

HOUSING AUTHORITY OF THE PARISH OF CALDWELL  
COLUMBIA, LOUISIANA

FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED MARCH 31, 2019  
WITH SUPPLEMENTAL INFORMATION SCHEDULES

HOUSING AUTHORITY OF THE PARISH OF CALDWELL  
COLUMBIA, LOUISIANA  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2019

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HOUSING AUTHORITY OF THE PARISH OF CALDWELL  
COLUMBIA, LOUISIANA  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED MARCH 31, 2019

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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, 2019, 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, 2019, 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 12, 2019 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 12, 2019

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, 2019**

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, 2019. 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 \$941,022 (net assets). Of this amount, \$432,081 (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 \$33,421 (3.7%), due to increase in Federal operating grant funds drawn. Net position of the Section 8 program decreased \$1,518 (26%) increase in Administrative HUD rate and percentage.

**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, 2019**

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 \$941,022 at March 31, 2019. Of this amount, \$508,940 was invested in capital assets, \$432,081 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, 2019**

- 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, 2019				
(in thousands)				
	Current Year	Prior Year	Variance	
<b>ASSETS</b>				
Current Assets	\$ 481,348	\$ 470,871	10,477	
Restricted assets	0	0	0	
Capital assets, net	<u>508,940</u>	<u>491,181</u>	17,759	
Total Assets	<u>990,288</u>	<u>962,052</u>	28,236	
<b>LIABILITIES</b>				
Current Liabilities	29,538	32,378	-2,840	
Non-current liabilities	<u>19,729</u>	<u>23,591</u>	-3,862	
Total Liabilities	49,267	55,969	-6,702	
<b>NET ASSETS</b>				
Net investment in capital assets	508,941	491,181	17,760	
Restricted	0	0	0	
Unrestricted	<u>432,081</u>	<u>414,902</u>	17,179	
Total Net Position	<u>941,022</u>	<u>906,083</u>	34,939	
Total Liabilities and Total Net Position	990,288	962,052	28,236	

**Management's Discussion and Analysis (MD&A)**  
**Housing Authority of Caldwell Parish**  
**March 31, 2019**

Statement of Revenues, Expenses And Changes in Net Position Year Ended March 31, 2019			
(in thousands)			
	Current Year	Prior Year	Variance
<b><u>OPERATING REVENUES</u></b>	\$	\$	
Tenant Revenue	173,027	168,982	4,045
Other Income	<u>43,603</u>	<u>353,547</u>	-309,944
Total Operating Revenue	216,630	522,529	-305,899
<b><u>OPERATING EXPENSES</u></b>			
Administration	253,751	241,672	12,080
Tenant Services	0	0	0
Utilities	91,644	88,833	2,811
Ordinary maintenance & operations	271,761	280,855	-9,094
Protective Services	389	346	43
General	94,441	89,414	5,027
Housing Assistance Payments	376,844	381,656	-4,812
Depreciation	<u>80,781</u>	<u>74,278</u>	6,503
Total operating expenses	1,169,611	1,157,054	12,558
Income (loss) from Operations	<u>-952,981</u>	<u>-634,525</u>	-318,457
<b><u>NON OPERATING REVENUES</u></b>			
Other Government Funds		0	0
Federal grants- operating	889,380	861,246	28,134
Federal grants- capital	<u>98,540</u>	<u>103,327</u>	-4,787
Total Non-operating revenues	987,920	964,573	23,347
Net Change in Position	34,939	330,048	-295,110
Net Position at beginning of year	906,083	576,035	330,048
Net Position at end of year	<u><u>941,022</u></u>	<u><u>906,083</u></u>	34,938

**Management's Discussion and Analysis (MD&A)**  
**Housing Authority of Caldwell Parish**  
**March 31, 2019**

Total revenues increased \$282,552 (19%) mainly due to:

- Decrease in Rental Income \$4,045 (2.4%) due to full year of mandated rent increases and increase in working families.
- Decrease in Other income \$309,944 due prior year casualty loss revenue.
- Increase in HUD Operating Funding \$28,134 (3.30%) due to HUD increase in Operating Subsidy percentages

Total operating Expenses increased \$12,558 (1.10%) mainly due to:

- Increase in Administrative expenses \$812,080 (5%) in salary increases per Civil Service.
- Decrease in Maintenance expenses \$9,094, (3.2%) decrease in Maintenance Materials due to completion of unit rehabs in prior year and increase in salaries due to Civil Service raises
- Increase in Utilities-\$2,811 (3.20%) small increase in rates
- Decrease in Housing Assistance payment \$4,812 (1.30%) due small decrease in of leasing due Congressional decrease in funding.

