

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

**AUDITED FINANCIAL STATEMENTS  
AND SUPPLEMENTAL DATA**

**TWELVE MONTHS ENDED SEPTEMBER 30, 2017**

**Mike Estes, P.C.**  
A Professional Accounting Corporation

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and the  
AICPA GOVERNMENTAL  
AUDIT QUALITY CENTER

## Independent Auditor's Report

Board of Commissioners  
Housing Authority of Rayville  
Rayville, Louisiana

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the Housing Authority of the Town of Rayville, Louisiana as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Housing Authority of Rayville basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

### ***Opinion***

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

### ***Emphasis of Matter***

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

### ***Other Matters***

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Managements' Discussion and Analysis on pages 4 to 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards general accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

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

The statement of modernization costs-uncompleted, financial data schedules, and other information as listed on the table of contents is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing

standards generally accepted in the United States of America. In our opinion, the statement of modernization-uncompleted, financial data schedules, and other information as listed on the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 12, 2018 on our consideration of the Housing Authority of the Town of Rayville, Louisiana's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Audit Standards* in considering the Housing Authority of the Town of Rayville, Louisiana's internal control over financial reporting and compliance.

*Mike Estes, P.C.*

Mike Estes, P.C.  
Fort Worth, Texas  
February 12, 2018

# **Housing Authority of the Town of Rayville**

Rayville, LA

Management's Discussion and Analysis

September 30, 2017

Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their *Statement No. 34 Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* issued June 1999.

The most significant changes on the 2017 financial highlights were in assets, revenue, and expenses.

## **Overview of the Financial Statements**

The annual report includes a Management Discussion and Analysis report, the Basic Financial Statements, the Notes to the Financial Statements, and the Financial Data Schedule (FDS) as referenced in the section of Supplemental Information Required by HUD. The financial statements are presented as fund level financial statements because the Housing Authority only has proprietary funds.

The financial statements report information using accounting methods like those used by private sector companies. These statements offer short-term and long-term financial information about the Housing Authority's activities. The Statement of Net Position includes assets and liabilities plus provides information about the nature and amounts of investments in resources (assets) and obligations to creditors (liabilities). It also provides the basis for evaluating capital structure to include assessing liquidity and financial flexibility.

For accounting purposes, the Housing Authority is classified as an enterprise fund. Enterprise funds account for activities like those found in the private business sector where the determination of net position is necessary or useful to sound financial administration. Enterprise funds are reported using the full accrual method of accounting in which assets and liabilities, associated with the operation of these funds, are included on the balance sheet. Their focus is on income measurement which, together with the maintenance of equity, is an important financial indicator. Our discussion and analysis provides an overview of the financial activities and performance for year-end September 30, 2017.

All the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Fund Net Position. This statement measures the ability of management to meet budgets, maintain property (meets HUD specifications and inspections), and determines whether the Housing Authority has successfully recovered costs through its rental fees and other charges. It can also be used to measure profitability and credit worthiness.

The Statement of Cash Flows reports cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities. It also provides answers to such questions as where did cash come from, what was cash used for, and what was the change in the cash balance during the reporting period.

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

The section Supplemental Information Required by HUD contains the Financial Data Schedule (FDS). HUD has established Uniform Financial Reporting Standards that require the Housing Authority to submit financial information electronically to HUD using the FDS format.

## Financial Analysis

One of the most important questions concerning finances is the following; "Is the Housing Authority as a whole better, or worse, off because of the achievements of the reported fiscal year?" The purpose of the information presented in this Management's Discussion and Analysis is to assist the reader in answering this question.

The basic financial statements are the Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Fund Net Position. The Statement of Net Position provides a summary of assets and liabilities as of the close of business on September 30, 2017. The Statement of Revenues, Expenses, and Changes in Fund Net Position summarize the revenues, and sources of those revenues, generated and the expenses incurred in operating the Housing Authority for the year-ended September 30, 2017.

Rayville Housing Authority has a low-rent program that provides housing for qualified tenants and a capital fund program for improvements to its low-rent property. The following analysis focuses on the net position and the change in net position of the Housing Authority, as a whole, not the individual programs.

### Net Position

September 30,

	<u>2017</u>	<u>2016</u>	<u>Change</u>	<u>% of Change</u>
Current Assets	\$ 197,615	\$ 531,581	\$ (333,966)	-62.83%
Capital Assets, Net	<u>2,856,004</u>	<u>2,724,228</u>	<u>(131,776)</u>	<u>4.83%</u>
<b>Total Assets</b>	<b>\$ <u>3,053,619</u></b>	<b>\$ <u>3,255,809</u></b>	<b>\$ <u>(202,190)</u></b>	<b><u>-6.21%</u></b>
Current Liabilities	41,751	68,693	(26,942)	-39.22%
Noncurrent Liabilities	<u>21,677</u>	<u>20,658</u>	<u>1,019</u>	<u>4.93%</u>
<b>Total Liabilities</b>	<b>\$ <u>63,428</u></b>	<b>\$ <u>89,351</u></b>	<b>\$ <u>(25,923)</u></b>	<b><u>-29.01%</u></b>
Net Position:				
Investment in Capital Assets	2,856,004	2,724,228	(131,776)	-4.84%
Unrestricted Net Position	<u>134,187</u>	<u>442,230</u>	<u>(308,043)</u>	<u>-69.66%</u>
<b>Total Net Position</b>	<b>\$ <u>2,990,191</u></b>	<b>\$ <u>3,166,458</u></b>	<b>\$ <u>(176,267)</u></b>	<b><u>-5.57%</u></b>

**Capital Assets**

(Net of Accumulated Depreciation)  
September 30,

	<u>2017</u>	<u>2016</u>	<u>Change</u>	<u>% of Change</u>
Land	\$ 32,150	\$ 32,150	\$ 0	0.00%
Buildings	5,829,470	5,333,594	495,876	9.30%
Furniture & Equipment - Dwell	119,248	117,269	1,979	1.69%
Furniture & Equipment - Admin	111,861	110,205	1,656	1.50%
Leasehold Improvements	1,287,767	1,287,767	0	0.00%
Construction in Progress	<u>81,990</u>	<u>185,721</u>	<u>(103,731)</u>	<u>-55.85%</u>
Subtotal	7,462,486	7,066,706	395,780	5.60%
Accumulated Depreciation	<u>(4,606,482)</u>	<u>(4,342,478)</u>	<u>(264,004)</u>	<u>6.07%</u>
<b>Net Capital Assets</b>	<b>\$ <u>2,856,004</u></b>	<b>\$ <u>2,724,228</u></b>	<b>\$ <u>(131,776)</u></b>	<b><u>-4.84%</u></b>

**Net Position**

Annual depreciation exceeded capital additions and available assets were used to cover part of operating expenses which decreased total assets. The change in total liabilities consisted of decreases in revenues received but not yet earned (operating subsidy) and utility payables.

