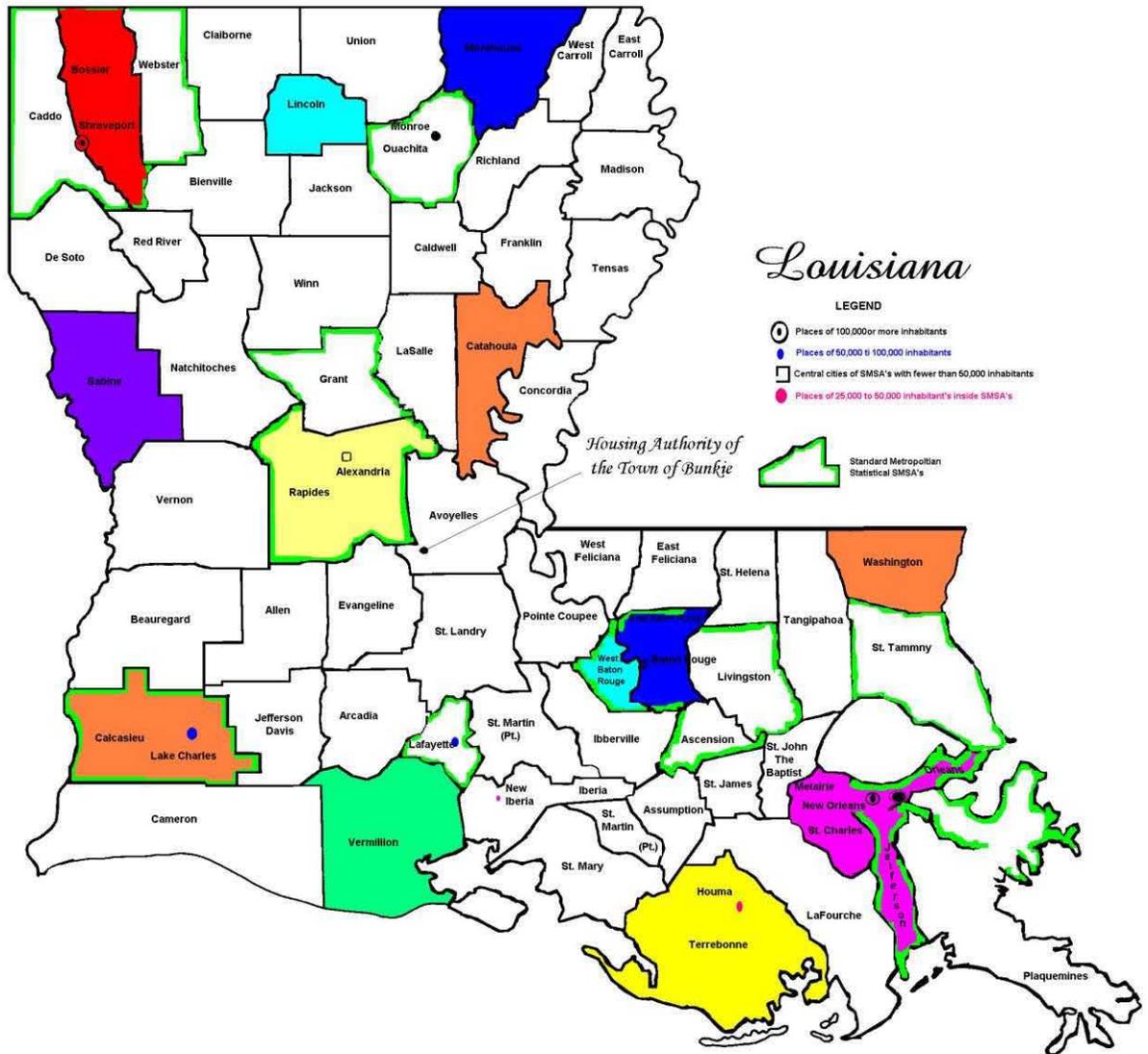


**HOUSING AUTHORITY  
OF THE  
TOWN OF BUNKIE, LOUISIANA**

**Annual Financial Statements**

**December 31, 2017**

# HOUSING AUTHORITY OF THE TOWN OF BUNKIE BUNKIE, LOUISIANA



◆ The Housing Authority of Town of Bunkie is an apartment complex for persons of low income located in Bunkie, Louisiana. The Authority is chartered as a public corporation for the purpose of administering decent, safe and sanitary dwelling for persons of low-income.

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

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December 31, 2017**

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Association of  
Certified Fraud Examiners

## **INDEPENDENT AUDITOR'S REPORT**

Housing Authority of the  
Town of Bunkie  
Bunkie, Louisiana

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

We have audited the accompanying financial statements of the business-type activities of the Housing Authority of the Town of Bunkie, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Housing Authority's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in 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 the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial

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

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Housing Authority of the Town of Bunkie, as of December 31, 2017, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Housing Authority of the Town of Bunkie's basic financial statements. The accompanying Financial Data Schedule, required by HUD, and supplementary schedules and statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Financial Data Schedule and supplementary schedules and statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Financial Data Schedule and supplementary schedules and statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated 2018, on our consideration of the Housing Authority of the Town of Bunkie'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 the Housing Authority of the Town of Bunkie's internal control over financial reporting and compliance.

### *The Vercher Group*

Jena, Louisiana  
May 9, 2018

Housing Authority of Bunkie, Louisiana

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Management's Discussion and Analysis (MD&A)

December 31, 2017

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**HOUSING AUTHORITY OF BUNKIE, LOUISIANA**

**REQUIRED SUPPLEMENTAL INFORMATION**

**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)**

**DECEMBER 31, 2017**

Housing Authority of Bunkie, Louisiana  
Management's Discussion and Analysis (MD&A)  
December 31, 2017

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As management of the Housing Authority of The Town of Bunkie, we offer readers of the Authority's financial statements this narrative overview and analysis of the financial activities of the authority for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with the authority's 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 \$2,328,188 (net position).
- As of the close of the current fiscal year, the authority's ending unrestricted net position was \$1,010,547.
- The authority's cash and investments balance at December 31, 2017, was \$1,037,875.
- The authority had total revenue of \$650,891, of which \$506,219 was operating revenues, \$2,199 was nonoperating revenues, and \$142,473 was capital contributions.
- The authority had total expenses of \$624,468, of which \$617,968 was for operating Expenses and \$6,500 was for nonoperating expenses.

**Overview of the 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 consist of the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, Statement of Cash Flows, and the notes to the financial statements. This report also contains the Schedule of Expenditures of Federal Awards as supplementary information in addition to the basic financial statements themselves.

The Statement of Net Position presents information on all of the Housing Authority's assets and liabilities, with the difference between the two reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the Housing Authority is improving or deteriorating, or otherwise changing in a significant manner.

The Statement of Revenues, Expenses, and Changes in Net Position present information detailing how the Housing Authority's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some times that will only result in cash flows in the future fiscal periods (e.g., earned but not used vacation leave).

The Statement of Cash Flows provides information about the Housing Authority's cash receipts and cash payments during the fiscal year. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, financing and investing activities.

The authority has only one fund type, namely a proprietary fund. The Statement of Net Position includes all of the authority's assets and liabilities. This fund type is unused for activities which are financed and operated in a manner similar to those in the private sector.

### **Housing Authority's Significant Programs**

The Housing Authority has two programs which are consolidated into a single enterprise fund. The Housing Authority's programs consist of the following:

#### **Low-Income Public Housing**

Under the Conventional Public Housing Program, the Housing Authority rents units it owns to low-income families. The Conventional Public Housing Program is operated under an Annual Contribution Contract with HUD, and HUD provides an Operating Subsidy to enable the Housing Authority to provide housing to low income individuals and families.

