927)
Payments to vendors	(561,344)	(51,307)	(612,651)
Payments to employees - net	(200,810)	(41,203)	(242,013)
Net cash used by operating activities	(598,055)	(448,437)	(1,046,492)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Operating transfers in	29,869	-	29,869
Operating transfers out	(29,869)	-	(29,869)
Insurance proceeds	-	-	-
Other revenues (expenses)	320,507	29,240	349,747
Federal grants	548,615	383,239	931,854
Net cash provided by non- capital financing activities	869,122	412,479	1,281,601
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Purchase of capital assets	(108,436)	-	(108,436)
Interprogram due to / from	-	-	-
Capital Asset Deletions	-	-	-
Federal capital grants	103,327	-	103,327
Net cash provided (used) by capital and related financing activities	(5,109)	-	(5,109)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	3,800	-	3,800
Net cash provided by interest income net of purchase of investment	3,800	-	3,800
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	269,758	(35,958)	233,800
CASH AND CASH EQUIVALENTS			
Beginning of fiscal year	72,612	43,888	116,500
End of fiscal year	\$ 342,370	\$ 7,930	\$ 350,300

The accompanying notes to financial statement are an integral part
of these financial statements.

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2018

	<u>General Fund</u>	<u>Housing Choice Vouchers</u>	<u>Total</u>
RECONCILIATION OF OPERATING			
INCOME (LOSS) TO NET CASH PROVIDED			
(USED) BY OPERATING ACTIVITIES:			
Operating loss	\$ (607,114)	\$ (442,867)	\$ (1,049,981)
Adjustment to reconcile operating			
income to net cash provided by			
operating activities:			
Depreciation expense	74,277	-	74,277
Allowance for doubtful accounts	(8,697)	-	(8,697)
Change in assets and liabilities:			
Receivables	4,883	-	4,883
Accounts receivable - HUD	-	(2,023)	(2,023)
Accounts receivable - miscellaneous	(68,585)	-	(68,585)
Inventories	(1,905)	-	(1,905)
Prepaid items	11,451	-	11,451
Bank overdraft	-	-	-
Accounts payable	(3,066)	9	(3,057)
Accrued expenses	(2,030)	-	(2,030)
Compensated absences	567	79	646
Deferred revenue	(121)	(3,635)	(3,756)
Deposits Due to Others	2,285	-	2,285
	<u> </u>	<u> </u>	<u> </u>
Net cash used by operating activities	<u>\$ (598,055)</u>	<u>\$ (448,437)</u>	<u>\$ (1,046,492)</u>

The accompanying notes to financial statement are an integral part
of these financial statements.

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

INTRODUCTION

Housing Authorities are chartered as a public corporation under the laws (LSA-RS 40:391) of the State of Louisiana for the purpose of providing safe and sanitary housing and related facilities for eligible low-income families and the elderly. This creation was contingent upon the local governing body of the city or parish declaring a need for the Housing Authority to function in such city or parish. The Housing Authority is governed by a five-member Board of Commissioners. The members serve a staggered term of four years.

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-rent housing programs in the United States. Accordingly, HUD has entered into an annual contributions contract with the Housing Authority for the purpose of assisting the Housing Authority in financing the acquisition, construction and leasing of Housing Units and to make annual contributions (subsidies) to the Housing Authority for the purpose of maintaining this low-rent character.

The Housing Authority participates in Section 8 housing assistance payment programs. The rental certificate and moderate rehabilitation programs provide assistance to low-income persons seeking housing by subsidizing rents between tenants and owners of existing private housing. Under these two programs, the Housing Authority enters into housing assistance payment contracts with landlords. Section 8 Rental Voucher Program, another Section 8 housing assistance program, provides assistance to low-income families. The program provides for a voucher which can be used by the tenant to pay rent to any landlord he chooses.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Reporting Entity

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 separate and fiscally independent by being solely accountable for fiscal matters, including (1) budget authority, (2) responsibility for funding deficits and operating deficiencies, (3) fiscal management for controlling the collection and disbursement of funds, and (4) the authority to issue debt, the Housing Authority is a separate governmental reporting entity. Based on the foregoing criteria, no entities were identified as component units of the Authority.

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

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

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

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Funds

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

The transactions of the Housing Authority are reported in a proprietary Enterprise Fund. The general fund accounts for the transactions of the Public Housing Low Rent and the Capital Fund program. The Housing Choice Voucher fund accounts for the Section 8 Housing Choice Voucher program.