**Total Net Position**

As of September 30, 2017, the Housing Authority had \$2,990,191 invested in total net position. Of this amount, \$134,187 of unrestricted net position may be used to meet the Authority's future ongoing expenses and obligations. The remainder of \$2,856,004 represents the investment in capital assets of land, buildings, furnishings, leasehold improvements, equipment, and construction in progress.

**Debt**

The Authority had no long-term obligations such as notes or bonds payable.

**Expendable Fund Balance**

	<u>2017</u>	<u>2016</u>	<u>Change</u>	<u>% of Change</u>
Expendable Fund Balance	\$ <u>148,442</u>	\$ <u>162,836</u>	\$ <u>(14,394)</u>	<u>-8.84%</u>
Number of Months Expendable Fund	<u>3.23</u>	<u>3.47</u>	<u>(1.07)</u>	<u>-30.83%</u>

**Expendable Fund Balance**

If current assets, less materials inventory, were converted to cash and all current liabilities were paid, the Authority's cash balance (expendable fund balance) would be \$148,442 which decreased \$14,394.

**Number of Months Expendable Fund Balance**

The expendable fund balance is divided by average monthly expense (total expenses for the year, less depreciation, divided by twelve (12) in order to determine the number of months expendable fund balance. This factor indicates the number of months the entity could operate without relying on additional funding. As of the fiscal year-end, the Authority could continue operations for 2.04 months.

	<u>2017</u>	<u>2016</u>	<u>Change</u>
<b>Revenue:</b>			
Tenant Revenue	\$ 161,963	\$ 147,669	\$ 14,294
Federal Grants & Subsidy	429,731	446,294	(16,563)
Investment	6,029	2,075	3,954
Other Income	54,888	362,167	(307,279)
Gain/Loss on Sale of Capital Assets	(1,386)	5,719	(7,105)
<b>Total Revenue</b>	<u><b>651,225</b></u>	<u><b>963,924</b></u>	<u><b>(312,699)</b></u>
<b>Expenses:</b>			
Administrative	196,734	194,524	2,210
Utilities	73,522	61,628	11,894
Routine Maintenance	197,416	201,246	(3,830)
General	80,024	82,181	(2,157)
Non-Routine	2,080	14,406	(12,326)
Casualty Losses	158	9,723	(9,565)
Depreciation	277,558	264,186	13,372
<b>Total Operating Expenses</b>	<u><b>827,492</b></u>	<u><b>827,894</b></u>	<u><b>(402)</b></u>
<b>Increase (Decrease) in Net Position</b>	<u><b>\$ (176,267)</b></u>	<u><b>\$ 136,030</b></u>	<u><b>\$ (312,297)</b></u>

**Changes in Net Position**

Total revenue decreased due to the completion of Capital Grant projects and insurance proceeds received in 2016. Total expenses did not have a significant change. The net effect was a decrease in changes in net position.

**Economic Factors**

The Housing Authority is primarily dependent upon HUD for the funding of operations. The entity is affected by both federal budgetary decisions and by local economic conditions.

### **Contacting the Housing Authority's Financial Management**

Our financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Authority's finances and to show accountability for money it receives. If you have questions or need further clarification regarding the financial statements, contact Mr. James Oliveaux, Executive Director, Housing Authority of the Town of Rayville, 202 Waldorf Street, Rayville, LA 71269, telephone number (318)728-5217.

HOUSING AUTHORITY OF RAYVILLE, LOUISIANA  
STATEMENT OF NET POSITION

SEPTEMBER 30, 2017

		General
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$	30,258
Investments		122,200
Accounts receivable net		3,604
Interest receivable		514
Prepaid items and other assets		20,850
Inventory		7,422
Restricted assets - cash and cash equivalents		12,767
Total Current Assets		197,615
Capital Assets, net		
Land and other non-depreciated assets		114,140
Other capital assets - net of depreciation		2,741,864
Total Capital Assets, net		2,856,004
Total Assets	\$	3,053,619
<b>LIABILITIES</b>		
Current Liabilities		
Accounts payable	\$	17,367
Unearned income		909
Compensated absences payable		2,409
Accrued PILOT		8,299
Deposits due others		12,767
Total Current Liabilities		41,751
Noncurrent Liabilities		
Compensated absences payable		21,677
Total Liabilities		63,428
<b>NET POSITION</b>		
Net investment in capital assets		2,856,004
Unrestricted		134,187
Net Position	\$	2,990,191

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

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

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	General
<b>OPERATING REVENUES</b>	
Dwelling rental	\$ 156,510
Governmental operating grants	361,511
Other	60,341
	578,362
<b>OPERATING EXPENSES</b>	
Administration	196,734
Utilities	73,522
Ordinary maintenance & operations	197,416
General expenses	80,024
Depreciation	277,558
Extraordinary maintenance	2,080
Casualty losses	158
	827,492
Income (Loss) from Operations	(249,130)
Non Operating Revenues (Expenses)	
Interest earnings	6,029
Loss on disposal of assets	(1,386)
	4,643
Income (Loss) before contribution	(244,487)
Capital Contribution	68,220
Change in net position	(176,267)
Total net position - beginning	3,166,458
Total net position - ending	\$ 2,990,191

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

HOUSING AUTHORITY OF RAYVILLE, LOUISIANA  
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	General
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Rental receipts	\$ 127,583
Other receipts	61,685
Federal grants	361,037
Payments to vendors	(240,708)
Payments to employees – net	(299,547)
	10,050
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Purchase of capital assets	(410,720)
Federal Capital Grants	68,220
	(342,500)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest income	7,384
Proceeds from maturity of investments	304,018
	311,402
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(21,048)</b>
<b>CASH AND CASH EQUIVALENTS</b>	
Beginning of Fiscal Year	64,073
<b>CASH AND CASH EQUIVALENTS</b>	
End of Fiscal Year	\$ 43,025