Net Position therefore increased \$34,938 or by 3.90% due in small increase in expenses and decrease income and depreciation.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

***Capital Assets***

At March 31, 2019 the Housing Authority had \$508,940 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 \$17,759 or 3.6%) from last year.

Capital Assets	
Year Ended March 31,	
2019	
(Net of Depreciation)	
Land	\$ 75,495
Buildings	353,986
Leasehold Improvements	1,221
Furniture and equipment	78,238
Construction in Progress	0
<b>Total</b>	<b>508,940</b>

Capital Expenditures of \$85,460 were added from the Capital Fund and Low Rent program. This was offset with depreciation of \$81,781.

**Management's Discussion and Analysis (MD&A)**  
**Housing Authority of Caldwell Parish**  
**March 31, 2019**

Major capital projects planned for March 31, 2020 include capital funding of at least \$239,390 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, 2020 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, 2019

	<u>General Fund</u>	<u>Housing Choice Vouchers</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 432,438	\$ 7,339	\$ 439,777
Accounts receivable, net	3,477	-	3,477
Accounts receivable - HUD	-	-	-
Accounts receivable - HUD other projects	15,985	3,651	19,636
Accounts receivable - miscellaneous	5,910	-	5,910
Inventory	620	-	620
Interprogram due from	-	-	-
Capital Assets:			
Non-depreciable	75,495	-	75,495
Depreciable	433,445	-	433,445
	<u>967,370</u>	<u>10,990</u>	<u>978,360</u>
<i>Deferred Outflows of Resources</i>			
Prepaid expenses and other assets	<u>11,928</u>	<u>-</u>	<u>11,928</u>
<b>LIABILITIES</b>			
Accounts payable	3,815	-	3,815
Accrued payroll taxes payable	2,481	-	2,481
Compensated absences payable	7,060	738	7,798
Interprogram due to	-	-	-
Non-current liabilities			
Due in more than one year			
Compensated absences	<u>16,930</u>	<u>2,798</u>	<u>19,728</u>
	<u>30,286</u>	<u>3,536</u>	<u>33,822</u>
<i>Deferred Inflows of Resources</i>			
Deferred revenue	1,194	-	1,194
Deposits due others	<u>14,250</u>	<u>-</u>	<u>14,250</u>
Total deferred inflows of resources	<u>15,444</u>	<u>-</u>	<u>15,444</u>
<b>Net Position</b>			
Net investment in capital assets	508,941	-	508,941
Restricted for:			
Housing assistance payments	-	-	-
Unrestricted	<u>424,627</u>	<u>7,454</u>	<u>432,081</u>
Total net position	<u>\$ 933,568</u>	<u>\$ 7,454</u>	<u>\$ 941,022</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, 2019

	Expenses	Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Other Revenues
Function activities						
General fund - low rent	\$ -	\$ 173,027	\$ 499,282	\$ 98,540	\$ 43,603	\$ 814,452
Administration	253,751					(253,751)
Tenant services	-					-
Protective services	389					(389)
Utilities	91,644					(91,644)
Maintenance and operations	271,761					(271,761)
General expenses	10,089					(10,089)
Insurance	84,252					(84,252)
Depreciation	80,781					(80,781)
Casualty losses	100					(100)
Housing choice vouchers			390,098		-	390,098
HAP payments	376,844					(376,844)
						-
Total	<u>\$ 1,169,611</u>	<u>\$ 173,027</u>	<u>\$ 889,380</u>	<u>\$ 98,540</u>	<u>\$ 43,603</u>	<u>34,939</u>
			General revenues			-
			Change in net position			34,939
			Net position - beginning			906,083
			Prior period adjustment			-
			Net position - ending			<u>\$ 941,022</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, 2019

