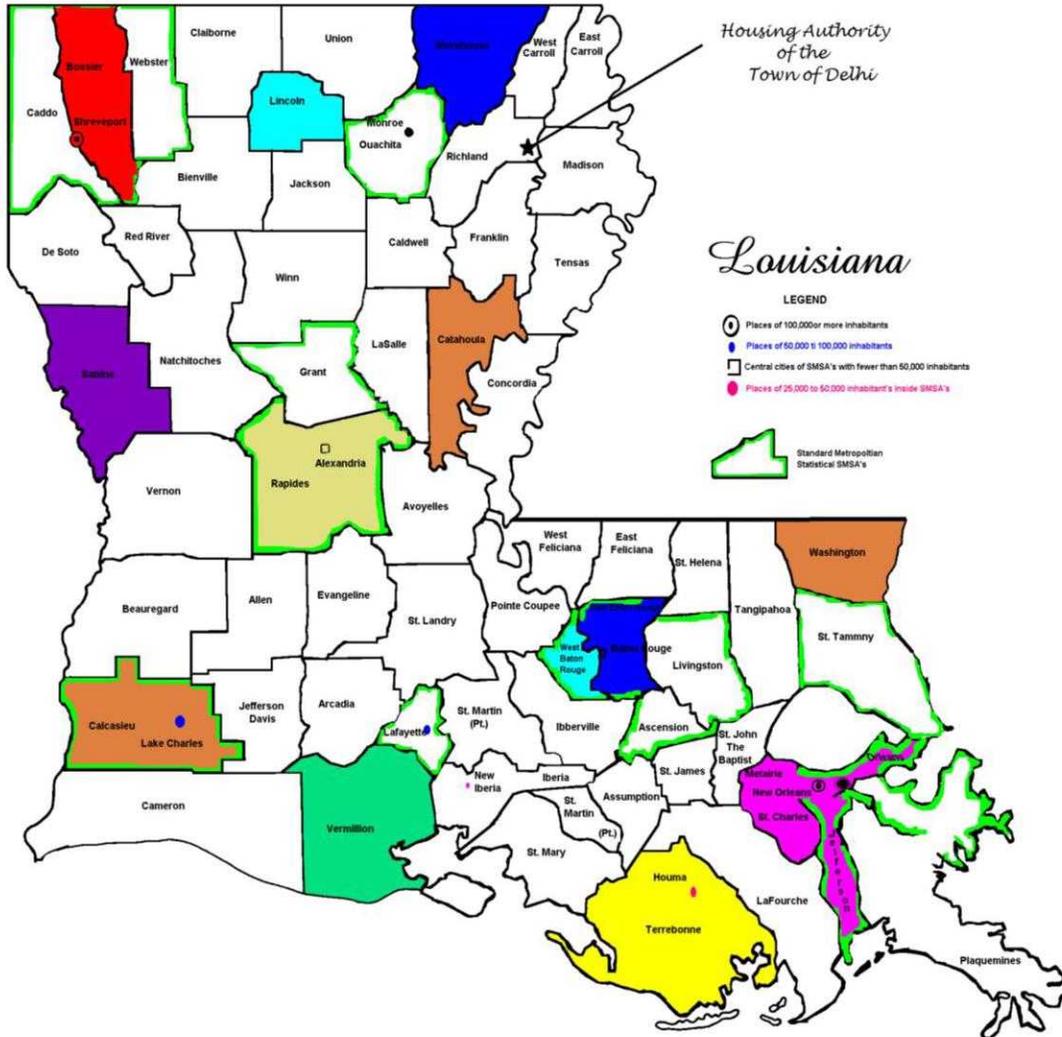


**HOUSING AUTHORITY  
OF THE  
TOWN OF DELHI, LOUISIANA**

**Annual Financial Statements  
December 31, 2019**

# HOUSING AUTHORITY OF THE TOWN OF DELHI DELHI, LOUISIANA



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

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

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December 31, 2019**

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### **INDEPENDENT ACCOUNTANT'S COMPILATION REPORT**

Housing Authority of the Town of Delhi  
Delhi, Louisiana

Management is responsible for the accompanying financial statements of the business-type activities of the Housing Authority of the Town of Delhi, Louisiana, as of and for the year ended December 31, 2019, which collectively comprise the Housing Authority of the Town of Delhi's basic financial statements as listed in the Table of Contents, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, are required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Such information is the responsibility of management. The required supplementary information was subject to our compilation engagement. We have not audited or reviewed the required supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

The other supplementary information and reports has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and accordingly, we do not express an opinion or provide any assurance on such supplementary information.