#### **Capital Fund Program**

The Conventional Public Housing Program also includes the Capital Fund Program, the primary funding source for the Housing Authority's physical and management improvements. The funding calculation is based on the size and age of the Housing Authority's units.

### **Reporting on the Housing Authority as a Whole**

One of the most important questions asked about the Authorities finances is, "Is the Housing Authority as a whole, better off, or worse off, as a result of the achievements of the fiscal year 2017?" The Statement of Net Position and the Statement of Revenues, Expenses, and Changes in Net Position report information about the Housing Authority as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

Housing Authority of Bunkie, Louisiana  
 Management's Discussion and Analysis (MD&A)  
 December 31, 2017

The table below lists the asset and liability comparisons for the year ended December 31, 2017.

<b>Statement of Net Position</b>			
<b>Category</b>	<b>2016</b>	<b>2017</b>	<b>% Change</b>
Current Assets	\$ 1,006,608	\$ 1,069,484	6.3
Restricted Assets	10,970	10,745	-2.1
Capital Assets-Net of Depreciation	1,357,007	1,317,641	-2.9
<b>Total Assets</b>	<b>2,374,585</b>	<b>2,397,870</b>	<b>1.0</b>
Current Liabilities	55,480	50,567	-8.9
Non-Current Liabilities	17,340	19,115	10.2
<b>Total Liabilities</b>	<b>72,820</b>	<b>69,682</b>	<b>-4.3</b>
Net Investment In Capital Assets	1,357,007	1,317,641	-3.0
Unrestricted Net Position	944,758	1,010,547	7.0
<b>Total Net Position</b>	<b>\$ 2,301,765</b>	<b>\$ 2,328,188</b>	<b>1.2</b>

- Current assets increased by \$62,876 or 6.3% from last year. The primary reason for this increase is due to an increase in cash and cash equivalents of \$58,914.
- Capital assets, net of accumulated depreciation, decreased by \$39,366 or 2.9%. This change was caused by an increase in accumulated depreciation in the amount of \$147,972.
- Current liabilities decreased by \$4,913 or 8.9%. The primary reason for this change is because of a decrease in accrued wages/payroll taxes payable in the amount of \$2,767.
- Non-current liabilities increased by \$1,775 or 10.2%. The reason for this change is because non-current accrued compensated absences increased by \$1,775.

Housing Authority of Bunkie, Louisiana  
Management's Discussion and Analysis (MD&A)  
December 31, 2017

The table below lists the revenue and expense comparisons for the year ended December 31, 2017.

<b>Statement of Revenues, Expenses and Changes in Net Position</b>			
<b>Category</b>	<b>2016</b>	<b>2017</b>	<b>%</b>
<b>Operating Revenues:</b>			
Tenant Revenue	\$ 298,485	\$ 284,122	-4.8
HUD PHA Operating	241,176	222,097	-7.9
<b>Total Operating Revenues</b>	<u>539,661</u>	<u>506,219</u>	-6.2
<b>Operating Expenses:</b>			
Administrative	161,807	177,035	9.4
Tenant Services	664	428	-35.5
Utilities	9,173	9,646	5.2
Maintenance	156,303	160,784	2.9
General	88,009	86,246	-2.0
Depreciation	171,837	183,829	7.0
<b>Total Operating Expenses</b>	<u>587,793</u>	<u>617,968</u>	5.1
<b>Net Operating Gain (Loss)</b>	(48,132)	(111,749)	132.2
<b>Non-Operating Revenues (Expenses)</b>			
Investment Income	297	299	0.6
Other Income	-0-	1,900	100.0
Casualty Losses	-0-	-0-	0.0
Extraordinary Maintenance	-0-	(6,500)	100.0
<b>Total Non-Operating Revenues (Expenses)</b>	<u>297</u>	<u>(4,301)</u>	1,548.2
<b>Change in Net Position Before Capital Contributions</b>	(47,835)	(116,050)	142.6
Capital Contributions	77,857	142,473	83.0
<b>Change in Net Position</b>	30,022	26,423	-12.0
<b>Net Position – Beginning</b>	<u>2,271,743</u>	<u>2,301,765</u>	1.3
<b>Net Position – Ending</b>	\$ <u>2,301,765</u>	\$ <u>2,328,188</u>	1.2

- Operating revenues decreased by \$33,442 or 6.2%. The primary reason for this decrease is due to a decrease in Hud PHA operating revenue in the amount of \$19,079.
- Operating expenses increased by \$30,175 or 5.1%. The primary reason for this increase is due to an increase in administrative expense in the amount of \$15,228.
- There was a net change in non-operating revenues (expenses) of \$5,598 or 1,548.2%. The primary reason for this change is due to an increase in extraordinary maintenance in the amount of \$6,500.
- The authority received \$142,473 in capital contributions. This is a \$64,616 or 83.0% increase from last year.

Housing Authority of Bunkie, Louisiana  
 Management's Discussion and Analysis (MD&A)  
 December 31, 2017

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**Capital Assets**

As of December 31, 2017, the authority's investment in capital assets was \$1,317,641 (net of accumulated depreciation). This investment includes land, building, building improvements, office equipment, dwelling equipment, and maintenance equipment.

	<b>2016</b>	<b>2017</b>
<b>Capital Assets</b>		
Land*	\$ 64,742	\$ 64,742
Building & Improvements	4,571,531	4,781,287
Furniture & Equipment	244,313	210,446
Construction in Progress*	67,283	-0-
<b>Total Capital Assets</b>	4,947,869	5,056,475
 <b>Less Accumulated Depreciation</b>	 (3,590,862)	 (3,738,834)
 <b>Capital Assets, Net of Accumulated Depreciation</b>	 \$ 1,357,007	 \$ 1,317,641

\* Land in the amount of \$64,742 is not being depreciated.

**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 FYE 2018 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 Bunkie  
 P O Box 1036  
 Bunkie, LA 71322

## **Basic Financial Statements**

**Housing Authority of the Town of Bunkie  
Bunkie, Louisiana  
Statement of Net Position  
December 31, 2017**

<b>ASSETS</b>	<b>ENTERPRISE FUND</b>
<b>CURRENT ASSETS</b>	
Cash & Cash Equivalents	\$ 923,440
Investments	103,690
Receivables, Net of Allowances	17,938
Prepaid Items	17,624
Inventories, Net	6,792
Restricted Cash:	
Tenant Security Deposits	10,745
<b>TOTAL CURRENT ASSETS</b>	<u>1,080,229</u>
<b>NON-CURRENT ASSETS</b>	
Capital Assets (Net of Accumulated Depreciation)	1,317,641
<b>TOTAL NON-CURRENT ASSETS</b>	<u>1,317,641</u>
<b>TOTAL ASSETS</b>	<u>2,397,870</u>
<b>LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Accounts Payable	4,169
Accrued Wages/Payroll Taxes Payable	-0-
Accrued Compensated Absences	6,951
Accrued Pilot	27,121
Accrued Liabilities - Other	562
Tenant Security Deposits (Payable From Restricted Assets)	10,745
Unearned Revenue	1,019
<b>TOTAL CURRENT LIABILITIES</b>	<u>50,567</u>
<b>NON-CURRENT LIABILITIES</b>	
Accrued Compensated Absences	19,115
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>19,115</u>
<b>TOTAL LIABILITIES</b>	<u>69,682</u>
<b>NET POSITION</b>	
Net Investment in Capital Assets	1,317,641
Unrestricted	1,010,547
<b>TOTAL NET POSITION</b>	<u>\$ 2,328,188</u>

The accompanying notes are an integral part of this statement.