	General Fund	Housing Choice Vouchers	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Rental receipts	\$ 255,227	\$ -	\$ 255,227
Other receipts	1,710	-	1,710
Payments to HUD	-	-	-
Other revenues (expenses)	7,243	36,360	43,603
Federal grants	494,840	394,879	889,719
HAP Payments	-	(343,172)	(343,172)
Payments to vendors	(460,501)	(43,358)	(503,859)
Payments to employees - net	(208,451)	(45,300)	(253,751)
Net cash used by operating activities	<u>90,068</u>	<u>(591)</u>	<u>89,477</u>
<b>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES</b>			
Operating transfers in	29,869	-	29,869
Operating transfers out	(29,869)	-	(29,869)
Insurance proceeds	-	-	-
Net cash provided by non- capital financing activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Purchase of capital assets	(111,620)	-	(111,620)
Interprogram due to / from	-	-	-
Capital Asset Deletions	13,080	-	13,080
Federal capital grants	98,540	-	98,540
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest income	-	-	-
Net cash provided by interest income net of purchase of investment	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>90,068</b>	<b>(591)</b>	<b>89,477</b>
<b>CASH AND CASH EQUIVALENTS</b>			
Beginning of fiscal year	<u>342,370</u>	<u>7,930</u>	<u>350,300</u>
End of fiscal year	<u>\$ 432,438</u>	<u>\$ 7,339</u>	<u>\$ 439,777</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, 2019

	General Fund	Housing Choice Vouchers	Total
RECONCILIATION OF OPERATING			
INCOME (LOSS) TO NET CASH PROVIDED			
(USED) BY OPERATING ACTIVITIES:			
Operating Income	\$ 33,421	\$ 1,518	\$ 34,939
Adjustment to reconcile operating			
income to net cash provided by			
operating activities:			
Depreciation expense	80,781	-	80,781
Allowance for doubtful accounts	(12,666)	-	(12,666)
Change in assets and liabilities:			
Receivables	2,478	-	2,478
Accounts receivable - HUD	-	1,525	1,525
Accounts receivable - miscellaneous	(4,442)	-	(4,442)
Inventories	2,085	-	2,085
Prepaid items	(5,367)	-	(5,367)
Bank overdraft	-	-	-
Accounts payable	(2,637)	-	(2,637)
Accrued expenses	(246)	-	(246)
Compensated absences	(4,868)	1	(4,867)
Deferred revenue	(811)	(3,635)	(4,446)
Deposits Due to Others	2,340	-	2,340
	<u>\$ 90,068</u>	<u>\$ (591)</u>	<u>\$ 89,477</u>
Net cash used by operating activities	<u>\$ 90,068</u>	<u>\$ (591)</u>	<u>\$ 89,477</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, 2019

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, 2019

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, 2019

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, 2019

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, 2019

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, 2019

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, 2019, the CPHA had a liability of \$26,958, of which \$7,798 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, 2019

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, 2019, the Housing Authority had cash and cash equivalents totaling \$439,777 as follows:

Cash on hand	\$ 50
Carrying amount of deposits	<u>439,727</u>
<b>Total</b>	<b><u>\$ 439,777</u></b>
Cash and cash equivalents	\$ 425,527
Cash and cash equivalents - restricted	<u>14,250</u>
<b>Total</b>	<b><u>\$ 439,777</u></b>

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, 2019

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, 2019.

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 Bank Balances	Category		
	1	2	3
\$ 414,631	\$ 250,000	\$ 164,631	\$ -

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, 2019, 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, 2019

NOTE 5 - RECEIVABLES

The receivables at March 31, 2018 are as follows:

Local Sources:

Tenants	\$ 16,143	
Less: Allowance for doubtful accounts	<u>( 12,666)</u>	
Total Accounts Receivable – Tenants		\$ 3,477

Accounts Receivable – Miscellaneous

Federal sources:

Accounts Receivable – HUD PHA Projects	\$ -	
- HUD	<u>19,636</u>	
Total Accounts Receivable - HUD		19,636

Accounts Receivable – Other	<u>5,910</u>
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TOTAL RECEIVABLES	<u>\$ 29,023</u>
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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, 2019

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	4,911,764	82,113	-	4,993,877
Leasehold improvements	951,402	-	-	951,402
Furniture, equipment and machinery	293,584	16,427	13,080	296,931
Sub-total	6,232,245	98,540	13,080	6,317,705
Accumulated Depreciation	5,741,064	80,781	(13,080)	5,808,765
Total	\$ 491,181	\$ 17,759	\$ -	\$ 508,940

NOTE 8 - SECURITY DEPOSIT ACCOUNT

At March 31, 2019, the security deposit account had a balance of \$14,250 and tenant security deposits totaled \$14,250.

