

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD  
WINNFIELD, LOUISIANA**

**FINANCIAL AND COMPLIANCE AUDIT  
TOGETHER WITH  
INDEPENDENT AUDITORS' REPORT**

**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

## TABLE OF CONTENTS

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	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT .....	1
MANAGEMENT'S DISCUSSION AND ANALYSIS .....	5
STATEMENT OF NET POSITION--ENTERPRISE FUND SEPTEMBER 30, 2019 .....	13
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION--ENTERPRISE FUND FOR THE YEAR ENDED SEPTEMBER 30, 2019 .....	14
STATEMENT OF CASH FLOWS--ENTERPRISE FUND FOR THE YEAR ENDED SEPTEMBER 30, 2019 .....	15
NOTES TO THE FINANCIAL STATEMENTS .....	17
<b>SUPPLEMENTARY INFORMATION:</b>	
Independent Auditors' Report on Supplementary Information .....	32
SCHEDULE I - Financial Data Schedule - Balance Sheet September 30, 2019 .....	34
SCHEDULE II - Financial Data Schedule - Income Statement For the Year Ended September 30, 2019 .....	37

## TABLE OF CONTENTS, CONTINUED

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	<u>PAGE</u>
<b>SUPPLEMENTARY INFORMATION, CONTINUED:</b>	
SCHEDULE III - Schedule of Expenditures of Federal Awards For the Year Ended September 30, 2019 .....	42
SCHEDULE IV - Statement of Capital Fund Program (Complete) From Inception Through September 30, 2019 .....	43
SCHEDULE V - Statement of Capital Fund Program (Incomplete) From Inception Through September 30, 2019 .....	44
SCHEDULE VI - Schedule of Compensation, Benefits and Other Payments to the Executive Director For the Year Ended September 30, 2019 .....	45
INDEPENDENT AUDITORS' 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 .....	46
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES FOR THE YEAR ENDED SEPTEMBER 30, 2019:	
Section I - Summary of Auditors' Results .....	50
Section II - Financial Statement Findings and Questioned Costs .....	51
Section III - Federal Award Findings and Questioned Costs .....	51
Section IV - Status of Prior Year's Findings and Questioned Costs .....	51
EXIT CONFERENCE .....	52



Member  
American Institute of  
Certified Public Accountants  
Society of Louisiana  
Certified Public Accountants

Alcide J. Tervalon, Jr., CPA  
Waldo J. Moret, Jr., CPA  
Paul K. Andoh, Sr., CPA  
Joseph A. Akanji, CPA

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Commissioners  
**Housing Authority of the City of Winnfield**  
Winnfield, Louisiana

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

We have audited the accompanying financial statements of **Housing Authority of the City of Winnfield (HACW)**, as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise **HACW's** 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion 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 of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

To the Board of Commissioners  
**Housing Authority of the City of Winnfield**  
Winnfield, Louisiana

**Auditors' Responsibility, Continued**

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to **HACW's** preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of **HACW'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 opinion.

**Opinion**

In our opinion, the financial statements previously referred to present fairly, in all material respects, the respective financial position of **HACW** as of September 30, 2019, and the respective changes in fund net position and cash flows of its enterprise fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

To the Board of Commissioners  
**Housing Authority of the City of Winnfield**  
Winnfield, Louisiana

**Other Matter**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 12 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the 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.

**INDEPENDENT AUDITORS' REPORT**  
**(CONTINUED)**

To the Board of Commissioners  
**Housing Authority of the City of Winnfield**  
Winnfield, Louisiana

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

In accordance with *Government Auditing Standards*, we have also issued our report dated May 15, 2020 on our consideration of **HACW's** internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **HACW's** internal control over financial reporting and compliance.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
New Orleans, Louisiana

May 15, 2020

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD  
WINNFIELD, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

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**INTRODUCTION TO FINANCIAL STATEMENTS**

The management of **Housing Authority of the City of Winnfield (HACW)** has complied with Governmental Accounting Standards Board Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for States and Local Governments (GASB 34)* and, as amended by GASB 37.

Management believes that GASB 34 as amended, financial statements provide useful information because these statements show not only the short-term results of operations but also the long-term financial picture.

**HACW** based on the requirements of GASB 34, as amended, has only one fund, the Enterprise Fund, and engages in only one type of activity. A Statement of Net Position and Statement of Revenues, Expenses and Changes in Fund Net Position shown on pages 13 and 14, show the results of operations and financial position using the *total economic resources* measurement focus and the *accrual basis* of accounting, which emphasize the long-term financial picture and are very similar to the financial statements of private sector for profit enterprises.

The following is a discussion and analysis of **HACW's** financial activities for the years ended September 30, 2019 and 2018. This discussion and analysis should be read in conjunction with **HACW's** accompanying audited financial statements.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific objectives. **HACW**, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. **HACW** has two federally funded and a business activity programs that are consolidated into a single enterprise fund. The Business Activity program stems from the management of a housing program for another government entity.

Low Rent Public Housing Program - **HACW's** Low Rent Public Housing Program rents housing units to low-income families. The Low Rent Public Housing Program is operated under an Annual Contribution Contract with U.S. Department of Housing and Urban Development (HUD). HUD provides an operating grant to enable **HACW** to provide housing at a rent that is based upon 30% of adjusted gross household income.



**HOUSING AUTHORITY OF THE CITY OF WINNFIELD  
WINNFIELD, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

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**Fund Financial Statements, Continued**

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

Business Activity Program - Through a cooperative agreement, HACW manages selected aspects of the Housing Choice Voucher Program for a local government entity.

**USING THIS ANNUAL REPORT**

HACW's annual report consists of financial statements that show combined information about HACW's most significant funds, Low Rent Public Housing, Public Housing Capital Fund and Business Activity Programs.

HACW's auditors provided assurance in their independent auditor's report, located immediately preceding the MD&A. That opinion was unmodified with respect to the basic financial statements. The auditors' provide varying degrees of assurance regarding the other information included in this report. A user of this report should read the independent auditors' report carefully to determine the level of assurance provided for each of the other parts of this report.

**FINANCIAL HIGHLIGHTS**

- HACW's assets exceeded its liabilities by \$3,183,533 and \$3,341,476, respectively for the years ended September 30, 2019 and 2018.
  - Of this amount \$945,901 and \$890,886 of unrestricted net position for each period, may be used to meet HACW's ongoing obligations to citizens and creditors.
  - The remainder of \$2,237,632 and \$2,450,590, respectively represent a restriction equal to the net amount of investment in land, building and building improvements, equipment, and construction in progress.
  - HACW's most significant asset at September 30, 2019 and 2018 were capital assets of \$2,237,632 and \$2,450,590, respectively.

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD  
WINNFIELD, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

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**FINANCIAL HIGHLIGHTS, CONTINUED**

- **HACW's** significant operating expenses for the years ended September 30, 2019 and 2018 were salaries and related benefits, depreciation, contractual services, and insurance premiums.
- Operating grants from the Federal government constitutes 43% in 2019 and 45% in 2018 of its total operating revenues, with total dwelling revenues accounting for 55% of its total operating revenues for the year ended September 30, 2019 and 52% for 2018. Fees and charges constitute 2% for 2019 and 3% for 2018.
- Capital grants for modernization and management improvements were \$12,950 and \$118,855, respectively for the years ended September 30, 2019 and 2018.

**OVERVIEW AND HIGHLIGHTS OF FINANCIAL STATEMENTS**

The basic financial statements of **HACW** consists of the Statement of Net Position, (shows assets and liabilities separated into current and noncurrent and net position) and Statement of Revenues and Expenses and Changes in Fund Net Position which uses the *full accrual* basis of accounting with revenues recognized when earned and expenses when incurred, regardless of the timing in the receipt of the disbursement. The notes to the financial statements provide additional information that is essential to a full understanding of the financial data provided in the basic financial statements. The measurement focus is the total economic resources of **HACW**.

The following provides condensed information from the Statement of Net Position as of September 30, 2019 and 2018.

<b>Condensed Statement of Net Position</b>		
<b>September 30</b>		
	<u>2019</u>	<u>2018</u>
Current assets	\$1,049,738	\$ 998,677
Non-current assets	<u>2,237,632</u>	<u>2,450,590</u>
Total assets	<u>3,287,370</u>	<u>3,449,267</u>
Current liabilities	87,250	93,533
Non-current liabilities	<u>16,587</u>	<u>14,258</u>
Total liabilities	<u>103,837</u>	<u>107,791</u>
Net position	<u>\$3,183,533</u>	<u>\$3,341,476</u>

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD  
WINNFIELD, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

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**OVERVIEW AND HIGHLIGHTS OF FINANCIAL STATEMENTS, CONTINUED**

The following provides condensed information from the Statement of Revenues, Expenses and Changes in Net Position for the years ended September 30, 2019 and 2018:

**Condensed Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Years Ended September 30**

	<u>2019</u>	<u>2018</u>
Operating revenues	\$ 575,026	\$ 630,391
Operating expenses	<u>(795,057)</u>	<u>(820,962)</u>
Operating income (loss)	<u>(220,031)</u>	<u>(190,571)</u>
Non-operating revenues	<u>49,138</u>	<u>47,111</u>
Capital contributions	<u>12,950</u>	<u>118,855</u>
Change in net position	(157,943)	(24,605)
Net position, beginning of year, as restated	<u>3,341,476</u>	<u>3,366,081</u>
Net position, end of year	<u>\$3,183,533</u>	<u>\$3,341,476</u>

Also, see page 14 for a display of the components of operating revenues, operating expenses and nonoperating revenues.