**Housing Authority of the Town of Bunkie  
Bunkie, Louisiana  
Statement of Revenues, Expenses, & Changes in Net Position  
For the Year Ended December 31, 2017**

		<u>ENTERPRISE FUND</u>
<b>OPERATING REVENUES</b>		
Tenant Rental Revenue	\$	277,503
Tenant Revenue Other		6,619
HUD PHA Operating Grant		222,097
<b>TOTAL OPERATING REVENUES</b>		<u>506,219</u>
 <b>OPERATING EXPENSES</b>		
<i>Administration:</i>		
Administrative Salaries		103,819
EBC Administrative		42,491
Other Operating - Administrative		30,725
<i>Cost of Sales &amp; Service:</i>		
Tenant Services		428
Water		643
Electricity		4,104
Gas		851
Other Utilities		4,048
Ordinary Maintenance – Labor		84,563
Materials		22,549
Contract Cost		18,130
EBC Maintenance		35,542
Insurance		46,699
Payment in Lieu of Taxes		27,121
Compensated Absences		6,329
Bad Debt – Tenant Rents		6,097
<i>Depreciation</i>		<u>183,829</u>
<b>TOTAL OPERATING EXPENSES</b>		<u>617,968</u>
 <b>OPERATING INCOME (LOSS)</b>		<u>(111,749)</u>
 <b>NON-OPERATING REVENUES (EXPENSES)</b>		
Extraordinary Maintenance		(6,500)
Interest Earnings		299
Gain or Loss on Sale of Capital Assets		1,900
<b>TOTAL NON-OPERATING REVENUES (EXPENSES)</b>		<u>(4,301)</u>
 <b>CAPITAL CONTRIBUTIONS</b>		<u>142,473</u>
 <b>CHANGE IN NET POSITION</b>		26,423
 <b>TOTAL NET POSITION - BEGINNING</b>		2,301,765
<b>TOTAL NET POSITION - ENDING</b>	\$	<u>2,328,188</u>

The accompanying notes are an integral part of this statement.

**Housing Authority of the Town of Bunkie  
Bunkie, Louisiana  
Statement of Cash Flows  
Year Ended December 31, 2017**

	<b>ENTERPRISE FUND</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Receipts From HUD Grants	\$ 222,097
Receipts From Customers & Users	277,918
Payments to Suppliers	(219,185)
Payments to Employees	(188,729)
Cash Payments to Local Governments (PILOT)	(27,121)
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<b>64,980</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>	
Extra-Ordinary Maintenance	(6,500)
Casualty Losses	-0-
Other Income	-0-
<b>NET CASH PROVIDED (USED) BY NONCAPITAL FINANCING ACTIVITIES</b>	<b>(6,500)</b>
<b>CASH FLOWS FROM CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>	
Acquisition & Construction of Capital Assets	(144,463)
Capital Grant	142,473
Gain or Loss on Sale of Capital Assets	1,900
<b>NET CASH PROVIDED (USED) BY CAPITAL &amp; RELATED FINANCING ACTIVITIES</b>	<b>(90)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest and Dividends Received	299
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<b>299</b>
<b>NET INCREASE (DECREASE) IN CASH &amp; CASH EQUIVALENTS</b>	<b>58,689</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>875,496</b>
<b>CASH, END OF YEAR</b>	<b>934,185</b>
<b>RECONCILIATION TO BALANCE SHEET</b>	
Cash and Cash Equivalents	923,440
Tenants' Security Deposits	10,745
<b>TOTAL CASH &amp; CASH EQUIVALENTS</b>	<b>\$ 934,185</b>

The accompanying notes are an integral part of this statement.

**Housing Authority of the Town of Bunkie  
Bunkie, Louisiana  
Statement of Cash Flows  
Year Ended December 31, 2017**

**Reconciliation**

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

Operating Income (Loss)	\$ <u>(111,749)</u>
Depreciation Expense	183,829
(Increase) Decrease in Accounts Receivable	(5,958)
(Increase) Decrease in Prepaid Insurance	496
(Increase) Decrease in Inventories	1,500
Increase (Decrease) in Accounts Payable	(823)
Increase (Decrease) in Accrued Liabilities-Other	(225)
Increase (Decrease) in PILOT	(1,497)
Increase (Decrease) in Compensated Absences	2,420
Increase (Decrease) in Tenant Security Deposits	(225)
Increase (Decrease) in Unearned Revenue	(21)
Increase (Decrease) in Accrued Wages	<u>(2,767)</u>
<b>TOTAL ADJUSTMENTS</b>	<u>176,729</u>
 <b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	 \$ <u><u>64,980</u></u>

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

Contributions of Capital Assets From Government	\$ <u><u>-0-</u></u>
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The accompanying notes are an integral part of this statement.

**NOTES TO THE BASIC  
FINANCIAL STATEMENTS**

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2017**

**INTRODUCTION**

The Housing Authority of Bunkie is an apartment complex for persons of low income located in Bunkie, Louisiana. The Authority is chartered as a public corporation for the purpose of administering decent, safe and sanitary dwelling for persons of low-income.

Legal title to the Authority is held by the Housing Authority of the Town of Bunkie, Louisiana, a non-profit corporation. The Authority is engaged in the acquisition, modernization, and administration of low-rent housing. The Authority is administered by a governing Board of Commissioners (the Board), whose members are appointed by the Mayor of Bunkie, Louisiana. Each member serves a four-year term and receives no compensation for their services. Substantially all of the Authority's revenue is derived from subsidy contracts with the U. S. Department of Housing and Urban Development (HUD). The annual contributions contracts entered into by the Authority and HUD provide operating subsidies for Authority-owned public housing facilities for eligible individuals.

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 entity to make annual contributions (subsidies) for the purpose of funding its programs for low-income families.

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 separated and fiscally independent, the Housing Authority is a separate governmental reporting entity. The Housing Authority includes all funds, account groups, activities, etc., that are within the oversight responsibility of the Housing Authority.

The Housing Authority is a related organization of the Town of Bunkie because the Town of Bunkie appoints a voting majority of the Housing Authority's governing board. The Town of Bunkie is not financially responsible for the Housing Authority, as it cannot impose its will on the Housing Authority and there is no possibility for the Housing Authority to provide financial benefit to, or impose financial burdens on, the Town of Bunkie. According, the Housing Authority is not a component unit of the financial reporting entity of the Town of Bunkie.

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

**A. BASIC FINANCIAL STATEMENTS**

The basic financial statements (i.e., the Statement of Net Position and the Statement of Changes in Net Position) report information on all of the activities of the primary government. For the most part, the effect of the Interfund activity has been removed from these statements. The Housing Authority uses enterprise funds to account for its activities.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)  
DECEMBER 31, 2017**

**B. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, & FINANCIAL STATEMENT PRESENTATION**

The basic financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The accompanying financial statements include the activities of several housing programs subsidized by HUD. A summary of each significant program is provided below.

- **Low Income Housing Program** – The purpose of the low income housing program is to provide decent and affordable housing to low income families at reduced rents. The developments are owned, maintained, and managed by the Authority. The developments are acquired, developed, and modernized under HUD’s capital funds programs. Funding of the program operations is provided via federal annual contribution contracts (operating subsidies) and tenant rents (determined as a percentage of family income, adjusted for family composition).
- **Capital Fund Program** – The objective of these programs is to improve the physical condition of the Low-Income Public Housing units and upgrade the management of the program.

As a general rule, the effect of Interfund activity has been eliminated from the basic financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government’s enterprise operations. Elimination of these charges would distort the direct cost and program revenues reported for the various functions concerned.