Measurement Focus and Basis of Accounting

Proprietary Funds - Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenue are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The Authority applies all Governmental Accounting Standards Board (GASB) pronouncements as well as Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, unless the pronouncements conflict with or contradict GASB pronouncements.

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

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)

The following practices in recording revenues and expenses are used:

Revenues

Federal entitlements are recorded as unrestricted grants-in-aid when available and measurable. Federal restricted grants are recorded when the reimbursable expenses have been incurred.

Rental income is recorded in the month earned.

Interest earnings on time deposits are recorded when the time deposits have matured and the interest is available. Interest income on interest bearing demand deposits is recorded each month when credited by the bank to the account.

Substantially all other revenues are recorded when they become available to the Housing Authority.

Expenses

Salaries are recorded as expenses when incurred.

Purchases of various operating supplies are recorded as expenses in the accounting period they are consumed.

Principal and interest on debt are recognized when incurred.

Substantially all other expenses are recognized when the related fund liability has been incurred.

Deferred Revenues

The Housing Authority reports deferred revenues on its balance sheet. Deferred revenues arise when resources are received by the Housing Authority before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenses. In subsequent periods, when the Housing Authority has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and the revenue is recognized.

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets and Budgetary Accounting

Annual budgets are prepared. Periodic comparison reports are prepared and actual expenses are compared to budgeted amounts. These reports are prepared to assist management in controlling the day-to-day operation of the Housing Authority.

The Authority is required by its HUD Annual Contributions Contracts to adopt annual budgets for the Low-Rent Housing Program and the Section 8 Programs. Annual budgets are not required for CIAP grants as their budgets are approved for the length of the project.

The Authority is under a limited budget review from HUD with the control category of total operating expenditures. If there are no overruns of the total operating expenditures, then HUD does not require budget revisions other than when there are substantial additions to nonroutine expenditures.

Encumbrances

Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is not employed. However, outstanding purchase orders are taken into consideration before expenditures are incurred in order to assure that applicable appropriations are not exceeded. In addition, the monthly budget reports are reviewed to ensure compliance with the budget, and where necessary, revisions to the budget are made.

Cash and Cash Equivalents

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

Under state law, the Housing Authority may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowance for Doubtful Accounts

The allowance for doubtful accounts is determined on information available at the time which would indicate the uncollectibility of the accounts receivable.

Prepaid Items

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

Fixed Assets

Fixed assets are recorded at the time they are purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures such as sidewalks and parking lots are capitalized. Interest expense during construction is capitalized.

Tenant Receivables

Receivables for rentals and services charges are reported on the balance sheet, net of allowance for doubtful accounts.

Compensated Absences

Employees earn annual leave based upon years of services, and may accrue up to 300 hours. Sick time is earned but not accrued since it is dependent upon a future event. Upon termination all accrued vacation time is paid. At March 31, 2018, the CPHA had a liability of \$32,848, of which \$9,257 is current. Only the increase is recognized as a current year expense in these financial statements.

Reserves

Reserves represent those portions of fund equity not appropriable for expenses or legally segregated for a specific future use.

Income Taxes

No provision is made for income taxes since the Housing Authority of the Parish of Caldwell is a governmental entity in the State of Louisiana.

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Net Position

Net position is reported as restricted when constraints placed on net position are either externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. Restricted resources are used first when an expense is incurred for purposes which both restricted and unrestricted net position is available.

NOTE 2 – USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

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

NOTE 3 - CASH AND CASH EQUIVALENTS

At March 31, 2018, the Housing Authority had cash and cash equivalents totaling \$350,300 as follows:

Cash on hand	\$ 50
Carrying amount of deposits	<u>350,250</u>
Total	<u>\$ 350,300</u>
Cash and cash equivalents	\$ 338,390
Cash and cash equivalents - restricted	<u>11,860</u>
Total	<u>\$ 350,300</u>

These deposits are stated at cost, which approximates 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 PARISH OF CALDWELL
COLUMBIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 3 - CASH AND CASH EQUIVALENTS (Continued)

It is the entity's policy for deposits to be secured by collateral valued at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation Insurance. The entity's deposits are categorized to give an indication of the level of risk assumed by the entity at March 31, 2018.

The categories are described as follows:

Category 1– Insured or collateralized with securities held by the entity or by its agent in the entity's name.

Category 2 – Collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name.

Category 3 – Uncollateralized, uninsured and unregistered, but with securities held by the bank, its trust department, or its agent, pledged to the PHA, but not in the PHA's name.