**EXPLANATION OF FINANCIAL ANALYSIS**

Changes in current assets for 2019 resulted from the timing in receipt of funds during 2019 coupled with a reduction in outstanding grants receivable and obligations at September 30, 2019 compared to 2018. The impact coupled with the timing of payments due to vendors resulted in an increase in cash balance at September 30, 2019.

For 2019, the decrease in current liabilities was associated with the timing in vendor payments.

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD**  
**WINNFIELD, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

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**EXPLANATION OF FINANCIAL ANALYSIS, CONTINUED**

Further, change in net position was \$(157,943) and \$(24,605) for the years ended September 30, 2019 and 2018, respectively. The primary cause for the change during 2019 and 2018, was due to the level of funding received from HUD for operating and modernization and management improvement project grants.

Changes in current assets for 2018 resulted from the timing in receipt of funds during 2018 and the balance in outstanding grants receivable and obligations at September 30, 2018 compared to 2017. The impact coupled with the timing of payments due to vendors, resulted in an increase in cash balance at September 30, 2018.

For 2018, the decrease in current liabilities was associated with the timing in vendor payments.

Change in net position was \$(24,605) and \$216,779 for the years ended September 30, 2018 and 2017, respectively. The primary cause for the change during 2018 and 2017, was due to the level of funding received from HUD for operating and modernization and management improvement project grants.

For 2019, a comparison to prior fiscal year reflects a decrease in total operating and nonoperating revenues by \$53,338. Further, capital contributions from the Capital Funds Program decreased by \$105,905 in 2019. The net change in total revenues resulted from a combination of larger offsetting factors.

Reasons for most of these changes are listed below:

- Federal revenues for 2019 from HUD for operations decreased to \$244,544 compared to \$285,253 in 2018 principally due to the determination of **HACW's** operating subsidy which is based upon a three year rolling average of past operations.
- Capital Funds for new construction and modernization projects decreased from \$118,855 in 2018 to \$12,950 during the year ended September 30, 2019. The decrease was due to funding available for modernization projects during 2019.

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD  
WINNFIELD, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

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**EXPLANATION OF FINANCIAL ANALYSIS, CONTINUED**

Reasons for most of these changes are listed below, Continued:

- Tenant revenues and fees decreased from \$345,138 in 2018 to \$330,482 for the year ended September 30, 2019. The decrease was due in part to changes in tenant personal income which serves as the basis for tenant rent payment level calculation and leased-up levels in 2019 compared to 2018.

In comparison to prior year, total operating expenses decreased from \$820,962 in 2018 to \$795,057 for the year ended September 30, 2019.

Reasons for this change are as follows:

- Decrease in salaries and related benefits from \$230,664 in 2018 to \$215,776 in 2019 due to a reduction in the number of employees.
- Contractual services cost decreased from \$165,939 in 2018 to \$158,826 for the year ended September 30, 2019, from implemented cost containment measures.

For 2018, a comparison to prior fiscal year reflects a decrease in total operating and nonoperating revenues by \$89,559. Further, capital contributions from the Capital Funds Program decreased by \$88,038 in 2018. The net change in total revenues resulted from a combination of larger offsetting factors.

Reasons for most of these changes are listed below:

- Federal revenues for 2018 from HUD for operations decreased to \$285,253 compared to \$393,606 in 2017 principally due to the determination of HACW's operating subsidy which is based upon a three year rolling average of past operations and available Capital Fund Program funds for operations.
- Capital Funds for new construction and modernization projects decreased from \$206,893 in 2017 to \$118,855 during the year ended September 30, 2018. The decrease was due to funding available for modernization projects during 2018.

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD**  
**WINNFIELD, LOUISIANA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

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**EXPLANATION OF FINANCIAL ANALYSIS, CONTINUED**

Reasons for most of these changes are listed below, Continued:

- Tenant revenues and fees decreased from \$372,731 in 2017 to \$345,138 for the year ended September 30, 2018. The decrease was due in part to changes in tenant personal income which serves as the basis for tenant rent payment level calculation and leased-up levels in 2018 compared to 2017.

In comparison to prior year, total operating expenses increased from \$757,175 in 2017 to \$820,962 for the year ended September 30, 2018.

Reasons for this change are as follows:

- Increase in salaries and related benefits from \$213,352 in 2017 to \$230,664 in 2018 due to cost of living and inflationary adjustments related to employee benefit costs.
- Contractual services cost decreased from \$171,251 in 2017 to \$165,939 for the year ended September 30, 2018 from inflationary adjustments to costs and continued services for garbage collection and lawn maintenance .

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

HACW's investment in capital assets amount to \$2,237,632 and \$2,450,590 net of accumulated depreciation of \$6,562,895 and \$6,336,987, respectively at September 30, 2019 and 2018.

A summary of its composition follows:

	September 30,	
	<u>2019</u>	<u>2018</u>
Capital assets	\$ 8,800,527	\$ 8,787,577
Less accumulated depreciation	<u>(6,562,895)</u>	<u>(6,336,987)</u>
Capital assets, net	<u>\$ 2,237,632</u>	<u>\$ 2,450,590</u>

Also, see the accompanying financial statements for additional disclosure on capital assets.

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD  
WINNFIELD, LOUISIANA  
MANAGEMENT'S DISCUSSION AND ANALYSIS, CONTINUED**

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**DEBT**

At September 30, 2019 and 2018, **HACW** had no debt obligations in the form of loans, bonds, mortgages, etc.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

**HACW** is primarily dependent upon Federal funding for its operations; therefore, it is affected more by Federal budget than by local economic conditions. **HACW's** operating subsidy calculation for 2020 has been submitted and approved with no major changes in the subsidy amount. **HACW's** capital fund programs are multiple year budgets and have remained relatively stable. However, management continues to work through initiatives and executive orders to evaluate the potential impact of "COVID-19" on its federal funding.

**REQUEST FOR INFORMATION**

This information report is designed to provide a general overview of **HACW** finances for all those with an interest in **HACW's** finances and should be read in conjunction with **HACW's** accompanying audited financial statements. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director, Housing Authority of Winnfield, 901 Neil Wagoner Drive, P. O. Box 1413, Winnfield, Louisiana 71483.

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD**  
**WINNFIELD, LOUISIANA**  
**STATEMENT OF NET POSITION--ENTERPRISE FUND**  
**SEPTEMBER 30, 2019**

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**ASSETS**

Current Assets:

Cash (NOTE 2)	\$ 967,828
Restricted cash (NOTE 3)	11,421
Amounts receivable, net (NOTE 11)	34,478
Prepaid items and other (NOTE 9)	<u>36,011</u>

Total current assets 1,049,738

Non-Current Assets:

Capital assets, net (NOTES 4, AND 10)	<u>2,237,632</u>
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Total non-current assets 2,237,632

Total assets 3,287,370

**LIABILITIES**

Current Liabilities:

Amounts and other payable (NOTE 5)	67,114
Compensated absences payable-current portion (NOTE 14)	6,772
Security and pet deposits held for tenants (NOTE 3)	11,421
Unearned revenues	<u>1,943</u>

Total current liabilities 87,250

Non-Current Liabilities:

Compensated absences payable-noncurrent portion (NOTE 14)	<u>16,587</u>
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Total non-current liabilities 16,587

Total liabilities 103,837

**NET POSITION**

Net investment in capital assets (NOTE 4)	2,237,632
Unrestricted	<u>945,901</u>

Total net position \$3,183,533

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



**HOUSING AUTHORITY OF THE CITY OF WINNFIELD**  
**WINNFIELD, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND**  
**NET POSITION--ENTERPRISE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

Operating Revenues:	
HUD operating grant	\$ 244,544
Dwelling rental	317,776
Fees and charges	<u>12,706</u>
Total operating revenues	<u>575,026</u>
Operating Expenses:	
Salaries and employee benefits	215,776
Compensated absences	7,937
Materials	30,891
Contractual services	158,826
Casualty loss	6,500
Utilities	16,242
Depreciation	225,908
Insurance	51,232
Training, convention and travel	7,436
Office supplies	7,317
Postage and publication	1,569
General	16,832
Telephone	7,013
Membership dues	607
Payment in lieu of taxes	31,424
Bad debt	<u>9,547</u>
Total operating expenses	<u>795,057</u>
Operating loss	<u>(220,031)</u>
Non-operating Revenues:	
Administrative fees and other income	48,194
Interest income	<u>944</u>
Total non-operating revenues	<u>49,138</u>
Capital Contributions:	
HUD capital grants	<u>12,950</u>
Total capital contributions	<u>12,950</u>
Change in net position	<u>(157,943)</u>
Net position, beginning of year	<u>3,341,476</u>
Net position, end of year	<u>\$3,183,533</u>