Operating revenues and expenses have been reported separately from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund’s principal ongoing operations. The primary operating revenue of the Housing Authority is derived from tenant revenues and operating grants. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)  
DECEMBER 31, 2017**

**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.

**D. DEPOSITS & INVESTMENTS**

The Housing Authority’s cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. State law and the Housing Authority’s investment policy allow the Housing Authority to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

Investments (bank certificate of deposits in excess of 90 days) for the Housing Authority are reported at fair value.

**E. 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.”

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)  
DECEMBER 31, 2017**

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

**F. 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 the basic financial statements.

**G. 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 authority maintains a threshold level of \$1,500 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. The total interest expense included during the current fiscal year was \$-0-. Of this amount, \$-0- was included as part of the cost of capital assets under construction in connection with construction projects.

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>
Land Improvements	20 years
Buildings & Building Improvements	20 years
Furniture & Fixtures	5 years
Vehicles	5 years
Equipment	5 years

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)  
DECEMBER 31, 2017**

**H. COMPENSATED ABSENCES**

At December 31, 2017, employees of the PHA have accumulated and vested \$26,066 of employee leave benefits, computed in accordance with GASB Codification Section C60. The balance of accrued compensated absences at December 31, 2017 was \$6,951 recorded as current obligation and \$19,115 recorded as non-current obligation.

**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. EXTRAORDINARY & SPECIAL ITEMS**

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events within the control of the Housing Authority, which are either unusual in nature or infrequent in occurrence.

**K. 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.

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

At December 31, 2017, the Housing Authority has cash and investments (bank balances) totaling \$1,046,454 as follows:

Demand deposits	\$	942,768
Time deposits		<u>103,686</u>
<b>Total</b>	<b>\$</b>	<b><u>1,046,454</u></b>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)  
DECEMBER 31, 2017**

These deposits are stated at cost, which 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.

<b>Description</b>	<b>Market Value</b>
FDIC ( <i>Category 1</i> )	\$ 353,686
Securities ( <i>Category 2</i> )	725,391
<b>Total</b>	<b>\$ 1,079,077</b>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)  
DECEMBER 31, 2017**

Deposits were fully secured at year end.

**3. ACCOUNTS RECEIVABLE**

The receivables of \$17,938 as of December 31, 2017, are as follows:

Accounts Receivables - Tenants	\$	33,246
Accounts Receivables - HUD		-0-
Accounts Receivables - Miscellaneous		53
Allowance for Doubtful Accounts		<u>(15,361)</u>
<b>Total</b>	<b>\$</b>	<b><u>17,938</u></b>

**4. PREPAID ITEMS**

The housing authority's prepaid items as of December 31, 2017, consist of the following:

Prepaid Insurance	\$	<u>17,624</u>
<b>Total</b>	<b>\$</b>	<b><u>17,624</u></b>

**5. INVENTORY**

The inventories of \$6,792 as of December 31, 2017, are as follows:

Inventories	\$	7,149
Allowance for Obsolete Inventories		<u>(357)</u>
<b>Total</b>	<b>\$</b>	<b><u>6,792</u></b>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)  
DECEMBER 31, 2017**

**6. CAPITAL ASSETS**

Capital assets activity for the year ended December 31, 2017, was as follows:

	<u>Beginning Balance</u>		<u>Additions</u>		<u>Deletions</u>		<u>Ending Balance</u>
Land *	\$ 64,742	\$	-0-	\$	-0-	\$	64,742
Leasehold Improvements	204,805		-0-		-0-		204,805
Buildings	4,366,726		209,756		-0-		4,576,482
Furniture & Equipment, Etc.	244,313		-0-		(33,867)		210,446
Construction in Progress *	67,283		-0-		(67,283)		-0-
<b>Total</b>	<u>4,947,869</u>		<u>209,756</u>		<u>(101,150)</u>		<u>5,056,475</u>
Less Accumulated Depreciation	(3,590,862)		(183,829)		35,857		(3,738,834)
<b>Net Capital Assets</b>	<u>\$ 1,357,007</u>	\$	<u>25,927</u>	\$	<u>(65,293)</u>	\$	<u>1,317,641</u>

\*Land in the amount of \$64,742 is not being depreciated.

**7. ACCOUNTS, SALARIES & OTHER PAYABLES**

The payables of \$38,803 at December 31, 2017, are as follows:

Accounts Payable	\$ 4,169
Accrued Wages/Payroll Taxes Payable	-0-
Accrued Compensated Absences (Current)	6,951
Accrued Pilot	27,121
Accrued Liabilities-Other	562
<b>Total</b>	<u>\$ 38,803</u>

**8. CHANGES IN COMPENSATED ABSENCES PAYABLES**

The following is a summary of changes in compensated absences payable at December 31, 2017:

	<u>Current</u>		<u>Noncurrent</u>		<u>Total</u>
Beginning of year	\$ 6,306	\$	17,340	\$	23,646
Additions/(Retirements)	645		1,775		2,420
<b>End of year</b>	<u>\$ 6,951</u>	\$	<u>19,115</u>	\$	<u>26,066</u>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS - (CONTINUED)  
DECEMBER 31, 2017**

**9. RETIREMENT SYSTEMS**

The PHA participates in the Housing Renewal and Local Agency Retirement Plan which is a defined contribution plan. Through this plan, the PHA provides pension benefits for all of its full time employees. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investments earnings. All regular and full time employees are eligible to participate in the plan on the first day of the month after completing 6 months of continuous and uninterrupted employment. The PHA contributes 8% of the employee's basic compensation. The PHA's contribution for each employee and income allocated to the employee's account are fully vested after 5 years of continuous service. The PHA's contributions and interest forfeited by employees who leave employment before 5 years of service are used to offset future contributions of the PHA.

The PHA's total payroll for fiscal year ended December 31, 2017, for employees who elected to participate, was \$156,263. The PHA's contributions were calculated using the base salary amount of \$156,263. Both the PHA and the covered employees made the required contributions for the year ended December 31, 2017. Employee contributions to the plan totaled \$-0-. The PHA contributions totaled \$12,525 for the year ended December 31, 2017.

**10. CONTINGENT LIABILITIES**

At December 31, 2017, 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.

**11. 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 \$364,570 to the Housing Authority, which represents approximately 56.0% of the Housing Authority's revenue for the year.

**Other Supplemental Statements  
& Schedules**

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

**Schedule of Compensation Paid to Board Members  
Year Ended December 31, 2017**

<b>Board Member</b>	<b>Title</b>
Larry Riche	Chairman
John Clarke	Vice-Chairman
Lois Levy	Board Commissioner
Craig Foster	Board Commissioner
Daniel Melancon	Board Commissioner

Each board member received \$-0- per meeting when present.

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

**Schedule of Compensation Benefits and Other Payments  
to Agency Head or Chief Executive Officer  
For the Year Ended December 31, 2017**

Bunkie Housing Authority  
-Marriane Willibur, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 65,2340
Benefits-Insurance	17,531
Benefits-Retirement	5,055
Benefits (List any other here)	-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 accountants report.

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

**Statement and Certification of Actual Modernization Cost  
Annual Contribution Contract**

	<u>Complete CFP Project 501-2013</u>	<u>Complete CFP Project 501-2014</u>	<u>CFP Project 501-2015</u>	<u>CFP Project 501-2016</u>	<u>Total</u>
<b>1. The Actual Modernization Costs Are As Follows:</b>					
Funds Approved	\$ 111,269	\$ 115,459	\$ 114,168	\$ 125,204	\$ 466,100
Funds Expended	<u>(111,269)</u>	<u>(115,459)</u>	<u>(19,717)</u>	<u>-0-</u>	<u>(246,445)</u>
Excess of Funds Approved	<u>-0-</u>	<u>-0-</u>	<u>94,451</u>	<u>125,204</u>	<u>219,655</u>
<b>2. Funds Advanced</b>	111,269	115,459	19,417	-0-	246,445
Funds Expended	<u>(111,269)</u>	<u>(115,459)</u>	<u>(19,417)</u>	<u>-0-</u>	<u>(246,445)</u>
Excess of Funds Advanced	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

The accompanying notes are an integral part of this statement.