Continued

HOUSING AUTHORITY OF RAYVILLE, LOUISIANA  
STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED SEPTEMBER 30, 2017

		<u>General</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		
Operating income (loss)	\$	(249,130)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation Expense		277,558
Change in assets and liabilities:		
Receivables		(474)
Prepaid items		9,503
Account payables		(1,567)
Unearned income		(27,443)
Deposits due others		1,603
Net cash provided (used) by operations	\$	<u>10,050</u>

Concluded

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

SEPTEMBER 30, 2017

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

SEPTEMBER 30, 2017

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** The accompanying financial statements of the Housing Authority of the Town of Rayville have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

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

The Housing Authority has the following units:

PHA Owned Housing	FW 1279	100
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GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Housing Authority is considered a primary government, since it is a special purpose government that has a separate governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the Housing Authority may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt with HUD approval.

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

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

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

SEPTEMBER 30, 2017

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

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

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

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

### **C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

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

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

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

SEPTEMBER 30, 2017

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

On the Statement of Cash Flows, cash and cash equivalents, end of year, is \$43,025. This is comprised of cash and cash equivalents of \$30,258 and restricted assets – cash of \$12,767, on the statement of net position.

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

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

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

Definitions:

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

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

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

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

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

SEPTEMBER 30, 2017

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

Site improvements	15 years
Buildings	15-40 years
Building improvements	15 years
Furniture and equipment	5-7 years
Computers	3 years

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

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

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

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

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

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

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

SEPTEMBER 30, 2017

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

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

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

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

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

Restricted Cash: \$12,767 is restricted in the General Fund for security deposits.

At September 30, 2017, the Housing Authority's carrying amount of deposits was \$165,175 and the bank balance was \$176,594, which includes \$122,200 in certificates of deposits classified as investments. Petty cash consists of \$50. The entire bank balance was covered by FDIC Insurance.

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

SEPTEMBER 30, 2017

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

<u>Class of Receivables</u>	
Local sources:	
Tenants	\$ 3,130
HUD	474
	3,604
Total	\$ 3,604

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

	Beginning Balance	Additions	Deletions	Ending Balance
Non-depreciable assets				
Land and buildings	\$ 32,150	\$ 0	\$ 0	\$ 32,150
Construction in progress	185,721	0	103,731	81,990
Depreciable assets:				
Buildings	6,621,361	495,876	0	7,117,237
Furniture and equipment	227,474	18,575	14,940	231,109
Total capital assets	7,066,706	514,451	118,671	7,462,486
Less: accumulated depreciation				
Buildings	4,160,087	262,394	0	4,422,481
Furniture and equipment	182,391	15,164	13,554	184,001
Total accumulated depreciation	4,342,478	277,558	13,554	4,606,482
Total capital assets, net	\$ 2,724,228	\$ 236,893	\$ 105,117	\$ 2,856,004

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

SEPTEMBER 30, 2017

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

Vendors	\$	2,687
Payroll taxes & Retirement withheld		5,199
Utilities		9,481
Total	\$	17,367

**NOTE 6 – COMPENSATED ABSENCES** At September 30, 2017, employees of the Housing Authority have accumulated and vested \$24,086 of employee leave computed in accordance with GASB, Codification Section C60.

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

		Compensated Absences
Balance, beginning	\$	22,953
Additions		9,419
Deletions		8,286
Balance, ending		24,086
Amounts due in one year	\$	2,409

**NOTE 8 – RETIREMENT SYSTEM** The Housing Authority participates in the Reassurance American Life Plan, which is a defined contribution plan. Through this plan, the Housing Authority provides pension benefits for all of its full-time employees. All full-time employees are eligible to participate in the plan on the first day after completing one month of continuous and uninterrupted employment.

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

SEPTEMBER 30, 2017

Under a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The employer is required to make monthly contributions equal to 8% of each participant's effective compensation. Participants do not contribute.

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

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

The Housing Authority made the required contributions of \$14,295 for the year ended September 30, 2017, of which \$14,295 was paid by the Housing Authority.

**NOTE 9 – COMMITMENTS AND CONTINGENCIES**

**Commitments** On February 27, 2012, the Authority entered into an Employment Agreement with the Executive Director. The agreement was for five years, and is renewable automatically for an additional year, unless certain steps are taken. The Agreement may be terminated by the Executive Director upon ninety days written notice to the Authority.

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

**Litigation** The Housing Authority is not presently involved in litigation.

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

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

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

SEPTEMBER 30, 2017

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

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

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

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

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

**NOTE 10 – ECONOMIC DEPENDENCE** The Department of Housing and Urban Development provided \$429,731 to the Housing Authority, which represents approximately 64% of the Housing Authority's total revenue and capital contributions for the year.

**NOTE 11 - SUBSEQUENT EVENTS** Management has evaluated events and transactions subsequent to the statement of net position date through, February 12, 2018, of the independent auditor's report for potential recognition or disclosure in the financial statements. Management has not identified any items requiring recognition or disclosure.



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Report on Internal Control Over Financial Reporting and on Compliance and  
Other Matters Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards*

Independent Auditor's Report

Housing Authority of Rayville  
Rayville, Louisiana

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Housing Authority of the City of Rayville, Louisiana, as of and for the year ended September 30, 2017, and the related notes to the financial statements, which collectively comprise the Housing Authority of the City of Rayville, Louisiana's basic financial statements, and have issued our report thereon February 12, 2018.

***Internal Control Over Financial Reporting***

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses, or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of finding and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

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. We consider the deficiency described in the accompanying schedule of findings and questioned costs audit finding 2017 – 001 to be a material weakness. 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. We do not note any significant deficiencies.

### ***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Housing Authority of Rayville, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as Audit Finding 2017-001.

### ***Response to Finding***

The Housing Authority of Rayville, Louisiana's response to the finding identified in our audit is described in the accompanying Views of Responsible Officials and Planned Corrective Actions. The Housing Authority of Rayville, Louisiana's response was not subjected to the auditing procedure applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### ***Purpose of this Report***

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

*Mike Estes, P.C.*

Mike Estes, P.C.  
Fort Worth, Texas  
February 12, 2018

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

YEAR ENDED YEAR ENDED SEPTEMBER 30, 2017

**Section I – Summary of the Auditor’s Results**

**Financial Statement Audit**

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

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

YEAR ENDED SEPTEMBER 30, 2017

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

Finding 2017-001-Fixed Assets Classification-Reporting

Criteria and Condition

Material audit adjustments were necessary to adjust fixed assets reflected on the financial statements. Requirements for financial reporting for fixed assets are outlined at CFR 215.52.