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, 2019

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, 2019.

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, 2019

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, 2019, was \$517,395.

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, 2019

NOTE 12 - PENSION PLAN (Continued)

Funding Policy

The Housing Authority's total payroll for the year ended March 31, 2019 was \$213,096 of which \$179,223 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 \$38,054 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 12, 2019, 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, 2019, 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 12, 2019.

**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 12, 2019

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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, 2019. 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, 2019.

### **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 12, 2019

HOUSING AUTHORITY OF THE PARISH OF CALDWELL  
COLUMBIA, LOUISIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED MARCH 31, 2019

<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	\$ 162,003
Housing Choice Voucher	14.871	LA-125	390,098*
Low Rent Public Housing	14.850	LA-125000001	435,820*
			<u>                  -</u>
Total Expenditures of Federal Awards			<u>\$ 987,921</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, 2019

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	\$ 825,918
Capital grants	162,003
	<hr/>
Total	\$ 987,921
	<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, 2019

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
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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  
CFDA# 14.850 Low Rent Public Housing

Dollar threshold used to distinguish between type A and type B programs:	\$750,000
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Auditee qualified as low-risk auditee?	Yes
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HOUSING AUTHORITY OF THE PARISH OF CALDWELL  
COLUMBIA, LOUISIANA  
SUMMARY SCHEDULE OF CURRENT YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED MARCH 31, 2019

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, 2019

**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, 2019

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

Rhonda Ratcliff, Executive Director

Purpose:	
Salary	\$ 96,480
Benefits – Insurance	12,432
Benefits – Retirement	13,213
Benefits – Dental	-
Travel Reimbursements	-
Registration Fees	-
Auto	4,800
Vehicle Provided	-
Total	<u>\$ 126,925</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, 2019

CASH BASIS

	CAPITAL FUND
	2017
Funds approved	\$ 149,345
Funds expended	149,345
Excess of funds approved	\$ -

STATEMENT OF MODERNIZATION COSTS - UNCOMPLETE  
 YEAR ENDED MARCH 31, 2019

CASH BASIS

	CAPITAL FUND
	2018
Funds approved	\$ 231,921
Funds expended	231,921
Excess of funds approved	\$ -

Housing Authority of the Parish of Caldwell  
Financial Data Schedule  
For the Year Ended March 31, 2019

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
111	Cash - unrestricted	418,188	-	7,339	-	-	-	425,527
113	Cash - other restricted	-	-	-	-	-	-	-
114	Cash - tenant security deposits	14,250	-	-	-	-	-	14,250
100	Total Cash	432,438	-	7,339	-	-	-	439,777
121	Accounts receivable - PHA Projects	-	-	-	-	-	-	-
122	Accounts receivable - HUD other projects	15,985	-	3,651	-	-	-	19,636
125	Accounts receivable - miscellaneous	5,910	-	-	-	-	-	5,910
126	Accounts receivable- tenants - dwelling rents	16,143	-	-	-	-	-	16,143
126.1	Allowance for doubtful accounts - dwelling rents	(12,666)	-	-	-	-	-	(12,666)
126.2	Allowance for doubtful accounts - other	-	-	-	-	-	-	-
129	Accrued interest receivable	-	-	-	-	-	-	-
120	Total receivables, net of allowances for doubtful accounts	25,372	-	3,651	-	-	-	29,023
131	Investments- unrestricted	-	-	-	-	-	-	-
142	Prepaid expenses and other assets	11,928	-	-	-	-	-	11,928
143	Inventories	620	-	-	-	-	-	620
143.1	Allowance for obsolete inventories	-	-	-	-	-	-	-
144	Interprogram - due from	-	-	-	-	-	-	-
150	Total current assets	470,358	-	10,990	-	-	-	481,348
161	Land	75,495	-	-	-	-	-	75,495
162	Buildings	4,993,877	-	-	-	-	-	4,993,877
163	Furniture, equipment & machinery - dwellings	165,678	-	-	-	-	-	165,678
164	Furniture, equipment & machinery - administration	129,819	-	1,434	-	-	-	131,253
165	Leasehold improvements	951,402	-	-	-	-	-	951,402
166	Accumulated depreciation	(5,807,331)	-	(1,434)	-	-	-	(5,808,765)
167	Construction in progress	-	-	-	-	-	-	-
160	Total fixed assets, net of accumulated depreciation	508,940	-	-	-	-	-	508,940
180	Total Non-Current Assets	508,940	-	-	-	-	-	508,940
190	Total Assets	979,298	-	10,990	-	-	-	990,288