**Other Reports**

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### MEMBERS

American Institute of  
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Certified Fraud Examiners

### **INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Housing Authority of the  
Town of Bunkie, 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, the financial statements of the business-type activities of the Housing Authority of the Town of Bunkie, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Housing Authority of the Town of Bunkie's basic financial statements, and have issued our report thereon dated May 9, 2018.

#### **Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be significant deficiencies.

**(2017-1 Policies and Procedure Manual)**

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Housing Authority of the Town of Bunkie's financial statements are free from 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 or other matters that are required to be reported under *Government Auditing Standards*.

**Management's Response to Findings**

Bunkie Housing Authority's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. Bunkie Housing Authority's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

**Purpose of this Report**

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

This report is intended solely for the information and use of the audit committee, management, federal awarding agencies and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a public document and its distribution is not limited.

*The Vercher Group*

Jena, Louisiana  
May 9, 2018

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

**SCHEDULE OF FINDINGS AND QUESTIONED COST  
For the Year Ended December 31, 2017**

We have audited the basic financial statements which collectively comprise the Housing Authority of the Town of Bunkie, Louisiana, as of and for the year ended December 31, 2017, and have issued our report thereon dated May 9, 2018. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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**Section I Summary of Auditor's Results**

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Our audit of the basic financial statements as of December 31, 2017, resulted in an unmodified opinion.

**a. Report on Internal Control and Compliance Material to the Basic Financial Statements**

Internal Control

Material Weaknesses     Yes    No    Significant Deficiencies     Yes    No

Compliance

Compliance Material to Basic Financial Statements     Yes    No

**b. Federal Awards – (Not Applicable)**

Internal Control

Material Weaknesses     Yes    No    Other Conditions     Yes    No

Type of Opinion on Compliance     Unmodified                       Qualified  
For Major Programs                       Disclaimer                       Adverse

Are the findings required to be reported in accordance with Uniform Guidance?

Yes     No

**c. Identification of Major Programs:**

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<b>CFDA Number (s)</b>	<b>Name of Federal Program (or Cluster)</b>
------------------------	---

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Dollar threshold used to distinguish between Type A and Type B Programs:                      \$

Is the auditee a 'low-risk' auditee, as defined by OMB Uniform Guidance?                       Yes     No

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

**SCHEDULE OF FINDINGS AND QUESTIONED COST  
For the Year Ended December 31, 2017**

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**Section II Financial Statement Findings**

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**2017-1 Policy and Procedure Manual**

**CONDITION:** The Housing Authority was unable to locate its policy manual that was approved by the board.

**CRITERIA:** Good internal controls require that governmental entities have a board approved policy and procedure manual that addresses the following:

- a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
- b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
- c) ***Disbursements***, including processing, reviewing, and approving.
- d) ***Receipts***, including receiving, recording, and preparing deposits.
- e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.
- h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

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

**SCHEDULE OF FINDINGS AND QUESTIONED COST  
For the Year Ended December 31, 2017**

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**Section II Financial Statement Findings (Continued)**

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- i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
- j) *Debt Service*, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

**CAUSE OF CONDITION:** Entity not able to locate its policy and procedure manual.

**POTENTIAL EFFECT OF CONDITION:** Significant internal control weakness.

**RECOMMENDATION:** We recommend the Housing Authority board adopt a policy and procedure manual that addresses the following:

- a) *Budgeting*, including preparing, adopting, monitoring, and amending the budget.
- b) *Purchasing*, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
- c) *Disbursements*, including processing, reviewing, and approving.
- d) *Receipts*, including receiving, recording, and preparing deposits.
- e) *Payroll/Personnel*, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) *Contracting*, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) *Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)*, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.

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

**SCHEDULE OF FINDINGS AND QUESTIONED COST  
For the Year Ended December 31, 2017**

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**Section II Financial Statement Findings (Continued)**

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- h) *Travel and expense reimbursement*, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.
  
- i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
  
- j) *Debt Service*, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

**CLIENT RESPONSE:** The board will adopt a policy and procedure manual that addresses the recommended policies and procedure.

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**Section III Federal Awards Findings and Questioned Costs**

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Not applicable.

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

**MANAGEMENT'S CORRECTIVE ACTION  
FOR CURRENT YEAR AUDIT FINDINGS**

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**FINDINGS:**

**2017-1 Policies and procedures manual**

***Finding:** The Housing Authority was unable to locate its policy and procedure manual that was approved by the board.*

***Corrective Action:** The Housing Authority will have the board approve a policy and procedure manual that addresses the following:*

- a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.
- b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
- c) ***Disbursements***, including processing, reviewing, and approving.
- d) ***Receipts***, including receiving, recording, and preparing deposits.
- e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
- f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.
- g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage.
- h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

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

**MANAGEMENT'S CORRECTIVE ACTION  
FOR CURRENT YEAR AUDIT FINDINGS**

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**FINDINGS (Continued):**

- i) *Ethics*, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
  
- j) *Debt Service*, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements

*Contact Person: Marianne Williber, Executive Director*

*Anticipated Completion Date: December 31, 2018*

**HOUSING AUTHORITY OF THE TOWN OF BUNKIE  
BUNKIE, 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 Bunkie, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended December 31, 2016.

**PRIOR YEAR FINDINGS**

**2016-1 Deposits in Excess of FDIC & Pledged Securities Coverage (Internal Control) (Resolved)**

**Condition:** Bank Deposits at Capital One Bank were under secured by \$98,312 as of December 31, 2016.

**Criteria:** State law requires banks to pledge securities to secure account balances in excess of FDIC coverage.

**Cause of Condition:** Oversight by bank.

**Potential Effect of Condition:** Loss to the Housing Authority in the event of a bank failure.

**Recommendation:** The Housing Authority's accounting department should contact its bank periodically to determine that account balances are properly secured.

**Client Response & Corrective Action:** The Housing Authority's accounting department has contacted the bank to determine the bank accounts are fully secured.

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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

### **AGREED-UPON PROCEDURES REPORT**

**Housing Authority of Town of Bunkie, Louisiana**

**Independent Accountant's Report**

**On Applying Agreed-Upon Procedures**

**For the Period of January 1, 2017- December 31, 2017**

Bunkie Housing Authority

Bunkie, Louisiana

To the Bunkie Housing Authority and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below, which were agreed to by Bunkie Housing Authority (entity) and the Louisiana Legislative Auditor (LLA) on the control and compliance (C/C) areas identified in the LLA's Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2017 through December 31, 2017. The Entity's management is responsible for those C/C areas identified in the SAUPs.