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

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD**  
**WINNFIELD, LOUISIANA**  
**STATEMENT OF CASH FLOWS--ENTERPRISE FUND**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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Cash Flows Provided by Operating Activities:	
HUD operating grants	\$ 243,302
Receipts from tenants	330,191
Receipt of interest income	944
Receipt of management fees	37,258
Payments to vendors	(344,286)
Payments to employees and related benefits	<u>(218,802)</u>
Net cash provided by operating activities	<u>48,607</u>
Cash Flows from Capital and Related Financing Activities:	
Acquisition of capital assets	(12,950)
Capital contributions	<u>52,541</u>
Net cash provided by capital and related financing activities	<u>39,591</u>
Net increase in cash	88,198
Cash, beginning of year	<u>891,051</u>
Cash, end of year	<u>\$ 979,249</u>
NOTE:	
Cash	\$ 967,828
Restricted cash	<u>11,421</u>
Total cash	<u>\$ 979,249</u>

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

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD**  
**WINNFIELD, LOUISIANA**  
STATEMENT OF CASH FLOWS--ENTERPRISE FUND, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

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Reconciliation of Operating Loss to Net Cash Provided By	
Operating Activities:	
Operating loss	\$ (220,031)
Adjustments to reconcile operating income to net cash provided	
by operating activities:	
Depreciation	225,908
Bad debt	9,547
Changes in assets and liabilities:	
Decrease in amounts receivable	36,805
Decrease in prepaid items and other	332
Decrease in amounts and other payable	(6,436)
Increase in compensated absences payable	2,950
Decrease in security deposits held for tenants	(1,111)
Increase in unearned revenues	<u>643</u>
Net cash provided by operating activities	\$ <u>48,607</u>

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

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD**  
**WINNFIELD, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS**

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NOTE 1 - Summary of Significant Accounting Policies:

Background

The **Housing Authority of the City of Winnfield (HACW)** is a public corporation, legally separate and fiscally independent and governed by a Board of Commissioners. Under the United States Housing Act of 1937, as amended, the U.S. Department of Housing and Urban Development (HUD) has direct responsibility for administering housing programs. **HACW** has been contracted by HUD to administer the Low-Rent Housing Program under an Annual Contributions Contract.

As of September 30, 2019, **HACW** was primarily engaged in the administration of Low-Rent Public Housing Program to low-income residents in Winnfield, Louisiana.

Under the Low-Rent Public Housing Program, **HACW** provides housing to eligible families under leasing arrangements.

Further, through a cooperative agreement, **HACW** manages selected aspects of the Housing Choice Voucher Program for a local government.

Financial Reporting Entity

**HACW** has the power to sue and be sued, and make rules and regulations for its own government consistent with the laws of the State of Louisiana and the City of Winnfield.

Government Accounting Standards Board (GASB) Statement Nos. 14 and 39, established standards for defining and reporting on the financial entity. The standards indicate that the focal point for identifying the financial reporting entity is the primary government, which is considered to be any state government or general purpose local government or a special-purpose government. The basic criteria for including a component unit within the reporting entity's financial accountability includes:

1. Appointing a majority of an organization's governing body, and;
  - a. The ability of the government to impose its will on that

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD**  
**WINNFIELD, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 1 - Summary of Significant Accounting Policies, Continued:

Financial Reporting Entity, Continued

- 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 dependant on the government.
3. Organizations for which the reporting entity's financial statements would be misleading if not included because of the nature or significance of the relationship.

**HACW** was established as a separate, legal entity with a governing board which is separate and independent of any other governmental "reporting entity" as defined by GASB's 14 and 39. Accordingly, management has concluded that **HACW** is a financial reporting entity within the meaning of the provisions of GASB's 14 and 39. Accordingly, **HACW** is not a component unit of the financial reporting entity of the City of Winnfield. Also, **HACW** has no component unit for financial reporting entity purposes as described within the provisions of GASB Statement No.'s 14, 39 and as amended by 61.

Basis of Presentation

As required by Louisiana Revised Statute (LRS-24:514) and HUD regulations, the financial statements are presented in accordance with accounting principles generally accepted in the United States of America.

The accounts of **HACW** are accounted for under the proprietary fund. Accordingly, the accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America applied to governmental units.

**HOUSING AUTHORITY OF THE CITY OF WINNFELD**  
**WINNFELD, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 1 - Summary of Significant Accounting Policies, Continued:

Basis of Presentation, Continued

Proprietary Fund Type - A proprietary fund is accounted for on the flow of economic resources measurement focus and uses the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. HACW's fund include the following type:

Enterprise Fund - An enterprise fund is used to account for those operations that are financed and operated in a manner similar to private business or where the Board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

HACW follows the provisions of GASB 33 (Accounting and Financial Reporting for Non-Exchange Transactions).

Under GASB 33 Standards, HACW recognizes assets, liabilities, revenues and expenses under its government-mandated and voluntary non-exchange transactions as follows:

- Assets and liabilities are recognized when all applicable eligibility requirements are met or resources received, whichever is first;
- Revenues and expenses are recognized when all applicable eligibility requirements are met;
- Transactions with time requirement(s) received prior to the satisfaction of the time requirement(s) are recorded as deferred revenues upon award; and
- Transactions with no time requirement(s) are recorded by HACW as revenues upon award.

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD**  
**WINNFIELD, LOUISIANA**  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 1 - Summary of Significant Accounting Policies, Continued:

Measurement Focus and Basis of Accounting and Financial Statement of Presentation

**HACW** adopted the provisions of Government Accounting Standards Board Statement No. 34, as amended, "Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments". Statement No. 34, as amended established standards for external financial reporting for all state and local governmental entities, which includes a statement of net position, a statement of revenues, expenses and changes in fund net position, and a statement of cash flows. It requires the classification of net position into three components-net investment in capital assets, restricted, and unrestricted.

The term measurement focus is used to denote what is being measured and reported in **HACW's** operating statement. **HACW's** financial activities are accounted for on the flow of economic resources measurement focus. The fundamental objective of this focus is to measure whether **HACW** is better or worse off economically as a result of events and transactions of the period.

The term basis of accounting is used to determine when a transaction or event is recognized on **HACW's** operating statement. **HACW** used the full accrual basis of accounting. Under this basis, revenues are recorded when earned and expenses are recorded when incurred, even though actual payment or receipt may not occur until after the period ends.

These revenues consist of operating and capital grants, dwelling rent and charges, which are categorized as operating and nonoperating income respectively.

Operating expenses are displayed by their natural classification.

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD**  
**WINNFIELD, LOUISIANA**  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 1 - Summary of Significant Accounting Policies, Continued:

Net Position

HACW has implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This standards provides guidance for reporting the financial statement elements of deferred outflows of resources and deferred inflows of resources. Deferred outflows represent the consumption of HACW's net position that is applicable to a future reporting period. A deferred inflow represents the acquisition of net position that is applicable to a future reporting period.

Because deferred outflows and deferred inflows are, by definition, neither assets nor liabilities, the statement of net assets, title is now referred to as the statement of net position. The statement of net position reports net position as the difference between all other elements in a statement of net position and should be displayed in three components: net investment in capital assets, restricted net position (distinguishing between major categories of restrictions), and unrestricted net position.

Budgets

HACW prepares an annual budget for its proprietary fund. Prior to the beginning of the fiscal year, October 1, the annual budget is approved by the Board of Commissioners. Budgetary amendments require approval by the Board. HACW does not present its budgeted to actual comparison for the enterprise fund as part of its financial statements as accounting principles generally accepted in the United States of America do not require such, despite adoption of an annual budget by the Board.



**HOUSING AUTHORITY OF THE CITY OF WINNFIELD**  
**WINNFIELD, LOUISIANA**  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 1 - Summary of Significant Accounting Policies, Continued:

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 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 and expenses during the reporting period. Actual results could differ from those estimates.

Amounts Receivable

Amounts receivable are stated at net realizable value as required by accounting principles generally accepted in the United States of America.

Statement of Cash Flows

For purposes of the statement of cash flows, **HACW** considers all highly liquid investments with an original maturity of ninety (90) days or less when purchased to be cash and temporary cash investments. At September 30, 2019, temporary cash investments were \$-0-.

Capital Assets

Capital assets are recorded at cost or estimated costs. Donated assets are valued at estimated fair value on the date donated. When assets are retired or otherwise disposed of, any resulting gain or loss is reflected in income for the period.

The costs of normal maintenance and repairs that do not add to the value of an asset or materially extend the asset's life are not capitalized in the enterprise fund.

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD  
WINNFIELD, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 1 - Summary of Significant Accounting Policies, Continued:

Capital Assets, Continued

Capital assets with a cost of \$1,000 or more are capitalized and depreciated in the enterprise fund of HACW using the following estimated useful lives in years.

<u>Assets</u>	<u>Estimated Useful Lives in Years</u>
Land improvements	15
Building	33
Building improvements	15
Equipment	3-7

Under accounting principles generally accepted in the United States of America, long lived assets are to be reviewed for impairment. If the sum of the expected future cash flow is less than the carrying value amount of the asset, an impairment loss should be recognized. At September 30, 2019, management has determined that there are no assets subject to the requirements of GASB No. 42 "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries".