*The Vercher Group*

Jena, Louisiana  
August 24, 2020

**Housing Authority of the Town of Delhi  
Management's Discussion and Analysis  
December 31, 2019**

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As management of the Housing Authority of the Town of Delhi, we offer readers of the Authority's basic financial statements this narrative overview and analysis of the financial activities of the Authority for the fiscal year ended December 31, 2019. We encourage readers to consider the information presented here in conjunction with the Authority's basic financial statements, which are attached.

**Financial Highlights**

The assets of the Authority exceeded its liabilities at the close of the most recent fiscal year by \$12,894 (net position).

As of the close of the current fiscal year, the Authority's ending unrestricted net position was \$7,896 and restricted net position was \$4,998.

The Authority's unrestricted cash balance at December 31, 2019, was \$1,825 and the restricted cash balance was \$4,998.

The Authority had total revenue of \$146,945, in which \$130,536 was operating revenue and \$16,409 was non-operating revenue.

The Authority had total expenses of \$141,160, in which \$130,935 was operating expenses and \$15,225 was non-operating expenses.

The Authority had a change in net position of \$785.

**Overview of the Basic Financial Statements**

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

**Housing Authority of the Town of Delhi  
Management's Discussion and Analysis - Continued  
December 31, 2019**

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The Authority's overall financial position and operations for the past two years are summarized below based on the information in the current and prior financial statements.

The table below lists the asset and liability comparisons for the year ended December 31, 2019.

**Statement of Net Position**

	<u>2018</u>	<u>2019</u>	<u>% Change</u>
Current Assets	\$ 12,766	\$ 13,644	6.9
Restricted Assets	-0-	-0-	-0-
<b>Total Current Assets</b>	<u>12,766</u>	<u>13,644</u>	6.9
Capital Assets, Net of Depreciation	-0-	-0-	-0-
<b>Total Non-Current Assets</b>	<u>-0-</u>	<u>-0-</u>	-0-
<b>Total Assets</b>	<u>12,766</u>	<u>13,644</u>	6.9
Current Liabilities	657	750	14.2
Non-Current Liabilities	-0-	-0-	-0-
<b>Total Liabilities</b>	<u>657</u>	<u>750</u>	14.2
Net Investment in Capital Assets	-0-	-0-	-0-
Restricted Net Position	-0-	4,998	100.0
Unrestricted Net Position	12,109	7,896	-34.8
<b>Total Net Position</b>	<u>\$ 12,109</u>	<u>\$ 12,894</u>	6.5

- Total current assets increased by \$878 or 6.9% from last year. The reason for this increase is due to an increase in receivables of \$6,284.
- Total liabilities increased by \$93 or 14.2%. The reason for this increase is due to an increase in current liabilities of \$93.
- Total net position increased by \$785 or 6.5%. The increase in receivables is the main contributory for this increase.

**Housing Authority of the Town of Delhi  
Management's Discussion and Analysis - Continued  
December 31, 2019**

The table below lists the revenue and expense comparisons for the year ended December 31, 2019.

**Statement of Revenues, Expenses, & Change in Net Position**

	<u>2018</u>	<u>2019</u>	<u>% Change</u>
<b>Operating Revenues</b>			
HUD Operating Grant	\$ 111,516	\$ 130,536	17.1
<b>Total Operating Revenues</b>	<u>111,516</u>	<u>130,536</u>	17.1
<b>Operating Expenses</b>			
Administrative	29,889	23,880	-20.1
Housing Assistance Payments	99,296	107,055	7.8
General Expenses	5,649	-0-	-100.0
Depreciation Expense	137	-0-	-100.0
<b>Total Operating Expenses</b>	<u>134,971</u>	<u>130,935</u>	-3.0
<b>Operating Income (Loss)</b>	(23,455)	(399)	98.3
<b>Non-Operating Revenues (Expenses)</b>			
Other Revenue	15,734	16,409	4.3
Investment Income	-0-	-0-	-0-
Housing Assistance Payments Portability- In	(15,632)	(15,225)	-2.6
<b>Total Non-Operating Revenues (Expenses)</b>	<u>102</u>	<u>1,184</u>	1060.8
<b>Change in Net Position</b>	(23,353)	785	103.4
<b>Net Position – Beginning</b>	35,462	12,109	-65.9
<b>Net Position – Ending</b>	<u>\$ 12,109</u>	<u>\$ 12,894</u>	6.5

- Operating revenues increased by \$19,020 or 17.1%. This increase is due to an increase in HUD Operating Grants in the amount of \$19,020.
- Operating expenses decreased by \$4,036 or 3.0%. The primary cause of this decrease is due to a general expense in the amount of \$6,259.
- Non-operating revenues/expenses increased by \$1,082 or 1060.8%. The primary reason for this change is due to an increase in other revenue of \$675.