Housing Authority of the Parish of Caldwell  
Financial Data Schedule  
For the Year Ended March 31, 2019

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	3,815	-	-	-	-	-	3,815
321	Accrued wage/payroll taxes payable	2,481	-	-	-	-	-	2,481
322	Accrued compensated absences- current	7,060	-	738	-	-	-	7,798
331	Accounts Payable - HUD PHA Programs	-	-	-	-	-	-	-
333	Accounts payable - Other Government	-	-	-	-	-	-	-
341	Tenant security deposits	1,194	-	-	-	-	-	1,194
342	Deferred revenue - other	14,250	-	-	-	-	-	14,250
346	Accrued liabilities- other	-	-	-	-	-	-	-
347	Interprogram due to	-	-	-	-	-	-	-
310	Total current liabilities	28,800	-	738	-	-	-	29,538
								-
354	Accrued compensated absences- noncurrent	16,930	-	2,798	-	-	-	19,728
353	Other noncurrent liabilities	-	-	-	-	-	-	-
350	Total noncurrent liabilities	16,930	-	2,798	-	-	-	19,728
								-
300	Total liabilities	45,730	-	3,536	-	-	-	49,266
								-
504	Net HUD PHA contributions	-	-	-	-	-	-	-
508	Total contributed capital	-	-	-	-	-	-	-
508.1	Invested in Capital Assets, Net of Related Debt	508,941	-	-	-	-	-	508,941
511	Total reserved fund balance	-	-	-	-	-	-	-
								-
511.4	Restricted net position	-	-	-	-	-	-	-
512.4	Unrestricted net position	424,627	-	7,454	-	-	-	432,081
513	Total equity-net assets/position	933,568	-	7,454	-	-	-	941,022
								-
600	Total liabilities and equity/net assets	979,298	-	10,990	-	-	-	990,288

Housing Authority of the Parish of Caldwell  
Financial Data Schedule  
For the Year Ended March 31, 2019

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	171,317	-	-	-	-	-	171,317
70400	Tenant revenue - other	1,710	-	-	-	-	-	1,710
70500	Total tenant revenue	173,027	-	-	-	-	-	173,027
70600	HUD PIIA operating grants	435,820	63,462	390,098	-	-	-	889,380
70610	Capital grants	-	98,540	-	-	-	-	98,540
71100	Intestmnt income - unrestricted	-	-	-	-	-	-	-
71400	Fraud recovery	-	-	-	-	-	-	-
71500	Other revenue	7,243	-	36,360	-	-	-	43,603
71600	Gain/loss on sale of fixed assets	-	-	-	-	-	-	-
72000	Investment income - restricted	-	-	-	-	-	-	-
70000	Total revenue	616,090	162,002	426,458	-	-	-	1,204,550

Housing Authority of the Parish of Caldwell  
Financial Data Schedule  
For the Year Ended March 31, 2019