Context

Most of the expenditures incorrectly written off were to rehab units for flood damage. Substantial roofing costs were also incorrectly written off.

Cause

The reason the primary accountant erred in the accounting is unknown. However, the year-end supervisory review was also inadequate, since the review did not note and correct the accounting errors.

Effect

The capital costs of buildings were under-reported before adjustment by \$323, 926. The net position in capital assets was also under-reported by \$323,926.

Questioned Costs

None

Recommendation

The fee accountant should instruct its staff in the proper handling of rehab expenditures. The HUD PHA GAAP Flyer, Accounting for Fixed Assets, on Fixed Assets is a particularly useful tool. Supervisory reviews should be done by personnel capable of detecting and correcting material accounting errors.

Views of Responsible Officials and Planned Corrective Action

I am James Oliveaux, Executive Director and Designated Person to answer this audit finding. I will discuss this finding with the General Manager of the fee accounting firm. I will attempt to gain assurance that the fee accountant will follow the above recommendation in the future.

HOUSING AUTHORITY OF RAYVILLE, LOUISIANA  
CORRECTIVE ACTION PLAN

YEAR ENDED SEPTEMBER 30, 2017

See Views of Responsible Officials and Planned Corrective Actions in the Statement of Findings and Questioned Costs on page 26.

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

YEAR ENDED SEPTEMBER 30, 2017

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

There were no prior audit findings.

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

YEAR ENDED SEPTEMBER 30, 2017

2016 – M1 – Pledged Collateral

The Authority is required to monitor and make sure that financial institutions pledge collateral when the Authority's deposits exceed \$250,000. This figure is the maximum that the FDIC presently ensures deposits for.

At September 30, 2016, the Authority had inadvertently let the required coverage lapse. However, in early November, and prior to us starting the audit, the Authority noted this and contacted the bank. Adequate securities were then pledged by the bank.

The Authority should monitor this continually, to make sure that the bank pledges adequate security.

Current Status

This management letter comment is not repeated in the current audit.

**SUPPLEMENTARY INFORMATION**

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

YEAR ENDED SEPTEMBER 30, 2017

CASH BASIS

		2016 Capital Fund		2017 Capital Fund
	\$	<u>116,292</u>	\$	<u>119,362</u>
Funds approved				
Funds expended		106,990		0
Excess of funds approved	\$	<u>9,302</u>	\$	<u>119,362</u>
Funds advanced	\$	106,990	\$	0
Funds expended		106,990		0
Excess (Deficiency) of funds advanced	\$	<u>0</u>	\$	<u>0</u>

See accountants' report

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

YEAR ENDED SEPTEMBER 30, 2017

**Agency Head Name:** James Oliveaux, Executive Director

<b>Purpose</b>	<b>Amount</b>
Salary	\$ 65,696
Benefits-insurance	18,351
Benefits-retirement	4,697
Benefits-<list any other here>	
Car allowance	1,500
Vehicle provided by government	<enter amount reported on W-2>
Per diem	
Reimbursements	
Travel	
Registration fees	
Conference travel	
Continuing professional education fees	
Housing	
Unvouchered expenses*	
Special meals	
<b>Total</b>	<b>\$ 90,244</b>

See accountants' report

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

YEAR ENDED SEPTEMBER 30, 2017

FEDERAL GRANTOR PROGRAM TITLE	CDFA NO.		PROGRAM EXPENDITURES
U. S. Department of Housing and Urban Development Direct Programs:			
Low-Income Housing Operating Subsidy	14.850a	\$	336,511
Capital Fund Program	14.872		93,220
Total United States Department of Housing and Urban Development		\$	429,731
Total Expenditures of Federal Awards		\$	429,731

The accompanying notes are an integral part of this schedule.

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

YEAR ENDED SEPTEMBER 30, 2017

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

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

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

		Federal Sources
Enterprise Funds		
Governmental operating grants	\$	361,511
Capital contributions		68,220
		429,731
Total	\$	429,731

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



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## AGREED UPON PROCEDURES REPORT

### Independent Accountant's Report On Applying Agreed-Upon Procedures

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

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

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

The procedures and associated findings are as follows:

#### ***Written Policies and Procedures***

---

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

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

Results of Testing:

The Authority has policies for Budgeting, Disbursements, Personnel, Credit Cards and Travel (included in the Personnel Policy). For the other policies, we have directed Management to the policies listed under the Best Practices on the LLA's website. In addition, we have provided examples of all the policies listed above. The policies must be adopted to the Authority's particular situation.

- a) We note that the Authority duly and timely posted a public notice in advance of the adoption of the operating budget for the year ended September 30, 2017. However, Revised Statute 39:1307 also requires that the notice be duly and timely published in a local publication. It appears that this was not done.
- a) Ethics-As required by the State Ethics laws as noted in (i-4) above, the Authority did not obtain the did not obtain attestations from employees and board members that they read the Authority's ethics policy.

We recommend that Management make the changes we have recommended to the existing policies and also adopt the policies they need but do not presently have. Management should duly and timely publish in a local publication the time of the meeting to adopt the annual operating budget. The Ethics Policy that we have recommended to the Authority requires signatures be obtained annually that employees and board members read the Policy.

Corrective Action Response:

I am James Oliveaux, Executive Director and Designated Person to respond to these suggestions. We will do as the auditor suggests.

## ***Board***

---

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

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

### Results of Testing:

- a) Article III of the Authority's By-Laws state "regular meetings may be held without notice at such times and places as may from time to time be determined by resolution of the Authority. The board met periodically, with a quorum, during the year.
- b) The board minutes do not note specifically that budget-to-actual comparisons were made.
- c) All of the board minutes properly noted that non-budgetary information was reviewed at each meeting.

We recommend the minutes reflect that budget-to-actual comparisons be made at each meeting. Year-to-date financial statements should be no older than ninety days, preferably even less, to be of maximum value as a tool.