**Housing Authority of the Town of Delhi  
Management's Discussion and Analysis - Continued  
December 31, 2019**

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**Capital Asset & Debt Administration**

**Capital Assets**

As of December 31, 2019, the Authority's investment in capital assets was \$-0- (net of accumulated depreciation). This investment included a portable building, furniture, and equipment.

<b>Capital Assets</b>	<b>2018</b>	<b>2019</b>
Furniture & Equipment	\$ 1,174	\$ 1,174
Accumulated Depreciation	<u>(1,174)</u>	<u>(1,174)</u>
<b>Capital Assets, Net of Accumulated Depreciation</b>	<b><u>\$ -0-</u></b>	<b><u>\$ -0-</u></b>

**Long Term Debt**

The Authority does not have any long-term liabilities at this time.

**Future Events That Will Impact the Authority**

The Authority relies heavily upon HUD operating subsidies. The amount appropriated has not currently been approved for the 2020 year. Therefore, any results of budget shortfalls cannot be determined.

**Contacting the Authority's Financial Management**

The financial report is designed to provide a general overview of the Authority's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the following address:

Housing Authority of the Town of Delhi  
730 West Louisiana Street  
Delhi, LA 71232

## **Basic Financial Statements**

**Housing Authority of the Town of Delhi**  
**Delhi, Louisiana**  
**Statement of Net Position**  
**December 31, 2019**

		<b>ENTERPRISE FUNDS</b>
<b>CURRENT ASSETS</b>		
Cash & Cash Equivalents	\$	1,825
Accounts Receivable, Net		6,821
Prepaid Expenses		-0-
<b>RESTRICTED ASSETS:</b>		
Other Restricted Cash		4,998
<b>TOTAL CURRENT ASSETS</b>		13,644
<b>NONCURRENT ASSETS</b>		
Capital Assets (Net of Accumulated Depreciation)		-0-
<b>TOTAL NONCURRENT ASSETS</b>		-0-
<b>TOTAL ASSETS</b>		13,644
<b>CURRENT LIABILITIES</b>		
Accounts Payable Vendors		750
<b>TOTAL CURRENT LIABILITIES</b>		750
<b>TOTAL LIABILITIES</b>		750
<b>NET POSITION</b>		
Net Investment in Capital Assets		-0-
Restricted- Expendable		4,998
Unrestricted		7,896
<b>TOTAL NET POSITION</b>	\$	12,894

See independent accountant's report.  
The accompanying notes are an integral part of this statement.

**Housing Authority of the Town of Delhi  
Delhi, Louisiana  
Statement of Revenues, Expenses, & Changes In  
Net Position – Proprietary Funds  
Year Ended December 31, 2019**

	<u>ENTERPRISE FUND</u>
<b>OPERATING REVENUES</b>	
HUD PHA Operating Grant	\$ 130,536
<b>TOTAL OPERATING REVENUES</b>	<u>130,536</u>
 <b>OPERATING EXPENSES</b>	
General and Administrative	23,880
Housing Assistance Payments	107,055
Repairs & Maintenance	-0-
Insurance	-0-
Depreciation Expense	-0-
<b>TOTAL OPERATING EXPENSES</b>	<u>130,935</u>
 <b>OPERATING INCOME (LOSS)</b>	 <u>(399)</u>
 <b>NONOPERATING REVENUES (EXPENSES)</b>	
Other Revenue	16,409
Housing Assistance Payments Portability-In	<u>(15,225)</u>
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<u>1,184</u>
 <b>CHANGE IN NET POSITION</b>	 785
 <b>TOTAL NET POSITION – BEGINNING</b>	 <u>12,109</u>
<b>TOTAL NET POSITION – ENDING</b>	<b>\$ <u>12,894</u></b>

See independent accountant's report.  
The accompanying notes are an integral part of this statement.