Cash Deposits, categorized by level of risk, (at cost, which approximates market) are:

Total	Category		
Bank Balances	1	2	3
\$ 361,313	\$ 250,000	\$ 179,857	\$ -

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

NOTE 4 – ACTIVITIES OF THE PHA

At March 31, 2018, the CPHA was managing 116 units of low-rent in one project under Program FW-2063 and 114 units of Section 8 under Program FW-2124.

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 5 - RECEIVABLES

The receivables at March 31, 2018 are as follows:

Local Sources:

Tenants	\$ 14,652	
Less: Allowance for doubtful accounts	<u>(8,697)</u>	
Total Accounts Receivable – Tenants		\$ 5,955

Accounts Receivable – Miscellaneous

Federal sources:

Accounts Receivable – HUD PHA Projects	\$ -	
- HUD	<u>105,350</u>	
Total Accounts Receivable - HUD		105,350

Accounts Receivable – Other _____ -

TOTAL RECEIVABLES \$ 111,305

NOTE 6 - INVENTORY

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

NOTE 7 - FIXED ASSETS

As stated in Note 1, soft costs formerly capitalized have been written off and fixed assets are now depreciated on the straight-line method over their estimated useful lives as follows:

Site improvements	15 Years
Building	33 Years
Buildings improvements	15 Years
Nondwelling structures	15 Years
Equipment	3 to 7 Years

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 7 - FIXED ASSETS(Continued)

The changes in general fixed assets are as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Land	\$ 75,495	\$ -	\$ -	\$ 75,495
Building and improvements	4,832,655	79,109	-	4,911,764
Leasehold improvements	951,402	-	-	951,402
Furniture, equipment and machinery	264,257	29,327	-	293,584
Sub-total	6,123,809	108,436	-	6,232,245
Accumulated Depreciation	5,666,787	74,277	-	5,741,064
Total	\$ 457,022	\$ 34,159	\$ -	\$ 491,181

NOTE 8 - SECURITY DEPOSIT ACCOUNT

At March 31, 2017, the security deposit account had a balance of \$11,910 and tenant security deposits totaled \$11,910.

NOTE 9 - DEFERRED COMPENSATION PLAN

The Housing Authority of the Parish of Caldwell offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all Housing Authority of the Parish of Caldwell employees, permits them to defer a portion of their salary until future years.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are (until paid or made available to the employee or other beneficiary) held for the exclusive benefits of the plan participants.

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 10 - COMMITMENTS AND CONTINGENCIES

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

According to the District Attorney's office, there was no pending or threatened litigation at March 31, 2018.

NOTE 11 - RISK MANAGEMENT

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

NOTE 12 - PENSION PLAN

The Housing-Renewal and Local Agency Retirement Plan was formed effective January 1, 1970 under an agreement between the Metropolitan Development and Housing Agency, Nashville, Tennessee (formerly the Nashville Housing Authority) as sponsoring employer and certain trustees for the purpose of establishing a retirement system providing benefits for employees of the sponsoring employer and such other employers as may elect to participate in the Plan. In addition to retirement benefits, the Plan provides certain benefits for those members who die or become disabled prior to retirement.

From the effective date, the Plan Administrator has been William M. Mercer, Inc.

All contributions into and disbursements from the trust fund flow through the trust department of the custodial bank, P.N.C. Bank of Kentucky. All financial transactions of the trust are recorded daily. Distribution instructions may only be made by the Plan Administrator. The individual trustees neither receive contributions nor implement disbursements. Asset and individual participant account balances are updated and reconciled monthly by the Plan Administrator.

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 12 - PENSION PLAN (Continued)

Plan Description

The Plan is a defined contribution retirement plan covering essentially all employees of the various participating employers. Since the participating employers are all governmental units, the Plan is not subject to the provisions of the Employee Retirement Income Security Act of 1974, except for the contribution limitations of Section 415.

The Plan and Trust are qualified under Section 401(a) of the Internal Revenue Code and their income is exempt from taxation under Section 501(a) of the Code.

The Plan is funded by employer contributions and in some cases, employee contributions. The rates of contributions are determined by the various joinder agreements of the participating employers.

Terminated or retiring participants are entitled to certain benefits including the full amount of their contributions to the Plan as well as earnings on their contributions. In addition to the amount of their contribution, each participant is entitled to the portion of the employer's contributions in which he or she has a vested interest. Vesting provisions are determined in accordance with the participating employers' joinder agreement. If a participating employee shall be determined to be totally and permanently disabled, or if an active participating employee should die prior to retirement, or a participant upon attaining normal retirement age as specified in the employer's joinder agreement, then the employee or their designated beneficiary shall be entitled to the full value of the participant's account. Benefits are payable in the form of lump sum cash settlements or purchased annuities, depending upon the election of the participant. Effective January 1, 1989 the non-vested portion of a terminated participants' account which arose prior to January 1, 1989, will be used first to pay the administrative expense of the plan and the balance to reduce the employer contributions in succeeding plan years.