### Corrective Action Response:

We will do as the auditor suggests.

## ***Bank Reconciliations***

---

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

### Results of Testing:

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

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:

- a) Bank reconciliations have been prepared;
- b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
- c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

Results of Testing:

- a) Monthly bank reconciliations for all accounts were prepared.
- b) All included documentation that they had been reviewed by a person with no involvement with the bank account transactions.
- c) The one disbursement that was outstanding more than 6 months at year-end did not have documentation that it should still be listed. However, the amount was an immaterial \$5.

***Collections***

---

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

Results of Testing:

We obtained Management's representations that the list was complete.

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

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.

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

Results of Testing:

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

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

Results of Testing:

The Authority has a documented process to determine completeness of all collections, for each revenue source by a person who is not responsible for collections.

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

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

### Results of Testing:

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

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

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

### Results of Testing:

The Authority does not use purchase orders or receiving reports. The Executive Director, a former Head of Maintenance, and often also the current Head of Maintenance, closely review the invoices to check whether the correct items, both as to specs and quantity, were actually received.

It appears there may be two ways for the Authority to better document in this area. First, the Authority should consider using pre-numbered purchase orders. If this is done, both the person initiating and also the person approving the items should either initial or sign the purchase order.

A second method is for the person who approves the order to initial besides the item listed on the invoice. Best practices, as noted in 9[a] above, is that documentation exists that at least two people were involved in the order-the person initiating the purchase and the person approving the purchase. For the second method, the person who approves the order should initial besides the item on the invoice, and circle the initial.

In lieu of using receiving reports, the person who makes sure that the correct specs and quantity of the goods ordered were actually received, that person should initial besides the item on the invoice, and put a box around the initial [to differentiate from the approval function circle, noted in the prior paragraph].

### Corrective Action Response

We will consider our options as noted above, and choose one.

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

Results of Testing:

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

Corrective Action Response:

Language requiring the Executive Director's approval is included in the Purchasing and Disbursements Policy that we will soon adopt.

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

Results of Testing:

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

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

Results of Testing:

The supply of used checks is maintained in a locked location, with access restricted to those persons that do not have signatory authority.

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

Results of Testing:

Neither a signature stamp nor a signature machine is used.

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

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

Results of Testing:

Management represented that the list was complete.

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

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

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

#### Results of Testing:

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

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

- a) For each transaction, report whether the transaction is supported by:
  - An original itemized receipt (i.e., identifies precisely what was purchased)
  - Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.
  - Other documentation that may be required by written policy (e.g., purchase order, written authorization.)
- b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.
- c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

Results of Testing:

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

*Travel and Expense Reimbursement*

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

Results of Testing:

Management represented that the list was complete.

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

Results of Testing:

The Policy states that the mileage reimbursement rate is [75] cents per mile. The Policy says that overnight stay shall be reimbursed at to cover reasonable room, board, and travel with receipts.

The mileage rate should be revised to the GSA amount, which correlates with the annual IRS established rate. For 2018, that rate is [54.5] cents per mile, for business travel.

The overnight stay clause should be revised to state that the rate will not exceed the GSA rate for that location and date. However, we realize that it may not be practicable to stay in another location when attending a seminar when an agency such as the Louisiana Housing Council, for example, has secured a block of rooms at a discounted rate.

Corrective Action Response:

We will comply with the auditor's suggestion.

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

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

#### Results of Testing:

- a) One instance of out of town travel was noted for the audit year. The reimbursement was in accordance with the Travel Policy. However, we noted that two employees also receive monthly travel allowances to offset various local travel expenses.
- (a and b) The out of town expense was well documented. We discussed the local required travel of the two employees. The distances and purposes appear reasonable.
- d) The expense documentation was reviewed and approved by someone other than the person receiving reimbursement.

The auto allowances should be discontinued. The IRS has not recognized auto allowances for some time. Also, the payments are contrary to Article 7, Section 14 of the Louisiana Constitution.

The two employees should choose one of two options. First, if the Board approves, the auto allowance amount can be added as additional salary, subject to federal withholding and payroll taxes. Or, the employees can track the local travel [commuting to and from home is not deductible] and be added at the IRS mileage rate in effect for that year.

#### Corrective Action Response:

We will comply with the auditor's suggestion.

## Contracts

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

### Results of Testing:

Management represented that the list was complete.

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

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

### Results of Testing:

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

- a) Written contracts supported the amounts paid.
- b) The four largest vendors or contractor awards ranged from \$16,596 to \$292,630. The Authority complied with its Procurement Policy, which was in accordance with the federal Uniform Guidance requirements. At least three quotes were obtained for all four awards. The fifth largest vendor was for professional services, the use of a fee accountant. It appears the Authority has not solicited bids in the last five years. Federal regulations require that the Authority solicit Requests for Proposals and evaluate according to criteria, at least every 6<sup>th</sup> year.

- c) The contracts were not amended.
- d) The invoices tested were in terms and conditions of the contract.
- e) Board approval was obtained for the contracts in the instances Board policy required approval.

We recommend that as the current contract for the fee accountant approaches its end, the Authority should use a Request for Proposal and solicit other bids. The RFP should clearly state the Criteria that will be used to evaluate the bids.

Corrective Action Response:

We will do as the auditor suggests.

***Payroll and Personnel***

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

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

Results of Testing:

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

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

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

- c) Report whether there is written documentation that the entity maintained written leave records (e.g., hours earned, hours used, and balance available) on those selected employees/officials that earn leave.

Results of Testing:

- a) All employees tested documented their daily attendance and leave.
- b) The Executive Director's time sheets were not signed. The Executive Director signed the Confidential Assistant's time sheet. But she did not sign her own time sheet.
- c) Written documentation was present that the entity maintains written leave records.

We recommend that preferably a board member sign the time sheets of the Executive Director. When that is not possible, the Confidential Assistant should sign. The Confidential Assistant should also sign her own time sheet.

Corrective Action Response:

We will comply with the auditor's suggestion.

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

Results of Testing:

No termination payments were made during the audit year.

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

Results of Testing:

No exceptions were noted in the above tests.

*Ethics (excluding nonprofits)*

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

Results of Testing:

It appears that Ethics training was not obtained during the year.

We recommend that the required Ethics training be obtained.

Corrective Action Response:

All of the employees obtained the Ethics training in January 2018. We will obtain this annually in the future.