**Housing Authority of the Town of Delhi**  
**Delhi, Louisiana**  
**Statement of Cash Flows**  
**Year Ended December 31, 2019**

	<b>ENTERPRISE FUND</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts from HUD	\$ 124,252
Payments to Employees	(13,000)
Payments to Suppliers	(117,180)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>(5,928)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Other Revenue	16,409
Housing Assistance Payments Portability- In	(15,225)
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>1,184</b>
<b>CASH FLOWS FROM CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>	
Acquisition and Construction of Capital Assets	-0-
<b>NET CASH PROVIDED (USED) BY CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>	<b>-0-</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest & Dividends Received	-0-
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>-0-</b>
<b>NET INCREASE (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>(4,744)</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>11,567</b>
<b>CASH, END OF YEAR</b>	<b>6,823</b>
<b>RECONCILIATION TO BALANCE SHEET</b>	
Cash and Cash Equivalents	1,825
Restricted Cash	4,998
<b>TOTAL CASH &amp; CASH EQUIVALENTS</b>	<b>\$ 6,823</b>

See independent accountant's report.  
The accompanying notes are an integral part of this statement.

**Housing Authority of the Town of Delhi**  
**Delhi, Louisiana**  
**Statement of Cash Flows**  
**Year Ended December 31, 2019**

**Reconciliation**

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

Operating Income (Loss)	\$	(399)
Depreciation Expense		-0-
(Increase) Decrease in Prepaid Expenses		662
(Increase) Decrease in Accounts Receivable		(6,284)
Increase (Decrease) in Accounts Payable		93
Increase (Decrease) in Accrued Wages/Payroll Taxes Payable		-0-
<b>TOTAL ADJUSTMENTS</b>		<b>(5,529)</b>
 <b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>		 <b>(5,928)</b>

**LISTING OF NONCASH INVESTING, CAPITAL, & FINANCIAL ACTIVITIES**

Contributions of Capital Assets from Government	\$	-0-
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See independent accountant's report.  
The accompanying notes are an integral part of this statement.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2019**

**1. SUMMARY OF ORGANIZATION & SIGNIFICANT ACCOUNTING POLICIES**

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

**A. REPORTING ENTITY**

Housing authorities are chartered as public corporations under the laws LSA-R.S. 40:391 of the State of Louisiana for the purpose of providing safe and sanitary dwelling accommodations. This creation was contingent upon the local governing body of the city or parish declaring a need for the housing authority to function in such city or parish. The Housing Authority of the Town of Delhi is governed by a five member Board of Commissioners. The members, appointed by the Honorable Mayor of the Town of Delhi, serve a term of four years.

The housing authority participates in a Section 8 housing assistance payment program. The housing choice voucher program provides assistance to low-income persons seeking housing by subsidizing rents between residents, and owners of existing private housing. Under this program, the housing authority enters into housing assistance payment contracts with landlords. The program provides for a voucher which can be used by the resident to pay rent to any landlord he chooses.

The housing authority has the following units:

	<u>Number of Units</u>
Section 8	28

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)**  
**DECEMBER 31, 2019**

Certain units of local government over which the housing authority exercises no oversight responsibility, such as the school board, parish police jury, other independently elected parish officials, and municipalities within the parish, are excluded from the accompanying basic financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the housing authority. In addition, the accompanying financial statements do not include various tenant associations which are legally separate entities.

**B. FUNDS**

The accounts of the housing authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. The fund of the housing authority is a proprietary fund that accounts for the Section 8 Housing Choice Voucher Program.

Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator.

**C. EQUITY CLASSIFICATIONS**

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

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

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

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)**  
**DECEMBER 31, 2019**

**D. MEASUREMENT FOCUS & BASIS OF ACCOUNTING**

Proprietary funds are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The housing authority has elected, pursuant to GASB Statement No. 20, to apply all GASB pronouncement and only FASB pronouncements issued before November 30, 1989.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and providing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the housing authority's funds are rent and maintenance charges to residents and administration fees earned. Operating expenses for proprietary funds include the administrative costs of providing the service and the housing assistance payments to residents. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**E. CASH & CASH EQUIVALENTS**

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

**F. RECEIVABLES & PAYABLES**

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)**  
**DECEMBER 31, 2019**

**G. INVENTORIES & PREPAID ITEMS**

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

**H. CAPITAL ASSETS**

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

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

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

<u>Description</u>	<u>Estimated Lives</u>
Furniture & Fixtures	3 years

**I. LONG-TERM OBLIGATIONS**

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

**J. ESTIMATES**

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)  
DECEMBER 31, 2019**

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

At December 31, 2019, the housing authority has cash and investments (book balances) totaling \$6,823 as follows:

Demand deposits	\$ <u>6,823</u>
<b>Total</b>	<b>\$ <u>6,823</u></b>

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

***Custodial Credit Risk***

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

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

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

***Deposits***

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

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)  
DECEMBER 31, 2019**

Amounts on deposit are secured by the following pledges:

Description	Regions Bank
FDIC (Category 1)	\$ 6,823
Securities (Category 2)	-0-
<b>Total Securities</b>	<b>\$ 6,823</b>

Deposits were fully secured as of December 31, 2019.