The non-vested portion of a terminated participant's account, which arose after January 1, 1989, shall be applied in the same manner as pre-January 1, 1989 amounts. However, for any forfeitures remaining as of the December 31 monthly valuation date after payment of the applicable employer's expenses, the employer may elect in its Joinder Agreement to have those forfeitures returned to the housing authority. The total amount of assets for the plan year ended March 31, 2018, was \$674,006.

If the Plan is terminated or contributions under the Plan are discontinued, the participating employees are entitled to benefits accrued to the date of such termination or discontinuance to the extent funded and/or to the amounts credited to the employees' accounts.

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018

NOTE 12 - PENSION PLAN (Continued)

Funding Policy

The Housing Authority's total payroll for the year ended March 31, 2018 was \$228,746 of which \$222,306 was the covered payroll for employees in the Housing - Renewal and Local Agency Retirement Plan. The Housing Authority contributes 14.5%. The Housing Authority has 4 employees covered under this retirement system. The contribution requirement was \$29,243 all of which was the employers' portion.

NOTE 13 – ACCOUNTING FOR THE IMPAIRMENT OF LONG-LIVED ASSETS

The full amount of the carrying value of buildings and land improvements are deemed recoverable from future cash flows.

NOTE 14 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through August 7, 2018, which is the day the financial statements were available to be issued, and it has been determined that no significant events have occurred for disclosure.

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA

OTHER REPORTS REQUIRED BY *GOVERNMENT AUDITING*
STANDARDS AND BY OFFICE OF MANAGEMENT AND BUDGET
UNIFORM GUIDANCE
SUPPLEMENTAL INFORMATION

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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*

To the Board of Directors
Housing Authority of the Parish of Caldwell
Columbia, Louisiana

I 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 each major fund and the aggregate remaining fund information of the Housing Authority of the Parish of Caldwell, as of and for the year ended March 31, 2018, and the related notes to the financial statements, which collectively comprise the Housing Authority of the Parish of Caldwell's basic financial statements, and have issued my report thereon dated August 7, 2018.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Housing Authority of the Parish of Caldwell's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Housing Authority of the Parish of Caldwell's internal control. Accordingly, I do not express an opinion on the effectiveness of the Housing Authority of the Parish of Caldwell'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.

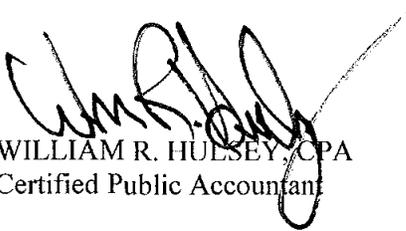
My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during my audit I did not identify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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Housing Authority of the Parish of Caldwell's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this information is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



WILLIAM R. HULSEY, CPA
Certified Public Accountant

August 7, 2018

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

To the Board of Directors
Housing Authority of the Parish of Caldwell
Columbia, Louisiana

Report on Compliance for Each Major Federal Program

I have audited The Housing Authority of the Parish of Caldwell's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of The Housing Authority of the Parish of Caldwell's major federal programs for the year ended March 31, 2018. The Housing Authority of the Parish of Caldwell's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of the Housing Authority of the Parish of Caldwell's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Housing Authority of the Parish of Caldwell's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances.

I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination on the Housing Authority of the Parish of Caldwell's compliance.

Opinion on Each Major Federal Program

In my opinion, the Housing Authority of the Parish of Caldwell, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended March 31, 2018.

Report on Internal Control Over Compliance

The management of the Housing Authority of the Parish of Caldwell is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing my audit of compliance, I considered the Housing Authority of the Parish of Caldwell's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Housing Authority of the Parish of Caldwell's internal control over compliance.

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

My consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. I did not identify any deficiencies in internal control over compliance that I consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.