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

Results of Testing:

Management represents that no alleged ethics violations were reported during the fiscal year.

***Debt Service (excluding nonprofits)***

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

Results of Testing:

Not applicable.

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

Results of Testing:

Not applicable.

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

Results of Testing:

Not applicable.

*Other*

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

Results of Testing:

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

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

Results of Testing:

The note is properly posted.

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

Results of Testing:

No exceptions to management's representations were noted.

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

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

*Mike Estes, P.C.*

Mike Estes, P.C.  
Fort Worth, Texas  
February 12, 2018

HOUSING AUTHORITY OF RAYVILLE, LOUISIANA  
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2017

<b>Entity Wide Balance Sheet Summary</b>			
	Project Total	ELIM	Total
111 Cash - Unrestricted	\$30,258		\$30,258
112 Cash - Restricted - Modernization and Development			
113 Cash - Other Restricted			
114 Cash - Tenant Security Deposits	\$12,767		\$12,767
115 Cash - Restricted for Payment of Current Liabilities			
100 Total Cash	\$43,025		\$43,025
121 Accounts Receivable - PHA Projects			
122 Accounts Receivable - HUD Other Projects	\$474		\$474
124 Accounts Receivable - Other Government			
125 Accounts Receivable - Miscellaneous			
126 Accounts Receivable - Tenants	\$3,480		\$3,480
126.1 Allowance for Doubtful Accounts - Tenants	-\$350		-\$350
126.2 Allowance for Doubtful Accounts - Other	\$0		\$0
127 Notes, Loans, & Mortgages Receivable - Current			
128 Fraud Recovery			
128.1 Allowance for Doubtful Accounts - Fraud			
129 Accrued Interest Receivable	\$514		\$514
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$4,118		\$4,118
131 Investments - Unrestricted	\$122,200		\$122,200
132 Investments - Restricted			
135 Investments - Restricted for Payment of Current Liability			
142 Prepaid Expenses and Other Assets	\$20,850		\$20,850
143 Inventories	\$7,813		\$7,813
143.1 Allowance for Obsolete Inventories	-\$391		-\$391
144 Inter Program Due From			
145 Assets Held for Sale			
150 Total Current Assets	\$197,615		\$197,615
161 Land	\$32,150		\$32,150
162 Buildings	\$5,829,470		\$5,829,470
163 Furniture, Equipment & Machinery - Dwellings	\$119,248		\$119,248
164 Furniture, Equipment & Machinery - Administration	\$111,861		\$111,861
165 Leasehold Improvements	\$1,287,767		\$1,287,767
166 Accumulated Depreciation	-\$4,606,482		-\$4,606,482
167 Construction in Progress	\$81,990		\$81,990
168 Infrastructure			
160 Total Capital Assets, Net of Accumulated Depreciation	\$2,856,004		\$2,856,004
171 Notes, Loans and Mortgages Receivable - Non-Current			
172 Notes, Loans, & Mortgages Receivable - Non Current - Past Due			
173 Grants Receivable - Non Current			
174 Other Assets			
176 Investments in Joint Ventures			
180 Total Non-Current Assets	\$2,856,004		\$2,856,004
200 Deferred Outflow of Resources			
290 Total Assets and Deferred Outflow of Resources	\$3,053,619		\$3,053,619

HOUSING AUTHORITY OF RAYVILLE, LOUISIANA  
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2017

<b>Entity Wide Balance Sheet Summary</b>			
	Project Total	ELIM	Total
311 Bank Overdraft			
312 Accounts Payable <= 90 Days	\$2,687		\$2,687
313 Accounts Payable >90 Days Past Due			
321 Accrued Wage/Payroll Taxes Payable	\$5,199		\$5,199
322 Accrued Compensated Absences - Current Portion	\$2,409		\$2,409
324 Accrued Contingency Liability			
325 Accrued Interest Payable			
331 Accounts Payable - HUD PHA Programs			
332 Account Payable - PHA Projects			
333 Accounts Payable - Other Government	\$8,299		\$8,299
341 Tenant Security Deposits	\$12,767		\$12,767
342 Unearned Revenue	\$909		\$909
343 Current Portion of Long-term Debt - Capital Projects/Mortgage Revenue			
344 Current Portion of Long-term Debt - Operating Borrowings			
345 Other Current Liabilities			
346 Accrued Liabilities - Other	\$9,481		\$9,481
347 Inter Program - Due To			
348 Loan Liability - Current			
310 Total Current Liabilities	\$41,751		\$41,751
351 Long-term Debt, Net of Current - Capital Projects/Mortgage Revenue			
352 Long-term Debt, Net of Current - Operating Borrowings			
353 Non-current Liabilities - Other			
354 Accrued Compensated Absences - Non Current	\$21,677		\$21,677
355 Loan Liability - Non Current			
356 FASB 5 Liabilities			
357 Accrued Pension and OPEB Liabilities			
350 Total Non-Current Liabilities	\$21,677		\$21,677
300 Total Liabilities	\$63,428		\$63,428
400 Deferred Inflow of Resources			
508.4 Net Investment in Capital Assets	\$2,856,004		\$2,856,004
511.4 Restricted Net Position			
512.4 Unrestricted Net Position	\$134,187		\$134,187
513 Total Equity - Net Assets / Position	\$2,990,191		\$2,990,191
600 Total Liabilities, Deferred Inflows of Resources and Equity - Net	\$3,053,619		\$3,053,619

HOUSING AUTHORITY OF RAYVILLE, LOUISIANA  
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2017