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

The procedures and associated findings are as follows:

## *Written Policies and Procedures*

---

1. Obtain the entity's written policies and procedures and report whether those written policies and procedures address each of the following financial/business functions (or report that the entity does not have any written policies and procedures), as applicable:
  - a) ***Budgeting***, including preparing, adopting, monitoring, and amending the budget
  - b) ***Purchasing***, including (1) how purchases are initiated; (2) how vendors are added to the vendor list; (3) the preparation and approval process of purchase requisitions and purchase orders; (4) controls to ensure compliance with the public bid law; and (5) documentation required to be maintained for all bids and price quotes.
  - c) ***Disbursements***, including processing, reviewing, and approving
  - d) ***Receipts***, including receiving, recording, and preparing deposits
  - e) ***Payroll/Personnel***, including (1) payroll processing, and (2) reviewing and approving time and attendance records, including leave and overtime worked.
  - f) ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process
  - g) ***Credit Cards (and debit cards, fuel cards, P-Cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers, and (5) monitoring card usage
  - h) ***Travel and expense reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers
  - i) ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) requirement that all employees, including elected officials, annually attest through signature verification that they have read the entity's ethics policy. Note: Ethics requirements are not applicable to nonprofits.
  - j) ***Debt Service***, including (1) debt issuance approval, (2) EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

**Observation:** We obtained a copy of the written policies and procedures manual and read it for the above items.

**Exception:** The policy and procedures manual did not address budgeting, disbursements, receipts, contracting, credit cards, travel, ethics or debt service.

**Management's Response:** The minutes and ordinance books show that the above policies and procedures had been adopted by the board but management was unable to find the documents. Management will have the board adopt a new policies and procedures manual that addresses the above items.

***Board (or Finance Committee, if applicable)***

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

**Observation: We read the minutes of the board meetings and found the board meets when it can get a quorum, financial statements are presented and the board approves disbursements.**

***Bank Reconciliations***

---

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

**We obtained a listing and management's representation that the list is complete.**

4. Using the listing provided by management, select all of the entity's bank accounts (if five accounts or less) or one-third of the bank accounts on a three year rotating basis (if more than 5 accounts). If there is a change in practitioners, the new practitioner is not bound to follow the rotation established by the previous practitioner. *Note: School student activity fund accounts may be excluded from selection if they are otherwise addressed in a separate audit or AUP engagement.* For each of the bank accounts selected, obtain bank statements and reconciliations for all months in the fiscal period and report whether:
  - a) Bank reconciliations have been prepared;
  - b) Bank reconciliations include evidence that a member of management or a board member (with no involvement in the transactions associated with the bank account) has reviewed each bank reconciliation; and
  - c) If applicable, management has documentation reflecting that it has researched reconciling items that have been outstanding for more than 6 months as of the end of the fiscal period.

**Observation:** We obtained and listing of bank accounts on bank confirmations and management's representation that the list is complete.

- A) Bank reconciliations are prepared for all bank accounts that have activity.
- B) The minutes of meetings show bank reconciliations are prepared by the fee accountant and are reviewed by the board.
- C) We found that there were no outstanding checks on the bank reconciliation that were more than 6 months old.

### *Collections*

---

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

**Observation:** We obtained the listing and management's representation that the listing is complete.

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

**For each cash collection location selected:**

- a) Obtain existing written documentation (e.g. insurance policy, policy manual, job description) and report whether each person responsible for collecting cash is (1) bonded, (2) not responsible for depositing the cash in the bank, recording the related transaction, or reconciling the related bank account (report if there are compensating controls performed by an outside party), and (3) not required to share the same cash register or drawer with another employee.
- b) Obtain existing written documentation (e.g. sequentially numbered receipts, system report, reconciliation worksheets, policy manual) and report whether the entity has a formal process to reconcile cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or agency fund additions, by a person who is not responsible for cash collections in the cash collection location selected.
- c) Select the highest (dollar) week of cash collections from the general ledger or other accounting records during the fiscal period and:
  - Using entity collection documentation, deposit slips, and bank statements, trace daily collections to the deposit date on the corresponding bank statement and report whether the deposits were made within one day of collection. If deposits were not made within one day of collection, report the number of days from receipt to deposit for each day at each collection location.

- Using sequentially numbered receipts, system reports, or other related collection documentation, verify that daily cash collections are completely supported by documentation and report any exceptions.

**Observation:**

**A) The entity does not accept cash.**

**B) The entity does not accept cash.**

**C) The entity does not accept cash.**

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

**Observation: The entity was unable to find its Policy and Procedure Manual,**

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

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

**Observation: We obtained a general ledger from the entity and management's representation that the general ledger population is complete.**

9. Using the disbursement population from #8 above, randomly select 25 disbursements (or randomly select disbursements constituting at least one-third of the dollar disbursement population if the entity had less than 25 transactions during the fiscal period), excluding credit card/debit card/fuel card/P-card purchases or payments. Obtain supporting documentation (e.g. purchase requisitions, system screens/logs) for each transaction and report whether the supporting documentation for each transaction demonstrated that:
  - a) Purchases were initiated using a requisition/purchase order system or an equivalent electronic system that separates initiation from approval functions in the same manner as a requisition/purchase order system.
  - b) Purchase orders, or an electronic equivalent, were approved by a person who did not initiate the purchase.
  - c) Payments for purchases were not processed without (1) an approved requisition and/or purchase order, or electronic equivalent; a receiving report showing receipt of goods purchased, or electronic equivalent; and an approved invoice.

**Observation: We randomly selected 25 disbursements and obtained supporting documentation of the following:**

**A) Purchases were initiated using a requisition order system.**

**B) Purchases are approved by a person not initiating the purchase, the board.**

**C) Purchases are not processed without an approved invoice.**

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

**Observation: Inquiry found that the person responsible for processing payments is not prohibited from adding vendors to the entity's purchasing/disbursement system.**

**Exception: The person responsible for processing payments is not prohibited from adding vendors to the entity's purchasing/disbursement system.**

**Management's Response: Vendors are not added to the system without permission.**

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

**Observation: A board member has the final authorization for disbursements and has no responsibility for initiating or recording purchases.**

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

**Observation: Inquiry and observation found that unused checks are locked in the entity's file cabinet.**

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

**Observation: Not applicable.**

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

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

**Observation: Management provided a listing of all credit cards and management's representation that the list is complete.**

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

**Observation: The entity has (3) three credit cards. We selected (1) one card, Master Card.**

Obtain the monthly statements, or combined statements if multiple cards are on one statement, for the selected cards. Select the monthly statement or combined statement with the largest dollar

activity for each card (for a debit card, select the monthly bank statement with the largest dollar amount of debit card purchases) and:

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

b) Report whether finance charges and/or late fees were assessed on the selected statements.

**Observation: We obtained the monthly statement Master Card July 2017 and tested it for the following:**

**A) The statement was reviewed and approved (the board), in writing (minutes), by someone other than the authorized card holder.**

**B) There were no finance charges on the statement.**

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

a) For each transaction, report whether the transaction is supported by:

➤ An original itemized receipt (i.e., identifies precisely what was purchased)

➤ Documentation of the business/public purpose. For meal charges, there should also be documentation of the individuals participating.

➤ Other documentation that may be required by written policy (e.g., purchase order, written authorization.)

b) For each transaction, compare the transaction's detail (nature of purchase, dollar amount of purchase, supporting documentation) to the entity's written purchasing/disbursement policies and the Louisiana Public Bid Law (i.e. transaction is a large or recurring purchase requiring the solicitation of bids or quotes) and report any exceptions.

c) For each transaction, compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. cash advances or non-business purchases, regardless whether they are reimbursed). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

**Observation: We tested the July 2017 statement for the following:**

**A) Itemized receipt, documentation of the business purpose. There were no per diem reimbursements.**

**B) The entity was unable to find its Policy and Procedure Manual.**

**C) Documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution.**

## *Travel and Expense Reimbursement*

---

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

**Observation: Management provided general ledger and management's representation that the general ledger is complete.**

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

**Observation: We obtained the Entity's written policies relating to travel and related expense reimbursements and compared it to the per diem and mileage rates established by the U.S. General Services Administration. The entity follows I.R.S. reimbursement guidelines.**

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

- a) Compare expense documentation to written policies and report whether each expense was reimbursed or prepaid in accordance with written policy (e.g., rates established for meals, mileage, lodging). If the entity does not have written policies, compare to the GSA rates (#18 above) and report each reimbursement that exceeded those rates.