WILLIAM R. HULSEY, CPA
Certified Public Accountant

August 7, 2018

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
 COLUMBIA, LOUISIANA
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED MARCH 31, 2018

<u>Federal Grantor/Pass Through Grantor/Program Name</u>	<u>Federal CFDA Number</u>	<u>Grant ID Number</u>	<u>Program/ Award Amount</u>
U.S. Department of Housing and Urban Development			
Direct programs:			
Public Housing Capital Fund	14.872	LA-48P125 501-13	\$ 143,428
Housing Choice Voucher	14.871	LA-125	381,216*
Low Rent Public Housing	14.850	LA-125000001	439,929*
			<u> -</u>
Total Expenditures of Federal Awards			<u>\$ 964,573</u>

*- Denotes major program

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED MARCH 31, 2018

NOTE 1 – GENERAL

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Housing Authority of the Parish of Caldwell. The Housing Authority reporting entity is defined in Note 1 to the Housing Authority's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included on the schedule.

NOTE 2 - BASIS OF ACCOUNTING

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to the Housing Authority's basic financial statements.

NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

Federal awards revenues are reported in the Housing Authority's basic financial statements as follows:

Governmental operating grants	\$ 821,145
Capital grants	143,428
	<hr/>
Total	\$ 964,573
	<hr/> <hr/>

NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS

Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED MARCH 31, 2018

Section I- Summary of Auditor's Results

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
Material weakness (es) identified?	No
Significant Deficiency (ies) identified that are not considered to be material weaknesses?	None Reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness (es) identified?	No
Significant Deficiency (ies) identified that are not considered to be material weakness (es)?	None Reported

Type of auditor's report issued on compliance for major programs:	Unmodified
--	------------

Any audit findings disclosed that are required to be reported in accordance with the Uniform Guidance?	No
--	----

The programs tested as major programs include: CFDA# 14.871 Housing Choice Voucher Program	
---	--

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
---	-----------

Auditee qualified as low-risk auditee?	Yes
--	-----

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
SUMMARY SCHEDULE OF CURRENT YEAR AUDIT FINDINGS
FOR THE YEAR ENDED MARCH 31, 2018

Section II- Financial Statement Findings

No matters were reported.

Section III- Federal Award Findings and Questioned Costs

No matters were reported.

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED MARCH 31, 2018

PRIOR YEAR AUDIT FINDINGS

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
COLUMBIA, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES
FOR THE YEAR ENDED MARCH 31, 2018

Schedule of Compensation, Reimbursements, Benefits and Other Payments to Agency Head,
Political Subdivision Head, or Chief Executive Officer

Rhonda Ratcliff, Executive Director

Purpose:	
Salary	\$ 92,724
Benefits – Insurance	12,432
Benefits – Retirement	13,213
Benefits – Dental	-
Travel Reimbursements	-
Registration Fees	-
Auto	4,800
Vehicle Provided	-
Total	<u>\$ 123,169</u>

GENERAL

Compensation Paid To Board Members

The members of the Board of Commissioners serve without compensation.

Federal Financial Awards Programs

In accordance with the Uniform Guidance, a schedule of expenditures of federal awards is presented.

HOUSING AUTHORITY OF THE PARISH OF CALDWELL
 COLUMBIA, LOUISIANA
 STATEMENT OF MODERNIZATION COSTS - COMPLETE
 YEAR ENDED MARCH 31, 2018

CASH BASIS

	CAPITAL FUND
	2016
Funds approved	\$ 20,017
Funds expended	20,017
Excess of funds approved	\$ -

STATEMENT OF MODERNIZATION COSTS - UNCOMPLETE
 YEAR ENDED MARCH 31, 2018

CASH BASIS

	CAPITAL FUND
	2017
Funds approved	\$ 73,458
Funds expended	73,458
Excess of funds approved	\$ -

Housing Authority of the Parish of Caldwell
Financial Data Schedule
For the Year Ended March 31, 2018