Single Project Revenue and Expense			
	Low Rent	Capital Fund	Total Project
70300 Net Tenant Rental Revenue	\$156,510		\$156,510
70400 Tenant Revenue - Other	\$5,453		\$5,453
70500 Total Tenant Revenue	\$161,963	\$0	\$161,963
70600 HUD PHA Operating Grants	\$336,511	\$25,000	\$361,511
70610 Capital Grants		\$68,220	\$68,220
70710 Management Fee			
70720 Asset Management Fee			
70730 Book Keeping Fee			
70740 Front Line Service Fee			
70750 Other Fees			
70700 Total Fee Revenue			
70800 Other Government Grants			
71100 Investment Income - Unrestricted	\$6,029		\$6,029
71200 Mortgage Interest Income			
71300 Proceeds from Disposition of Assets Held for Sale			
71310 Cost of Sale of Assets			
71400 Fraud Recovery			
71500 Other Revenue	\$54,888		\$54,888
71600 Gain or Loss on Sale of Capital Assets	-\$1,386		-\$1,386
72000 Investment Income - Restricted			
70000 Total Revenue	\$558,005	\$93,220	\$651,225
91100 Administrative Salaries	\$100,696		\$100,696
91200 Auditing Fees	\$10,005		\$10,005
91300 Management Fee			
91310 Book-keeping Fee			
91400 Advertising and Marketing	\$230		\$230
91500 Employee Benefit contributions - Administrative	\$51,742		\$51,742
91600 Office Expenses	\$14,434		\$14,434
91700 Legal Expense			
91800 Travel	\$2,585		\$2,585
91810 Allocated Overhead			
91900 Other	\$17,042		\$17,042
91000 Total Operating - Administrative	\$196,734	\$0	\$196,734
92000 Asset Management Fee			
92100 Tenant Services - Salaries			
92200 Relocation Costs			
92300 Employee Benefit Contributions - Tenant Services			
92400 Tenant Services - Other			
92500 Total Tenant Services	\$0	\$0	\$0
93100 Water	\$31,259		\$31,259
93200 Electricity	\$5,003		\$5,003
93300 Gas	\$3,616		\$3,616
93400 Fuel			
93500 Labor			
93600 Sewer	\$33,644		\$33,644

HOUSING AUTHORITY OF RAYVILLE, LOUISIANA  
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2017

<b>Single Project Revenue and Expense</b>			
	Low Rent	Capital Fund	Total Project
93700 Employee Benefit Contributions - Utilities			
93800 Other Utilities Expense			
93000 Total Utilities	\$73,522	\$0	\$73,522
94100 Ordinary Maintenance and Operations - Labor	\$88,983		\$88,983
94200 Ordinary Maintenance and Operations - Materials and Other	\$37,291		\$37,291
94300 Ordinary Maintenance and Operations Contracts	\$26,256		\$26,256
94500 Employee Benefit Contributions - Ordinary Maintenance	\$44,886		\$44,886
94000 Total Maintenance	\$197,416	\$0	\$197,416
95100 Protective Services - Labor			
95200 Protective Services - Other Contract Costs			
95300 Protective Services - Other			
95500 Employee Benefit Contributions - Protective Services			
95000 Total Protective Services	\$0	\$0	\$0
96110 Property Insurance	\$38,189		\$38,189
96120 Liability Insurance	\$2,331		\$2,331
96130 Workmen's Compensation	\$11,550		\$11,550
96140 All Other Insurance	\$5,442		\$5,442
96100 Total insurance Premiums	\$57,512	\$0	\$57,512
96200 Other General Expenses			
96210 Compensated Absences	\$14,213		\$14,213
96300 Payments in Lieu of Taxes	\$8,299		\$8,299
96400 Bad debt - Tenant Rents			
96500 Bad debt - Mortgages			
96600 Bad debt - Other			
96800 Severance Expense			
96000 Total Other General Expenses	\$22,512	\$0	\$22,512
96710 Interest of Mortgage (or Bonds) Payable			
96720 Interest on Notes Payable (Short and Long Term)			
96730 Amortization of Bond Issue Costs			
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$547,696	\$0	\$547,696
97000 Excess of Operating Revenue over Operating Expenses	\$10,309	\$93,220	\$103,529
97100 Extraordinary Maintenance	\$2,080		\$2,080
97200 Casualty Losses - Non-capitalized	\$158		\$158
97300 Housing Assistance Payments			
97350 HAP Portability-In			
97400 Depreciation Expense	\$277,558		\$277,558
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	\$827,492	\$0	\$827,492

HOUSING AUTHORITY OF RAYVILLE, LOUISIANA  
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2017

<b>Single Project Revenue and Expense</b>			
	Low Rent	Capital Fund	Total Project
10010 Operating Transfer In	\$25,000		\$25,000
10020 Operating transfer Out		-\$25,000	-\$25,000
10030 Operating Transfers from/to Primary Government			
10040 Operating Transfers from/to Component Unit			
10050 Proceeds from Notes, Loans and Bonds			
10060 Proceeds from Property Sales			
10070 Extraordinary Items, Net Gain/Loss			
10080 Special Items (Net Gain/Loss)			
10091 Inter Project Excess Cash Transfer In			
10092 Inter Project Excess Cash Transfer Out			
10093 Transfers between Program and Project - In			
10094 Transfers between Project and Program - Out			
10100 Total Other financing Sources (Uses)	\$25,000	-\$25,000	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$244,487	\$68,220	-\$176,267
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$3,166,458	\$0	\$3,166,458
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$68,220	-\$68,220	\$0
11050 Changes in Compensated Absence Balance			
11060 Changes in Contingent Liability Balance			
11070 Changes in Unrecognized Pension Transition Liability			
11080 Changes in Special Term/Severance Benefits Liability			
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents			
11100 Changes in Allowance for Doubtful Accounts - Other			
11170 Administrative Fee Equity			
11180 Housing Assistance Payments Equity			
11190 Unit Months Available	1097		1097
11210 Number of Unit Months Leased	1093		1093
11270 Excess Cash	\$81,951		\$81,951
11610 Land Purchases	\$0	\$0	\$0
11620 Building Purchases	\$0	\$68,220	\$68,220
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0	\$0	\$0
11650 Leasehold Improvements Purchases	\$0	\$0	\$0
11660 Infrastructure Purchases	\$0	\$0	\$0
13510 CFFP Debt Service Payments	\$0	\$0	\$0
13901 Replacement Housing Factor Funds	\$0	\$0	\$0

HOUSING AUTHORITY OF RAYVILLE, LOUISIANA  
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2017