Compensated Absences

HACW follows Louisiana Civil Service regulations for accumulated annual and sick leave. Under those regulations, employees may accumulate up to three hundred (300) 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.

The cost of current leave privileges computed in accordance with GASB Codification Section C60, is recognized as a current-year expense in the enterprise fund when leave is earned.

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD**  
**WINNFIELD, LOUISIANA**  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 1 - Summary of Significant Accounting Policies, Continued:

Interprogram Activities

All interprogram transactions, except quasi external transactions, advances and reimbursements are reported as transfers. Nonrecurring and permanent transfers of equity are reported as residual equity transfer. All other interprogram transfers are reported as operating transfers and recognized at the time the underlying event occurs. Interprogram due to and from have been netted at the combined level financial statements.

Use of Restricted Resources

It is the practice of **HACW** to use restricted resources based on restrictions and consistent with Board policy.

NOTE 2 - Cash:

At September 30, 2019, the carrying amount of **HACW's** cash deposits was \$967,828 and the cumulative bank balance was \$975,482. The bank balances are covered by federal depository insurance and collateral held by the pledging institution's agent in **HACW's** name.

Under state laws, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of such pledge securities and federal deposit insurance must equal or exceed the amount on deposit with the fiscal agent. These securities are held by the fiscal agent bank in the name of **HACW**.

Custodial credit is the risk that, in the event of a failure by the financial institution, **HACW's** deposits may not be returned to it. **HACW's** bank balances were not exposed to custodial credit risk, since the pledged securities were in the name of **HACW** and were held in safekeeping.

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD**  
**WINNFIELD, LOUISIANA**  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 2 - Cash, Continued:

State law also requires that all deposits be fully collateralized at all times. Acceptable collateralization includes FDIC insurance and the market value of securities purchased and pledged to the political subdivision. Obligations of the United States, the State of Louisiana and certain political subdivisions are allowed as security for deposits. Obligations furnished as security must be held by the **HACW** or with an unaffiliated bank or trust company for the account of **HACW**.

NOTE 3 - Restricted Cash:

At September 30, 2019, restricted carrying cash and bank balance consisted of \$11,421 in security and pet deposits received and held on behalf of tenants. These deposits are stated at cost, which approximates market.

NOTE 4 - Capital Assets, Net:

At September 30, 2019, capital assets, net consisted of the following:

	Balance <u>October 1, 2018</u>	<u>Addition</u>	<u>Other</u>	Balance <u>September 30, 2019</u>
Land and land improvements	\$ 360,222	\$ -0-	\$ -0-	\$ 360,222
Buildings and building improvements	8,181,659	12,950	4,000	8,198,609
Equipment	241,696	-0-	-0-	241,696
Construction in progress	<u>4,000</u>	<u>-0-</u>	<u>(4,000)</u>	<u>-0-</u>
Sub-total	8,787,577	12,950	-0-	8,800,527
Less accumulated depreciation	<u>(6,336,987)</u>	<u>(225,908)</u>	<u>-0-</u>	<u>(6,562,895)</u>
Total	<u>\$ 2,450,590</u>	<u>\$(212,958)</u>	<u>\$ -0-</u>	<u>\$ 2,237,632</u>

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD**  
**WINNFIELD, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 5 - Amounts and Other Payable:

At September 30, 2019, amounts and other payable consisted of the following:

Accounts payable - vendors	\$30,151
Payroll taxes and other payables	5,539
Payments in lieu of taxes	<u>31,424</u>
Total	<u>\$67,114</u>

NOTE 6 - Risk Management:

**HACW** is exposed to various risks of loss related to torts, theft, damage to and destruction of assets for which **HACW** carries commercial insurance. Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated.

NOTE 7 - Concentration of Credit Risk:

**HACW** receives primarily all of its revenues from dwelling rental and HUD. If the amount of revenues received from both dwelling rental and HUD falls below contract levels, **HACW's** operating results could be adversely affected.

NOTE 8 - Contingencies:

**HACW** is subject to possible examinations by regulatory agencies who determine compliance with laws and regulations governing grants provided to **HACW**. These examinations may result in required refunds by **HACW** to the agencies and/or program beneficiaries.

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD**  
**WINNFIELD, LOUISIANA**  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 9 - Prepaid Items and Other:

At September 30, 2019, prepaid items and other consisted of the following:

Prepaid insurance	\$23,720
Prepaid computer support services	5,053
Inventories	<u>7,751</u>
Sub-total	36,524
Less allowance for obsolescence	<u>(513)</u>
Total	<u>\$36,011</u>

NOTE 10 - Commitments:

At September 30, 2019, **HACW** has executed agreements with HUD totaling \$621,032 for various modernization and capital project activities in progress. Balance of funds remaining at September 30, 2019 was \$462,024 (see Schedule V).

NOTE 11 - Amounts Receivable, Net:

At September 30, 2019, amounts receivable, net consisted of the following:

Amounts receivable - tenant	\$ 6,061
Amounts receivable - HUD	22,267
Amounts receivable - other	<u>6,201</u>
Sub-total	34,529
Less allowance for doubtful accounts	<u>(51)</u>
Total	<u>\$34,478</u>

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD**  
**WINNFIELD, LOUISIANA**  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 12 - Per Diem to Board Members:

During the year ended September 30, 2019, board members received per diem in their capacity as commissioners at a rate of \$50 per board meeting attended. Total payments to all commissioners for the year ended September 30, 2019 was \$1,050.

NOTE 13 - Retirement System:

Plan Description

On November 20, 2006, the Board of Commissioners for **HACW** approved the establishment of a single employer defined contribution plan. The Housing Authority of the City of Winnfield's Retirement Plan (the Plan) is authorized and may be amended by the Board of Commissioners.

Plan Funding

Funding for the Plan is through a contribution of 3% and 8% by participating employees and **HACW** respectively. Eligibility is based on full-time and part-time employment with a minimum of 20 hours per week and five months a year. The contribution is based on the employee's base salary each month.

**HACW's** gross payroll for participating employees for the year ended September 30, 2019 was \$163,987. **HACW** and employee contributions made using base salary amounted to \$9,895 and \$3,747, respectively.

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD**  
**WINNFIELD, LOUISIANA**  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

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NOTE 14 - Changes in Compensated Absences Payable:

The following is a summary of changes in compensated absences payable at September 30, 2019:

	<u>Current</u>	<u>Noncurrent</u>	<u>Total</u>
Beginning of year	\$ 6,151	\$14,258	\$20,409
Addition	4,558	2,329	6,887
Reduction	<u>(3,937)</u>	<u>-0-</u>	<u>(3,937)</u>
End of year	<u>\$ 6,772</u>	<u>\$16,587</u>	<u>\$23,359</u>

Of the total noncurrent liabilities at September 30, 2019 approximately \$-0- is due within one year of September 30, 2019.

NOTE 15 - Litigation:

On May 30, 2017, **HACW** filed a lawsuit against a vendor and its bonding company for failure to complete a construction contract.

At September 30, 2019 and May 15, 2020, it is legal counsel's opinion that **HACW** has no exposure and is currently in discussion for a settlement of the case.

NOTE 16 - Rental Assistance Demonstration Program:

**HACW** is working with HUD on the implementation phase, to take part in the Rental Assistance Demonstration Program (RAD). RAD is a voluntary program of HUD. RAD primarily seeks to preserve public housing by providing Public Housing Agencies, such as **HACW**, with access to more stable funding to make needed improvements to properties. RAD provides a way to rehabilitate, or repair, units without depending on additional money from the public sector.



**HOUSING AUTHORITY OF THE CITY OF WINNFIELD  
WINNFIELD, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED**

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NOTE 17 - CORONA Virus:

On January 30, 2020, the World Health Organization declared the Corona Virus "COVID-19" as a global health emergency. On March 13, 2020, the President of the United States of America declared a national emergency. At May 15, 2020, management of HACW is assessing the impact of COVID-19 on its overall operations as it navigates through initiatives, guidelines and executive orders.

**SUPPLEMENTARY INFORMATION**



Member  
American Institute of  
Certified Public Accountants  
Society of Louisiana  
Certified Public Accountants

Alcide J. Tervalon, Jr., CPA  
Waldo J. Moret, Jr., CPA  
Paul K. Andoh, Sr., CPA  
Joseph A. Akanji, CPA

**INDEPENDENT AUDITORS' REPORT  
ON  
SUPPLEMENTARY INFORMATION**

To the Board of Commissioners  
**Housing Authority of the City of Winnfield**  
Winnfield, Louisiana

Our report on our audit of the financial statements of **Housing Authority of the City of Winnfield (HACW)** appears on page 1. That audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole.

The accompanying Schedule of Expenditures of Federal Awards (Schedule III) is presented for purposes of additional analysis as required by Title 2 of the United States Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information in Schedule III has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Schedule III is fairly stated in all material respects in relation to the financial statements taken as a whole.