**Observation: There was one travel cost booked during the fiscal year for meals and was within GSA rates.**

- b) Report whether each expense is supported by:

- An original itemized receipt that identifies precisely what was purchased. [Note: An expense that is reimbursed based on an established per diem amount (e.g., meals) does not require a receipt.]
- Documentation of the business/public purpose (Note: For meal charges, there should also be documentation of the individuals participating).
- Other documentation as may be required by written policy (e.g., authorization for travel, conference brochure, certificate of attendance)

**Observation: The cost was per Diem for meals and documentation of the individual participating.**

- c) Compare the entity's documentation of the business/public purpose to the requirements of Article 7, Section 14 of the Louisiana Constitution, which prohibits the loan, pledge, or donation of funds, credit, property, or things of value, and report any exceptions (e.g. hotel stays that extend beyond conference periods or payment for the travel expenses of a spouse). If the nature of the transaction precludes or obscures a comparison to the requirements of Article 7, Section 14, the practitioner should report the transaction as an exception.

**Observation: The travel cost met the requirements of Article 7, Section 14 of the Louisiana Constitution.**

- d) Report whether each expense and related documentation was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

**Observation: The expense was reviewed and approved, in writing, by someone other than the person receiving the reimbursement.**

### ***Contracts***

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

**Observation: We obtained a list of contracts from management and management's representation that the list is complete.**

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

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

**Observation: The entity did not have any contracts during the fiscal year.**

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

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

**Observation: We selected 5 employees (there were only 5 employees) and tested as follows:**

**A) There was one employment contract for the employees tested and the pay rate per contract matched the actual pay. There was documented pay rate structure in the personnel files. The pay per employee agreed with the pay rate structure.**

**B) There was one pay rate change during the year which was approved by the board and documented in the minutes.**

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

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

**Observation: We tested 5 employee's personnel files for the following:**

**A) None of the employees tested had daily attendance records.**

**B) None of the employees had written approval for attendance.**

**C) Written documentation was maintained on all employees as it relates to accumulated leave.**

**Exception: None of the employees had daily attendance records or written approval for attendance.**

**Management's Response: The entity is small enough that management is aware of daily attendance by employees.**

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

**Observation: The entity had no terminations during the fiscal year.**

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

**Observation: We reviewed forms 941 and the general ledger accrual accounts and found that the entity was not in arrears paying payroll taxes and retirement contributions.**

### *Ethics (excluding nonprofits)*

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

**Observation: 5 employees had no ethics compliance documentation to demonstrate that the required ethics training was completed.**

**Exception: Entity employees had no ethics training during the year.**

**Management's Response: All employees will be required to take ethics training.**

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

**Observation: Inquiry found no alleged ethics violations reported to the PHA during the fiscal year.**

### *Debt Service (excluding nonprofits)*

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

**Observation: No new debt was entered into during the fiscal year.**

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

**Observation: No debt outstanding.**

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

**Observation: Not applicable.**

### *Other*

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

**Observation: Inquiry found no reported misappropriations of public funds.**

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

**Observation: The entity has the notice on its premises.**

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

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

*The Vercher Group*

Jena, Louisiana

May 9, 2018

## **Financial Data Schedule**

Housing Authority of the Town of Bunkie (LA062)

Bunkie, LA

**Entity Wide Balance Sheet Summary**

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2017

	Project Total	Subtotal	Total
111 Cash - Unrestricted	\$923,440	\$923,440	\$923,440
112 Cash - Restricted - Modernization and Development			
113 Cash - Other Restricted			
114 Cash - Tenant Security Deposits	\$10,745	\$10,745	\$10,745
115 Cash - Restricted for Payment of Current Liabilities			
100 Total Cash	\$934,185	\$934,185	\$934,185
121 Accounts Receivable - PHA Projects			
122 Accounts Receivable - HUD Other Projects			
124 Accounts Receivable - Other Government			
125 Accounts Receivable - Miscellaneous	\$53	\$53	\$53
126 Accounts Receivable - Tenants	\$33,246	\$33,246	\$33,246
126.1 Allowance for Doubtful Accounts -Tenants	-\$15,361	-\$15,361	-\$15,361
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			

Housing Authority of the Town of Bunkie (LA062)

Bunkie, LA

**Entity Wide Balance Sheet Summary**

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2017

120 Total Receivables, Net of Allowances for Doubtful Accounts	\$17,938	\$17,938	\$17,938
131 Investments - Unrestricted	\$103,690	\$103,690	\$103,690
132 Investments - Restricted			
135 Investments - Restricted for Payment of Current Liability			
142 Prepaid Expenses and Other Assets	\$17,624	\$17,624	\$17,624
143 Inventories	\$7,149	\$7,149	\$7,149

	Project Total	Subtotal	Total
143.1 Allowance for Obsolete Inventories	-\$357	-\$357	-\$357
144 Inter Program Due From			
145 Assets Held for Sale			
150 Total Current Assets	\$1,080,229	\$1,080,229	\$1,080,229
161 Land	\$64,742	\$64,742	\$64,742
162 Buildings	\$4,576,482	\$4,576,482	\$4,576,482
163 Furniture, Equipment & Machinery - Dwellings	\$8,532	\$8,532	\$8,532
164 Furniture, Equipment & Machinery - Administration	\$201,914	\$201,914	\$201,914
165 Leasehold Improvements	\$204,805	\$204,805	\$204,805
166 Accumulated Depreciation	-\$3,738,834	-\$3,738,834	-\$3,738,834

Housing Authority of the Town of Bunkie (LA062)

Bunkie, LA

**Entity Wide Balance Sheet Summary**

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2017

167 Construction in Progress			
168 Infrastructure			
160 Total Capital Assets, Net of Accumulated Depreciation	\$1,317,641	\$1,317,641	\$1,317,641
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	\$1,317,641	\$1,317,641	\$1,317,641
200 Deferred Outflow of Resources			
290 Total Assets and Deferred Outflow of Resources	\$2,397,870	\$2,397,870	\$2,397,870

	Project Total	Subtotal	Total
311 Bank Overdraft			
312 Accounts Payable <= 90 Days	\$4,169	\$4,169	\$4,169
313 Accounts Payable >90 Days Past Due			

Housing Authority of the Town of Bunkie (LA062)

Bunkie, LA

**Entity Wide Balance Sheet Summary**

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2017

321	Accrued Wage/Payroll Taxes Payable			
322	Accrued Compensated Absences - Current Portion	\$6,951	\$6,951	\$6,951
324	Accrued Contingency Liability			
325	Accrued Interest Payable			
331	Accounts Payable - HUD PHA Programs			
332	Account Payable - PHA Projects			
333	Accounts Payable - Other Government	\$27,121	\$27,121	\$27,121
341	Tenant Security Deposits	\$10,745	\$10,745	\$10,745
342	Unearned Revenue	\$1,019	\$1,019	\$1,019
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	\$562	\$562	\$562
347	Inter Program - Due To			
348	Loan Liability - Current			
310	Total Current Liabilities	\$50,567	\$50,567	\$50,567
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	\$19,115	\$19,115	\$19,115
355	Loan Liability - Non Current			

Housing Authority of the Town of Bunkie (LA062)