Other Restricted Cash represents funds designated to be paid to lessors and or tenants in Section 8 Program or Disaster Housing Assistance Program (DHAP).

**3. CAPITAL ASSETS**

All fixed assets are stated at cost. The fixed assets are depreciated using the straight-line method of depreciation. Changes in fixed assets are as follows:

	12-31-2018	Additions	Deletions	12-31-2019
Furniture & Equipment	\$ 1,174	\$ -0-	\$ -0-	\$ 1,174
<b>Total Capital Assets</b>	1,174	-0-	-0-	1,174
Less Accumulated Depreciation	(1,174)	-0-	-0-	(1,174)
<b>Total Capital Assets, Net of Depreciation</b>	\$ -0-	\$ -0-	\$ -0-	\$ -0-

The Town of Delhi has allowed the Housing Authority to use the land, in which the office's portable building is located, rent free.

**4. CONTINGENT LIABILITIES**

At December 31, 2019, the housing authority is subject to possible examinations made by federal regulators who determine compliance with terms, conditions, laws and regulations governing grants given to the housing authority in the current and prior years. These examinations may result in required refunds by the housing authority to federal grantors and/or program beneficiaries.

**5. RISK MANAGMENT**

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

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)  
DECEMBER 31, 2019**

**6. ECONOMIC DEPENDENCY**

Statement of Financial Accounting Standard (SFAS) No. 14 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Department of Housing & Urban Development provided \$130,536 to the housing authority, which represents approximately 89% of the housing authority's revenue for the year.

**7. RESTRICTED NET ASSETS**

Restricted net assets represent funds designated to be paid to lessors and or tenants in Section 8 Program or Disaster Housing Assistance Program (DHAP).

**Other Supplementary Information and  
Reports**

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

**Schedule of Compensation Benefits and Other Payments  
to Agency Head or Chief Executive Officer  
For the Year Ended December 31, 2019**

Morgan Carter, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 13,000
Benefits-Insurance	-0-
Benefits-Retirement	-0-
Benefits (Expense Allowance)	-0-
Car Allowance	-0-
Vehicle Provided by Government	-0-
Per Diem	-0-
Reimbursements	-0-
Travel	-0-
Registration Fees	-0-
Conference Travel	-0-
Continuing Professional Education Fees	-0-
Housing	-0-
Un-vouchered Expenses*	-0-
Special Meals	\$ -0-

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

See independent accountant's report.

**Housing Authority of the Town of Delhi**  
**Delhi, Louisiana**  
**Schedule of Compensation Paid to Board Members**  
**Year Ended December 31, 2019**

<u>Board Member</u>	<u>Title</u>	<u>Salary</u>
NaDeener McDowell	Chair Person	\$ -0-
Rev. Danny McDowell	Board Member	-0-
Jessie Washington	Board Member	-0-
Lynn Lewis	Board Member	-0-
W.B. Summer	Board Member	-0-
Marvin Hamilton	Board Member	\$ -0-

The members of the Board of Commissioners serve without compensation.

John R. Vercher C.P.A.  
*jrvc@centurytel.net*

Jonathan M. Vercher M.S., C.P.A.  
*jonathanvercher@centurytel.net*

David R. Vercher M.B.A., C.P.A., C.F.E.  
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## **THE VERCHER GROUP**

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### MEMBERS

American Institute of  
Certified Public Accountants

Society of Louisiana  
Certified Public Accountants

Association of  
Certified Fraud Examiners

## **MANAGEMENT LETTER COMMENTS**

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During the course of our review, we observed conditions and circumstances that may be improved. Below are findings noted for improvement, our recommendation for improvement and the District's plan for corrective action.

### **CURRENT YEAR MANAGEMENT LETTER COMMENTS**

No current year management letter comments.