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	128,506	-	22,367	-	-	-	150,873
91200	Auditing fees	9,800	-	4,200	-	-	-	14,000
91300	Bookkeeping fee	-	-	-	-	-	-	-
91400	Advertising and marketing	438	-	-	-	-	-	438
91500	Employee benefit contributions- administrative	37,978	-	7,456	-	-	-	45,434
91600	Office expenses	24,345	-	6,237	-	-	-	30,582
91700	Legal	-	-	-	-	-	-	-
91800	Travel	2,922	-	2,048	-	-	-	4,970
91900	Other	4,462	-	2,992	-	-	-	7,454
92100	Tenant services - salaries	-	-	-	-	-	-	-
92300	Tenant services - employee benefit contributions	-	-	-	-	-	-	-
92400	Tenant services - other	-	-	-	-	-	-	-
93100	Water	45,268	-	-	-	-	-	45,268
93200	Electricity	10,491	-	-	-	-	-	10,491
93300	Gas	761	-	-	-	-	-	761
93600	Sewer	35,124	-	-	-	-	-	35,124
93800	Other utilities expense	-	-	-	-	-	-	-
94100	Ordinary maintenance and operations - labor	61,843	-	-	-	-	-	61,843
94200	Ordinary maintenance and operations - materials and other	46,052	30,093	-	-	-	-	76,145
94300	Ordinary maintenance and operations - contract costs	112,401	3,500	-	-	-	-	115,901
94500	Employee benefit contributions - ordinary maintenance	17,872	-	-	-	-	-	17,872
95200	Protective services - other contract costs	389	-	-	-	-	-	389
96110	Property insurance	55,422	-	-	-	-	-	55,422
96120	Liability insurance	5,747	-	1,437	-	-	-	7,184
96130	Workmen's Compensation	12,008	-	876	-	-	-	12,884
96450	All other insurance	7,824	-	938	-	-	-	8,762
96200	Other general expenses	1,462	-	-	-	-	-	1,462
96210	Compensated absences	(4,868)	-	(455)	-	-	-	(5,323)
96400	Bad debts - tenant rents	13,950	-	-	-	-	-	13,950
96900	Total operating expenses	630,197	33,593	48,096	-	-	-	711,886
97000	Excess Operating Revenues over Operating Expenses	(14,107)	128,409	378,362	-	-	-	492,664
97200	Casualty Losses - Non-Capitalized	100	-	-	-	-	-	100
97300	Housing assistance payments	-	-	343,172	-	-	-	343,172
97350	HAP portability-in	-	-	33,672	-	-	-	33,672
97400	Depreciation expense	70,066	10,715	-	-	-	-	80,781
90000	Total expenses	700,363	44,308	424,940	-	-	-	1,169,611
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)	-	-	-	-	-
10000	Excess ( deficiency) of operating revenue over (under) expenses	(54,404)	87,825	1,518	-	-	-	34,939

Housing Authority of the Parish of Caldwell  
Financial Data Schedule  
For the Year Ended March 31, 2019

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				
11020	Required annual debt principal payments	-	-	-	-	-	-	-
11030	Beginning equity	900,147	-	5,936	-	-	-	906,083
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	1,361	-	992	-	-	-	2,353
11210	Number of unit months leased	1,339	-	946	-	-	-	2,285
11270	Excess cash	376,494	-	-	-	-	-	376,494
11620	Building purchases	-	82,113	-	-	-	-	82,113
11630	Furniture & equipment - dwelling purchases	-	16,427	-	-	-	-	16,427
11640	Furniture & equipment - administrative purchases	-	-	-	-	-	-	-
11650	Leasehold improvements purchases	-	-	-	-	-	-	-
11660	Infrastructure purchases	-	-	-	-	-	-	-
13510	CFFP debt service payments	-	-	-	-	-	-	-
13901	Replacement housing factor funds	-	-	-	-	-	-	-

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
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 Parish 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 Parish (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, 2018 through March 31, 2019. 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 findings obtained are described in the attachment to this report.

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 12, 2019

SUPPLEMENT TO INDEPENDENT ACCOUNTANT'S REPORT ON  
APPLYING AGREED-UPON PROCEDURES

***Written Policies and Procedures***

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1. Obtain and inspect the entity's written policies and procedures and observe that they address each of the following categories and subcategories (if applicable to public funds and the entity's operations):
  - 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/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or 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).
  - 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 of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases)
  - 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.
  - j) ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Exceptions

There were no exceptions to the procedure noted above.

### ***Board or Finance Committee***

---

2. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and:
  - a) Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.
  - b) For those entities reporting on the governmental accounting model, observe that the minutes referenced or included monthly budget-to-actual comparisons on the general fund and major special revenue funds, as well as monthly financial statements (or budget-to-actual comparisons, if budgeted) for major proprietary funds. *Alternately, for those entities reporting on the non-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*
  - c) For governmental entities, obtain the prior year audit report and observe the unrestricted fund balance in the general fund. If the general fund had a negative ending unrestricted fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unrestricted fund balance in the general fund.

#### Exceptions

There were no exceptions to the procedure noted above.

### ***Bank Reconciliations***

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3. Obtain a listing of client bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for selected each account, and observe that:
  - a) Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated, electronically logged);
  - b) Bank reconciliations include evidence that a member of management/board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation (e.g., initialed and dated, electronically logged); and
  - c) Management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

#### Exceptions

There is no evidence that a member of management with no involvement in the transactions associated with the bank accounts has reviewed each bank reconciliation.