Line Item #	Account Description	Low Rent	Capital Fund Program	Section 8	Disaster Voucher Program	Other Federal Program 1	Other Federal Program 2	TOTAL
				Housing Choice Vouchers				
111	Cash - unrestricted	330,460	-	7,930	-	-	-	338,390
113	Cash - other restricted	-	-	-	-	-	-	-
114	Cash - tenant security deposits	11,910	-	-	-	-	-	11,910
100	Total Cash	342,370	-	7,930	-	-	-	350,300
121	Accounts receivable - PHA Projects	-	-	-	-	-	-	-
122	Accounts receivable - HUD other projects	103,327	-	2,023	-	-	-	105,350
125	Accounts receivable - miscellaneous	-	-	-	-	-	-	-
126	Accounts receivable- tenants - dwelling rents	14,652	-	-	-	-	-	14,652
126.1	Allowance for doubtful accounts - dwelling rents	(8,697)	-	-	-	-	-	(8,697)
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-
120	Total receivables, net of allowances for doubtful accounts	109,282	-	2,023	-	-	-	111,305
131	Investments- unrestricted	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	6,561	-	-	-	-	-	6,561
143	Inventories	2,705	-	-	-	-	-	2,705
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-
144	Interprogram - due from	-	-	-	-	-	-	-
150	Total current assets	460,918	-	9,953	-	-	-	470,871
161	Land	75,495	-	-	-	-	-	75,495
162	Buildings	4,911,764	-	-	-	-	-	4,911,764
163	Furniture, equipment & machinery - dwellings	149,251	-	-	-	-	-	149,251
164	Furniture, equipment & machinery - administration	142,899	-	1,434	-	-	-	144,333
165	Leasehold improvements	951,402	-	-	-	-	-	951,402
166	Accumulated depreciation	(5,739,630)	-	(1,434)	-	-	-	(5,741,064)
167	Construction in progress	-	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	491,181	-	-	-	-	-	491,181
180	Total Non-Current Assets	491,181	-	-	-	-	-	491,181
190	Total Assets	952,099	-	9,953	-	-	-	962,052

Housing Authority of the Parish of Caldwell
Financial Data Schedule
For the Year Ended March 31, 2018

Line Item #	Account Description	Low Rent	Capital Fund Program	Section 8 Housing Choice Vouchers	Disaster Voucher Program	Other Federal Program 1	Other Federal Program 2	TOTAL
311	Bank Overdraft	-	-	-	-	-	-	-
312	Accounts payable < 90 days	6,452	-	27	-	-	-	6,479
321	Accrued wage/payroll taxes payable	2,727	-	-	-	-	-	2,727
322	Accrued compensated absences- current	8,520	-	737	-	-	-	9,257
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-
333	Accounts payable - Other Government	-	-	-	-	-	-	-
341	Tenant security deposits	11,910	-	-	-	-	-	11,910
342	Deferred revenue - other	2,005	-	-	-	-	-	2,005
346	Accrued liabilities- other	-	-	-	-	-	-	-
347	Interprogram due to	-	-	-	-	-	-	-
310	Total current liabilities	31,614	-	764	-	-	-	32,378
								-
354	Accrued compensated absences- noncurrent	20,338	-	3,253	-	-	-	23,591
353	Other noncurrent liabilities	-	-	-	-	-	-	-
350	Total noncurrent liabilities	20,338	-	3,253	-	-	-	23,591
								-
300	Total liabilities	51,952	-	4,017	-	-	-	55,969
								-
504	Net HUD PHA contributions	-	-	-	-	-	-	-
508	Total contributed capital	-	-	-	-	-	-	-
508.1	Invested in Capital Assets, Net of Related Debt	491,181	-	-	-	-	-	491,181
511	Total reserved fund balance	-	-	-	-	-	-	-
								-
511.4	Restricted net position	-	-	-	-	-	-	-
512.4	Unrestricted net position	408,966	-	5,936	-	-	-	414,902
513	Total equity-net assets/position	900,147	-	5,936	-	-	-	906,083
								-
600	Total liabilities and equity/net assets	952,099	-	9,953	-	-	-	962,052

Housing Authority of the Parish of Caldwell
 Financial Data Schedule
 For the Year Ended March 31, 2018

Line Item #	Account Description	Low Rent	Capital Fund Program	Section 8 Housing Choice Vouchers	Disaster Voucher Program	Other Federal Program 1	Other Federal Program 2	TOTAL
70300	Net tenant rental revenue	161,449	-	-	-	-	-	161,449
70400	Tenant revenue - other	7,533	-	-	-	-	-	7,533
70500	Total tenant revenue	168,982	-	-	-	-	-	168,982
70600	HUD PHA operating grants	439,929	40,101	381,216	-	-	-	861,246
70610	Capital grants	-	103,327	-	-	-	-	103,327
71100	Intestment income - unrestricted	-	-	-	-	-	-	-
71400	Fraud recovery	-	-	-	-	-	-	-
71500	Other revenue	320,507	-	29,240	-	-	-	349,747
71600	Gain/loss on sale of fixed assets	3,800	-	-	-	-	-	3,800
72000	Investment income - restricted	-	-	-	-	-	-	-
70000	Total revenue	933,218	143,428	410,456	-	-	-	1,487,102

Housing Authority of the Parish of Caldwell
 Financial Data Schedule
 For the Year Ended March 31, 2018