**Entity Wide Revenue and Expense Summary**

	Project Total	ELIM	Total
70300 Net Tenant Rental Revenue	\$156,510		\$156,510
70400 Tenant Revenue - Other	\$5,453		\$5,453
70500 Total Tenant Revenue	\$161,963	\$0	\$161,963
70600 HUD PHA Operating Grants	\$361,511		\$361,511
70610 Capital Grants	\$68,220		\$68,220
70710 Management Fee			
70720 Asset Management Fee			
70730 Book Keeping Fee			
70740 Front Line Service Fee			
70750 Other Fees			
70700 Total Fee Revenue		\$0	\$0
70800 Other Government Grants			
71100 Investment Income - Unrestricted	\$6,029		\$6,029
71200 Mortgage Interest Income			
71300 Proceeds from Disposition of Assets Held for Sale			
71310 Cost of Sale of Assets			
71400 Fraud Recovery			
71500 Other Revenue	\$54,888		\$54,888
71600 Gain or Loss on Sale of Capital Assets	-\$1,386		-\$1,386
72000 Investment Income - Restricted			
70000 Total Revenue	\$651,225	\$0	\$651,225
91100 Administrative Salaries	\$100,696		\$100,696
91200 Auditing Fees	\$10,005		\$10,005
91300 Management Fee			
91310 Book-keeping Fee			
91400 Advertising and Marketing	\$230		\$230
91500 Employee Benefit contributions - Administrative	\$51,742		\$51,742
91600 Office Expenses	\$14,434		\$14,434
91700 Legal Expense			
91800 Travel	\$2,585		\$2,585
91810 Allocated Overhead			
91900 Other	\$17,042		\$17,042
91000 Total Operating - Administrative	\$196,734	\$0	\$196,734
92000 Asset Management Fee			
92100 Tenant Services - Salaries			
92200 Relocation Costs			
92300 Employee Benefit Contributions - Tenant Services			
92400 Tenant Services - Other			
92500 Total Tenant Services	\$0	\$0	\$0
93100 Water	\$31,259		\$31,259
93200 Electricity	\$5,003		\$5,003
93300 Gas	\$3,616		\$3,616
93400 Fuel			
93500 Labor			
93600 Sewer	\$33,644		\$33,644

HOUSING AUTHORITY OF RAYVILLE, LOUISIANA  
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2017

<b>Entity Wide Revenue and Expense Summary</b>			
	Project Total	ELIM	Total
93700 Employee Benefit Contributions - Utilities			
93800 Other Utilities Expense			
93000 Total Utilities	\$73,522	\$0	\$73,522
94100 Ordinary Maintenance and Operations - Labor	\$88,983		\$88,983
94200 Ordinary Maintenance and Operations - Materials and Other	\$37,291		\$37,291
94300 Ordinary Maintenance and Operations Contracts	\$26,256		\$26,256
94500 Employee Benefit Contributions - Ordinary Maintenance	\$44,886		\$44,886
94000 Total Maintenance	\$197,416	\$0	\$197,416
95100 Protective Services - Labor			
95200 Protective Services - Other Contract Costs			
95300 Protective Services - Other			
95500 Employee Benefit Contributions - Protective Services			
95000 Total Protective Services	\$0	\$0	\$0
96110 Property Insurance	\$38,189		\$38,189
96120 Liability Insurance	\$2,331		\$2,331
96130 Workmen's Compensation	\$11,550		\$11,550
96140 All Other Insurance	\$5,442		\$5,442
96100 Total insurance Premiums	\$57,512	\$0	\$57,512
96200 Other General Expenses			
96210 Compensated Absences	\$14,213		\$14,213
96300 Payments in Lieu of Taxes	\$8,299		\$8,299
96400 Bad debt - Tenant Rents			
96500 Bad debt - Mortgages			
96600 Bad debt - Other			
96800 Severance Expense			
96000 Total Other General Expenses	\$22,512	\$0	\$22,512
96710 Interest of Mortgage (or Bonds) Payable			
96720 Interest on Notes Payable (Short and Long Term)			
96730 Amortization of Bond Issue Costs			
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$547,696	\$0	\$547,696
97000 Excess of Operating Revenue over Operating Expenses	\$103,529	\$0	\$103,529
97100 Extraordinary Maintenance	\$2,080		\$2,080
97200 Casualty Losses - Non-capitalized	\$158		\$158
97300 Housing Assistance Payments			
97350 HAP Portability-In			
97400 Depreciation Expense	\$277,558		\$277,558
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	\$827,492	\$0	\$827,492

HOUSING AUTHORITY OF RAYVILLE, LOUISIANA  
FINANCIAL DATA SCHEDULES

YEAR ENDED SEPTEMBER 30, 2017

<b>Entity Wide Revenue and Expense Summary</b>			
	Project Total	ELIM	Total
10010 Operating Transfer In	\$25,000	-\$25,000	\$0
10020 Operating transfer Out	-\$25,000	\$25,000	\$0
10030 Operating Transfers from/to Primary Government			
10040 Operating Transfers from/to Component Unit			
10050 Proceeds from Notes, Loans and Bonds			
10060 Proceeds from Property Sales			
10070 Extraordinary Items, Net Gain/Loss			
10080 Special Items (Net Gain/Loss)			
10091 Inter Project Excess Cash Transfer In			
10092 Inter Project Excess Cash Transfer Out			
10093 Transfers between Program and Project - In			
10094 Transfers between Project and Program - Out			
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total Expenses	-\$176,267	\$0	-\$176,267
11020 Required Annual Debt Principal Payments	\$0		\$0
11030 Beginning Equity	\$3,166,458		\$3,166,458
11040 Prior Period Adjustments, Equity Transfers and Correction of Errors	\$0		\$0
11050 Changes in Compensated Absence Balance			
11060 Changes in Contingent Liability Balance			
11070 Changes in Unrecognized Pension Transition Liability			
11080 Changes in Special Term/Severance Benefits Liability			
11090 Changes in Allowance for Doubtful Accounts - Dwelling Rents			
11100 Changes in Allowance for Doubtful Accounts - Other			
11170 Administrative Fee Equity			
11180 Housing Assistance Payments Equity			
11190 Unit Months Available	1097		1097
11210 Number of Unit Months Leased	1093		1093
11270 Excess Cash	\$81,951		\$81,951
11610 Land Purchases	\$0		\$0
11620 Building Purchases	\$68,220		\$68,220
11630 Furniture & Equipment - Dwelling Purchases	\$0		\$0
11640 Furniture & Equipment - Administrative Purchases	\$0		\$0
11650 Leasehold Improvements Purchases	\$0		\$0
11660 Infrastructure Purchases	\$0		\$0
13510 CFFP Debt Service Payments	\$0		\$0
13901 Replacement Housing Factor Funds	\$0		\$0