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

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

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

The management of the Housing Authority of the Town of Delhi, Louisiana has provided the following action summaries relating to review findings brought to their attention as a result of their financial audit for the year ended December 31, 2018.

**PRIOR YEAR FINDINGS**

**2018-1 Operating Deficits (Resolved)**

**Condition:** The office had operating deficits of \$(13,473) in 2017 and \$(23,353) in 2018.

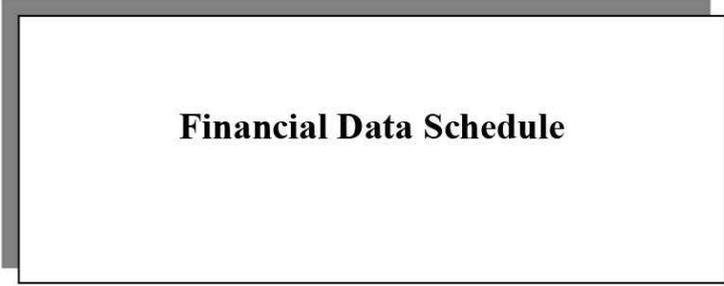
**Criteria:** Continued operating deficits will cause the entity to have going concern considerations. This comment is a result of SAS No. 132, regarding new changes to the auditor's consideration of the entity's ability to continue as a going concern.

**Cause of Condition:** Operating deficits.

**Potential Effect of Condition:** The Housing authority will have going concern considerations in future audit periods.

**Recommendation:** The Housing Authority should cut expenses and review ways to increase revenue to reduce or eliminate deficits.

**Client Response:** The Housing Authority will look for ways to cut expenses and review ways to increase or find new sources of revenue.



**Financial Data Schedule**

Housing Authority of the Town of Delhi (LA114)

Delhi, LA

**Entity Wide Balance Sheet Summary**

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2019

	14.871 Housing Choice Vouchers	Subtotal	Total
111 Cash - Unrestricted	\$1,825	\$1,825	\$1,825
112 Cash - Restricted - Modernization and Development			
113 Cash - Other Restricted	\$4,998	\$4,998	\$4,998
114 Cash - Tenant Security Deposits			
115 Cash - Restricted for Payment of Current Liabilities			
100 Total Cash	\$6,823	\$6,823	\$6,823
121 Accounts Receivable - PHA Projects	\$2,571	\$2,571	\$2,571
122 Accounts Receivable - HUD Other Projects			
124 Accounts Receivable - Other Government			
125 Accounts Receivable - Miscellaneous	\$4,250	\$4,250	\$4,250
126 Accounts Receivable - Tenants			
126.1 Allowance for Doubtful Accounts -Tenants	\$0	\$0	\$0
126.2 Allowance for Doubtful Accounts - Other	\$0	\$0	\$0
127 Notes, Loans, & Mortgages Receivable - Current			
128 Fraud Recovery			
128.1 Allowance for Doubtful Accounts - Fraud			
129 Accrued Interest Receivable			
120 Total Receivables, Net of Allowances for Doubtful Accounts	\$6,821	\$6,821	\$6,821

Housing Authority of the Town of Delhi (LA114)

Delhi, LA

**Entity Wide Balance Sheet Summary**

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2019

131 Investments - Unrestricted			
132 Investments - Restricted			
135 Investments - Restricted for Payment of Current Liability			
142 Prepaid Expenses and Other Assets			
143 Inventories			
	14.871 Housing Choice Vouchers	Subtotal	Total
143.1 Allowance for Obsolete Inventories			
144 Inter Program Due From			
145 Assets Held for Sale			
150 Total Current Assets	\$13,644	\$13,644	\$13,644
161 Land			
162 Buildings			
163 Furniture, Equipment & Machinery - Dwellings			
164 Furniture, Equipment & Machinery - Administration	\$1,174	\$1,174	\$1,174
165 Leasehold Improvements			
166 Accumulated Depreciation	-\$1,174	-\$1,174	-\$1,174
167 Construction in Progress			
168 Infrastructure			
160 Total Capital Assets, Net of Accumulated Depreciation	\$0	\$0	\$0

Housing Authority of the Town of Delhi (LA114)

Delhi, LA

**Entity Wide Balance Sheet Summary**

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2019

171 Notes, Loans and Mortgages Receivable - Non-Current			
172 Notes, Loans, & Mortgages Receivable - Non Current - Past			
173 Grants Receivable - Non Current			
174 Other Assets			
176 Investments in Joint Ventures			
180 Total Non-Current Assets	\$0	\$0	\$0
200 Deferred Outflow of Resources			
290 Total Assets and Deferred Outflow of Resources	\$13,644	\$13,644	\$13,644