Line Item #	Account Description	Low Rent	Capital Fund Program	Section 8 Housing Choice Vouchers	Disaster Voucher Program	Other Federal Program 1	Other Federal Program 2	TOTAL
91100	Administrative salaries	111,861	-	29,966	-	-	-	141,827
91200	Auditing fees	9,300	-	3,450	-	-	-	12,750
91300	Bookkeeping fee	-	-	-	-	-	-	-
91400	Advertising and marketing	173	-	-	-	-	-	173
91500	Employee benefit contributions- administrative	35,920	-	9,854	-	-	-	45,774
91600	Office expenses	22,841	-	6,446	-	-	-	29,287
91700	Legal	-	-	-	-	-	-	-
91800	Travel	2,550	-	1,329	-	-	-	3,879
91900	Other	4,746	-	3,236	-	-	-	7,982
92100	Tenant services - salaries	-	-	-	-	-	-	-
92300	Tenant services - employee benefit contributions	-	-	-	-	-	-	-
92400	Tenant services - other	-	-	-	-	-	-	-
93100	Water	39,529	-	-	-	-	-	39,529
93200	Electricity	13,252	-	-	-	-	-	13,252
93300	Gas	928	-	-	-	-	-	928
93600	Sewer	35,124	-	-	-	-	-	35,124
93800	Other utilities expense	-	-	-	-	-	-	-
94100	Ordinary maintenance and operations - labor	86,919	-	-	-	-	-	86,919
94200	Ordinary maintenance and operations - materials and other	42,151	7,584	-	-	-	-	49,735
94300	Ordinary maintenance and operations - contract costs	113,331	2,648	-	-	-	-	115,979
94500	Employee benefit contributions - ordinary maintenance	28,222	-	-	-	-	-	28,222
95200	Protective services - other contract costs	346	-	-	-	-	-	346
96110	Property insurance	53,808	-	-	-	-	-	53,808
96120	Liability insurance	5,467	-	1,367	-	-	-	6,834
96130	Workmen's Compensation	141	-	607	-	-	-	748
96450	All other insurance	6,805	-	2,854	-	-	-	9,659
96200	Other general expenses	1,362	-	-	-	-	-	1,362
96210	Compensated absences	567	-	79	-	-	-	646
96400	Bad debts - tenant rents	16,357	-	-	-	-	-	16,357
96900	Total operating expenses	631,700	10,232	59,188	-	-	-	701,120
97000	Excess Operating Revenues over Operating Expenses	301,518	133,196	351,268	-	-	-	785,982
97200	Casualty Losses - Non-Capitalized	-	-	-	-	-	-	-
97300	Housing assistance payments	-	-	355,927	-	-	-	355,927
97350	HAP portability-in	-	-	25,729	-	-	-	25,729
97400	Depreciation expense	70,598	3,680	-	-	-	-	74,278
90000	Total expenses	702,298	13,912	440,844	-	-	-	1,157,054
10010	Operating transfers in	29,869	-	-	-	-	-	29,869
10020	Operating transfers out	-	(29,869)	-	-	-	-	(29,869)
10100	Total other financing sources (uses)	29,869	(29,869)	-	-	-	-	-
	Excess (deficiency) of operating revenue							
10000	over (under) expenses	260,789	99,647	(30,388)	-	-	-	330,048

Housing Authority of the Parish of Caldwell
Financial Data Schedule
For the Year Ended March 31, 2018

Line Item #	Account Description	Low Rent	Capital Fund Program	Section 8 Housing Choice Vouchers	Disaster Voucher Program	Other Federal Program 1	Other Federal Program 2	TOTAL
11020	Required annual debt principal payments	-	-	-	-	-	-	-
11030	Beginning equity	539,711	-	36,324	-	-	-	576,035
11040	Prior period adjustments, equity transfers and correction of errors	-	-	-	-	-	-	-
11050	Change in compensated absence balance	-	-	-	-	-	-	-
11060	Depreciation "add back"	-	-	-	-	-	-	-
11070	Maximum annual contributions commitment (per ACC)	-	-	-	-	-	-	-
11080	Prorata maximum annual contributions applicable to a	-	-	-	-	-	-	-
11090	period of less than twelve months	-	-	-	-	-	-	-
11100	Contingency reserve, ACC program reserve	-	-	-	-	-	-	-
11170	Administrative fee equity	-	-	5,936	-	-	-	5,936
11180	Housing assistance payments equity	-	-	-	-	-	-	-
11190	Unit months available	1,377	-	1,000	-	-	-	2,377
11210	Number of unit months leased	1,334	-	1,000	-	-	-	2,334
11270	Excess cash	367,397	-	-	-	-	-	367,397
11620	Building purchases	-	79,108	-	-	-	-	79,108
11630	Furniture & equipment - dwelling purchases	5,108	24,219	-	-	-	-	29,327
11640	Furniture & equipment - administrative purchases	-	-	-	-	-	-	-
11650	Leasehold improvements purchases	-	-	-	-	-	-	-
11660	Infrastructure purchases	-	-	-	-	-	-	-
13510	CFFP debt service payments	-	-	-	-	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-	-	-