**INDEPENDENT AUDITORS' REPORT**  
**ON**  
**SUPPLEMENTARY INFORMATION**  
**(CONTINUED)**

The supplementary information (Schedules I, II, IV and V) required by HUD is prepared in accordance with accounting principles generally accepted in the United States of America, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, Schedules I, II, IV, and V are fairly stated in all material respects in relation to the financial statements taken as a whole.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
New Orleans, Louisiana

May 15, 2020

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD**  
**WINNFIELD, LOUISIANA**  
**FINANCIAL DATA SCHEDULE--BALANCE SHEET**  
**SEPTEMBER 30, 2019**

<u>Line Item No.</u>	<u>Description</u>	<u>PROJECT</u>		<u>PROGRAM</u>	<u>Total (Memorandum Only)</u>
		<u>Low Rent Public Housing Program</u>	<u>Capital Fund Program</u>	<u>Business Activity</u>	
111	Cash - unrestricted	\$ 925,655	\$ -0-	\$ 42,173	\$ 967,828
114	Cash - tenant security deposits	<u>11,421</u>	<u>-0-</u>	<u>-0-</u>	<u>11,421</u>
100	Total cash	<u>937,076</u>	<u>-0-</u>	<u>42,173</u>	<u>979,249</u>
122	Accounts receivable - HUD other projects	7,259	15,008	-0-	22,267
124	Accounts receivable - other government	-0-	-0-	6,201	6,201
126	Accounts receivable - tenants	6,061	-0-	-0-	6,061
126.1	Allowance for doubtful accounts - tenants	<u>(51)</u>	<u>-0-</u>	<u>-0-</u>	<u>(51)</u>
120	Total receivables, net of allowance for doubtful accounts	<u>13,269</u>	<u>15,008</u>	<u>6,201</u>	<u>34,478</u>
142	Prepaid expenses and other assets	28,773	-0-	-0-	28,773
143	Inventories	7,751	-0-	-0-	7,751
143.1	Allowance for obsolete inventories	(513)	-0-	-0-	(513)
144	Interprogram - due from	<u>484</u>	<u>-0-</u>	<u>-0-</u>	<u>484</u>
150	Total current assets	<u>986,840</u>	<u>15,008</u>	<u>48,374</u>	<u>1,050,222</u>

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF THE CITY OF WINNFIELD  
WINNFIELD, LOUISIANA  
FINANCIAL DATA SCHEDULE--BALANCE SHEET, CONTINUED  
SEPTEMBER 30, 2019

<u>Line Item No.</u>	<u>Description</u>	<u>PROJECT</u>		<u>PROGRAM</u>	<u>Total (Memorandum Only)</u>
		<u>Low Rent Public Housing Program</u>	<u>Capital Fund Program</u>	<u>Business Activity</u>	
161	Land	\$ 360,222	\$ -0-	\$ -0-	\$ 360,222
162	Buildings	8,198,609	-0-	-0-	8,198,609
163	Furniture, equipment and machinery - dwellings	142,319	-0-	-0-	142,319
164	Furniture, equipment and machinery - administration	99,377	-0-	-0-	99,377
166	Accumulated depreciation	<u>(6,562,895)</u>	<u>-0-</u>	<u>-0-</u>	<u>(6,562,895)</u>
160	Total capital assets, net accumulated depreciation	<u>2,237,632</u>	<u>-0-</u>	<u>-0-</u>	<u>2,237,632</u>
180	Total non-current assets	<u>2,237,632</u>	<u>-0-</u>	<u>-0-</u>	<u>2,237,632</u>
290	Total assets	<u>\$ 3,224,472</u>	<u>\$15,008</u>	<u>\$48,374</u>	<u>\$ 3,287,854</u>

See Independent Auditors' Report on Supplementary Information.

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD**  
**WINNFIELD, LOUISIANA**  
FINANCIAL DATA SCHEDULE--BALANCE SHEET, CONTINUED  
SEPTEMBER 30, 2019

<u>Line Item No.</u>	<u>Description</u>	<u>PROJECT</u>		<u>PROGRAM</u>	<u>Total (Memorandum Only)</u>
		<u>Low Rent Public Housing Program</u>	<u>Capital Fund Program</u>	<u>Business Activity</u>	
312	Accounts payable ≤ 90 days	\$ 15,627	\$14,524	\$ -0-	\$ 30,151
321	Accrued wage-payroll taxes payable	5,539	-0-	-0-	5,539
322	Accrued compensation absences - current	6,772	-0-	-0-	6,772
333	Accounts payable - other government	31,424	-0-	-0-	31,424
341	Tenant security deposits	11,421	-0-	-0-	11,421
342	Unearned revenue	1,943	-0-	-0-	1,943
347	Interprogram-due to	<u>-0-</u>	<u>484</u>	<u>-0-</u>	<u>484</u>
310	Total current liabilities	<u>72,726</u>	<u>15,008</u>	<u>-0-</u>	<u>87,734</u>
354	Accrued compensated absences - noncurrent	<u>16,587</u>	<u>-0-</u>	<u>-0-</u>	<u>16,587</u>
350	Total non-current liabilities	<u>16,587</u>	<u>-0-</u>	<u>-0-</u>	<u>16,587</u>
300	Total liabilities	<u>89,313</u>	<u>15,008</u>	<u>-0-</u>	<u>104,321</u>
508.4	Net investment in capital assets	2,237,632	-0-	-0-	2,237,632
512.4	Unrestricted net position	<u>897,527</u>	<u>-0-</u>	<u>48,374</u>	<u>945,901</u>
513	Total net position	<u>3,135,159</u>	<u>-0-</u>	<u>48,374</u>	<u>3,183,533</u>
600	Total liabilities and equity/net position	<u>\$3,224,472</u>	<u>\$15,008</u>	<u>\$48,374</u>	<u>\$3,287,854</u>

See Independent Auditors' Report on Supplementary Information.

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD**  
**WINNFIELD, LOUISIANA**  
FINANCIAL DATA SCHEDULE—INCOME STATEMENT  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

<u>Line Item No.</u>	<u>Description</u>	<u>PROJECT</u>		<u>PROGRAM</u>	<u>Total (Memorandum Only)</u>
		<u>Low Rent Public Housing Program</u>	<u>Capital Fund Program</u>	<u>Business Activity</u>	
70300	Net tenant rental revenue	\$317,776	\$ -0-	\$ -0-	\$317,776
70400	Tenant revenue - other	<u>12,706</u>	<u>-0-</u>	<u>-0-</u>	<u>12,706</u>
70500	Total tenant revenue	<u>330,482</u>	<u>-0-</u>	<u>-0-</u>	<u>330,482</u>
70600	HUD PHA operating grants	210,900	33,644	-0-	244,544
70610	Capital grants	-0-	12,950	-0-	12,950
71100	Investment income - unrestricted	944	-0-	-0-	944
71500	Other revenue	<u>8,468</u>	<u>-0-</u>	<u>39,726</u>	<u>48,194</u>
70000	Total revenue	<u>550,794</u>	<u>46,594</u>	<u>39,726</u>	<u>637,114</u>

See Independent Auditors' Report on Supplementary Information.



**HOUSING AUTHORITY OF THE CITY OF WINNFIELD**  
**WINNFIELD, LOUISIANA**  
FINANCIAL DATA SCHEDULE—INCOME STATEMENT, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

<u>Line Item No.</u>	<u>Description</u>	<u>PROJECT</u>		<u>PROGRAM</u>	<u>Total (Memorandum Only)</u>
		<u>Low Rent Public Housing Program</u>	<u>Capital Fund Program</u>	<u>Business Activity</u>	
91100	Administrative salaries	\$122,465	\$ -0-	\$ -0-	\$122,465
91200	Auditing fees	19,900	-0-	-0-	19,900
91500	Employee benefit contributions-administrative	41,139	-0-	-0-	41,139
91600	Office expense	62,747	-0-	4,594	67,341
91700	Legal expense	4,510	-0-	-0-	4,510
91800	Travel	1,050	-0-	-0-	1,050
91900	Other	<u>17,438</u>	<u>-0-</u>	<u>-0-</u>	<u>17,438</u>
91000	Total operating - administrative	<u>269,249</u>	<u>-0-</u>	<u>4,594</u>	<u>273,843</u>
93100	Water	2,003	-0-	-0-	2,003
93200	Electricity	12,706	-0-	-0-	12,706
93300	Gas	<u>1,533</u>	<u>-0-</u>	<u>-0-</u>	<u>1,533</u>
	Total utilities	<u>16,242</u>	<u>-0-</u>	<u>-0-</u>	<u>16,242</u>

See Independent Auditors' Report on Supplementary Information.

HOUSING AUTHORITY OF THE CITY OF WINNFIELD  
WINNFIELD, LOUISIANA  
FINANCIAL DATA SCHEDULE-INCOME STATEMENT, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

<u>Line Item No.</u>	<u>Description</u>	<u>PROJECT</u>		<u>PROGRAM</u>	<u>Total (Memorandum Only)</u>
		<u>Low Rent Public Housing Program</u>	<u>Capital Fund Program</u>	<u>Business Activity</u>	
94100	Ordinary maintenance and operations-labor	\$ 39,775	\$ -0-	\$ -0-	\$ 39,775
94200	Ordinary maintenance and operations-material and other	30,891	-0-	-0-	30,891
94300-010	Ordinary maintenance and operations contracts-garbage	21,897	-0-	-0-	21,897
94300-020	Ordinary maintenance and operations contracts-heating and cooling contracts	7,960	-0-	-0-	7,960
94300-050	Ordinary maintenance and operations contracts-landscape and ground contracts	20,043	-0-	-0-	20,043
94300-090	Ordinary maintenance and operations-extermination contracts	7,536	-0-	-0-	7,536
94300-120	Ordinary maintenance and operations contracts-miscellaneous	31,925	-0-	-0-	31,925
94500	Employee benefit contributions-ordinary maintenance	<u>12,397</u>	<u>-0-</u>	<u>-0-</u>	<u>12,397</u>
94000	Total maintenance	<u>172,424</u>	<u>-0-</u>	<u>-0-</u>	<u>172,424</u>

See Independent Auditors' Report on Supplementary Information.