	14.871 Housing Choice Vouchers	Subtotal	Total
311 Bank Overdraft			
312 Accounts Payable <= 90 Days	\$750	\$750	\$750
313 Accounts Payable >90 Days Past Due			
321 Accrued Wage/Payroll Taxes Payable			
322 Accrued Compensated Absences - Current Portion			
324 Accrued Contingency Liability			
325 Accrued Interest Payable			
331 Accounts Payable - HUD PHA Programs			
332 Account Payable - PHA Projects			

Housing Authority of the Town of Delhi (LA114)

Delhi, LA

**Entity Wide Balance Sheet Summary**

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2019

333 Accounts Payable - Other Government			
341 Tenant Security Deposits			
342 Unearned Revenue			
343 Current Portion of Long-term Debt - Capital			
344 Current Portion of Long-term Debt - Operating Borrowings			
345 Other Current Liabilities			
346 Accrued Liabilities - Other			
347 Inter Program - Due To			
348 Loan Liability - Current			
310 Total Current Liabilities	\$750	\$750	\$750
351 Long-term Debt, Net of Current - Capital Projects/Mortgage			
352 Long-term Debt, Net of Current - Operating Borrowings			
353 Non-current Liabilities - Other			
354 Accrued Compensated Absences - Non Current			
355 Loan Liability - Non Current			
356 FASB 5 Liabilities			
	14,871 Housing Choice Vouchers	Subtotal	Total
357 Accrued Pension and OPEB Liabilities			
350 Total Non-Current Liabilities	\$0	\$0	\$0

Housing Authority of the Town of Delhi (LA114)

Delhi, LA

**Entity Wide Balance Sheet Summary**

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2019

300 Total Liabilities	\$750	\$750	\$750
400 Deferred Inflow of Resources			
508.4 Net Investment in Capital Assets			
511.4 Restricted Net Position	\$4,998	\$4,998	\$4,998
512.4 Unrestricted Net Position	\$7,896	\$7,896	\$7,896
513 Total Equity - Net Assets / Position	\$12,894	\$12,894	\$12,894
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$13,644	\$13,644	\$13,644

Housing Authority of the Town of Delhi (LA114)

Delhi, LA

**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2019

	14.871 Housing Choice Vouchers	Subtotal	Total
70300 Net Tenant Rental Revenue			
70400 Tenant Revenue - Other			
70500 Total Tenant Revenue	\$0	\$0	\$0
70600 HUD PHA Operating Grants	\$130,536	\$130,536	\$130,536
70610 Capital Grants			
70710 Management Fee			
70720 Asset Management Fee			
70730 Book Keeping Fee			
70740 Front Line Service Fee			
70750 Other Fees			
70700 Total Fee Revenue			
70800 Other Government Grants			
71100 Investment Income - Unrestricted			
71200 Mortgage Interest Income			
71300 Proceeds from Disposition of Assets Held for Sale			
71310 Cost of Sale of Assets			
71400 Fraud Recovery			
71500 Other Revenue	\$16,409	\$16,409	\$16,409

Housing Authority of the Town of Delhi (LA114)

Delhi, LA

**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2019

71600 Gain or Loss on Sale of Capital Assets			
72000 Investment Income - Restricted			
70000 Total Revenue	\$146,945	\$146,945	\$146,945
91100 Administrative Salaries	\$13,000	\$13,000	\$13,000

	14.871 Housing Choice Vouchers	Subtotal	Total
91200 Auditing Fees	\$3,900	\$3,900	\$3,900
91300 Management Fee			
91310 Book-keeping Fee			
91400 Advertising and Marketing			
91500 Employee Benefit contributions - Administrative			
91600 Office Expenses	\$5,480	\$5,480	\$5,480
91700 Legal Expense			
91800 Travel			
91810 Allocated Overhead			
91900 Other	\$1,500	\$1,500	\$1,500
91000 Total Operating - Administrative	\$23,880	\$23,880	\$23,880
92000 Asset Management Fee			
92100 Tenant Services - Salaries			
92200 Relocation Costs			

Housing Authority of the Town of Delhi (LA114)