Bunkie, LA

**Entity Wide Balance Sheet Summary**

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2017

356 FASB 5 Liabilities			
	Project Total	Subtotal	Total
357 Accrued Pension and OPEB Liabilities			
350 Total Non-Current Liabilities	\$19,115	\$19,115	\$19,115
300 Total Liabilities	\$69,682	\$69,682	\$69,682
400 Deferred Inflow of Resources			
508.4 Net Investment in Capital Assets	\$1,317,642	\$1,317,642	\$1,317,642
511.4 Restricted Net Position			
512.4 Unrestricted Net Position	\$1,010,546	\$1,010,546	\$1,010,546
513 Total Equity - Net Assets / Position	\$2,328,188	\$2,328,188	\$2,328,188
600 Total Liabilities, Deferred Inflows of Resources and Equity -	\$2,397,870	\$2,397,870	\$2,397,870

Housing Authority of the Town of Bunkie (LA062)

Bunkie, LA

**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2017

	Project Total	Subtotal	Total
70300 Net Tenant Rental Revenue	\$277,503	\$277,503	\$277,503
70400 Tenant Revenue - Other	\$6,619	\$6,619	\$6,619
70500 Total Tenant Revenue	\$284,122	\$284,122	\$284,122
70600 HUD PHA Operating Grants	\$222,097	\$222,097	\$222,097
70610 Capital Grants	\$142,473	\$142,473	\$142,473
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	\$299	\$299	\$299
71200 Mortgage Interest Income			
71300 Proceeds from Disposition of Assets Held for Sale			
71310 Cost of Sale of Assets			
71400 Fraud Recovery			

Housing Authority of the Town of Bunkie (LA062)

Bunkie, LA

**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2017

71500 Other Revenue			
71600 Gain or Loss on Sale of Capital Assets	\$1,900	\$1,900	\$1,900
72000 Investment Income - Restricted			
70000 Total Revenue	\$650,891	\$650,891	\$650,891
91100 Administrative Salaries	\$103,819	\$103,819	\$103,819

	Project Total	Subtotal	Total
91200 Auditing Fees	\$9,200	\$9,200	\$9,200
91300 Management Fee			
91310 Book-keeping Fee			
91400 Advertising and Marketing	\$88	\$88	\$88
91500 Employee Benefit contributions - Administrative	\$42,491	\$42,491	\$42,491
91600 Office Expenses	\$16,371	\$16,371	\$16,371
91700 Legal Expense			
91800 Travel	\$612	\$612	\$612
91810 Allocated Overhead			
91900 Other	\$4,454	\$4,454	\$4,454
91000 Total Operating - Administrative	\$177,035	\$177,035	\$177,035

Housing Authority of the Town of Bunkie (LA062)

Bunkie, LA

**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2017

92000 Asset Management Fee			
92100 Tenant Services - Salaries			
92200 Relocation Costs			
92300 Employee Benefit Contributions - Tenant Services			
92400 Tenant Services - Other	\$428	\$428	\$428
92500 Total Tenant Services	\$428	\$428	\$428
93100 Water	\$643	\$643	\$643
93200 Electricity	\$4,104	\$4,104	\$4,104
93300 Gas	\$851	\$851	\$851
93400 Fuel			
93500 Labor			
93600 Sewer	\$4,048	\$4,048	\$4,048
93700 Employee Benefit Contributions - Utilities			
	Project Total	Subtotal	Total
93800 Other Utilities Expense			
93000 Total Utilities	\$9,646	\$9,646	\$9,646
94100 Ordinary Maintenance and Operations - Labor	\$84,563	\$84,563	\$84,563

Housing Authority of the Town of Bunkie (LA062)

Bunkie, LA

**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2017

94200 Ordinary Maintenance and Operations - Materials and	\$22,549	\$22,549	\$22,549
94300 Ordinary Maintenance and Operations Contracts	\$18,130	\$18,130	\$18,130
94500 Employee Benefit Contributions - Ordinary Maintenance	\$35,542	\$35,542	\$35,542
94000 Total Maintenance	\$160,784	\$160,784	\$160,784
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	\$23,782	\$23,782	\$23,782
96120 Liability Insurance	\$7,009	\$7,009	\$7,009
96130 Workmen's Compensation	\$7,076	\$7,076	\$7,076
96140 All Other Insurance	\$8,832	\$8,832	\$8,832
96100 Total insurance Premiums	\$46,699	\$46,699	\$46,699
96200 Other General Expenses			
96210 Compensated Absences	\$6,329	\$6,329	\$6,329
96300 Payments in Lieu of Taxes	\$27,121	\$27,121	\$27,121
96400 Bad debt - Tenant Rents	\$6,097	\$6,097	\$6,097
96500 Bad debt - Mortgages			

Housing Authority of the Town of Bunkie (LA062)

Bunkie, LA

**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2017

	Project Total	Subtotal	Total
96600 Bad debt - Other			
96800 Severance Expense			
96000 Total Other General Expenses	\$39,547	\$39,547	\$39,547
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	\$434,139	\$434,139	\$434,139
97000 Excess of Operating Revenue over Operating Expenses	\$216,752	\$216,752	\$216,752
97100 Extraordinary Maintenance	\$6,500	\$6,500	\$6,500
97200 Casualty Losses - Non-capitalized			
97300 Housing Assistance Payments			
97350 HAP Portability-In			
97400 Depreciation Expense	\$183,829	\$183,829	\$183,829

Housing Authority of the Town of Bunkie (LA062)

Bunkie, LA

**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2017

97500 Fraud Losses			
97600 Capital Outlays - Governmental Funds			
97700 Debt Principal Payment - Governmental Funds			
97800 Dwelling Units Rent Expense			
90000 Total Expenses	\$624,468	\$624,468	\$624,468
10010 Operating Transfer In			
10020 Operating transfer Out			

	Project Total	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			

Housing Authority of the Town of Bunkie (LA062)

Bunkie, LA

**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2017

10100 Total Other financing Sources (Uses)	\$0	\$0	\$0
10000 Excess (Deficiency) of Total Revenue Over (Under) Total	\$26,423	\$26,423	\$26,423
11020 Required Annual Debt Principal Payments	\$0	\$0	\$0
11030 Beginning Equity	\$2,301,765	\$2,301,765	\$2,301,765
11040 Prior Period Adjustments, Equity Transfers and Correction	\$0	\$0	\$0
11050 Changes in Compensated Absence Balance			
11060 Changes in Contingent Liability Balance			
11070 Changes in Unrecognized Pension Transition Liability			
11080 Changes in Special Term/Severance Benefits Liability			
11090 Changes in Allowance for Doubtful Accounts - Dwelling			
11100 Changes in Allowance for Doubtful Accounts - Other			
11170 Administrative Fee Equity			
11180 Housing Assistance Payments Equity			
	Project Total	Subtotal	Total
11190 Unit Months Available	1228	1228	1228
11210 Number of Unit Months Leased	1220	1220	1220

Housing Authority of the Town of Bunkie (LA062)

Bunkie, LA

**Entity Wide Revenue and Expense Summary**

Submission Type: Audited/Non Single Audit

Fiscal Year End: 12/31/2017

11270 Excess Cash	\$969,068	\$969,068	\$969,068
11610 Land Purchases	\$0	\$0	\$0
11620 Building Purchases	\$142,473	\$142,473	\$142,473
11630 Furniture & Equipment - Dwelling Purchases	\$0	\$0	\$0
11640 Furniture & Equipment - Administrative Purchases	\$0	\$0	\$0
11650 Leasehold Improvements Purchases	\$0	\$0	\$0
11660 Infrastructure Purchases	\$0	\$0	\$0
13510 CFFP Debt Service Payments	\$0	\$0	\$0
13901 Replacement Housing Factor Funds	\$0	\$0	\$0