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD**  
**WINNFIELD, LOUISIANA**  
FINANCIAL DATA SCHEDULE—INCOME STATEMENT, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

<u>Line Item No.</u>	<u>Description</u>	<u>PROJECT</u>		<u>PROGRAM</u>	<u>Total (Memorandum Only)</u>
		<u>Low Rent Public Housing Program</u>	<u>Capital Fund Program</u>	<u>Business Activity</u>	
96110	Property insurance	\$ 39,526	\$ -0-	\$ -0-	\$ 39,526
96120	Liability insurance	8,866	-0-	-0-	8,866
96130	Workmen's compensation	<u>2,840</u>	<u>-0-</u>	<u>-0-</u>	<u>2,840</u>
96100	Total insurance premiums	<u>51,232</u>	<u>-0-</u>	<u>-0-</u>	<u>51,232</u>
96210	Compensation absences	7,937	-0-	-0-	7,937
96300	Payment in lieu of taxes	31,424	-0-	-0-	31,424
96400	Bad debt - tenant rents	<u>9,547</u>	<u>-0-</u>	<u>-0-</u>	<u>9,547</u>
96000	Total other general	<u>48,908</u>	<u>-0-</u>	<u>-0-</u>	<u>48,908</u>
96900	Total operating expenses	<u>558,055</u>	<u>-0-</u>	<u>4,594</u>	<u>562,649</u>
97000	Excess (deficiency) of operating revenue over (under) operating expenses	<u>(7,261)</u>	<u>46,594</u>	<u>35,132</u>	<u>74,465</u>

See Independent Auditors' Report on Supplementary Information.

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD  
WINNFIELD, LOUISIANA  
FINANCIAL DATA SCHEDULE—INCOME STATEMENT, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

<u>Line Item No.</u>	<u>Description</u>	<u>PROJECT</u>		<u>PROGRAM</u>	<u>Total Memorandum Only</u>
		<u>Low Rent Public Housing Program</u>	<u>Capital Fund Program</u>	<u>Business Activity</u>	
97200	Casualty loss	\$ 6,500	\$ -0-	\$ -0-	\$ 6,500
97400	Depreciation expense	<u>225,908</u>	<u>-0-</u>	<u>-0-</u>	<u>225,908</u>
90000	Total expenses	<u>790,463</u>	<u>-0-</u>	<u>4,594</u>	<u>795,057</u>
10010	Operating transfer in	33,644	-0-	-0-	33,644
10020	Operating transfer (out)	<u>-0-</u>	<u>(33,644)</u>	<u>-0-</u>	<u>(33,644)</u>
10100	Total other financing sources (uses)	<u>33,644</u>	<u>(33,644)</u>	<u>-0-</u>	<u>-0-</u>
10000	Excess (deficiency) of total revenue over (under) total expenses	<u>(206,025)</u>	<u>12,950</u>	<u>35,132</u>	<u>(157,943)</u>
11030	Beginning equity/net position	<u>\$3,324,234</u>	<u>\$ 4,000</u>	<u>\$13,242</u>	<u>\$3,341,476</u>
11040	Prior period adjustments, equity transfer	<u>\$ 16,950</u>	<u>\$ (16,950)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
11190	Unit months available	<u>1,416</u>	<u>N/A</u>	<u>N/A</u>	<u>1,416</u>
11210	Number of unit months leased	<u>1,398</u>	<u>N/A</u>	<u>N/A</u>	<u>1,398</u>
11270	Excess cash	<u>\$ 831,599</u>	<u>N/A</u>	<u>N/A</u>	<u>\$ 831,599</u>
11620	Building purchases	<u>\$ 12,950</u>	<u>\$ N/A</u>	<u>N/A</u>	<u>\$ 12,950</u>

See Independent Auditors' Report on Supplementary Information.

**SCHEDULE III**

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD  
WINNFIELD, LOUISIANA  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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<u>Federal Grantor</u>	<u>CFDA Number</u>	<u>Federal Expenditures</u>
Program funded by the U.S. Department of Housing and Urban Development:		
<u>Subject to Annual Contributions Contract</u>		
Low Rent Public Housing Program	14.850	\$210,900
Capital Fund Program	14.872	<u>46,594</u>
Total		<u>\$257,494</u>

NOTE: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes all Federal grant activity of HACW and is presented on an accrual basis of accounting.

See Independent Auditors' Report on Supplementary Information.

SCHEDULE IV

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD  
WINNFIELD, LOUISIANA  
STATEMENT OF CAPITAL FUND PROGRAM (COMPLETE)  
FROM INCEPTION THROUGH SEPTEMBER 30, 2019**

	<u>LA48P123501-12</u>	<u>LA48P123501-13</u>	<u>LA48P123501-14</u>	<u>LA48P123501-15</u>	<u>LA48P12351-16</u>	<u>TOTAL</u>
Funds approved	\$ 120,704	\$ 127,299	\$ 126,933	\$ 141,042	\$ 147,856	\$ 663,834
Funds expended	<u>(120,704)</u>	<u>(127,299)</u>	<u>(126,933)</u>	<u>(141,042)</u>	<u>(147,856)</u>	<u>(663,834)</u>
Excess of funds approved	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>
Fund advanced:						
Grand funding	\$ <u>120,704</u>	\$ <u>127,299</u>	\$ <u>126,933</u>	\$ <u>141,042</u>	\$ <u>147,856</u>	\$ <u>663,834</u>
Total funds advanced	120,704	127,299	126,933	141,042	147,856	663,834
Funds expended	<u>(120,704)</u>	<u>(127,299)</u>	<u>(126,933)</u>	<u>(141,042)</u>	<u>(147,856)</u>	<u>(663,834)</u>
Excess (deficiency) of funds advanced	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>	\$ <u>-0-</u>

NOTE: The distribution of costs as shown on the line of credit control system and the total award per the approved Form HUD 53001 (Actual Modernization Cost Certificate) is in agreement with HACW's records and all cost and liabilities associated with the project have been paid.

See Independent Auditors Report on Supplementary Information.

SCHEDULE V

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD  
WINNFIELD, LOUISIANA  
STATEMENT OF CAPITAL FUND PROGRAM (INCOMPLETE)  
FROM INCEPTION THROUGH SEPTEMBER 30, 2019**

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	<u>LA48P123501-17</u>	<u>LA48P123501-18</u>	<u>LA48P123501-19</u>	<u>TOTAL</u>
Funds approved	\$ 157,774	\$ 227,324	\$235,934	\$ 621,032
Funds expended	<u>(144,484)</u>	<u>(14,524)</u>	<u>-0-</u>	<u>(159,008)</u>
Excess of funds approved	<u>\$ 13,290</u>	<u>\$ 212,800</u>	<u>\$235,934</u>	<u>\$ 462,024</u>
Fund advanced:				
Grand funding	<u>\$ 144,000</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 144,000</u>
Total funds advanced	144,000	-0-	-0-	144,000
Funds expended	<u>(144,484)</u>	<u>(14,524)</u>	<u>-0-</u>	<u>(159,008)</u>
Excess (deficiency) of funds advanced	<u>\$ (484)</u>	<u>\$ (14,524)</u>	<u>\$ -0-</u>	<u>\$ (15,008)</u>

See Independent Auditors Report on Supplementary Information.

SCHEDULE VI

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD  
WINNFIELD, LOUISIANA  
SCHEDULE OF COMPENSATION, BENEFITS AND OTHER  
PAYMENTS TO THE EXECUTIVE DIRECTOR  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

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EXECUTIVE DIRECTOR:

Name: Mr. Bobby Collins

<u>Purpose</u>	<u>Amount</u>
Compensation	\$39,660
Automobile allowance	6,000
Retirement contribution	3,172
Social Security	2,459
Medicare	<u>575</u>
Total	<u>\$51,866</u>

See Independent Auditors' Report on Supplementary Information.





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INDEPENDENT AUDITORS' 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

---

Board of Commissioners  
**Housing Authority of the City of Winnfield**  
Winnfield, Louisiana

We have audited in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America, the financial statements of **Housing Authority of the City of Winnfield (HACW)** as of and for the year ended September 30, 2019 and the related notes to the financial statements, and have issued our report dated May 15, 2020.

**Internal Control Over Financial Reporting**

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

INDEPENDENT AUDITORS' 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

(CONTINUED)

**Internal Control Over Financial Reporting, Continued**

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses.

Given these limitations, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

*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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected by HACW on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weaknesses, yet important enough to merit attention by those charged with governance.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether HACW's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance and other matters that are required to be reported under *Government Auditing Standards*.