## Collections

---

4. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).
5. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (i.e. 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if no written policies or procedures, inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that:
  - a) Employees that are responsible for cash collections do not share cash drawers/registers.
  - b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.
  - c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.
  - d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.
6. Inquire of management that all employees who have access to cash are covered by a bond or insurance policy for theft.
7. Randomly select two deposit dates for each of the 5 bank accounts selected for procedure #3 under "Bank Reconciliations" above (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:
  - a) Observe that receipts are sequentially pre-numbered.
  - b) Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.
  - c) Trace the deposit slip total to the actual deposit per the bank statement.
  - d) Observe that the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100).
  - e) Trace the actual deposit per the bank statement to the general ledger.

## Exceptions

All cash/checks/money order (cash) collection is done at one location, the Housing Authority's office in Columbia, LA. There is only 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 sequentially numbered receipts are used. No cash is accepted.

***Non-Payroll Disbursements (excluding card purchases/payments, travel reimbursements, and petty cash purchases)***

---

8. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).
9. For each location selected under #8 above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, inquire of employees about their job duties), and observe that job duties are properly segregated such that:
  - a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.
  - b) At least two employees are involved in processing and approving payments to vendors.
  - c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.
  - d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.
10. For each location selected under #8 above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction and:
  - a) Observe that the disbursement matched the related original invoice/billing statement.
  - b) Observe that the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under #9, as applicable.

**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 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 a locked filing cabinet and no signature stamp is used.

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

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11. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and P-cards (cards) for the fiscal period, 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.
12. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement), obtain supporting documentation, and:
  - a) Observe that there is evidence that the monthly statement or combined statement and supporting documentation (e.g., original receipts for credit/debit card purchases, exception reports for excessive fuel card usage) 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) Observe that finance charges and late fees were not assessed on the selected statements.
13. Using the monthly statements or combined statements selected under #12 above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (i.e. each card should have 10 transactions subject to testing). For each transaction, observe that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

#### Exceptions

There were no exceptions noted to the above procedures.

#### *Travel and Travel-Related Expense Reimbursements (excluding card transactions)*

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14. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements, obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected:
- a) If reimbursed using a per diem, agree the reimbursement rate to those rates established either by the State of Louisiana or the U.S. General Services Administration ([www.gsa.gov](http://www.gsa.gov)).
  - b) If reimbursed using actual costs, observe that the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased.
  - c) Observe that each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by written policy (procedure #1h).
  - d) Observe that each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

#### Exceptions

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.

#### *Contracts*

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15. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and:
- a) Observe that the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law.

- b) Observe that the contract was approved by the governing body/board, if required by policy or law (e.g. Lawrason Act, Home Rule Charter).
- c) If the contract was amended (e.g. change order), observe that the original contract terms provided for such an amendment.
- d) Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe that the invoice and related payment agreed to the terms and conditions of the contract.

### Exceptions

There were no exceptions noted to the procedures above.

### *Payroll and Personnel*

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- 16. Obtain a listing of employees/elected officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees/officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.
- 17. Randomly select one pay period during the fiscal period. For the 5 employees/officials selected under #16 above, obtain attendance records and leave documentation for the pay period, and:
  - a) Observe that 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) Observe that supervisors approved the attendance and leave of the selected employees/officials.
  - c) Observe that any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records.
- 18. Obtain a listing of those employees/officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees/officials, obtain related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulate leave records, and agree the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.
- 19. Obtain management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

### Exceptions

There were no exceptions noted to the above procedures and no employees were terminated during the year.

### *Ethics*

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- 20. Using the 5 randomly selected employees/officials from procedure #16 under "Payroll and Personnel" above, obtain ethics documentation from management, and:

- a. Observe that the documentation demonstrates each employee/official completed one hour of ethics training during the fiscal period.
- b. Observe that the documentation demonstrates each employee/official attested through signature verification that he or she has read the entity's ethics policy during the fiscal period.

Exceptions

All employees and board members received the required ethics training. Inquired as to any alleged ethics violations being reported to them and there were none.

***Debt Service***

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21. Obtain a listing of bonds/notes issued during the fiscal period and management's representation that the listing is complete. Select all bonds/notes on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each bond/note issued.
22. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants.

Exceptions

The Housing Authority has no debt.

***Other***

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23. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled.
24. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

Exceptions

Inquired of management whether the Public Defender's office 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.