MEMBER
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CERTIFIED PUBLIC ACCOUNTANTS
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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Housing Authority of the Parish of Caldwell and the Louisiana Legislative Auditor:

I have performed the procedures enumerated below, which were agreed to by the Housing Authority of the Parish of Caldwell (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 April 1, 2017 through March 31, 2018. 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, I 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:

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.

The Housing Authority does have written policies and procedures addressing budgeting, purchasing, disbursements, payroll/personnel and ethics. The Housing Authority does not, however have a policy for receipts and contracting.

- 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.

The Housing Authority's minutes were reviewed without exception and the Board meets monthly. The minutes include a financial recap for the Board to review.

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

The Housing Authority has three bank accounts and all bank reconciliations for each month have been prepared. There is no evidence that a member of management with no involvement in the transactions associated with the bank account has reviewed each bank reconciliation. There are no outstanding checks over six months old on any reconciliation.

5. Obtain a listing of cash/check/money order (cash) collection locations 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.
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.

All cash/checks/money order (cash) collection is done at one location, the Housing Authority's office in Columbia, LA. There is one employee that handles all aspects of the accounting process and she is bonded. That employee receives the checks and all cash received and makes the deposit. A copy of the check received is made and put in the file and no sequentially numbered receipts are used.

The highest (dollar) week of cash collections was selected and traced to the deposit slip and bank statement without exception. There is no written policy for the Housing Authority to determine completeness of all collections.

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.
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.
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.
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.
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.
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.

A listing of disbursements was obtained and from that, 25 disbursements were randomly selected. Purchase orders are used in purchasing and there is no approval on the invoices, but they are presented each month to the Board at their monthly meetings and approved there. There is only one employee in charge of all areas of the accounting function. The employee can add vendors to the computer system and has signatory authority. The Secretary/Treasurer has signatory authority along with the Chairman and one other Board

member. The Secretary/Treasurer initiates all purchases. Blank checks are maintained in the locked filing cabinet and no signature stamp is used.

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

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

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

The Housing Authority has two cards for purchases and they were tested without exception.

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.
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.
19. Using the listing or general ledger from #17 above, select the three persons who incurred the most travel costs during the fiscal period. Obtain the expense reimbursement reports or prepaid expense documentation of each selected person, including the supporting documentation, and choose the largest travel expense for each person to review in detail. For each of the three travel expenses selected:
 - a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.
 - b) Report whether each expense is supported by:
 - An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
 - Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
 - Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)
 - c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.
 - d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

The Housing Authority does not pay reimbursements for travel, but pays a set amount of \$75 per day to the employee for travel and pay any hotel fees directly to the hotel.

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.
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).

The Housing Authority maintains three contracts, which were tested without exception.

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.
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.

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.

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.

There are 5 employees at the Housing Authority. There are no formal employment contracts for pay rate structure. No changes were made to salaries during the year. Attendance records are not required for any of the employees. Leave records are maintained and were tested without exception.

All employee and employer portions of payroll taxes and the required reporting forms were filed timely.

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.

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.

Two of the five employees received the required ethics training, none of the Board members and three employees have not. Inquired as to any alleged ethics violations being reported to them and there were none.

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

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.

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.

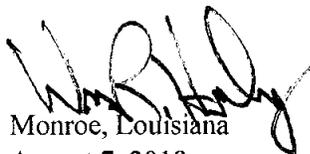
The Housing Authority has no debt.

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 Housing Authority attorney of the parish in which the entity is domiciled.
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.lla.la.gov/hotline) concerns the reporting of misappropriation, fraud, waste, or abuse of public funds.
33. If the practitioner observes or otherwise identifies any exceptions regarding management's representations in the procedures above, report the nature of each exception.

Inquired of management whether the Housing Authority had any misappropriations of public funds or assets and there was none. The entity does not have posted on its premises, the notice required by R.S. 24:523.1 as of year-end.

I was 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, I do not express such an opinion or conclusion. Had I performed additional procedures, other matters might have come to my 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.



Monroe, Louisiana
August 7, 2018