INDEPENDENT AUDITORS' 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

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(CONTINUED)

**Compliance and Other Matters, Continued**

*Purpose of this Report*

The purpose of this report is solely 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 the effectiveness of **HACW's** internal control over financial reporting and on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering **HACW's** internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of **HACW's** Board, management, the Legislative Auditor for the State of Louisiana and the U.S. Department of Housing and Urban Development and is not intended to be, and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
New Orleans, Louisiana

May 15, 2020

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD  
WINNFIELD, LOUISIANA  
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED SEPTEMBER 30, 2019**

---

**Section I - Summary of Auditors' Results**

***Financial Statements***

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified?	None Reported
Noncompliance material to financial statements noted?	No

***Federal Awards***

Internal Control Over Major Programs:	
• Material weakness(es) identified?	N/A
• Significant deficiency(ies) identified?	N/A
Type of auditor's report issued on compliance for major programs:	N/A
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of <i>the Uniform Guidance</i> ?	N/A

N/A - Not Applicable

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD  
WINNFIELD, LOUISIANA**  
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

---

**Section I - Summary of Auditors' Results, Continued**

*Federal Awards, Continued*

Identification of Major Programs:	<u>Name of Federal Program or Cluster</u> N/A
Dollar threshold used to distinguish between type A and type B programs:	N/A
Auditee qualified as low-risk auditee?	N/A

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD**  
**WINNFIELD, LOUISIANA**  
SUMMARY SCHEDULE OF FINDINGS AND RESPONSES, CONTINUED  
FOR THE YEAR ENDED SEPTEMBER 30, 2019

---

**Section II - Financial Statement Findings and Questioned Costs**

No financial statement findings and questioned costs were reported for the year ended September 30, 2019.

**Section III - Federal Award Findings and Questioned Costs**

No federal award findings and questioned costs were reported for the year ended September 30, 2019.

**Section IV - Status of Prior Year's Findings and Questioned Costs**

No prior year's findings and questioned costs were reported under this section for the year ended September 30, 2019.

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD  
WINNFIELD, LOUISIANA**

**EXIT CONFERENCE**

---

The financial statements and related reports were discussed at an exit conference held with management of **Housing Authority of the City of Winnfield** noting their agreement in all material respects.

Those that participated in the discussions are as follows:

**HOUSING AUTHORITY OF THE CITY OF WINNFIELD  
WINNFIELD, LOUISIANA**

---

Mr. Bobby Collins	--	Executive Director
Mrs. Shantell McFarland	--	Executive Assistant

**BRUNO & TERVALON LLP, CERTIFIED PUBLIC ACCOUNTANTS**

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Mr. Paul K. Andoh, Sr., CPA, CGFM, CGMA, MBA	--	Partner
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**HOUSING AUTHORITY OF THE CITY OF WINNFIELD**  
**INDEPENDENT ACCOUNTANTS' REPORT**  
**ON**  
**APPLYING STATEWIDE AGREED-UPON PROCEDURES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2019**





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**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES**

---

To the Board of Commissioners  
**Housing Authority of the City of Winnfield**  
Winnfield, Louisiana

We have performed the enumerated procedures which were agreed to by **Housing Authority of the City of Winnfield (HACW)** and the Louisiana Legislative Auditor (LLA) on the control and compliance areas identified in the Louisiana Legislative Auditor's Statewide Agreed-Upon Procedures (SAUP) for the year ended September 30, 2019. **HACW's** management is responsible for those control and compliance areas identified in the SAUP.

This agreed-upon procedures engagement was performed 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 the report. Consequently, we make no representation regarding the sufficiency of the procedures subsequently described either for the purpose for which this report has been requested or for any other purpose.

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

The procedures and related findings to the SAUP are as follows:

**Written Policies and Procedures**

**1. Procedure**

We obtained and inspected HACW's written policies and procedures and observed that the policies and procedures address each of the following categories and subcategories:

- a) Budgeting, including preparing, adopting, monitoring, and amending the budget.

Finding

***HACW's adopted policy for budgets, budget revisions, and financial reporting addresses the referenced requirements.***

- 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.

Finding

***HACW's current procurement policy does not specifically address the use of purchase requisitions and/or purchase orders, and how vendors are added to the vendor list.***

- c) Disbursements, including processing, reviewing, and approving.

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

***Written Policies and Procedures, Continued***

**1. Procedure, Continued**

**Finding**

***HACW has an adopted policy for its cash disbursement cycle.***

- d) Receipts/collections including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue.

**Finding**

***HACW's adopted cash management policy does not specifically address its rent collection process, and depositing of cash collections. Further, there is no written management action to determine the completeness of all collections.***

- e) Payroll/personnel including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.

**Finding**

***HACW's written payroll procedure addresses payroll processing to include review and approval.***

- 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.

**Finding**

***HACW's procurement policy does not specifically address the types of services requiring written contracts to include standard terms, conditions and legal review.***

- g) Credit cards, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

***Written Policies and Procedures, Continued***

**1. Procedure, Continued**

**Finding**

***HACW has an adopted credit card use policy.***

- h) Travel and expense reimbursement, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

**Finding**

***HACW has an adopted travel and expense reimbursement policy.***

- 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 HACW's ethics policy.

**Finding**

***HACW has an adopted Code of Ethics and Standard of Conduct policy for all employees and commissioners. The current policy does not dictate an annual attestation.***

- j) Disaster Recovery/Business Continuity, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location is isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

**Written Policies and Procedures, Continued**

**1. Procedure, Continued**

Finding

**HACW does not have a written policy that addresses items 1 through 6.**

*Noted that its software maintained by others for its program and general ledger applications are subject to back ups in the cloud, periodic testing and verification and antivirus use by the vendor.*

**Management's Response**

Management is currently developing for board approval revised policies and procedures to address the findings identified under 1, subsections b, d, f, i and j.

**Collections**

**2. Procedure**

We obtained a listing of HACW's deposit site and collection location for the year ended September 30, 2019, and management's representation of completeness.

Finding

*No exceptions noted.*

**3. Procedure**

From the deposit site listing provided by management, we selected HACW's only cash collection location and:

Obtained and inspected HACW's policies and procedures relating to employee job duties at the collection location and noted that the employee job duties, are segregated such that:

- a) Employees that are responsible for cash collections do not share cash drawers/registers.

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

**Collections, Continued**

**3. Procedure, Continued**

**Finding**

*HACW does not use a cash register or drawer with its rent collection activities.*

- b) Each employee responsible for collecting cash is not responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g. pre-numbered receipts) to the deposit.

**Finding**

*HACW currently has an approved cash management policy. However, we noted no specific written policy and/or procedure regarding the rent collection process, and depositing of cash collection. HACW has two (2) employees in addition to the executive director in its administrative offices. Rent collections and deposits are performed by one (1) individual. Nevertheless, the daily collections are reconciled by the Executive Assistant to include receipt sequence and recorded in the general ledger by the fee accountant. Further, the fee accountant prepares the monthly bank account reconciliations for approval by the Executive Director.*

**Management's Response**

Management has initiated the development of written policies and procedures to address rent and deposit of collection for board approval.

- c) Each employee responsible for collecting cash is not responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit.

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

*Collections, Continued*

**3. Procedure, Continued**

Finding

*The fee accountant is responsible for the posting of collection entries to the respective general ledger accounts.*

- d) The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions are not responsible for collecting cash, unless another employee verifies the reconciliation.

Finding

*The fee accountant has no cash custodial responsibilities.*

**4. Procedure**

Inquired of management that all employees who have access to cash are covered by a bond or insurance policy for theft.

Finding

*HACW maintains a crime policy.*

Randomly selected two (2) deposit dates for the one (1) bank account selected from procedures #3. Obtained supporting documentation for the two (2) deposits and:

- a) Observed that receipts are sequentially pre-numbered.

Finding

*No exceptions noted.*

- b) Traced sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

**Collections, Continued**

**4. Procedure, Continued**

Finding

*No exceptions noted.*

- c) Traced the deposit slip total to the actual deposit per the bank statement.

Finding

*No exceptions noted.*

- d) Observed that the deposit was made within one business day of receipt at the collection location.

Finding

*No exceptions noted.*

**5. Procedure**

Traced the actual deposit per the bank statement to the general ledger.

Finding

*No exceptions noted.*



**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

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

---

**6. Procedure**

Obtained a listing of **HACW's** location that processed payments during the year ended September 30, 2019 and management's representation that the listing is complete. Randomly selected the only location that **HACW** processes payments.

Finding

*No exceptions noted.*

**7. Procedure**

For the location selected under procedure #6, we obtained a listing of those employees involved with non-payroll purchasing and payment functions. Obtained written policies and procedures related to employee job duties and observed that job duties are properly segregated such that:

- a) At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order/making the purchase.

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

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

---

Finding

*No exceptions noted.*

- b) At least two employees are involved in processing and approving payments to vendors.

Finding

*No exceptions noted.*

- c) The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files.

Finding

*HACW's does not have a formal written policy and/or procedure that dictates the person responsible for adding new vendors. By practice, the Executive Assistant who is charged with bill payment, is also charged with that responsibility based on approved quote, invoice and/or contract by the Executive Director for processing.*

Management's Response

Management will revise its procedures to include the periodic review of all vendor modifications.