Delhi, LA

**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2019

92300 Employee Benefit Contributions - Tenant Services			
92400 Tenant Services - Other			
92500 Total Tenant Services	\$0	\$0	\$0
93100 Water			
93200 Electricity			
93300 Gas			
93400 Fuel			
93500 Labor			
93600 Sewer			
93700 Employee Benefit Contributions - Utilities			

	14.871 Housing Choice Vouchers	Subtotal	Total
93800 Other Utilities Expense			
93000 Total Utilities	\$0	\$0	\$0
94100 Ordinary Maintenance and Operations - Labor			
94200 Ordinary Maintenance and Operations - Materials and			
94300 Ordinary Maintenance and Operations Contracts			
94500 Employee Benefit Contributions - Ordinary Maintenance			
94000 Total Maintenance	\$0	\$0	\$0

Housing Authority of the Town of Delhi (LA114)

Delhi, LA

**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2019

95100 Protective Services - Labor			
95200 Protective Services - Other Contract Costs			
95300 Protective Services - Other			
95500 Employee Benefit Contributions - Protective Services			
95000 Total Protective Services	\$0	\$0	\$0
96110 Property Insurance			
96120 Liability Insurance			
96130 Workmen's Compensation			
96140 All Other Insurance			
96100 Total insurance Premiums	\$0	\$0	\$0
96200 Other General Expenses			
96210 Compensated Absences			
96300 Payments in Lieu of Taxes			
96400 Bad debt - Tenant Rents			
96500 Bad debt - Mortgages			
	14,871 Housing Choice Vouchers	Subtotal	Total
96600 Bad debt - Other			
96800 Severance Expense			
96000 Total Other General Expenses	\$0	\$0	\$0

Housing Authority of the Town of Delhi (LA114)

Delhi, LA

**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2019

96710 Interest of Mortgage (or Bonds) Payable			
96720 Interest on Notes Payable (Short and Long Term)			
96730 Amortization of Bond Issue Costs			
96700 Total Interest Expense and Amortization Cost	\$0	\$0	\$0
96900 Total Operating Expenses	\$23,880	\$23,880	\$23,880
97000 Excess of Operating Revenue over Operating Expenses	\$123,065	\$123,065	\$123,065
97100 Extraordinary Maintenance			
97200 Casualty Losses - Non-capitalized			
97300 Housing Assistance Payments	\$107,055	\$107,055	\$107,055
97350 HAP Portability-In	\$15,225	\$15,225	\$15,225
97400 Depreciation Expense			
97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	\$146,160	\$146,160	\$146,160
10010 Operating Transfer In			
10020 Operating transfer Out			

Housing Authority of the Town of Delhi (LA114)

Delhi, LA

**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2019

	14.871 Housing Choice Vouchers	Subtotal	Total
10030 Operating Transfers from/to Primary Government			
10040 Operating Transfers from/to Component Unit			
10050 Proceeds from Notes, Loans and Bonds			
10060 Proceeds from Property Sales			
10070 Extraordinary Items, Net Gain/Loss			
10080 Special Items (Net Gain/Loss)			
10091 Inter Project Excess Cash Transfer In			
10092 Inter Project Excess Cash Transfer Out			
10093 Transfers between Program and Project - In			
10094 Transfers between Project and Program - Out			
10100 Total Other financing Sources (Uses)	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$785	\$785	\$785
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$12,109	\$12,109	\$12,109
11040 Prior Period Adjustments, Equity Transfers and			
11050 Changes in Compensated Absence Balance			
11060 Changes in Contingent Liability Balance			
11070 Changes in Unrecognized Pension Transition Liability			

Housing Authority of the Town of Delhi (LA114)

Delhi, LA

**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2019

11080 Changes in Special Term/Severance Benefits Liability			
11090 Changes in Allowance for Doubtful Accounts - Dwelling			
11100 Changes in Allowance for Doubtful Accounts - Other			
11170 Administrative Fee Equity	\$7,896	\$7,896	\$7,896
11180 Housing Assistance Payments Equity	\$4,998	\$4,998	\$4,998

	14.871 Housing Choice Vouchers	Subtotal	Total
11190 Unit Months Available	336	336	336
11210 Number of Unit Months Leased	336	336	336
11270 Excess Cash			
11610 Land Purchases			
11620 Building Purchases			
11630 Furniture & Equipment - Dwelling Purchases			
11640 Furniture & Equipment - Administrative Purchases			
11650 Leasehold Improvements Purchases			
11660 Infrastructure Purchases			
13510 CFFP Debt Service Payments			
13901 Replacement Housing Factor Funds			