- d) Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments.

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

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

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Finding

*HACW's current practice requires the Executive Assistant who is a part of payment processing to mail the executed checks. The monthly bank account reconciliations are prepared by HACW's fee accountant which includes accounting for all checks disbursed.*

**8. Procedure**

For the location selected under procedure #6, we obtained HACW's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtained management's representation and the population is complete. We randomly selected five (5) disbursements for the location, and obtained supporting documentation for each transaction and:

- a) Observed that the disbursement matched the related original invoice/billing statement.

Finding

*No exceptions noted.*

- b) Observed that the disbursement documentation included evidence of segregation of duties tested under procedure #7, as applicable.

Finding

*No exceptions noted except as described under Section 7d.*

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

**Credit Cards**

**9. Procedure**

Obtained from management a listing of all active credit cards for the year ended September 30, 2019, including the card numbers and the names of the persons who maintained possession of the cards. Obtained management's representation that the listing is complete.

Finding

*No exceptions noted.*

**10. Procedure**

Using the listing prepared by management, we randomly selected two (2) cards that were used during the year ended September 30, 2019. Further, we randomly selected one (1) monthly statement for each card, obtained supporting documentation, and:

- a) Observed that there is evidence that the monthly statement and supporting documentation was reviewed and approved in writing by someone other than the authorized card holder.

Finding

*No exceptions noted.*

- b) Observed that finance charges and late fees were not assessed on the selected statements.

Finding

*No exceptions noted*

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

**Credit Cards, Continued**

**11. Procedure**

Using the monthly statements selected under procedure #10, we randomly selected ten (10) transactions (or all transactions where less than ten (10)) from each statement, and obtained supporting documentation for the transactions. For each transaction, we observed that it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only).

**Finding**

*While the credit card statements bore no evidence of a business purpose, it was evident from the statements based on items purchased (office supplies, etc.).*

**Management's Response**

Management will revise its practice to include the inscription of the business purpose.

**Payroll and Personnel**

**12. Procedure**

Obtained a listing of employees/elected officials during the year ended September 30, 2019 and management's representation that the listing is complete. We randomly selected five (5) employees/officials, obtained related paid salaries and personnel files, and agreed paid salaries to authorized salaries/pay rates in the personnel files.

**Finding**

*No exceptions noted.*

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

***Payroll and Personnel, Continued***

**13. Procedure**

We randomly selected one pay period during the year ended September 30, 2019. For the five (5) employees/officials selected under procedure #12, we obtained attendance records and leave documentation for the pay period, and:

- a) Observed that all selected employees/officials documented their daily attendance and leave (e.g. , vacation, sick, compensatory).

**Finding**

***We noted time and attendance to include leave use except for the Executive Director who by practice does not submit a timesheet. It is our understanding that the Executive Director is contracted on a 24-hour "call" basis.***

- b) Observed that supervisors approved the attendance and leave of the selected employees/officials.

**Finding**

***No exceptions noted.***

- c) Observed that any leave accrued or taken during the pay period is reflected in HACW's cumulative leave records.

**Finding**

***No exceptions noted.***

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

**Payroll and Personnel, Continued**

**14. Procedure**

Obtained a listing of those employees/officials that received termination payments during the year ended September 30, 2019 and management's representation that the list is complete. We randomly selected two (2) employees/officials, obtained related documentation of the hours and pay rates used in management's termination payment calculations, agree the hours to the employee/officials' cumulative leave records, and agreed the pay rates to the employee/officials' authorized pay rates in the employee/officials' personnel files.

**Finding**

***No exceptions noted.***

**15. Procedure**

Obtained management's representation that employer and employee portions of payroll taxes, retirement contributions, health insurance premiums, and workers' compensation premiums have been paid, and associated forms have been filed, by required deadlines.

**Finding**

***No exceptions noted.***

**INDEPENDENT ACCOUNTANTS' REPORT  
ON  
APPLYING STATEWIDE AGREED-UPON PROCEDURES  
(CONTINUED)**

**Ethics**

**16. Procedure**

Using the five (5) randomly selected employees/officials from procedure #12 under Payroll and Personnel" we obtained ethics documentation from management, and:

- a) Observed that the documentation demonstrates each employee/official completed one hour of ethics training during the year ended September 30, 2019.

**Finding**

***No exceptions noted.***

- b) Observed that the documentation demonstrates each employee/official attested through signature verification that he or she has read the HACW's ethics policy during the year ended September 30, 2019.

**Finding**

***No attestation through signature verification were noted for all employees selected for testing.***

**Management's Response**

Management is currently developing a revision to its policy to require an annual attestation through signature verification of its ethics policy.



**INDEPENDENT ACCOUNTANTS' REPORT**  
**ON**  
**APPLYING STATEWIDE AGREED-UPON PROCEDURES**  
**(CONTINUED)**

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We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions, respectively, on those control and compliance areas identified in the SAUP. 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 compliance and control areas identified in the SAUP, 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 Legislative Auditor as a public document.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP**  
**CERTIFIED PUBLIC ACCOUNTANTS**  
New Orleans, Louisiana

May 15, 2020



Member  
American Institute of  
Certified Public Accountants  
Society of Louisiana  
Certified Public Accountants

Alcide J. Tervalon, Jr., CPA  
Waldo J. Moret, Jr., CPA  
Paul K. Andoh, Sr., CPA  
Joseph A. Akanji, CPA

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS  
RELATED TO INTERNAL CONTROL**

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To the Board of Commissioners  
**Housing Authority of the City of Winnfield**

In planning and performing our audit of the financial statements of **Housing Authority of the City of Winnfield (HACW)** as of and for the year ended September 30, 2019, we considered **HACW's** internal control over financial reporting as a basis for determining our auditing procedures for the purpose of expressing an opinion on the financial statements and not for the purpose of expressing an opinion on the effectiveness of **HACW's** internal control. Accordingly, we do not express an opinion on the effectiveness of **HACW's** internal control.

However, during our audit, we became aware of other matters that provide an opportunity for **HACW** to strengthen its internal control and operating efficiency. We previously reported on **HACW's** internal control in our report dated May 15, 2020. This letter does not affect our report dated May 15, 2020, on the financial statements of **HACW**.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS  
RELATED TO INTERNAL CONTROL**  

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**(CONTINUED)**

***CURRENT YEAR'S REPORT ON OTHER MATTERS  
RELATED TO INTERNAL CONTROL  
2019***

**Reference Number**  
OM 2019-001

**Criteria**

Management of HACW is responsible for the establishment of effective and efficient processes and procedures for all financial transactions to ensure complete and accurate preparation of its financial statements.

**Condition**

HACW's operating bank account reconciliation at September 30, 2019 revealed stale dated checks outstanding totaling \$2,760.11.

**Cause**

Lack of an established practice to ensure the timely resolution of stale dated checks.

**Effect or Potential Effect**

Potential for incomplete and/or inaccurate accounting for financial transactions.

**Recommendation**

The operating bank account reconciliation should include the timely review and resolution of stale dated checks.

**Management's Response and Planned Corrective Action**

Management will continue to provide oversight in the timely review and reconciliation of all stale dated checks.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS  
RELATED TO INTERNAL CONTROL**

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**(CONTINUED)**

***CURRENT YEAR'S REPORT ON OTHER MATTERS  
RELATED TO INTERNAL CONTROL, CONTINUED  
2019***

**Reference Number**

OM 2019-002

**Criteria**

Management of HACW is responsible for the establishment of effective policies and procedures to ensure the safeguarding of its assets.

**Condition**

HACW's current written policies and procedures do not specifically address areas of rent collection and depositing, types of services requiring written contracts, disaster, recovery/business continuity, etc.

**Cause**

Lack of an established process to ensure the continuous update and/or development of required policies and procedures.

**Effect or Potential Effect**

Potential for inconsistent application of practices.

**Recommendation**

Management should develop and/or update for board approval, policies and procedures to address the areas of collection and depositing, type of contracts and disaster recovery/business continuity.

**INDEPENDENT AUDITORS' REPORT ON OTHER MATTERS  
RELATED TO INTERNAL CONTROL**

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(CONTINUED)

***CURRENT YEAR'S REPORT ON OTHER MATTERS  
RELATED TO INTERNAL CONTROL, CONTINUED  
2019***

**Reference Number, Continued**

OM 2019-002

**Management's Response and Planned Corrective Action**

Management will review its current policies and procedures in an effort to develop and/or update for board approval, where applicable.

Anticipated completion date, is no later than August 31, 2020.

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HACW's response to the current year's other matters reported are described in this report under the caption "Management's Response and Planned Corrective Action". We did not audit HACW's response and accordingly, we express no opinion on it.

This report is intended solely for the information of the Board of Commissioners, management of HACW and the Legislative Auditor for the State of Louisiana and is not intended to be and should not be used by anyone other than those specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor for the State of Louisiana as a public document.

*Bruno & Tervalon LLP*

**BRUNO & TERVALON LLP  
CERTIFIED PUBLIC ACCOUNTANTS  
New Orleans, Louisiana**

May 15, 2020